

Farm Bill Energy Title Programs

Issue Background

Energy title programs in the farm bill enable rural communities to contribute to U.S. energy security, revitalize domestic manufacturing, and build new markets for American agriculture. First introduced in the Farm Security and Rural Investment Act of 2002, the energy title programs support investment in and adoption of renewable energy, renewable chemicals and energy efficiency technologies through research, consumer education, market development programs, and financial grants and loan guarantees.

The Food, Conservation, and Energy Act of 2008 expanded the energy title programs and provided both mandatory and discretionary funding over the five-year term of the bill; however, no Farm Bill has provided baseline budget for the programs. The Agricultural Act of 2014 also included mandatory funding; however, Congress each year lowered the mandatory spending levels during the appropriations process, and Congress has never provided the discretionary funding authorized in any Farm Bill. In that 2014 reauthorization, BIO successfully advocated for Congress to open the Biorefinery Assistance Program to renewable chemicals and biobased products. The Farm Bill is due for reauthorization in 2018.

Policy Position

Commercializing renewable chemicals and other industrial biotech applications requires companies to build entirely new value chains – from sustainable supplies of renewable raw materials, through new technology demonstration, to downstream markets. Energy title programs provide a coordinated policy support at each stage of the value chain. In reauthorizing a new farm bill, policy makers should:

- **Reauthorize Energy Title Programs and Provide Stable, Predictable Funding:**
 - The Biobased Markets Program (Sec. 9002) asks federal agencies and contractors to give purchasing preference to cost-competitive biobased products. The BioPreferred® program also provides manufacturers a voluntary labeling program to identify certified renewable chemicals and biobased products.
 - The Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (Sec. 9003) works with rural lenders to reduce risk and secure debt financing for companies deploying first-of-a-kind biorefinery technologies.
 - The Biomass Crop Assistance Program (Sec. 9010) or BCAP helps farmers work with next-generation biorefineries to establish new energy crops and build supply chains.
- **Ensure that Renewable Chemical Producers Can Fully Participate in the Programs:**
 - When reauthorizing the Section 9003 Program, Congress should clarify that biorefineries producing renewable chemicals can qualify without co-producing biofuel or bioenergy.
- **Ensure Farm Bill Programs Incentivize All Biotechnology Applications:**
 - Farm Bill energy title programs should support all biologically derived or processed raw materials.
 - Direct USDA to compile a government-wide biobased purchasing compliance report.
 - Develop a consumer-friendly label identifying certified biobased products and EPA's Safer Choice certification made with renewable chemicals.

Key Points

- ✓ More than 1.5 million American workers produce renewable chemicals and biobased products, directly generating over \$127 billion in sales.
- ✓ More than 15,000 biobased products across 97 product categories can compete on price and availability with petroleum-based products.
- ✓ Farm Bill energy title programs have helped more than 13,000 projects across the United States – in all 50 states – leverage more than \$5 billion in private investment.
- ✓ Farm Bill energy title programs have helped nearly 1,000 growers establish dedicated, non-food energy crops on nearly 49,000 acres across the United States.