



ENTERPRISES, INC.

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May 10, 2024

Chair Liane M. Randolph
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Via electronic submission Re: Proposed Low Carbon Fuel Standard Amendments

Dear Chair Randolph:

Thank you for the opportunity to comment in response to the California Air Resources Board's (CARB) public workshop on April 10, 2024 and provide additional insights on the proposed amendments to the Low Carbon Fuel Standard (LCFS).

CGB Enterprises Inc. (CGB) is a progressive leader in the agriculture and transportation industries since 1969. CGB delivers solutions that include everything from buying, storing, selling, and shipping of agricultural products, to global supply chain solutions. Through its subsidiaries, CGB operates a global enterprise with over 1,700 employees at 110+ facilities with access to barge, rail, and/or truck across the Midwest and beyond. The company's entrepreneurial approach has thrived for more than 50 years as CGB has expanded in many new directions, including soybean processing, logistics and transportation, agri-finance, producer risk management, and other related businesses.

CGB's impact to California exists in the work that we do to connect safe and reliable U.S.-supplied organic grain, feed products and oil seeds to the processors and consumers in California. CGB's sustainability efforts center on developing and linking opportunities to incentivize sustainable production practices into U.S. based agricultural production. We are encouraged by CARB's ability to develop and support unencumbered demand for sustainable production attributes in our nation's row crops. We see this as a crucial opportunity to advance and guide the overall rate of practice adoption. CGB looks forward to contributing to these value-added production attributes in our nation's row crop production. Further connecting these sustainable attributes to the food, feed and fuel markets can and will drive their adoption nationwide.

Our oilseed processing operations yield protein-rich meal for human and animal nutrition, as well as vegetable oil that is used as an ingredient in food manufacturing and as a feedstock for renewable fuels such as biodiesel, renewable diesel and sustainable aviation fuel (SAF). These sustainably produced biofuels help reduce carbon dioxide equivalent (CO₂e) greenhouse gas emissions and the carbon intensity of transportation fuels in use today. Between 2015 and 2021, the soybean industry has seen a 19% decrease in carbon footprint for U.S. soybeans by improving soil health and water quality, increasing yields by 24% while reducing chemical application and implementing no till and expanding cover crops.

We encourage CARB to support the role of agriculture in diversifying the fuel supply through more sustainable feedstocks. The most effective way to do this is by continuing to oppose a cap on vegetable oils.

CARB's additional analysis and remarks delivered at the April 10 workshop rightly recognized a cap or limitation on crop-based oil feedstocks is unwarranted. CARB's findings that renewable diesel and biodiesel have a positive impact on both consumers and the environment clearly underscores the importance of continuing to promote their use as part of California's efforts to achieve its sustainability and air quality goals.

As CARB staff pointed out, biomass-based diesel (BBD) has displaced 60% of fossil diesel in California, reducing greenhouse gases, Particulate Matter (PM2.5) and Nitrous Oxide (NOx) emissions.

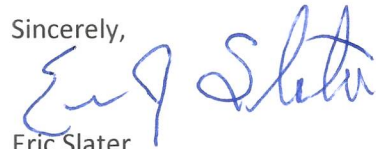
Placing a cap on crop-based feedstocks used to make BBD and other renewable fuels will undo this progress, increasing public health risks and driving up consumer fuel costs. Further, implementing a cap would undercut the necessary investments that are being made to support low carbon feedstocks and further industry expansion.

Internal combustion engines – particularly in the heavy-duty sector – will be on our roads for decades to come. As CARB staff stated during the workshop, California should take advantage of a low carbon fuel that is being produced today at scale by implementing policies that encourage the responsible production and use of renewable feedstocks.

Additionally, as CARB has previously acknowledged, a targeted, risk-based approach to sustainability requirements is encouraged. By accurately assessing deforestation risk, leveraging existing sustainability frameworks such as the Renewable Fuel Standard (RFS), and implementing targeted measures for high-risk regions, CARB can achieve its environmental objectives while also supporting a sustainable and resilient biofuels industry.

Thank you for the opportunity to comment on this important issue.

Sincerely,



Eric Slater
President & CEO
CGB Enterprises, Inc.