



Fiscal Year 2014 Biomass Crop Assistance Program (BCAP) Matching Payments

OVERVIEW

The Biomass Crop Assistance Program (BCAP), created by the 2008 Farm Bill and continued by the 2014 Farm Bill, is part of the national strategy to reduce U.S. reliance on foreign oil, improve domestic energy security and reduce carbon pollution, while expanding markets for agricultural products made in rural America. BCAP provides incentives to farmers, ranchers and forest landowners to establish, maintain and harvest biomass for heat, power, bio-based products and biofuels.

The Agricultural Act of 2014 (2014 Farm Bill) reauthorizes BCAP with an annual mandatory funding level of \$25 million for three types of assistance:

- Establishment payments for 50 percent of the cost of establishing a new, perennial energy crop.
- Maintenance payments (annual payments) for the crop as it matures until harvest, up to five years for herbaceous crops or up to 15 years for woody crops.
- Retrieval payments (matching payments) for mitigating the cost of harvesting and transporting agriculture or forest residues (that are not otherwise economically retrievable) to the end-use facility.

In fiscal year 2014 (FY 2014), only BCAP matching payments will resume. There will be no funds in FY 2014 for the establishment of new project areas or for the expansion of existing project areas (other than the continuation of payments under existing FSA contractual obligations). The resumption of BCAP establishment and BCAP annual payments for new or expanded project areas is deferred until a later date.

ELIGIBLE MATERIALS

Eligible biomass materials that may qualify for BCAP matching payments are:

- Agricultural or crop residues (including herbaceous residues remaining in the field after harvest of conventional crops), including woody agriculture residues, like orchard waste, that do not have an existing market, and that are removed directly from the land in accordance with an approved conservation plan or;
- Woody forest residues removed directly from public forest land (National Forest System lands of the U. S. Forest Service and Bureau of Land Management public lands of the Department of the Interior) that are byproducts of preventative treatments that reduce the threat of forest fires, disease or insect infestation, and are removed in accordance with an approved forest stewardship or equivalent plan.

Biomass that is ineligible for matching payments include:

- Conventional crops (including but not limited to barley, corn, grain sorghum, oats, rice, wheat, some oilseeds, peanuts, dairy products and sugar)
- Secondary agricultural or forest residues that are the result of a processing activity (i.e. materials which, after transport and delivery to a processing or conversion facility, are separated from another product in order to be used for heat, power, bio-based products or advanced biofuels)
- Animal waste or byproducts
- Bagasse

For more details on eligible material qualifications, or ineligibility, please consult your local FSA county office.

BIOMASS CONVERSION FACILITIES (BCFS)

A biomass conversion facility is a facility that converts biomass into heat, power, biobased products or advanced biofuels. Previous BCF qualifications do not apply and will not be extended. BCFs must first be qualified by FSA before eligible biomass material owners may deliver the biomass materials or apply for BCAP matching payments. All eligible BCFs will have feedstock suppliers that will collect or harvest eligible biomass materials. Due to funding limitations and other factors, not every BCF applicant that meets all requirements will be selected as a qualified BCF. FSA may prioritize BCFs that have suppliers of eligible biomass materials that best meet BCAP objectives.

For more details on becoming a qualifying BCF, please consult your local FSA county office. FSA will provide qualification numbers to BCFs and post a listing of qualified facilities on the BCAP Web page at www.fsa.usda.gov/bcap.

MATCHING PAYMENTS

The 2014 Farm Bill authorizes \$25 million annually for BCAP, requiring between 10 and 50 percent of total annual funding (or no greater than \$12.5 million) to be provided for matching payments for the collection, harvest, storage or transportation (CHST) of eligible biomass material.

All eligible material must be collected or harvested according to an approved conservation or forest stewardship or equivalent plan. Subject to the availability of funding, FSA will provide an opportunity to suppliers of eligible materials to enter into a contract with FSA for BCAP matching payments, at the rate of up to \$1 for each \$1 per ton delivered to the qualified biomass conversion facility, in an amount not to exceed \$20 per dry ton of the material. By law, matching payments may be made to eligible material owners for a period no longer than two years.

SIGN-UP PERIODS FOR FY 2014

Sign-Up Category	Application Location	Dates
Biomass Conversion Facility Application for Qualification	State FSA office where the facility is located	June 16, 2014 – July 14, 2014*
Eligible Material Owner Application for BCAP Matching Payments	County FSA service center where the land is located or where farm records exist	July 28, 2014 – Aug. 25, 2014*
*Eligible material deliveries must occur on or before Sept. 26, 2014, unless determined otherwise by the Farm Service Agency.		

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