California Air Resources Board

Docket No. LCFS2024

RE: Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information for the Proposed Low Carbon Fuel Standard Amendments

August 27, 2024

To Whom it May Concern:

We write on behalf of Landus in response to the California Air Resource Board’s (CARB) notice of modified text and additional documents for the proposed Low Carbon Fuel Standard (LCFS) amendments. Landus is a $3 Billion farmer-owned cooperative touching 34 states and 16 countries, serving over 5,500 farmer-owners and their families, including those in the most rural areas of the Midwest. Our mission is to lead the way in innovation and sustainability, ensuring that our farmers have access to the best resources and technologies available.

We commend CARB for its ongoing efforts to drive the decarbonization through the LCFS program. This initiative has been pivotal in encouraging significant investments across the value chain, aiding California in its pursuit of emissions reduction goals, and spurring other states and regions to explore similar policies to drive down emissions.

However, we have significant reservations about the proposed 20% cap on soy and canola oil in the latest regulatory text. We believe these changes contradict the program’s design and objectives, undermine the broader US renewable fuels market, reduce synergies between California’s and other US state and federal policies, and harm American farmers while increasing California’s reliance on imported foreign feedstocks. Given these concerns, Landus Cooperative urges CARB to reconsider this proposal.

**Cap Will Contradict Goals of the LCFS**

Currently there is a diverse mix of oils, fats, and other feedstocks being used to supply the low-carbon fuel demands of the LCFS program. A cap on the use of soybean oil and canola oil as feedstocks for biomass-based diesel removes a viable clean and renewable alternative for these fossil gallons. Currently, soybean and canola oil constitute 31% of reported biomass-based diesel feedstock, well above the proposed 20% threshold. Given the short implementation timeline and limited supply of other waste feedstocks, the only viable option to replace gallons currently made from these two feedstocks will be conventional diesel - moving the LCFS program backwards, not forwards.

**Cap Will Slow Buildout of Sustainable Production**

With grain markets falling and farm incomes at new record lows, many farmers and agribusinesses had looked to the expansion of biofuel markets as the bright spot to rebound the American agricultural economy. There have been significant investments made on farms with deployment of sustainable agriculture practices, and substantial developments of new processing assets to help bring those low-carbon products into the value-added marketplace. This cap will stifle those investments in expanded sustainable manufacturing and further suppress the financial viability of the American farmer and rural communities like those where we do business.

**Cap Will Prioritize Foreign Feedstocks over Sustainable American Production**

The program as currently structured will drive processers to utilize a larger percentage of waste feedstocks, and we’ve seen that reflected in the influx of used cooking oil and tallow imports into the U.S. in the last 12-18 months, much of that from China and South America respectively. The same products that have been the subject of significant scrutiny on questionable authenticity as was reflected in the recent investigation opened by the US EPA. The proposed cap will only further expand these imports and disparately favor foreign waste products over oils sourced from sustainable and traceable crops grown here by U.S. farmers on U.S. farms and manufactured by U.S. processors.

Landus appreciates the opportunity to comment on this proposal and trusts the board will consider these issues earnestly, allowing us to continue supporting the transition from fossil fuels to renewable fuels across the country. If staff has any questions, please feel free to reach out to me at Elizabeth.Thompson@landus.ag

Sincerely,

Elizabeth Burns-Thompson

Vice President, External Affairs