

Voluntary Report – Voluntary - Public Distribution
2023

Date: November 15,

Report Number: CA2023-0053

Report Name: Canada acknowledges that US feedstocks are in compliance with Land Use and Biodiversity Criteria under the Clean Fuel Regulation

Country: Canada

Post: Ottawa

Report Category: Export Accomplishments - Market Access, Grain and Feed, Oilseeds and Products, Biofuels, Export Accomplishments - Events, Export Accomplishments - Other, Export Accomplishments - Trade Leads, Export Accomplishments - Marketing, Trade Events and Shows, Export Accomplishments - Border Facilitation

Prepared By: Erin Danielson

Approved By: Mary Ellen Smith

Report Highlights:

Environment and Climate Change Canada (ECCC) has approved the U.S. application for legislative recognition which demonstrates that U.S. feedstock is in compliance with the land use and biodiversity (LUB) criteria under the Clean Fuel Regulation (CFR). This ensures that U.S. feedstock, biodiesel, and ethanol exports to Canada will not be hindered under the CFR's LUB criteria.

Canada acknowledges that U.S. feedstocks are in compliance with Land Use and Biodiversity Criteria under the Clean Fuel Regulation

On November 9, 2023, Environment and Climate Change Canada (ECCC) publicly [announced](#) that it approved the U.S. application for legislative recognition which demonstrates that U.S. feedstock is in compliance with the land use and biodiversity (LUB) criteria under the [Clean Fuel Regulation](#) (CFR).

Compliance with the LUB criteria has been a forefront of concern since the requirements were initially laid out in the 2020 draft legislation, and prior to that in stakeholder discussions. The acceptance of the U.S. application ensures that U.S. biodiesel and ethanol exports to Canada - valued at \$2.8 billion in 2022 - and U.S. biofuel feedstock exports to Canada, will not be hindered under the CFR's LUB criteria. Without legislative recognition, individual farmers or states would have had to prove their own compliance, as of January 1, 2024. With the approval of the U.S. application, Canada acknowledges that U.S. feedstocks are in compliance with the wildlife habitat and damaging agents sections of the LUB Criteria and can generate credits under the CFR.

The U.S. application covers criteria for wildlife habitat and damaging agents (such as pests, invasive species, and disease) and does not include aspects of the forestry sector at this time; however, USDA stands ready to submit a legislative recognition application for this criterion when it starts to be a tradable need.

On the same date, ECCC shared publicly that it also recognized Canada's own ability to meet the CFR's LUB criteria with respect to wildlife habitat, damaging agents, and forest management (specific to watercourse connectivity). National and subnational jurisdictions (internationally and including Canada) have the option to submit an application to the Environment Minister, showcasing any legislation they enforce that achieves the same intended outcomes as one or more of the LUB criteria. These legislations must be currently in effect, enforceable, and applicable to agricultural and/or forest harvest practices.

FAS will continue to monitor the implementation of the CFR and yet-to-be released components, including quantification methodology for bioenergy with carbon capture, utilization, and storage (BECCUS) credit creation; and, parameters for a custom crop carbon intensity tool. Final parameters in the tool will be released in the second half of 2024.

Attachments:

No Attachments.