



BPC Applauds New USDA Report: Biobased Products Give \$369 Billion Boost to US Economy

Washington, D.C... The Biobased Products Coalition (BPC) welcomed Agriculture Secretary Tom Vilsack's announcement today that a new report shows the U.S. biobased products industry contributes \$369 billion in economic value and 4 million jobs. BPC had requested the study in its support of 2014 Farm Bill measures to expand the Section 9002 Biobased Market Program.

The report is another example of Secretary Vilsack's leadership and steadfast commitment to advancing the biobased economy that is good for America and good for agriculture.

"America's biobased industry brings together two drivers of economic growth, agriculture and manufacturing," Vilsack said. "Today, small businesses and global companies alike have harnessed the power of America's farms and forests to create new and innovative biobased products that are used all around the world."

The Farm Bill-mandated report is the first federally-sponsored economic report of its kind to examine and quantify the effect of the biobased products industry on the U.S. economy. It expands on the "Why Biobased?" report released by the USDA in October 2014.

According to the new report, each job in the biobased products industry is responsible for generating 1.64 jobs in other sectors of the economy. In 2013, 1.5 million jobs directly supported the biobased product industry resulting in 1.1 million indirect jobs in related industries, and another 1.4 million induced jobs produced from the purchase of goods and services generated by the direct and indirect jobs.

The report says, in 2013 alone, the biobased industry contributed a total of \$369 billion in value added to the U.S. economy, along with 4 million American jobs through direct, indirect, and induced contributions. Estimates are that the use of biobased products currently displaces about 300 million gallons of petroleum per year - equivalent to taking 200,000 cars off the road.

Primary report authors are Director of Duke University's Center for Sustainability &

Commerce Jay Golden and Professor of Supply Chain Management Robert Handfield of at North Carolina State University's Poole College of Management.

The report found that the seven major overarching sectors that represent the U.S. biobased products industry's contribution to the U.S. economy are: agriculture and forestry, biorefining, biobased chemicals, enzymes, bioplastic bottles and packaging, forest products, and textiles.

The Secretary also announced today that USDA is proposing to remove from the former Biorefinery Assistance Program (Section 9003) the requirement that the majority of biorefinery production must be an advanced biofuel in order to be eligible for funding. Under the new proposed rules, biofineries may produce renewable chemicals and other biobased products, along with advanced biofuels.

Also, biobased product manufacturing facilities will be eligible to convert renewable chemicals and other biobased outputs of biorefineries into "end-user" products. The new regulations also implement a streamlined application process. The program has been retitled and is now called the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program. It provides loan guarantees of up to \$250 million for the construction and retrofitting of commercial scale biorefineries and biobased product manufacturing facilities.

Biobased product manufacturers and allied organizations launched the Biobased Products Coalition in 2007 to focus and coordinate industry efforts to improve the federal biobased program and promote other favorable federal policies. The BPC provides a forum for biobased manufacturers of all sizes as well as farmer and other trade associations to present a unified industry voice on federal policy.

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