Fueling a sustainable future

SABR thanks White House for addressing biodiesel, soybean industry concerns over small refinery exemptions

Administration action would work to ensure additional exempted 2025 volumes do not undermine the RFS, helping protect biofuel markets, farmers and small businesses.

Sustainable Advanced Biofuel Refiners (SABR) Coalition today thanked the White House for responding to concerns raised by the biodiesel and agriculture communities regarding broad small refinery exemptions (SREs) granted for compliance year 2025 under the Renewable Fuel Standard (RFS).

SABR and other biofuel and agricultural organizations urged the Trump administration last week not to release surplus biodiesel renewable identification number (RIN) credits into the market as a result of expanded SREs. Such a move would have introduced significant uncertainty into biofuel markets and disrupted a recovery already underway across the biodiesel value chain.

The U.S. EPA today stated in its press release that it will propose to reallocate 100 percent of the difference between projected and actual exempted volumes for 2025 SREs into the 2026 and 2027 Renewable Volume Obligations (RVOs) before the end of October 2026.

The American Soybean Association played a leading role in mobilizing industry stakeholders to communicate the potential consequences of permanently removing the exempted RINs from the RVOs. In response, the White House announced that the U.S. EPA plans to address the additional exempted volumes in the 2027 RVOs, rather than allowing them to undermine current market conditions. SABR urges the agency to finalize any such adjustments as soon as possible.

"We are grateful to the administration and the president for their decision today to reinforce their commitment to the RFS made earlier this year and to keep the recovery of the biodiesel and soybean industries going," said SABR CEO Joe Jobe. "We also thank Sen. Chuck Grassley for his leadership on this issue, as well as USDA and EPA."

Biodiesel would have taken the brunt of the negative impact of this unexpected expansion of SREs. SABR represents stakeholders throughout the biodiesel value chain including soybean farmers and processors, biodiesel producers, glycerin refiners, and fuel distributors and retailers. Together, these industries support millions of American jobs and generate billions of dollars in domestic economic activity while supplying homegrown, renewable fuel to the nation's diesel supply. Without the administration's decision to address the additional exempted volumes as a result of the expanded

SREs for compliance year 2025, those businesses and the investments they have made to meet national fuel needs would have been placed at risk.

The year 2025 was devastating for the biodiesel industry because of major federal energy and tax policy uncertainty. This uncertainty lasted through the first quarter of 2026, when the administration wisely signaled some hope for a recovery by issuing robust volumes under the RFS. Biodiesel producers immediately stepped up to meet those prescribed volumes by adding much-needed fuel to the domestic diesel supply at a time of global fuel shortages and price increases. That additional supply is making U.S. diesel prices lower than they otherwise would be.