



NEWS

NOPA AND ASA APPLAUD TREASURY'S UPDATED 45Z GUIDANCE, URGE SWIFT FINALIZATION OF STRONG PRO- AMERICAN RFS

Today, the American Soybean Association (ASA) and National Oilseed Processors Association (NOPA) applauded the U.S. Department of the Treasury for releasing updated proposed guidance which implements critical improvements to the 45Z Clean Fuel Production Credit, including changes that support domestic feedstocks like U.S. soybeans, following congressional amendments enacted as part of the One Big Beautiful Bill Act (OBBBA).

This action from Treasury marks important progress in achieving the Trump Administration's goal of unleashing American energy dominance through U.S.-grown biofuels. However, this guidance must be paired with swift finalization of the administration's Renewable Fuel Standard proposal which will further promote pro-farmer and pro-American biofuel production. Together, the revised 45Z tax credit and robust RFS renewable volume obligations will ensure that federal biofuel policies support the farm economy and rural manufacturing.

"Updating federal biofuel policies to prioritize soy-based fuels is a key ASA priority, and we applaud Treasury for this action which will help build domestic markets for U.S. soybeans," said **Scott Metzger**, ASA President and Ohio farmer. "While Treasury's work to update tax guidance is critical, ASA strongly urges the administration to immediately finalize RFS blending targets that complement the work of Treasury and Congress, by setting robust biofuel volumes and implementing new policies that will prioritize the utilization of U.S. soybeans in production."

"These policies work hand in hand," said **Devin Mogler**, NOPA President and CEO. "Treasury's updated 45Z guidance is an important step forward, but it must be reinforced by finalizing the RFS as proposed. A strong RFS that includes the import RIN reduction mechanism is critical to putting American farmers and rural manufacturing first and providing the certainty our industry needs to continue to invest and grow so we can crush more soybeans right here in the U.S."

Congressional changes in the OBBBA directed Treasury to update 45Z guidance to ensure the tax credit would support the entire domestic biofuel value chain by limiting eligibility to fuels produced using North

American feedstocks. Over the past several years, a surge in used cooking oil and tallow imports from overseas has resulted in domestic biofuel markets that no longer prioritize homegrown agricultural feedstocks like soybean and canola oil. Disqualifying those imported waste feedstocks from 45Z eligibility will support U.S. soybean farmers, the U.S. oilseed processing industry, and rural communities that stand to benefit from a strong, domestic biofuel value chain.

Additionally, the guidance removes the indirect land use change penalty on agricultural feedstocks—a longstanding barrier for agriculture that is based on theoretical modeling rather than real-world data and fails to reflect the ever-increasing efficiency and sustainability of U.S. farming. Removing the ILUC penalty will effectively double the value of the 45Z tax credit for soy-based biofuels and provide eligibility for other feedstocks like canola.

NOPA and ASA look forward to continued engagement with the administration as it works to finalize the RFS and implement biofuel policies that strengthen domestic production, expand rural manufacturing, and reinforce American energy leadership.

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Organized in 1930, the National Oilseed Processors Association (NOPA) represents the U.S. soybean, canola, flaxseed, safflower seed, and sunflower seed-crushing industries. NOPA's membership is engaged in the processing of oilseeds for meal and oil that are utilized in the manufacturing of food, feed, renewable fuels, and industrial products. NOPA's 20 member companies operate 71 softseed and soybean solvent extraction plants across 20 states, crushing over 98% of all

soybeans processed in the United States, the equivalent to more than 2 billion bushels annually. More information at www.NOPA.org.

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