

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Advanced Biofuel Payment Program
Clarification of Final Product

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to confirm that biofuel used as feedstock for another Advanced Biofuel is not considered a final product.

COMPARISON WITH PREVIOUS AN:

There is no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES:

RD Instruction 4288-B, § 4288.111, states, “To be eligible for this Program, a biofuel must meet the requirements specified in paragraph (a) of this section...” Paragraph (a) states, in part, that, “For an Advanced Biofuel to be eligible, each of the following conditions must be met, as applicable: ... (3) The Advanced Biofuel must be a final product and distribution ready.”

Biofuels that are used as a feedstock for the production of another Advanced Biofuel, are not considered a final product and are not eligible Advanced Biofuels for the purpose of the Advanced Biofuel Payment Program.

Advanced Biofuels as defined in RD Instruction 4288-B, § 4288.102, that are blended, continue to be eligible. For example the portion of biodiesel that is blended with diesel to distribute and sell as a biodiesel blend remains eligible.

EXPIRATION DATE:

March 31, 2014

FILING INSTRUCTIONS:

Preceding RD Instructions 4288-B

If you have any questions regarding this AN, please contact Lisa Noty at (641) 923-3666, extension 109 or via email at lisa.noty@wdc.usda.gov

Sincerely,

(Signed by Lillian E. Salerno)

Lillian E. Salerno
Acting Administrator
Rural Business-Cooperative Service