TO: Rural Development State Directors

ATTN: Business Programs Directors

SUBJECT: Advanced Biofuel Payment Program

Eligibility of Biofuels Derived from Corn Kernel Starch

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to confirm that biofuels derived from edible or inedible corn kernel starch are not eligible Advanced Biofuels.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 4799 (4288-B), dated 02-02-16, which expired on January 31, 2017.

IMPLEMENTATION RESPONSIBILITIES:

RD Instruction 4288-B, section 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: (1) The advanced biofuel must meet the definition of advanced biofuel and be produced in a State. . . ."

RD Instruction 4288-B, section 4288.102, states that the definition of Advanced Biofuel is "A fuel that is derived from renewable biomass, other than corn kernel starch. . . ." This definition does not distinguish between edible and inedible corn kernel starch; therefore, biofuel derived from either inedible or edible corn kernel starch does not meet the definition of Advanced Biofuel. Applications for payments received for biofuel derived from edible or inedible corn kernel starch are ineligible.

EXPIRATION DATE: January 31, 2018

FILING INSTRUCTIONS: Preceding RD Instructions 4288-B

If you have any questions regarding this AN, please contact Lisa Noty at (712) 243-2107, extension 412, or via e-mail at Lisa.Noty@wdc.usda.gov.

/s/ **SAMUEL H. RIKKERS**

SAMUEL H. RIKKERS Administrator Rural Business-Cooperative Service