

**STANDARDS AND STATUS  
OF USDA'S FEDERAL  
BIOBASED PRODUCTS  
PREFERRED  
PROCUREMENT PROGRAM**

**2006 GROWING THE  
BIOECONOMY  
CONFERENCE**

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# FEDERAL BIOBASED PRODUCTS PREFERRED PROCUREMENT PROGRAM

- Provides that Federal agencies must give purchasing preference to biobased products designated by this program
- Authority for the program included in the Farm Security and Rural Investment Act (FSRIA) of 2002
- Section 9002 provides for both preferred procurement and labeling programs

# SECTION 9002 OF FSRIA SETS OUT FEDERAL AGENCY REQUIREMENTS

- The Act defines biobased products as commercial or industrial products that are composed, in whole or in significant part, of biological products or renewable **domestic** agricultural materials (including plant, animal, and marine materials) or forestry materials

# DOMESTIC CONTENT

- Is interpreted to mean content from any country with which the United States has a preferential trade agreement
- Countries that are signatories to NAFTA and CAFTA, for example, will have their qualifying biobased products treated the same as U.S. domestic products

# WHY DID CONGRESS CREATE THIS PROGRAM?

- To spur demand growth for new biobased products/jump start a new industry
- To grow domestic demand for agricultural commodities
- To encourage development of processing and manufacturing in rural communities
- To capture environmental benefits
- To enhance the Nation's energy security

# WHAT DOES THE PROGRAM REQUIRE?

- All Federal agencies must give preference to biobased products that have been designated by the program, unless:
  - The products are not reasonably available
  - The products fail to meet performance standards for the application intended
  - The products are available only at an unreasonable price

# PROGRAM IS INTEGRATED WITH OTHER FEDERAL PREFERENCE PROGRAMS

- RCRA'S recycled products program has priority over the biobased procurement program
- Where environmental attributes are available in a biobased product, but not a RCRA product, biobased product may have priority over RCRA
- Energy Star, Environmentally Preferable, and other preference programs are to be implemented by Federal agencies in integrated manner

# DESIGNATING ITEMS FOR PREFERRED PROCUREMENT

- Items are generic groupings of products
- Items are designated by rule making
- Once designated, all 'qualifying' products within a designated item are eligible for preferred procurement
- Federal agencies have up to one year to implement procurement preference

# WHAT IS A 'QUALIFYING' BIOBASED PRODUCT?

- It is consistent with definition in statute
- Biobased content is known
- Environmental and health effects of product use are available
- Product performance, as tested against industry recognized standards, is known
- Designation is based on providing reliable and relevant information to Federal agency

# WHAT DOES THE PROGRAM DO FOR FEDERAL AGENCIES?

- Encourages purchase of more environmentally sustainable products
- Helps agencies identify those products
- Increases the availability and diversity of biobased products
- Helps agencies reduce environmental footprint

# WHAT DOES THE PROGRAM DO FOR MANUFACTURERS AND VENDORS?

- Creates a preferred market for biobased products
- Provides large scale demonstration of biobased products performance in use
- Spurs development of new biobased products
- Develops alternatives to fossil energy based products

# EXCLUSIONS FROM THE PROGRAM

- The following product groups are excluded from the program by statute:
  - Food and feed
  - Motor vehicle fuels
  - Electricity

# AGENCIES' SPECIFICATIONS MUST COMPLY

- Within one year after final guidelines issued, agency specifications require use of biobased products
- Agencies must create procurement program
  - A biobased products preference program
  - An agency promotion program
  - An annual review and monitoring of effectiveness of agency's program
- Within one year after designation, agencies' must give procurement preference to items

# REQUIREMENT APPLIES TO:

- Purchase or acquisition of a procurement item where the purchase price exceeds \$10,000, Or,
- Where the quantity of such items purchased in the preceding fiscal year was \$10,000 or more
- Requirement is applied at agency level

# TO USE THE PROGRAM A MANUFACTURER CAN:

- Claim coverage under the program for all products for which items (generic groupings of products) have been designated by rule making
- Certify that a product's biobased content is consistent with statutory definition
- Certify biobased content meets minimum requirement, using ASTM standard test
- Certify that a product will perform in the use to which it will be put

# BIODEGRADABILITY REQUIRED

- To be designated for preferred procurement, items of single use bioplastic products must meet appropriate ASTM standard for biodegradability
- Some examples are:
  - Cutlery
  - Garbage bags
  - Food containers

# FEDERAL AGENCIES MAY ASK FOR PRODUCT INFORMATION

- Federal agencies may ask the manufacturer for the following information:
  - Biobased content information using ASTM test
  - Environmental and health effects of product use using BEES analysis or ASTM standard
  - Product's life cycle cost using same standards
  - Results of product performance testing against industry recognized performance standards

# STATUS OF THE PROGRAM

- Final rule to establish program (of ten items each published in *Federal Register*, January 11, 2005
- Final rule to designate the first six items (groupings of products) for preferred procurement published in the *Federal Register*, March 16, 2006
- Rounds 2 and 3 proposed rules published in *Federal Register*, August 17, 2006
- Round 4 rule is in clearance to publish
- Round 5 rule in formal clearance within USDA
- Rounds 6, 7, 8 of proposed designation rules in formal clearance by end of calendar 2006

# EXAMPLES OF ITEMS PROPOSED FOR DESIGNATION

- Metal working fluids
- Composite panels
- Biodegradable containers
- Hand cleaners and sanitizers
- Hydraulic fluid for mobile uses
- Durable plastic films
- Biobased carpet
- Biodegradable cutlery
- Greases
- De-icers
- Clothing products

# BIOBASED PRODUCTS MARKET PLACE

- **170** Items (generic groupings of products) identified so far
- **1,284** companies identified that produce or market **6,908** biobased products
- For the first five rounds of designation, **2,756** individual biobased products identified

# DESIGNATING PRODUCT ITEMS

- Must be done by rule making process
  - Proposed rule
  - Public comment period
  - Final rule
- USDA must consider information on
  - Product availability
  - Economic and technological feasibility of use, including life cycle costs

# DESIGNATING PRODUCT ITEMS

- USDA must also provide information to Federal agencies concerning:
  - Relative price
  - Performance
  - Environmental and public health benefits
  - And, where appropriate, recommend a level of biobased content in the procured product

# MANUFACTURERS CAN HELP USDA GET PRODUCTS DESIGNATED

- We need information on a number of individual products within an item (generic grouping) in order to designate that grouping by rule making
- Please contact **Steve Devlin at Iowa State University** with product information. His phone is **641-613-3298**
- Our website: **[www.biobased.oce.usda.gov](http://www.biobased.oce.usda.gov)** is a good source of information on this program

# VOLUNTARY LABELING PROGRAM

- Qualifying biobased products may gain use of **U.S.D.A. CERTIFIED BIOBASED PRODUCT** label and logo
- Authority to use label granted for limited number of years with re-authorization
- Proposed rule to establish labeling program in formal clearance in USDA

# USDA'S MODEL PROCUREMENT PROGRAM

- Under leadership of Departmental Administration
- In coordination with the Office of Federal Procurement Policy of OMB
- This program will be available to all Federal agencies
- Its purpose is to train agencies, educate, and promote use of biobased products

# CONCLUSION

- A final rule establishing the program has been issued on January 11, 2005
- The final rule to designate six items for preferred procurement published on March 16, 2006
- Two proposed rules published in *Federal Register*
- Five more proposed rules (10 items each) in clearance before end of calendar 2006
- Model procurement program to aid Federal agencies in purchasing biobased products
- Proposed rule for a voluntary labeling program is in USDA clearance

