



October 16, 2024

Chair Liane Randolph and Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Proposed Second 15-Day Changes to the LCFS

Dear Chair Randolph and Members of the Board,

Cargill appreciates the opportunity to provide comments on the California Air Resources Board's (CARB) proposed Second 15-Day Changes to the Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation (second 15-Day Package), and we thank the Board and staff for their consideration.

Cargill is a Minnesota-based global agribusiness company that has worked closely with small- and large-scale growers since our founding 159 years ago. We partner with farmers, food companies, retailers, and fuel producers to make, process, and move food and fuel feedstocks around the world. Cargill businesses originate, process, and convert these feedstocks into renewable fuels including biodiesel and ethanol, while working closely with our farmer partners. Our work starts at the farm level, where we are undertaking comprehensive, large-scale efforts to [reduce emissions](#) across our global supply chains – working hand in hand with farmers to scale regenerative farming practices, protect and restore vital landscapes and empower producer communities.

Proposed 20% Cap on Soybean, Canola, and Sunflower Oils

Cargill does not support CARB's proposed 20% cap on soybean, canola, and sunflower oils. As detailed in our previous comments submitted in the first Proposed 15-Day Changes to Proposed Regulation Order¹ (first 15-Day Package), we believe North American agriculture still has an important role to play in the transition to cleaner energy and more sustainable food systems.

Crop-based feedstocks such as soybean oil and canola oil have potential through innovation and science to further reduce emissions at the farm gate. There is growing recognition, especially at the United States federal level through the United States Department of Agriculture, that certain practices and technologies allow growers to reduce GHG emissions and enhance the resilience of the soil used to feed and fuel our world. North American farmers continue to respond to the call for more sustainable food, fiber, and fuels while increasing productivity per acre. Through innovations in seed technology, crop rotations, tillage practices, and nutrient management, farmers are producing more from a single acre than ever before² while lowering on farm GHG emissions. CARB's cap intentionally limits the incentive to

¹ Cargill [comments](#) on first 15-Day Package, August 27, 2024

² United States Dept. of Agriculture, Soybeans: [Yield by Year, US](#), as of October 11, 2024

the agricultural value chain, constraining the market's ability to solve for lower cost carbon reduction opportunities and signaling the lack of future incentives for development of additional feedstocks.

Crop-based feedstocks today possess a higher potential for decarbonization than waste feedstocks. Current regulatory programs account for the upstream emissions related to crop production but fail to recognize the full carbon sequestration benefits of sustainable practices and rotations. Crop-based feedstocks have the potential to become more sustainable over time, offering additional opportunities for carbon reductions, as recognition and adoption of these sustainable practices grow. Cargill believes these potential reductions are too impactful to not consider when evaluating the place of crop-based feedstocks in current and future renewable energy programs.

Current regulatory programs such as the US Renewable Fuel Standard and the Canada Clean Fuel Regulations (CFR) have approved aggregate compliance for crop-based feedstocks in North America, agreeing that these feedstocks meet land use restrictions for biofuels under both regulations. For this reason, we support the addition of the Canada CFR as an approved certification system as mentioned by staff in the Second Notice of Public Availability posted on October 1, 2024. Without science-based evidence demonstrating the need for a cap, the current ILUC penalty guardrails within the LCFS combined with recently proposed sustainability requirements for biomass are more than sufficient to mitigate the potential for land use change.

A durable regulatory program relies on a diversity of feedstocks, both domestic and imported. We ask staff to fully consider the unintended consequences of further disincentivizing domestic crop-based feedstocks in favor of a finite supply of waste oils, much of which will require importation from other regions in the world that may not have the same decarbonization goals, verification and compliance stringency, or certainty of supply that our domestic feedstocks currently have today. We urge both staff and Board members to utilize all mechanisms available to ensure that the purpose and implementation of this proposed cap are firmly based in science and the best available data, and that the implementation plan for the cap thoughtfully considers effective approaches to verification for all feedstocks, regardless of their origin.

Thank you for the opportunity to comment. Cargill looks forward to continued collaboration with CARB, and I can be reached directly by email at william_barksdale@cargill.com.

Sincerely,

A handwritten signature in dark ink, reading "William A. Barksdale" with a long horizontal flourish extending to the right.

William Barksdale
Managing Director
Cargill, Inc.

cc: Rajinder Sahota, Matthew Botill