

**National Biodiesel Board**

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U.S. Department of Agriculture
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Email: ombofficer@nass.usda.gov

Re: Docket Number: 0535-NEW

Notice of Intent To Seek Approval To Conduct Information Collection

To Whom It May Concern:

The National Biodiesel Board (NBB) is writing to express our support for the National Agricultural Statistics Service (NASS) to conduct a new information collection that would include the 2013 Current Agricultural Industrial Reports (CAIR).

NASS is an impartial entity that has the ability to collect data on fats, oils and oilseeds an important feedstock component of many industries. The information does not exist elsewhere, except in incomplete form, and cannot be easily replicated by any other entity. Information from the completed reports will be utilized in many ways and is important to government agencies, the private sector and future markets.

NBB is the national trade association representing the biodiesel industry as the coordinating body for research and development in the United States. Since 1992 when it was founded, NBB has developed into a comprehensive industry association that coordinates and interacts with a broad range of cooperators including industry, government and academia. NBB's membership is comprised of biodiesel producers; state, national and international feedstock and feedstock processor organizations; fuel marketers and distributors; and technology providers. The biodiesel industry has evolved significantly in recent years and now uses a wide variety of feedstocks, including soybean oil, recycled cooking oil, and animal fats.

Historically, similar data was collected by the U.S. Census Bureau on M311J and M311K Oilseed and Oilseed Products Reports. The reports provided data on production and usage trends in the domestic fats, oils and protein meal markets. These reports were utilized in many ways and are important to government agencies, private industry and futures markets.

The Census Bureau data products terminated as of July 2011 and served as the benchmark for information related to the quantity of commodities such as soybeans processed, and the volume of soybean meal and oil produced. The Census Bureau cited the availability of manufacturing data from the Annual Survey of Manufactures and the 5-Year Economic Census to mitigate the

loss of the data products. Unfortunately the necessary information cannot be ascertained from the remaining Census materials.

Agricultural producers, input suppliers, financial institutions, processors, commodity traders, government entities, and consumers would benefit from the provision of the data supplied by the CAIR. Without this data, we are not as well-equipped at any level to provide the information and analyses necessary to promote an efficient marketplace.

The availability of this information, especially in the current environment of tight stocks and increased commodity prices, would reduce uncertainty for biodiesel producers nationwide. The vacuum of information on production and usage rates, of fats and oils and protein meals results in an increased level of price risk and uncertainty. These reports are invaluable because they provide vital data to commodity market participants and ensure better transparency within the marketplace.

As stated in the Notice of Intent to Seek Approval to Conduct and Information Collection, NASS currently collects crop data on acres planted and harvested, production, price and stocks for these crops along with livestock data, but the new data series will provide vital information regarding how much of these commodities were processed into fuels, cooking oil, flour, fabric, etc.

NBB believes the information is necessary and within the proper performance of NASS and numerous other government functions and the information will certainly have practical utility for government agencies, businesses, and research and trade associations. Historically, a number of government agencies including the World Agricultural Outlook Board, the Environmental Protection Agency (EPA) and many government agencies, utilized the information for various purposes and the information is more relevant today than it ever has been.

NBB believes that the quality, utility and clarity of the information could be enhanced in the following ways:

M311N – Animal and Vegetable Fats and Oils (Production, Consumption and Stocks)

NBB and the biodiesel industry would benefit from having segregated information on the individual amounts of animal and vegetable fats and oils that are used for different inedible use purposes.

There are currently few sources of aggregated feedstock usage data for industrial and bio-based products such as the biodiesel industry. This information, when reported routinely, would be beneficial. The aggregation of fats and oils consumed in soap, paint, animal feeds, methyl esters, resins, and lubricants to a classification of “Total Inedible Use” would diminish the feedstock analyses of these products/uses at a time when market sensitivities are high and calls are made from industry and government stakeholders to address impacts of potential regulatory, legislative, and market transitions. Restricted public information could also lead to concentrated market power among few groups with access to otherwise unattainable information.

The interaction of multiple feedstocks in diverse markets makes it vital to have the most detailed information, capturing the largest portion of the markets. To better effectuate the use of the

proposed surveys, NASS should include all fats & oils utilized for bio-based products such as biodiesel. This may include the addition of oilseeds and/or modification of proposed survey definitions to industry accepted definitions. For example, the EPA Administrator signed a final rule in February, 2013 that designated camelina oil as a feedstock for biodiesel and renewable diesel (as well as jet fuel and heating oil) eligible for the Renewable Fuel Standard (RFS) program, finding that these feedstocks/fuels meet the greenhouse gas reduction thresholds. Including fats & oils that are consistent with approved pathways (feedstocks) for the RFS program would increase the robustness and usefulness of the CAIR.

NASS has indeed proposed incorporating additional feedstocks to the CAIR such as crude corn oil that has been removed from distillers grain post the fermentation process at dry grind ethanol plants. In current dry grind processes, the corn oil essentially passes through the process and remains in the resulting distillers dry grains with solubles (DDGS). Many ethanol firms have either incorporated or announced their intent to employ technology to remove the portion of the remaining vegetable oil from dried distillers grains, a co-product of the ethanol process. Increased amounts are being utilized as a feedstock for biodiesel production. NASS proposes to add two new definitions to the M311C; “feed grade corn oil” and “industrial grade corn oil”. To prevent confusion by respondents and increase survey efficacy, NASS should strive to incorporate currently utilized industry trading definitions and terminology. For example, groups such as the American Fats and Oils Association (AFOA) work to promote uniformity and certainty in product standards and in the customs and usages of the trade (www.fatsandoils.org). In October, 2012, AFOA enacted Rule 6E for Distillers’ Corn Oil. This trading rule outlined analytical test methods for criteria such as free fatty acids, moisture, insoluble impurities, unsaponifiables, iodine value, and appearance. Conflicting definitions could lead to respondent confusion.

Furthermore, several products (such as glycerin) are key to understanding pathways in bioprocesses that require intense analysis where the lack of data is a distinct hindrance to providing sound information for public and private utilization. Efforts to develop biofuels and bio-industrials are served well by detailed information on the supply and utilization of vital feedstocks.

Finally, the CAIR survey should be consistent with the approved fuel types under the RFS program, particularly those that utilize the same feedstocks being tracked by NASS for biodiesel. EISA amended the RFS program by, among other things, establishing specific mandates for biomass-based diesel, advanced biofuels and cellulosic biofuels. In the 2010 RFS2 rule, EPA approved pathways for biodiesel and renewable diesel using various feedstocks, such as soybean oil, algal oil, and waste oils, under these categories. NASS should also require reporting from those companies that are registered or produce additional fuels EPA has approved under the RFS program that utilize the same feedstocks included on the CAIR survey or may also be considered biomass-based diesel under the RFS program (e.g. non-ester renewable diesel). There are few companies currently producing these additional fuels types, and so their inclusion in the survey would not add significantly to reporting burdens. The inclusion of these fuels would provide benefits to NASS, EPA, the industry and the public in better understanding production and use of these fuels.

The National Biodiesel Board appreciates the opportunity to comment and to support the proposal for NASS to conduct a new information collection, the 2013 Current Agricultural Industrial Reports (CAIR).

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Steckel". The signature is fluid and cursive, with the first name "Anne" and last name "Steckel" clearly distinguishable.

Anne Steckel
Vice-President, Federal Affairs
National Biodiesel Board