

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:**

This AN replaces AN No. 4753 (4288-B) dated April 9, 2014, which expired on April 30, 2015.

**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.

**EXPIRATION DATE:**

June 30, 2016

**FILING INSTRUCTIONS:**

Preceding RD Instructions 4288-B

Advanced Biofuels that are blended in accordance with 7 CFR part 4288 subpart B continue to be eligible. Blending involves the mere mixing of a final Advanced Biofuel(s) with an ineligible fuel(s). For example, the portion of biodiesel that is blended with diesel to distribute and sell as a biodiesel blend remains eligible.

If you have any questions regarding this AN, please contact Lisa Noty at (712) 243-2107, extension 116, or via e-mail at [lisa.noty@wdc.usda.gov](mailto:lisa.noty@wdc.usda.gov).

/s/ **LILLIAN E. SALERNO**

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