Biomass Crop Assistance Program (BCAP)

June 25, 2014
BCAP Authorization

• BCAP was authorized/amended by Section 9011 by the Food, Conservation, and Energy Act of 2008 and re-authorized by section 9010 of the Agricultural Act of 2014 - 23 language changes.
  – Title IX in the 2008 & 2014 Farm Bill is the Energy Title

• Interim rule was published in the Federal Register on September 15, 2011 – 7 CFR 1450

• Final rule was published in the Federal Register on October 27, 2010 – 7 CFR 1450.
The purposes of the program are to:

**Project Areas**

- Support the establishment and production of eligible crops for conversion to bioenergy

**Matching Payments (only NEW activity in FY 2014)**

- Assist agricultural and forest landowners and operators with the collection, harvest, storage, and transportation (CHST) of eligible material for use in biomass conversion facilities (BCF’s).
BCAP Webpage at www.fsa.usda.gov/bcap

BCAP NEPA
Biomass Conversion Facilities (BCF’s):

BCFs produce heat, power, biobased products, research, or advanced biofuels from biomass feedstocks (eligible material).

The 2014 Farm Bill added research as a use for BCFs.
BCAP Matching Payment Overview for FY 2014 (Notice of Funds Availability (NOFA))

BCAP matching payments is restarted with a narrower scope as prescribed in the 2014 Farm Bill and with a selected eligible material prioritization as described in the NOFA, Federal Register, June 11, 2014:

BCAP Matching Payment Contracts
(2014 Farm Bill Section 9010, (d)(2)(B))

BCAP matching payment contract participants may be eligible for:

- $1 for each $1 per ton provided by the biomass conversion facility, in an amount not to exceed $20 per dry ton for a period of 2 years.

Note: The $20 is a lower rate from the 2008 Farm Bill rate of $45 per ton.
• **Dry ton:** means one U.S. ton measuring 2,000 pounds. One dry ton is the amount of renewable biomass that would weigh one U.S. ton at zero percent moisture content.

• Woody material dry ton weight is determined in accordance with applicable ASTM (American Society for Testing and Materials) standards.
BCAP Matching Payment
Eligible Material Priorities for FY 2014

Forest residues from National Forest System (US Forest Service public lands) or Bureau of Land Management (BLM) public lands and are harvested or collected directly the by-product of preventative treatments for:

- Hazardous fuels reduction (fire fuel load reduction) or
- Disease reduction or containment or
- Insect infestation reduction or containment.
- Woody material must not have an existing or higher-product value market.
Agricultural residues (crop residue from agricultural lands) harvested or collected directly from the land:

• For example, corn stover or wheat straw

• For example, woody agricultural residues, such as orchard waste, that does not have an existing higher-value product market, as defined in 7 CFR 1450.2.
Funds

2014 Farm Bill provided that not less than 10 percent ($2.5 million), nor more than 50 percent ($12.5 million) of the annual mandatory funding amount of $25 million could be used for BCAP matching payments.

FSA/CCC chose, due to shortness of time in FY 2014 of implementation, the full $12.5 million for BCAP matching payments.

On any given year, an assumption of an average rate of $20/ dry ton allows a range of support for as few as 125,000 dry tons to as many as 625,000 dry tons.

Funding is mandatory from FY 2014 through FY 2018. Amount of mandatory funding available could change in appropriations.

Biomass Crop Assistance Program (BCAP)
### BCAP Matching Payment Timeline for FY 2014

<table>
<thead>
<tr>
<th>Dates FY 2014</th>
<th>BCAP Application/Activity FY 2014</th>
<th>Location for BCAP Application FY 2014</th>
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<tbody>
<tr>
<td>June 16 – July 14, 2014</td>
<td><strong>Biomass Conversion Facility (BCF’s) Applications for Qualification Will be Accepted</strong> &lt;br&gt; <em>Competitive process; not all those that apply are qualified and it is not qualification on first-come/first-serve basis.</em></td>
<td>• Applications available online, June 16 &lt;br&gt; • Application submitted at FSA State Office where the biomass conversion facility is physically located.</td>
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<td>July 21, 2014 on or about</td>
<td><strong>Posting of Qualified BCF’s</strong></td>
<td>• On BCAP webpage at <a href="http://www.fsa.usda.gov/bcap">www.fsa.usda.gov/bcap</a></td>
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<td>July 21 on or about – August 25, 2014</td>
<td><strong>Eligible material owners may apply for an FSA contract</strong></td>
<td>• FSA County office or where existing producer records are located.</td>
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<td>September 26, 2014</td>
<td><strong>Deadline for Delivery of Eligible Material to a Qualified BCF</strong> &lt;br&gt; <em>Note: All material owners MUST have a conservation, forest stewardship plan or equivalent plan with evaluation.</em></td>
<td>• FSA County office or where existing producer records are located.</td>
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<tr>
<td>September 30, 2014</td>
<td><strong>Deadline for Requesting BCAP Matching Payment on Approved Contract</strong></td>
<td>• FSA County office or where existing producer records are located.</td>
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Changes under 2014 Farm Bill include:

• Capped establishment costs for perennial crops at 50 percent of $500/acre and $750/acre for socially disadvantaged farmers and ranchers or operators (producers);

• Consider in selection process of project areas “existing project areas…the continuation of funding of such project areas to advance maturity of such project areas;”

• Expiring CRP is now eligible; and

• Technical assistance can now be used from the BCAP budget.

• Annual expansion could be as many as 15,000 acres. Currently, 11 BCAP project areas with 48,000 acres.
Questions?

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