Frequently Asked Questions

August 23, 2013

1. ***Question***: Would ethanol produced under the Feedstock Flexibility Program (FFP) have to have a Renewable Identification Number (RIN) that would satisfy the EPA?
   USDA's Response: As stated in the Invitation No. 1, the bioenergy producer is not required to comply with EPA regulations in order to participate in FFP. If there are additional questions regarding RIN qualifications, the producer should contact the EPA. Their support line is as follows: support@epamts-support.com

2. ***Question:*** Will I need a permit change to allow the use of sugar as feedstock since the original permit was issued for corn?
   USDA's Response: Bioenergy producers need to check with their state/regional offices on any potential permitting changes. Air permit requirements may differ for sugar feedstocks. CCC is not certain of any available waiver.

3. ***Question:*** Is there a website to see approved warehouse storage facilities?
   USDA's Response: http://www.fsa.usda.gov/Internet/FSA_File/approved_ssa_list.pdf

4. ***Question:*** Will the biofuel producers be competing in terms of price with the sugar producers?
   USDA's Response: No. The sugar producers will be selling to CCC and CCC will in-turn sell to the bioenergy producers under the FFP. Price competition is a factor among the bioenergy producers.

5. ***Question:*** What commodity is eligible under the current Invitation?
   USDA's Response: Any sugar under loan that is maturing at the end of August 2013.
6. ***Question:*** Are there any audit provisions in the FFP regulations?
   USDA's Response: Yes, they are outlined in Announcement FFP1, Invitation 1, under the General Compliance section. We reserve the right to review financial statements, production records, etc.

7. ***Question:*** Is this program open to bioenergy producers that exclusively produce biofuel, or will this program be open to biorefineries that make renewable chemicals that are not considered biofuels. Several companies in the United States are producing renewable chemicals, so they are not in a bioenergy category per se. Would this program be open to those participants?
   USDA's Response: This is not the way the legislation is written. It is specifically aimed at bioenergy producers who produce fuel grade ethanol and other biofuel. Any changes would require a legislative change to the 2008 Farm Bill. USDA has other authorities to dispose of

sugar like the first two sales for exchanging for re-export credits. This particular exchange is specifically for the FFP.

8. ***Question:*** If a biorefinery makes products, both bioenergy, as is defined, and also the co-product, which is a high value renewable chemical, would that refinery be eligible?
   USDA's Response: If bioenergy is produced with the sugar that was purchased, that biorefinery would be eligible.

9. ***Question:*** Is a by-product (co-product) eligible?
   USDA Response: No. Is it required that biofuel be produced.

10. ***Question:*** Does CCC require that the bioenergy producer take physical possession physically in 30 days? Are there additional fees, other than storage and loadout fees, or is there a timeline for how long you can store the product?
    USDA's Response: No, CCC will transfer title instore. Storage rates applicable to the transaction are set forth in the CCC Sugar Storage Agreement. Please see Announcement KCPBS2, Invitation 3.

11. ***Question:*** Has CCC periodically checked the quality of these warehouses?
    USDA's Response: They are checked at least twice per year.

12. ***Question:*** Any preferential treatment to a small business?
    USDA's Response: No

13. ***Question:*** Is it possible for a bioenergy producer located in Country A to buy sugar from CCC under the FFP, but then export that sugar to the world, and instead use sugar produced in Country A for bioenergy production?
    USDA's Response: No, sugar allowed to be substituted must have a valid Sugar Storage Agreement with CCC, and have a sufficient supply of sugar to meet their storage obligations. In other words, sugar is only fungible under the FFP if the replacement sugar is located in a CCC approved warehouse.

14. ***Question:*** If the sugar processor sells sugar to CCC at a price lower than the loan redemption rate, are they responsible for the difference when the loans are redeemed?
    USDA's Response: Yes, the loan must be redeemed in full. Independent of whether a processor sells sugar to CCC at a price below or above the loan rate, the processor must first repay the sugar loan at principal plus interest. After the sugar loan is repaid, CCC will pay the processor the price established in the contract. If that contract price happens to be less than the sugar loan redemption amount, the processor will lose the difference.