



AFCC's 2022 Appropriations Requests

KEY PROGRAM SUMMARIES: AGRICULTURE & RURAL DEVELOPMENT

AFCC's priorities are indicated in red text

Subcommittee: Agriculture & Rural Development

Agency: U.S. Department of Agriculture (USDA) 10 Programs

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	FY 2021 Appropriation	President's FY 2022 Budget	AFCC's FY 2022 REQUEST
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Please Note: The budget amounts below include both Program Level (PL) and Budget Authority (BA) amounts

USDA: Rural Business–Cooperative Service; Rural Business Program Account; Business & Industry (B&I) Loan Guarantees (Section 310B of the Consolidated Farm and Rural Development Act of 1961)

Discretionary	PL: \$920 million; BA: \$37 million	PL: \$950 million; BA: \$33.25 million	PL: \$1.25 billion; BA: \$0	\$1 billion PL \$56.4 million BA		\$1 billion PL \$35 million BA
Mandatory	\$0	\$0	\$0	\$0		\$0

USDA: Rural Business–Cooperative Service; Rural Business Program Account; Section 9002: Biobased Products Procurement Program (USDA BioPreferred® Program) (1)

Discretionary	“\$3,000,000 for each of fiscal years 2019 through 2023”; and	\$0	\$0	\$0		Provide \$3,000,000 in discretionary funding
Mandatory	“\$3,000,000 for each fiscal year 2019 through 2023”	\$3,000,000 per 2018 Farm Bill	\$3,000,000 per 2018 Farm Bill	\$3,000,000 per 2018 Farm Bill		Maintain \$3,000,000 funding level

See Endnote (1) for current issues with the BioPreferred® Program and AFCC's recommendations to address and fix these issues.



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Agency: U.S. Department of Agriculture (USDA) 10 Programs

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	FY 2021 Appropriation	President's FY 2022 Budget	AFCC's FY 2022 REQUEST
USDA: 2018 Farm Bill; Title IX;						
Section 9003: Biorefinery, Renewable Chemical & Bioproducts Manufacturing Assistance Loan Guarantee Program (2)						
Discretionary	<p>"DISCRETIONARY FUNDING.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated \$25,000,000 to carry out this section for each of the fiscal years 2019 through 2023."</p> <p>No discretionary funding was appropriated for Section 9003 for FY2018</p>	<p>DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000</p> <p>No discretionary funding was appropriated for Section 9003 for FY2019</p>	<p>DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000</p> <p>No discretionary funding was appropriated for Section 9003 for FY2020</p>	<p>DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000</p> <p>No discretionary funding was appropriated for Section 9003 for FY2021</p>		<p>⁽²⁾ Appropriate \$25 million discretionary funding per 2018 Farm Bill plus an additional \$25 million for a total appropriation of \$50 million</p>
Mandatory	BA: \$50 million	<p>⁽²⁾ PL: \$127 million; BA: \$50 million</p>	<p>⁽²⁾ PL: approx..</p>	\$0		<p>FY2020 was the final year of mandatory</p>



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			\$63.5 million based on 2019 subsidy rate; BA: \$25 million	\$0		funding for this program	
USDA: 2018 Farm Bill; Title IX;							
Section 9005: Bioenergy Program for Advanced Biofuels (Advanced Biofuel Payment Program)							
Discretionary	“(2) DISCRETIONARY FUNDING.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to carry out this section, \$20,000,000 for each of fiscal years 2019 through 2023.” No discretionary funding was appropriated for Section 9005 for FY2018	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000 No discretionary funding was appropriated for Section 9005 for FY2019	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000 No discretionary funding was appropriated for Section 9005 for FY2020	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000 No discretionary funding was appropriated for Section 9005 for FY2021		Appropriate \$20 million discretionary funding per Title IX, Sec. 9005, pg. 397, of the Agriculture Improvement Act of 2018	



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Mandatory	\$14 million PL & BA	\$7 million PL & BA	2019-2023 mandatory PL: \$7 million BA: \$7 million	2019-2023 mandatory PL: \$7 million BA: \$7 million		PL: \$7 million BA: \$7 million per 2018 Farm Bill	
USDA: Rural Business-Cooperative Service; Rural Business Program Account; Section 9007: Rural Energy for America Program (REAP) Loan Guarantees							
Discretionary	\$293,000	\$334,000	\$706,000	\$392,000		Appropriate \$20 million in discretionary funding as provided in Title IX, Section 9007(4), pg. 398, of the Agriculture Improvement Act of 2018	
Mandatory	PL: \$524 million; BA: \$20 million	PL: \$487 million; BA: \$22 million	*See note below	Not broken out, will fill in later from 2018 Farm Bill Mandatory Funding		PL: \$546 million; maintain BA of \$50 million per 2018 Farm Bill	



