



Rural Development

Office of the Administrator


Rural Business–Cooperative
Service

1400 Independence Ave, SW
Room 5803-S
Washington, D.C. 20250

Telephone: (202) 690-4730

DATE: December 16, 2025

TO: All RBCS National Office Officials
Business Programs staff
USDA Procurement Officers and Contracting Officers
Rural Development

FROM: J.R. Claeys
Administrator 
Rural Business-Cooperative Service

SUBJECT: Ensuring the support of America First policies in the implementation
of the RBCS Programs

PURPOSE:

The purpose of this Unnumbered Letter (UL) is to provide notice of the Administrator’s direction to implement President Trump’s recent Executive Order on “*Ending Market Distorting Subsidies For Unreliable, Foreign Controlled Energy Sources*” and USDA’s *National Farm Security Action Plan* with respect to the BioPreferred Program (Biopreferred) and guaranteed lending to prohibit participation eligibility for entities from countries determined to be foreign adversaries. The action plan states, “USDA will review [these programs] and prevent people and entities from countries of concern or other foreign adversaries from taking advantage of them, including by revoking BioPreferred® Certification to entities located in these countries.”

BACKGROUND:

The [President’s Executive Order states](#) that it is the policy of the United States to “end taxpayer support for supply chains built in, and controlled by, foreign adversaries.” USDA’s [National Farm Security Action Plan](#) focuses on American agriculture as a key element of our nation’s national security and addresses threats from foreign adversaries. The *Action Plan* outlines activities across seven critical function areas, including one area that calls for USDA to review its programs to ensure they support America First policies. Specifically, the *Action Plan* calls for the BioPreferred Program to ensure that entities from countries determined to be foreign adversaries (as defined by [7 CFR 791.4](#)) are excluded from participating.

The USDA BioPreferred Program was created by the Farm Security and Rural Investment Act of 2002 to support domestic agriculture by accelerating markets for biobased products, which are products made from agricultural, marine, and forestry

EXPIRATION DATE:
December 16, 2026

FILING INSTRUCTIONS:
Business Programs

materials. Biopreferred, which has been reauthorized in subsequent Farm Bills, has had remarkable success in spurring domestic economic development, creating jobs in rural America, and providing new markets for innovative farm commodities. Biopreferred accomplishes these goals by certifying products to use the USDA Certified Biobased Product label and by designating categories of biobased products for preferred federal purchasing (FP). The rules for eligibility and participation in Biopreferred are included in [7 CFR 4270](#).

Biopreferred currently allows foreign companies to participate in both of its initiatives based on a 2006 decision from the U.S. Trade Representative (USTR). When companies apply to participate in the BioPreferred Program, the applicant is asked to provide the company's address. According to this data, out of approximately 2,500 companies in the program, there are over 600 companies with addresses located in two countries determined to be foreign adversaries, China and Russia, that participate in one or both initiatives of the BioPreferred Program (see attachment).

IMPLEMENTATION FOR RBCS OneRD GUARANTEED LENDING:

With respect to the President's Executive Order, for the Business and Industry Guaranteed Loan Program (B&I), Timber Production Expansion Program (TPEP), and Rural Energy for America Guaranteed Loan Program (REAP), individuals who are citizens of, and companies that are headquartered in countries determined to be foreign adversaries as defined by [7 CFR 791.4](#), are not eligible to participate in these programs as either borrowers, lenders, or guarantors.

IMPLEMENTATION FOR BIOPREFERRED PROGRAM:

In compliance with USDA's *National Farm Security Action Plan* as it relates to participation in the BioPreferred Program, entities from countries determined to be foreign adversaries and products that are made in countries determined to be foreign adversaries will no longer be allowed to participate in the BioPreferred Program. Products belonging to entities from countries determined to be foreign adversaries and products that are made in countries determined to be foreign adversaries are referred to as "identified products" in the implementation instructions below. The Administrator's direction will implement the following requirements of the BioPreferred Program until the regulations at 7 CFR 4270 are updated:

1. Entities in countries determined to be foreign adversaries as defined by [7 CFR 791.4](#) that are not already participating in the BioPreferred Program as of December 16, 2025 are not eligible to participate in the BioPreferred Program.
2. Products that are made in countries determined to be foreign adversaries that are not already participating in the BioPreferred Program as of December 16, 2025 are not eligible to participate in the BioPreferred Program. Entities currently participating in the program will be expected to address the location of manufacturing during their annual audit process, and will be advised that failure to respond to audits risks compromising their continued participation in the program.
3. Identified products that are qualified for preferred federal purchasing or certified to use the USDA Certified Biobased Product label as of December 16, 2025 will receive a 60-day

notification that their certifications will be revoked and will be removed from the BioPreferred Program's Catalog.

- a. All identified FP qualified products are no longer considered qualified, effective immediately.
 - i. Federal agencies and their contractors should no longer treat identified products as eligible for purchasing preference.
 - ii. Any catalog displaying products qualified for preferred federal procurement should immediately remove identified products.
 - b. Identified products that are certified will have their certification revoked following a 60-day notification period. After the 60-day notification period, the product will no longer be eligible for certification.
4. If additional countries are determined to be foreign adversaries as defined by [7 CFR 791.4](#), BioPreferred will follow the steps above as applicable. If any country is determined to no longer be a foreign adversary, entities from and products made in the identified country will be eligible to participate in BioPreferred at that point forward.

If you have any questions regarding the guidance in this UL, please contact Derek L. Jones, Branch Chief, Public Private Partnerships, at derek.jones@usda.gov.

Attachment: List of companies with BiopREFERRED certified products located in foreign adversary countries as of date of publication. [List of foreign adversary companies - attachment for UL.xlsx](#)