



APR-JUN 2004
VOL 13, NO. 2

AG INNOVATION NEWS®

The newspaper of the Agricultural Utilization Research Institute



Eco-shopping for feds

A Congressional mandate is requiring agencies to purchase more biobased products

BY CINDY GREEN

What do door lubricants, garbage bags, lawn fertilizers, carpet backing and weapons' grease have in common?

All can be made from farm crops — and the federal government buys them in droves.

"Buying eco" is a popular trend in Washington. Now it's the law. A Congressional mandate, part of the 2002 Farm Security and Rural Investment Act, requires that federal agencies give preference to biobased products — if they're available, reasonably priced and perform well. But first, the USDA must establish a workable procurement program.

Selling the government

"A big pan of the push for government is to be less dependent on fossil fuels," says Bob Boyle, a technical sales manager for Cortec Corporation, based in St. Paul, Minn. Cortec makes soy-oil based lubricants, corrosion inhibitors and other eco-products. Company representatives participated in Congressional hearings on the federal biobased-purchasing program, (see story below)

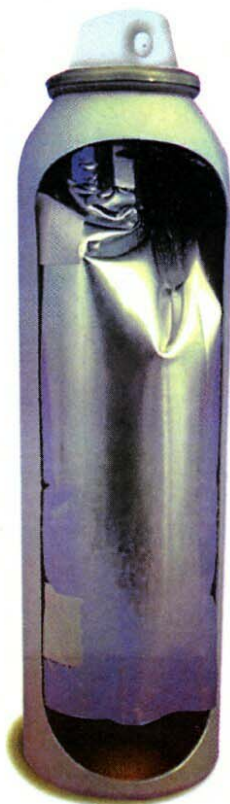
"The government market is huge," Boyle says.

Congressional intent

Congress set three objectives for the bio-based preference program:

- to increase demand for agricultural commodities used in products that would be more environmentally beneficial than fossil-energy-based products;
- to spur rural economic development since products are often pre-processed or manufactured near bulk supplies of raw material; and
- to enhance the nation's energy security by substituting domestically-produced products for those made with imported oil.

Every year federal agencies purchase billions of dollars worth of products that could be made with renewable resources. The federal



PHOTOS COURTESY CORTEC

Cortec Corporation's soy-based corrosion-inhibiting sprays, in "eco pouches" with pressurized air, do not use chemical propellants. The EcoAir sprays could receive special preference by federal government purchasers under new rules designed by Congress and the USDA.

mandate requires that all purchases of items (or item groups) that cost more than \$10,000 annually be biobased.

Agencies have "three outs," says Marvin Duncan, USDA agricultural economist. "If the product is unavailable ... if it does not meet their performance requirements... if it's much higher in cost, they don't have to buy it."

Also, a recycled-product mandate — part of the Resource Conservation and Recovery Act of 1976 — takes precedence. "If one has the opportunity to buy biobased motor oils or recycled motor oils, recycled would take preference," Duncan says. "Of course, if they were biobased recycled oils, there wouldn't be a conflict."

List of contenders

The USDA is designating generic non-food, non-feed, bio-based items under at least 11 categories. The lubricants category, for example, could include cutting, drilling and

tapping oils, hydraulic transmission fluids, fifth-wheel grease, crank case oils, two-cycle engine oils and other lubricants

Each item will have a bio-threshold — a minimum percent of plant, animal, marine or forestry based material that it must contain. For example, adhesives might have to be at least 70 percent biobased, insulating foams — 15 percent, paints — 50 percent. The intention is to promote products with as much renewable material as possible that are still competitive with petroleum-based counterparts.

"Once we have designated an item, any manufacturer or vendor that deals with that item can go forward marketing their products," as preferred, Duncan says. The USDA only requires that companies be able to certify their products meet biocontent standards.

"In practical terms, (companies) may be asked about the performance of their product," Duncan says. "And they may be asked about environmental or health effects."

Rule making

On December 19, the USDA published proposed standards for the biobased-procurement program; the public comment period ended February 17. The USDA is now reviewing public comments and preparing final rules. "Then we'll designate items as quickly as possible," which will be followed by another 30-day comment period on the proposed designations. Once final rules are published, federal agencies will have one year to put bio-purchasing systems in place.

The federal legislation includes \$1 million annually for five years to conduct product tests to obtain designation. Public and private labs may conduct the tests.

The USDA is crafting the program to encourage "new market development" and will exclude "mature market" products that gained market penetration before 1972 such as silk, cotton and wool garments, and wood products made from traditionally-harvested timber. •

Special privileges

Federal agency purchases will have to shop for more eco-products under a new Congressional mandate. Bioproducts will be preferred over petroleum products in the following categories:

- Adhesives
- Construction materials and composites
- Fibers, paper and packaging
- Fuel additives
- Landscaping materials, compost and fertilizer
- Lubricants and functional fluids
- Plastics
- Paintings and coatings
- Solvents and cleaners
- Sorbents
- Plant and vegetable oils

Marv Duncan, USDA agricultural economist, says this is not the final list. "Other categories will be added as new products emerge."