



# Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable Aviation Fuels

## AFCC's 2023 Appropriations Requests

### KEY PROGRAM SUMMARIES: AGRICULTURE & RURAL DEVELOPMENT

AFCC's priorities are indicated in green text

Subcommittee: Agriculture & Rural Development

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

Account / Program:	FY 2019 Appropriation	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	President's FY 2023 Budget	AFCC's FY 2023 REQUEST	Notes
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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)

<b>Discretionary</b>	PL: \$950 million BA: \$33.25 million	PL: \$1 billion + \$951 million supplemental BA: \$21 million	PL: \$1 billion BA: \$10 million	PL: \$1.5 billion (USDA FY2022 request) BA: \$73.125 million	PL: \$1.5 billion BA: \$32 million	<b>PL: \$1.5 billion BA: \$32 million</b>	
<b>Mandatory</b>	\$0	\$0	\$0	\$0	\$0	\$0	

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

<b>Discretionary</b>	\$0	\$0	\$0	\$0	Per 2018 Farm Bill	<b>\$3,000,000 discretionary funding</b>	
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<b>mandatory</b>	\$3,000,000 per 2018 Farm Bill	\$3,000,000 per 2018 Farm Bill	\$3,000,000 per 2018 Farm Bill	\$3,000,000 per 2018 Farm Bill	\$3,000,000	Increase to \$5,000,000 funding level	
See Endnote (1) for current issues with the BioPreferred® Program and AFCC's recommendations to address and fix these issues.							
USDA: 2018 Farm Bill; Title IX. Section 9003: Biorefinery, Renewable Chemical & Bioproducts Manufacturing Assistance Loan Guarantee Program (2)							
<b>Discretionary</b>	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$25,000,000  No discretionary funding was appropriated	\$0	(2) \$25 million discretionary funding per 2018 Farm Bill	
<b>Mandatory</b>	PL: \$127 million BA: \$50 million	PL: \$158 million BA: \$25 million	\$0	\$0	\$0	SEE DISCRETIONARY FUNDING ABOVE  FY2020 was the final year of mandatory funding for this program	



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<b>Account / Program:</b>	<b>FY 2019 Appropriation</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>	<b>FY 2022 Appropriation</b>	<b>President's FY 2023 Budget</b>	<b>AFCC's FY 2023 REQUEST</b>	<b>Notes</b>
<b>USDA: 2018 Farm Bill; Title IX, Section 9005: Bioenergy Program for Advanced Biofuels (Advanced Biofuel Payment Program)</b>							
<b>Discretionary</b>	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	DISCRETIONARY FUNDING authorized per 2018 Farm Bill: \$20,000,000  No discretionary funding was appropriated	\$0	\$20 million discretionary funding per Title IX, Sec. 9005, Agriculture Improvement Act of 2018	
<b>Mandatory</b>	2019-2023 mandatory PL: \$7 million BA: \$7 million	2019-2023 mandatory PL: \$7 million BA: \$7 million	2019-2023 mandatory PL: \$7 million BA: \$7 million	2019-2023 mandatory PL: \$7 million BA: \$7 million	PL: \$7 million BA: \$7 million	PL: \$7 million BA: \$7 million per 2018 Farm Bill	
<b>USDA: Rural Business-Cooperative Service; Rural Business Program Account. Section 9007: Rural Energy for America Program (REAP) Loan Guarantees</b>							
<b>Discretionary</b>	\$334,000	\$706,000	\$392,000	\$0	\$0	\$20 million discretionary funding per Title IX, Section 9007(4), Agriculture Improvement Act of 2018	



**Subcommittee: Agriculture & Rural Development**

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<b>Account / Program:</b>	<b>FY 2019 Appropriation</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>	<b>FY 2022 Appropriation</b>	<b>President's FY 2023 Budget</b>	<b>AFCC's FY 2023 REQUEST</b>	<b>Notes</b>
<b>Mandatory</b>	PL: \$524 million BA: \$20 million	PL: \$183 million BA: \$7 million	PL: \$530 million BA: \$10 million	PL: \$1.123 billion (USDA FY2022 request) BA: \$12.92 million	PL: \$635 million BA: \$1 million	<b>PL: \$635 million BA: \$1 million</b>	
<b>USDA: Rural Business-Cooperative Service; Rural Business Program Account, Section 9007: Rural Energy for America Program (REAP) Grants (see above)</b>							
<b>Discretionary</b>	\$0	\$0	\$0	\$0	\$0	<b>Included in 9007 loan guarantee appropriation above</b>	
<b>Mandatory</b>	\$26 million PL & BA	\$41 million PL & BA	\$40 million PL & BA	PL: \$38 million (USDA FY2022 request) BA: included in loan program above	PL: \$49 million BA: \$49 million	<b>PL: \$49 million BA: \$49 million</b>	