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Note:	*There was a 5.9% rescission of the \$50 million mandatory BA funding in FY2020. USDA allocated \$5.758 million of the total \$47.050 million BA and \$163.12 million PL to loan guarantee program.						
USDA: Rural Business–Cooperative Service; Rural Business Program Account; Section 9007: Rural Energy for America Program (REAP) Grants (see above)							
Discretionary	\$0	\$0	\$0	\$0		Included in 9007 loan guarantee appropriation above	
Mandatory	\$26 million PL & BA	\$28 million PL & BA	USDA allocated \$41.292 million of the total \$47.050 million BA to the grant program	Not broken out, will fill in later from 2018 Farm Bill Mandatory Funding		PL: \$37 million; BA: \$37 million	

USDA: Rural Business–Cooperative Service; Rural Business Program Account; Section 9008: Biomass Research and Development Initiative ⁽³⁾

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Discretionary	The 2018 Farm Bill authorized \$20 million/yr. in discretionary funding through 2018. No discretionary funding was appropriated in 2018	The 2018 Farm Bill authorizes \$20 million/yr. in discretionary funding through 2023. No funding was appropriated in 2019	The 2018 Farm Bill authorizes \$20 million/yr. in discretionary funding through 2023. No funding was appropriated in 2020	The 2018 Farm Bill authorizes \$20 million/yr. in discretionary funding through 2023. No funding was appropriated in 2021		(3) Restore program to at least \$5 million in discretionary funding per 2018 Farm Bill	
Mandatory	\$3 million	\$0	\$0	\$0			
<p>USDA: Rural Business–Cooperative Service; Rural Business Program Account; Sections 9010-9011: Biomass Crop Assistance Program (BCAP) ⁽⁴⁾ Restore BCAP to provide incentives to producers to reduce wildfire dangers</p>							
Discretionary	\$1 million PL & BA	The 2018 Farm Bill authorizes \$25 million/yr. in discretionary funding through 2023. No discretionary funding was appropriated in 20219	The 2018 Farm Bill authorizes \$25 million/yr. in discretionary funding through 2023. No discretionary funding was appropriated in 2020	The 2018 Farm Bill authorizes \$25 million/yr. in discretionary funding through 2023. No discretionary funding was appropriated in 2021		(4) Appropriate \$25 million as provided in the 2018 Farm Bill	



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Mandatory	\$25 million	\$0	\$0	\$0			
USDA: Rural Business-Cooperative Service; Rural Business Program Account; Higher Blends Infrastructure Program							
Discretionary	\$0	\$0	\$0	\$0		PL: \$100 million; BA: \$100 million	
Mandatory	\$0	\$0	\$0	\$0			
USDA: Rural Business-Cooperative Service; Rural Business Program Account; Rural Cooperative Development Grants; Value Added Producer Grants							
Discretionary	\$16 million PL & BA was appropriated in FY2018	\$17.5 million PL & BA was appropriated in FY2019	PL: \$12 million BA: \$3 million was appropriated in FY2020	PL: will fill in later BA: \$3 million was appropriated in FY2021		\$15 million PL & BA	
Mandatory	\$63 million to remain available until expended per 2014 Farm Bill	\$0	\$0	\$0		\$0	

Please note:

(1) USDA is not purchasing biobased products which is the federal agency where the program sits.



- **The USDA BioPreferred® Program (Section 9002, Biomarkets Program, Energy Title IX) enacted in the 2002 Farm Bill**, has since been reauthorized every 5 years in the Farm Bill. It was mandated \$1 million in 2002, and with advocacy has been increased to \$3 million/annual. The program has two parts to it, certification (USDA label which shows how much carbon came from crops or is new carbon), and second part is procurement (if we make the biobased product, by law, USDA and all federal agencies and their contractors will buy the product over incumbent). The former piece is working, the procurement has not worked for just about any producer. Therefore, in the 2018 Farm Bill, we advocated to move the program to a new home in USDA from its building management home to USDA Rural Development, which is an appropriate home. However, after two years, no changes have occurred on the procurement side with the new management – they continue to break the law, there is no accountability, and the program is not functioning as Congress intended.
- **If USDA is not purchasing biobased products which is the federal agency where the program sits, why would the other federal agencies consider buying it?**
- **Biobased product companies would like to expand their business in sustainability and a climate smart platform**, but if they can't get the current biobased products sold, it is very difficult for them to justify to their board of directors to expand or even be in this space. Bert's is not the only company in this boat, just about all of the companies are in similar situation – some are waiting almost 10 years. We need a solution to this issue.
- **USDA currently is purchasing petroleum-based office supplies** from distributors such as Office Max, Amazon, others, and Bert's biobased products are listed there, and are not being purchased. Office supplies are everyday products which USDA and other federal agencies should be purchasing routinely from their distributors.
- **The BioPreferred Program has not been operating as Congress intended**, and now that Secretary Vilsack has been confirmed and we know that he has been supportive of the program, we would like Congress to send a bipartisan and bicameral letter to the Secretary requesting the following information:
 - Quarterly, provide Congress a report, the procurement of biobased products from the catalogue on their website, [BioPreferred | Catalog](#) which has all of the biobased products listed, along with Bert's company. What are the sales number and the actual biobased products sold? There is no transparency.
 - Provide purchases of low-hanging fruits, such as USDA certified office supplies (bioplastic binders, notepads, paper) and biobased cleaning products which USDA currently is purchasing from distributors like Office Max, Amazon, that are not biobased – this needs to occur within 90 days of receiving the letter from Congress. USDA will provide proof of purchase to Congress for these biobased



products (how many and at what price) every quarter. The quarterly report should include all procurement of biobased products.

