



CALIFORNIA ASSOCIATION OF WHEAT GROWERS

1521 I Street · Sacramento, California 95814 · Phone (916)492-7066 · Fax (916)446-1063

August 5, 2011

California Environmental Protection Agency
Air Resources Board
Sustainability Workgroup
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

RE: Low Carbon Fuel Standard (LCFS) Sustainability Workgroup
Stakeholder Comments

The California Association of Wheat Growers wants to thank you for the opportunity to comment on the principles outlined, to date, in your *draft* sustainability document regarding feed stock production and processing leading to the eventual production of biofuels. The California Association of Wheat Growers is also vitally interested in the preservation of the environment and the assurance of a sustainable future for agriculture and can appreciate the intent of your concepts. However, we firmly believe that the methods and regulations used to achieve the goal of sustainability must also, themselves, be sustainable. The imposition of costly and, in many cases, unnecessary (given State, local and Federal regulation) requirements serves neither to ensure sustainability or to meet the mandates and objectives of the Low Carbon Fuel Standard (LCFS). We believe that more reasonable regulation will better serve both purposes. Our general comments are below.

Practical Considerations: Currently, the California Association of Wheat Growers is involved in implementation of GHG reduction regulations and water quality regulations that require some form of reporting and management plan development that equate to additional costs to agricultural. The same principles regarding soil, water and air quality are being considered by the Regional Water Quality and Air Quality Boards outside of the efforts of this workgroup. Has proper consideration for duplication of efforts been considered? Is sufficient communication between the various state and local agencies occurring to ensure that an unnecessary layer of regulation is not being imposed at an additional cost to agriculture? Additionally, when considered individually, many of the "principles" and their underlying recommendations are reasonable and self-evident. Others, however, are completely impracticable and, taken as a whole, they amount to a massive and, perhaps, impossible, implementation, compliance and enforcement effort – the plans for which are not at all addressed in this document. Some consideration must be given to whether the principles are practical and if they really contribute to sustainability.

Level Playing Field: If principles regarding the production of alternative energy are going to be adopted, then those principles should be applicable to all alternative sources of energy *e.g.* wind, hydroelectric, solar, coal or natural gas. Like biofuel, these other forms of energy also have specific

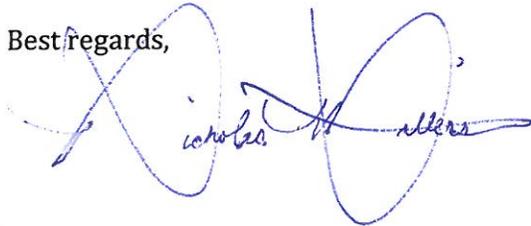
land use, water use and environmental issues. Do they have the same requirements/restrictions that are proposed for biofuels?

Economics: Has the ARB made an attempt to quantify the (additional) cost of the implementation of these principles to feedstock growers and processors and biofuel producers? Might the additional costs, alone, make biofuel production unaffordable?

Federal / State Mandates: If any or all of the above considerations have a detrimental effect on the willingness or ability of growers and producers to participate in the biofuel industry, how might this affect the mandates issued by the Federal Government and, perhaps, more significantly to the ARB, by the State of California to reduce the levels of green house gases (GHG) and move towards energy security and energy independence? The desire to construct regulations for the "sustainable" production of alternate fuels must not create unnecessary impediments to production and must be balanced by the prescribed objectives of GHG reductions and energy independence.

The California Association of Wheat Growers urges the Air Resources Board to review their recommendations and provide more reasonable and realistic guidelines. Further, we believe that a more holistic approach to the suggested principles would be proper whereby consideration of the actions of other regulatory agencies to avoid duplicative efforts.

Best regards,

A handwritten signature in blue ink, appearing to read "Nick Matteis". The signature is stylized with large loops and a long horizontal tail.

Nick Matteis
California Association of Wheat Growers