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PRESS CONTACT

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Ben Lilliston, 612-870-3416, ben@iatp.org

Minnesota Passes New Biodiesel Mandate Includes First U.S. State Ban on Palm Oil

Minneapolis – Minnesota recently passed legislation to increase the biodiesel content of diesel fuel sold in the state from the current 2 percent to 20 percent, which is the highest in the nation, by 2015.

IATP, together with Minnesota farm and environmental organizations, worked with legislators to make sure that the mandate will not only support the biodiesel industry, but will also specifically benefit Minnesota's economy and environment, and help us move towards the next generation of biofuels.

"While the merits of mandates are debatable, if they are going to be put in place, they must incorporate provisions to ensure that Minnesota's farmers, economy and environment are the beneficiaries—and not just a few multinational processors," said Jim Kleinschmit, director of the Rural Communities Program at the Institute for Agriculture and Trade Policy.

In particular the legislation included:

- **A first-in-the-country palm oil ban.** Virgin palm oil cannot be used to produce biodiesel to meet the mandate, which will help assure that Minnesota does not contribute to environmental destruction and rainforest clearing associated with palm oil production.
- **Focus on Minnesota and Midwest production.** The increasing levels of biodiesel content can only go into effect if Minnesota is producing at least 50 percent of the mandated production level in-state from feedstocks produced in the U.S. and Canada, assuring that this market share will benefit Minnesota farmers and biodiesel producers.
- **Opening the door for the next generation.** Five percent of the mandate needs to be met with biodiesel produced from alternative feedstocks (waste oil, algae, etc.), which will help diversify biodiesel production and shift away from food and feed crops.
- **Assessing the costs and benefits.** Reports to the legislature are required annually on price and supply of biodiesel, as well as the impacts of the mandate on the Minnesota biodiesel industry and the use of Minnesota crops and materials used for biodiesel production.

For the text of the bill, go to: <https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=ccrsf3683A.html&session=ls85>

IATP works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems.