CFCC Publishes Reading of 45Z Chain-of-Custody Rules: Mass Balance Books Belong with the Grain's Owner

New CFCC article reads 7 CFR Part 2100 as keeping 45Z mass balance books with the grain's owner, and invites industry comment ahead of protocol v2.



CFCC

ALPHARETTA, GA, UNITED STATES, September 30, 2026 / EINPresswire.com/ -- The Clean Fuel Credit Consortium (CFCC) today published "Delivering 45Z Value to Farmers Through the Grain System They Already Use." The article addresses one of the most practical open questions in the 45Z Clean Fuel Production Credit market: who keeps the mass balance books for reduced carbon intensity (CI) grain, and where.

Treasury's Notice 2026-53 ties reduced-CI claims to USDA's chain-of-custody and verification standards in 7 CFR Part 2100, and final regulations are still pending. The Consortium's reading is that Part 2100 attaches mass balance obligations to the entity that takes ownership of scored grain, not to the site or bin where the grain is stored. That matches how grain already trades by title. It means elevators, merchandisers, and ethanol plants can buy and manage scored bushels with the same contracts and systems they use today.

Farmers can only capture the 45Z premium if the market is clear about who keeps the books. Part 2100 as written already answers that: the books stay with the owner. More clarity brings more participation, and more of the value reaches the farm.

The article outlines four provisions of Part 2100 that determine where the books are kept:
- The rule attaches to ownership. Any party that takes title to scored grain keeps mass balance books and is audited on them. A broker who never takes title keeps none.
- The books close by entity. Scored bushels bought plus opening stock must equal scored bushels sold plus closing stock, by CI, over periods of no more than three months.
- Mixing is allowed, not required. Scored and conventional grain can share a bin. The books and the audit protect the claim.
- Three documents go with every sale: proof the seller was verified, the farm's Biofuel Feedstock

Report, and a signed attestation of amount and CI.

The article also covers how a field-level identifier guards against double counting before a claim enters any ledger. It flags one question for Treasury: whether the claim moves with the sale when scored grain ships from a location other than where it was received.

In developing the article, the Consortium engaged with verifiers, USDA's Office of the Chief Economist, tax assurance providers, and credit buyers and brokers. The Consortium asks Treasury and the IRS to adopt Part 2100 as written, applied at the entity that takes ownership, in the final regulations.

The technology, commercials, and plants are ready. What the market needs now is regulatory clarity, and the Consortium wants to hear from the people who move the grain before v2 of the protocol.

The article is available at https://cleanfuelcreditconsortium.com/delivering-45z-value-to-farmers-through-the-grain-system-they-already-use/. Elevators, merchandisers, ethanol plants, verifiers, and policy staff can request the full article, with the rule text quoted in full, and the Consortium's Entity-Level Mass Balance Protocol, and submit comments, at https://cleanfuelcreditconsortium.com/request-the-protocol/.

Disclosure: Members and partners of the Clean Fuel Credit Consortium provide mass-balance ledger and geospatial clearing services to participants in the 45Z market. USDA, Treasury, and the IRS have not reviewed or endorsed the article, the protocol, or any registry.

About the Clean Fuel Credit Consortium
The Clean Fuel Credit Consortium is a multi-company collaboration. The Consortium is building a unified, verifiable framework for ethanol producers, farmers, and corporate buyers to take part in the market for 45Z Clean Fuel Production Tax Credits in the United States and Clean Fuel Regulations in Canada, connecting data, credits, and capital from field to plant. Learn more at https://cleanfuelcreditconsortium.com/.

Forward-Looking Statements
This press release contains forward-looking statements, including statements about pending regulations and the anticipated effects of the Consortium's reading and protocol. These statements are based on current expectations and involve risks and uncertainties that could cause actual results to differ materially. Readers should not place undue reliance on them.

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