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**Subcommittee: Agriculture & Rural Development**

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**Forest Service**

<b>Account / Program:</b>	<b>FY 2019 Appropriation</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>	<b>FY 2022 Appropriation</b>	<b>President's FY 2023 Budget</b>	<b>AFCC's FY 2023 REQUEST</b>	<b>Notes</b>
<b>USDA: Forest Service, National Forest System, State and Private Forestry, Creating Incentives for Increased Use of Biomass from National Forest System Lands (3)</b>							
<b>Discretionary</b>	N/A	N/A	N/A	\$20,000,000	\$39 billion along with authorization for an additional \$2.6 billion	<b>(3) Please approve the President's request</b>	This appropriation, for the first time, addresses the mandate in "Policies Relating to Biomass Energy" (per page 371 of H.R. 2471)

**Please note:**

**(1) This program has neither met its potential nor its promise.** USDA is the federal agency where the BioPreferred® Program sits. Yet USDA has yet to make a significant effort to purchase biobased products and encourage other agencies to do so.

- **The USDA BioPreferred® Program enacted in the 2002 Farm Bill (Section 9002, Biomarkets Program, Energy Title IX),** has been reauthorized every 5 years in each subsequent Farm Bill. It began in 2002 with a mandated appropriation of \$1 million which, with advocacy, has been increased to \$3 million annually. AFCC's request to increase the funding level to \$5 million annually would solve the implementation for the program.
- **The program has two parts:**  
*Certification* (a USDA label on product packaging shows how much carbon came from crops or is new carbon), and  
*Procurement*: a biobased product is available as an alternative to a fossil-based product, by law, USDA and all federal agencies and their contractors must buy the biobased product in lieu of fossil-based products.



- *Certification* is working; *Procurement* has not worked for just about any producer.
- Therefore, in the 2018 Farm Bill, AFCC's executive vice president advocated to move the program to a new home in USDA.
- However, after two years, no changes have occurred on the procurement side with the new management; the law still is not being carried out, implementation of the program is still not occurring, 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. We need a solution to this issue.
- **USDA currently is purchasing petroleum-based office supplies** from distributors such as Office Max, Amazon, others, biobased products 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 add statutory language in the appropriations bill, 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. 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, which 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.
  - ✓ Modernizing the BioPreferred label with sustainability parameters such as carbon intensity score. The label has a beginning of life parameter on its label which is not based on sustainability.
- **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. Some companies have been waiting almost 10 years. We need a solution to this issue.

- (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 \$25 million for FY2023.**

**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.

**Every project brought to fruition through this program creates jobs and economic development for its first commercial facility, as well as many additional jobs and economic development for local communities throughout the U.S.** as the success of the first commercial facility leads to private sector financing of multiple follow-on projects.

*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) **The appropriation of \$20 million under the Forest Service’s National Forest System, State and Private Forestry account, to create incentives for increased use of biomass from National Forest Lands has far reaching significance:**

**First,** because it will remove dead and diseased wood and slash piles from logging operations from the National Forests which exacerbate and can lead to extreme fire hazards, **Second,** because it begins to carry out, for the first time, the mandate in the “Policies Relating to Biomass Energy” (page 371 of H.R. 2471), which has been incorporated into every Consolidated Appropriations Act since FY2018,

**Third,** because it helps facilitate responsible forest management, and

**Fourth,** because it recognizes biomass as a renewable energy source which:

**Using a liability** that contributes to forest fires, increased carbon emissions that contribute to climate change, loss of wildlife habitats, loss of property, and ballooning firefighting budgets,

**As an asset** to produce value-added products which can:

- create jobs,
- generate revenues and improve the economies of rural communities,
- replace fossil-based products, and



-- mitigate the impacts of climate change.

**Fifth**, because the USDA Forest Service has launched a robust, 10-year strategy to squarely address this wildfire crisis in the places where it poses the most immediate threats to communities, which was announced on January 18, 2022 by Agriculture Secretary Vilsack and Forest Service Chief Randy Moore.

See: <https://www.fs.usda.gov/news/releases/secretary-vilsack-announces-new-10-year-strategy-confront-wildfire-crisis>

**The strategy:**

- Estimates that funding to remove hazardous fuels will range from \$1,000 to \$2,500 per acre
- the strategy calls for the Forest Service to treat up to an additional 20 million acres on national forests and grasslands and support treatment of up to an additional 30 million acres of other federal, state, Tribal, private, and family lands
- The President's FY2023 budget (see page 27) requests \$3.9 billion for Forest Service Wildland Fire Management, as well as an additional \$2.6 billion authorized by the suppression cap adjustment to carry out this initiative.

**AFCC requests that the President's request of \$3.9 billion be appropriated along with an authorization of an additional \$2.6 billion.**