

Latest Economic Impact Report Shows a Thriving and Resilient Bioeconomy Despite Impacts of the Global Pandemic

Economic Impact Analysis of the U.S. Biobased Products Industry



USDA Rural Development (RD) recently released “*An Economic Impact Analysis of the U.S. Biobased Products Industry: 2023 Update*,” which demonstrates how the biobased products industry has grown at the national level despite the impacts of the global COVID-19 pandemic. The report release also honored this year’s National Biobased Products Day, an annual celebration on March 8th designed to raise awareness of biobased products, their benefits and contributions to the U.S. economy.

Topline report findings include:

- ▶ Biobased products, a segment of the bioeconomy, **contributed \$489 billion to the U.S. economy in 2021**, up from \$464 billion in 2020. This is an increase of \$25 billion or a 5.1% increase.
- ▶ Employment decreased slightly from 4.05 million jobs in 2020 to 3.94 million jobs in 2021, with each job supporting an estimated 1.4 more jobs in other sectors of the U.S. economy. This decrease is likely due in part to challenges in the labor market upon restarting the economy in 2021.

- ▶ The biobased products sector and the jobs it supports are **shown to impact every state in the nation** and are not confined to states where agriculture is the main industry.
- ▶ The use of biobased products reduces the consumption of petroleum equivalents. In 2017, oil displacement was estimated to be as much as 9.4 million barrels of oil equivalents. In 2021, the **displacement grew to 10.7 million barrels of oil** equivalents using an 80% petroleum reduction value for biobased products.

About the Report

Commissioned by USDA's BioPreferred® Program, which is administered by RD, the report's findings span seven major sectors representing the bioeconomy. Each report seeks to address seven important aspects of the bioeconomy's contributions:

- ▶ The quantity of biobased products sold
- ▶ The value of the biobased products
- ▶ The quantity of jobs contributed
- ▶ The quantity of petroleum displaced
- ▶ Other environmental benefits
- ▶ The economic impacts of biobased exports
- ▶ Areas in which the use or manufacturing of biobased products could be more effectively used, including identifying any technical and economic obstacles and recommending how those obstacles can be overcome.

This year's release is the sixth volume in a series of reports tracking the impact of the biobased product industry on the U.S. economy. The report's conclusions and recommendations are those of the authors and have not been endorsed by the USDA.

The Seven Major Sectors

The biobased products industry includes the following seven major sectors of the U.S. economy:

- ▶ Agriculture and Forestry
- ▶ Biobased Chemicals
- ▶ Biobased Plastic Bottles and Packaging
- ▶ Biorefining
- ▶ Enzymes
- ▶ Forest Products
- ▶ Textiles

Download a full copy of the report [here](#). Or, go to the USDA BioPreferred Program website: <https://www.biopreferred.gov>.

About the USDA BioPreferred Program

The USDA BioPreferred® Program is the Federal Government's official advocate and market accelerator for biobased products. Our primary goals are to spur economic development; create new markets for farm commodities and ensure an abundant food supply; increase the development, purchase, and use of biobased products; create new jobs; support people in rural communities; promote innovation; and contribute to a growing and thriving bioeconomy.

What is a Biobased Product?

From soy-based insulation to sugarcane-derived shopping bags, biobased products are in use all around us. Made from plants and other agricultural, marine, and forestry materials, biobased products offer renewable alternatives to petroleum-based products, reducing our reliance on petroleum and often promoting more sustainable manufacturing processes. Biobased product examples include construction materials, renewable chemicals, custodial goods, and consumer-based personal care products and packaging.