

**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**OFFICE OF THE SECRETARY**  
WASHINGTON, D.C. 20250

January 19, 2005

SECRETARY'S MEMORANDUM 1042-003

**ESTABLISHING THE USDA BIOBASED PRODUCTS PROCUREMENT  
PROGRAM**

**1 PURPOSE**

Section 9002 of the Farm Security and Rural Investment Act of 2002 (FSRIA) (7 U.S.C. 8102) requires the Department of Agriculture (USDA) to develop and implement a biobased product procurement program designed to increase the purchase and use of biobased products, consistent with applicable provisions of Federal procurement law.

This memorandum sets forth the policy of the Department of Agriculture to increase the purchase and use of biobased products to the extent practicable, consistent with federal procurement law.

**2 DEFINITION**

A biobased product is defined in Section 9002 as:

A product determined by the Secretary [of Agriculture] to be a commercial or industrial product (other than food or feed) that is composed, in whole or in significant part, of biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials.

**3 BACKGROUND**

Promoting the increased purchase and use of biobased products is part of our overall mission responsibility to provide leadership on agriculture, natural resources conservation, and related issues based on sound public policy, the best available science, and efficient management. Our commitment to biobased products is consistent with our vision to be a dynamic organization able to provide the integrated program delivery needed to lead a rapidly evolving agriculture system.

Annually, USDA procures a broad range of products and services. Many of these products, and the products used in providing these services, can be produced from biobased materials and used in lieu of products derived from non-renewable resources.

Increased USDA procurement and use of biobased products provides opportunities to: (1) boost domestic demand for many agricultural commodities to serve as feed-stocks for producing the products; (2) generate new investment, job formation, and income generation in Rural America; and, (3) benefit the environment by substituting biobased products for items made from less environmentally responsible materials.

While Section 9002 of FSRIA contains government-wide responsibilities for USDA regarding biobased products, the focus of this Secretary's Memorandum is on internal USDA action to boost the acquisition of these products.

#### **4 ESTABLISHING A BIOBASED PRODUCTS LEADERSHIP COUNCIL**

This Secretary's Memorandum establishes a new Biobased Products Leadership Council (BPLC) to provide additional emphasis, senior-level leadership, and coordination on increased USDA purchase and use of biobased products. This new council will work in conjunction with the USDA Biobased Products and Bioenergy Coordination Council (BBCC) established by Departmental Regulation 9600-002 (Among its duties, the BBCC has the responsibility to support acquisition of biobased products resulting from USDA research, development and technology transfer programs).

Mission area Deputy Under Secretaries, working collaboratively with the BBCC, shall provide the leadership required to expand the purchase and use of biobased products, through a Biobased Products Leadership Council, as ordered below. The Deputy Secretary of Agriculture shall chair this Council. The Chief Acquisition Officer (CAO)/Assistant Secretary for Administration (ASA) and the Chief Economist shall provide advice and support in their respective areas of expertise to the Council. The CAO has delegated responsibility for all USDA-wide procurement policy. Similarly, the Chief Economist has delegated responsibility to implement Section 9002. The CAO will provide staff support to the new council.

#### **5 FEDERAL ACQUISITION REGULATION APPLICABILITY**

Consistent with applicable federal procurement law and regulation, the biobased procurement program shall be implemented through the Agricultural Acquisition Regulation (AGAR), AGAR Advisories (as appropriate), and other appropriate internal mission area issuances.

## **6 BIOBASED PROCUREMENT PROGRAM CONTENTS**

As required by FSRIA, the USDA biobased procurement program will contain the following:

- a Biobased product preference program;
- b Promotion program to promote the preference program established in (1) above; and,
- c Annual review and monitoring of program effectiveness.

Implementation of the actions ordered below are to be taken consistent with these and other relevant requirements of FSRIA Section 9002.

## **7 EFFECTIVE DATE**

The provisions of this memorandum are effective immediately.

## **8 POLICY**

It shall be USDA's policy to increase the acquisition and use of biobased products consistent with the actions ordered below. For a procurement preference to apply, the products/items must first be designated. Once designated, products/items must be reasonably available, meet performance standards, and be reasonably priced. The preference may be stated in terms of minimum biobased content standards or on the basis of highest percentage of biobased products offered by a vendor.

## **9 ACTIONS ORDERED**

The following actions are hereby ordered:

- a A USDA Biobased Products Leadership Council is hereby established. The Council shall be composed of the following mission area Deputy Under Secretaries, with the CAO/ASA, Chief Economist and BBCC serving in advisory/support roles as described in Section 4, above:

Farm and Foreign Agricultural Services;

Natural Resources and Environment;

Research, Education and Economics; and,

Rural Development.

The BBLC shall coordinate its efforts to increase the procurement and use of biobased products in USDA with the activities of the BBCC.

- b All USDA agencies shall provide the resources necessary to support the increased procurement and use of biobased products.
- c The Leadership Council shall meet at least twice each fiscal year.
- d The Deputy Secretary of Agriculture shall chair the Leadership Council.
- e The Council, with support and guidance from the CAO/ASA, Chief Economist, and BBCC, shall promote and further the objectives of the USDA-wide biobased procurement program applicable to all USDA organizations. Consistent with agency needs and applicable federal procurement law, the acquisition of biobased products may begin in advance of the actual designation of items.
- f The CAO shall manage all USDA-wide procurement policy issuances related to biobased procurement consistent with the decisions of the Council and will coordinate USDA's biobased procurement preference program. Similarly, the Chief Economist shall manage policy issuances involving biobased product designation.
- g In addition to the items designated pursuant to Section 9002, the Council will promote the acquisition and use of undesignated biobased products, consistent with applicable federal procurement law. Such products must satisfy agency requirements, meet applicable schedule/delivery requirements, and be available at a reasonable price.
- h The Council shall ensure actions to promote the USDA biobased product procurement begin during fiscal year 2005. The program shall be reviewed annually, and if needed, these actions revised to ensure that it continues to be relevant in supporting the increased purchase and use of biobased products in USDA.
- i The Council members serve as “champions” to promote and expand the purchase and use of biobased products USDA-wide.

Ann M. Veneman  
Secretary