- Within 180 days of receiving this letter, USDA will expand procurement to other federal agencies, by contacting them and providing Congress with proof of purchase from the other federal agencies, and this information will be submitted to Congress every quarter.
- Congress would like yearly in-person updates from the USDA Secretary on the performance of the BioPreferred Program and procurement of sustainable biobased products impacting the biobased economy.
- USDA Secretary will annually provide an exhibition forum for the biobased product producers to meet the federal agency procurement officers and their contractors – where procurements will be made and recorded and shared with Congress.
- This fits in President Biden’s Executive Order, federal government should procure from American businesses, [Executive Order on Ensuring the Future Is Made in All of America by All of America's Workers | The White House](#)

- (2) Unlike previous Farm Bills, which provided mandated funding for the Section 9003 loan guarantee program for each year of the five-year term of the farm bill, the 2018 Farm Bill provided only two years of mandated funding, with discretionary funding of up to \$50 million per year authorized for each of the remaining years covered by the 2018 Farm Bill **AFCC strongly recommends that the Section 9003 Loan Guarantee Program receive its full discretionary authorization of \$50 million for FY2021.**

This is a critical program. It is one of only two federal loan guarantee programs that are available to bridge the “valley of death” between the final validation and demonstrated workability of a promising new concept, technology, or product and the ability to bring it to commercial realization.

Only after the concept, technology, or product has been proven at commercial scale, will private sector investors and lenders find the project risks acceptable to further replicate and deploy the concept, technology, or product.

- (3) **AFCC strongly supports the continuation and increased funding for the Biomass Research and Development Initiative.**

The vast majority of AFCC's member companies use biomass derived from waste materials to produce valuable consumer products, thus turning liabilities into assets. These waste materials are readily available in virtually every local community throughout the U.S.

Hence, an investment in better utilization of biomass and the common waste materials available in every local community will lead to greater commercialization of processes that can convert these waste materials into consumer products, thus offering opportunities to



create jobs and stimulate economic development by using the waste materials available in virtually every local community.

(4) This request to restore funding for the BCAP program is to make it possible to use BCAP as:

- (a)** a ready a means of removing the ever-increasing supply of diseased and infected wood, discarded forest wastes, dry brush, and invasive species in national forests and on public lands that exacerbate wildfire danger, making wildfires more likely and increasing their intensity – which can destroy wildlife habits, forest resources, and property;
- (b)** to supplement and add to the funding and effectiveness of other federal fire prevention and emergency fire fighting programs.
- (c)** to comply with the provisions of Title IV, General Provisions, Sec. 431 Policies Related to Biomass Energy of the FY2018 Consolidated Appropriations Act, which states that:

DOE, USDA and EPA “shall, consistent with their missions, jointly (1) ensure that Federal policy relating to forest bioenergy (A) is consistent across all Federal departments and agencies; (B) recognizes the full benefits of the use of forest biomass for energy, conservation, and responsible forest management [which includes reducing the danger of wildfires which can destroy forests, wildlife, and property and cost lives]; and (2) establish clear and simple policies for the use of forest biomass as an energy solution;” and

- (d)** to complement and extend the authority in the Consolidated Appropriations Act of 2020 (P.L. 116-94), Division B, Title VI, Related Agencies, Forest Service, National Forest System, pg. 191, which appropriates:

“For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for hazardous fuels management [*emphasis added*] on or adjacent to such lands, \$1,957,510,000, to remain available through September 30, 2023: ... *Provided further*, That of the funds provided, \$445,310,000 shall be for hazardous fuels management activities, of which not to exceed \$15,000,000 may be used to make grants, using any authorities available to the Forest Service under the “State and Private Forestry” appropriation, for the purpose of creating incentives for increased use of biomass from National Forest System lands [*emphasis added*].”

And which goes on to state:

“That \$20,000,000 may be used by the Secretary of Agriculture to enter into procurement contracts or cooperative agreements or to issue grants



for hazardous fuels management activities [*emphasis added*], and for training or monitoring associated with such hazardous fuels management activities on Federal land, or on non-Federal land if the Secretary determines such activities benefit resources on Federal land.”

Language setting forth these three objectives will need to be incorporated into the FY2021 appropriations bill, as follows:

Proposed language

Add in:

Division A – Departments of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2021

Title III – Rural Development Programs; Rural Business–Cooperative Service; Rural Business Program Account

Insert after: RURAL ENERGY FOR AMERICA PROGRAM

BIOMASS CROP ASSISTANCE PROGRAM

For a pilot program, to reinstate the Biomass Crop Assistance Program, as authorized by section 9011 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111), to carry out the mandate in the Consolidated Appropriation Act of 2018 (P.L. 115-66), Title IV, General Provisions, Sec. 431 Policies Related to Biomass Energy, and expand on the National Forest System hazardous fuels management program, as provided in Division B, Title VI of the Consolidated Appropriations Act of 2020 (P.L. 116-94), \$25,000,000, to be available until expended.