



# NEWS ALERT

## Agri-Pulse News Source Highlights Cortec's Participation in the USDA BioPreferred® Program

Cortec® recently made the news at Agri-Pulse, a comprehensive weekly news source for the agriculture industry!

In its January 17<sup>th</sup> article entitled, "USDA's \$2.7 million BioPreferred program reaps multibillion-dollar benefits," Agri-Pulse investigated the success of the USDA BioPreferred® Program. The program is meant to encourage the development and use of products made from renewable resources. It requires federal agencies to purchase certain types of products (e.g., metal cleaners and corrosion removers, soaps and laundry, building materials, and much more) with a certain amount of biobased content in them. It also allows companies to voluntarily place the USDA Certified Biobased Product label on their products as an official identification of their biobased content.

Agri-Pulse found that the program has stimulated the development and use of biobased products, as intended, and has grown tremendously since its creation. The scope of biobased federal purchasing categories has risen from six to 97 different product types. The added value generated from the bioproducts industry was calculated to have reached \$393 billion, with 4.2 million jobs supported in 2014.

In preparing the article, Agri-Pulse reached out to small and large businesses or associations representing a variety of biobased product categories to learn more about their experience with the program. Cortec® was among a handful of companies (including Fortune 500 company Proctor & Gamble) quoted in the article, and was the only one specifically representing the lubricant and corrosion protection industry. Speaking for the company, Cortec® Product Development Manager, Ming Shen, shared with Agri-Pulse that Cortec's portfolio includes 34 lubricant and corrosion protection products in the BioPreferred® Program. "It shows our commitment to a sustainable environment," she commented in the article.

As part of this strong commitment, Cortec® continues its efforts to develop USDA Certified Biobased Products that will provide corrosion protection. Examples of some of Cortec's many current USDA Certified Biobased Product options include BioCorr® Rust Preventative, MCI®-2005 (corrosion inhibiting concrete admixture), and EcoClean® Biodegradable Scale and Rust Remover. Look for more USDA Certified Biobased Products to be released in the near future!



Cortec® Corporation is the global leader in innovative, environmentally responsible VpCI® and MCI® corrosion control technologies for the Packaging, Metalworking, Construction, Electronics, Water Treatment, Oil & Gas, and other industries. Headquartered in St. Paul, Minnesota, Cortec® manufactures over 400 products distributed worldwide. ISO 9001 and ISO 14001 Certified, and ISO 17025 Accredited.



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## Studies: Big farms targeted by crop insurance reforms are less risky

Some new studies suggest that proposals to restrict the amount of crop insurance subsidies that larger, high-earning farmers receive could push the least riskiest farmers out of the program, or force them to restructure in ways that would allow them to skirt the limits.

An [analysis](#) by economists at Kansas State University showed that a cap on premium subsidies hit a widely variable but significant percentage of farms depending on the crops that they grow. Similarly, imposing a means test on farms could in some years increase the program's loss ratio.

**“Kicking out the big farms increased the loss ratio and would require a rate increase on the remaining small farms,”** says Kansas State economist Art Barnaby, a study co-author.

A second study that Mississippi State University economists completed in December, but haven't published yet, found that the largest farms were on average 25 percent less likely to receive indemnities than smaller operations, suggesting that large farms are less risky than smaller ones.



Art Barnaby, Kansas State

The Mississippi State economists obtained crop insurance records from 2000 to 2009 - later data are not available from USDA's Risk Management Agency - and used information on farm size and yield losses to project indemnities for farm units.

The analysis found that a unit that produced soybeans was on average 25 percent less likely to have received an indemnity than if it was on one of the largest farmers rather than on the smallest farms. (See graphic.) Results were similar for corn.

**“If you have two units that are 100 acres and one of them is part of a 300-acre farm versus a 3,000-acre farm, the one that is on the 3,000-acre farm is apparently less risky,”** said

[www.agri-pulse.com/articles/10461-usdas-27-million-biopreferred-program-reaps-multi-billion-dollar-benefits](http://www.agri-pulse.com/articles/10461-usdas-27-million-biopreferred-program-reaps-multi-billion-dollar-benefits)

## USDA's \$2.7 million BioPreferred program reaps multibillion-dollar benefits

01/17/18 5:19 AM By [Jonathan H. Harsch](#)

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The federal “BioPreferred” initiative to boost farm income, economic development and job growth is paying off in a big way.

One measure of success is that out of \$450 billion in federal government purchases last year on goods and services, about \$450 million went into buying biobased products such as non-toxic, high-performance, cost-competitive pallets, paints, carpets, floor tiles, lubricants, and janitorial supplies.

USDA's 142-page 2016 [Economic Impact Analysis of the U.S. Biobased Products Industry](#) concluded that these market-developing federal purchases have helped create a bioproducts industry that generated \$393 billion in value added and supported 4.2 million jobs in 2014.

It's all happening because the 2002 farm bill launched USDA's [BioPreferred Program](#) to require federal agencies to give purchasing preference to biobased products. The 2014 farm bill expanded the original mandate to include forestry products. The innovative program defines biobased products as those derived from plants and other renewable agricultural, marine and forestry materials, excluding food, feed, biofuels, livestock, and pharmaceuticals.



Kate Lewis, an analyst with the BioPreferred program, tells *Agri-Pulse* that with \$2.7 million in annual federal funding, the program is sharply focused on its mission “to incentivize the increased development, purchase and use of biobased products.”

Lewis says that after starting with just six product categories in 2005, the BioPreferred program now includes 97 federal purchasing categories, from adhesive removers to wood and concrete stains, and lists some 15,000 tested bioproducts. Additionally, USDA offers a voluntary certification program that has enabled private industry to display the “USDA Certified Biobased” label on over 3,000 bioproducts.

**Kate Lewis**