

STAKEHOLDER ANNOUNCEMENT

USDA Issues Rule to Help Expand Production of Renewable Chemicals and Biobased Products

WASHINGTON, May 18, 2020 – U.S. Department of Agriculture (USDA) Deputy Under Secretary for Rural Development Bette Brand today announced that USDA has published a final rule to expand the production of renewable chemicals and biobased manufactured products.

The rule, for the first time, allows applicants for [Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program](#) (9003 Program) loans to submit applications to develop renewable chemical and biobased products without having to produce some amount of an advanced biofuel. The rule also expands the array of eligible companies to include innovative industrial biotechnology companies that have not yet produced biofuel.

Eligible applicants for this program include individuals, entities, Indian Tribes, units of state or local government, corporations, farm cooperatives, farmer cooperative organizations, associations of agricultural producers, national laboratories, institutions of higher education, rural electric cooperatives, public power entities, and consortia of any of the foregoing entities.

Applicants are encouraged to submit a Letter of Intent prior to submitting a full Phase 1 application. The Letter of Intent is due 30 days prior to the Phase 1 application deadline. Phase 1 applications are accepted year-round and are due to USDA on October 1 and April 1 of each fiscal year. Evidence of 120 days of continuous steady state production from an integrated demonstration unit is a Phase 2 application requirement and does not necessarily need to be complete prior to the Phase 1 application deadline.

The 9003 Program is a loan guarantee program, and therefore an applicant is required to have a lender in order to submit a complete application, but a Letter of Intent may be submitted without a lender in place.

The biorefinery program was created in the 2008 Farm Bill and renewed under the 2018 Farm Bill.

This rule becomes effective May 18, 2020. Additional information on the statutory and non-statutory changes made under the final rule is available on page 29593 of the May 18, 2020, [Federal Register](#).

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