

## The Biomass Crop Assistance Program (BCAP)

### Overview

Section 9001 of the 2008 Farm Bill established the Biomass Crop Assistance Program (BCAP) with the purpose of:

- Assisting agricultural and forest land owners and operators with the collection, harvest, storage and transportation of eligible material for use in a biomass conversion facility; and
- Supporting the establishment and production of eligible crops for conversion to bioenergy in selected BCAP project areas.

BCAP provides two broad categories of payments:

- Matching payments that may be available for the delivery of eligible material to qualified biomass conversion facilities by eligible material owners.
- Establishment and annual payments that may be available to producers who enter into contracts with the Commodity Credit Corporation (CCC) to produce eligible biomass crops within BCAP project areas.

### BCAP History

On May 5, 2009, the President issued a Presidential Directive directing the Secretary of Agriculture to expedite guidance and support for a portion of BCAP, the collection, harvest, storage and transportation of eligible materials for use in biomass conversion facilities.

On June 11, 2009, the USDA Farm Service Agency (FSA) published a BCAP Notice of Funds Availability (NOFA) for the collection, harvest, storage and transportation

of eligible materials (CHST) in the Federal Register. Under the NOFA, CCC has issued more than \$235 million in CHST payments for more than 7.1 million dry tons of eligible material.

On February 8, 2010, FSA published a proposed rule covering the entire BCAP program, which terminated the NOFA. FSA received more than 24,000 comments on the proposed rule during the 60-day public comment period.

FSA is currently reviewing comments and drafting the final rule, which is expected to be published in the Federal Register in fall 2010. Comments from the programmatic environmental impact statement (PEIS), NOFA, and proposed rule will be considered in the final rule.

### BCAP Matching Payments

BCAP provides for matching payments to eligible material owners at a rate of \$1 for each \$1 per dry ton paid by a qualified biomass conversion facility, in an amount up to \$45 per dry ton. An eligible material owner may be a producer of an eligible crop or a person or entity with the legal right to collect or harvest eligible material. Matching payments may be made to eligible material owners for a maximum of two years, which is a statutory requirement.

### Qualified Biomass Conversion Facility

Under the NOFA, FSA established a process for biomass conversion facilities to become qualified for the purposes of BCAP. A similar process is being considered for the final rule. Biomass conversion

facilities convert renewable biomass into heat, power biobased products or advanced biofuels.

### Eligible Material

Eligible material for BCAP is renewable biomass, as defined in the 2008 Farm Bill, with certain exclusions.

Eligible material includes:

- Materials, pre-commercial thinnings or invasive species from National Forest System land and public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)) that:
  - Are byproducts of preventive treatments that are removed to reduce hazardous fuels, to reduce or contain disease or insect infestation, or to restore ecosystem health;
  - Would not otherwise be used for higher-value products; and
  - Are harvested in accordance with applicable law and land management plans and the requirements for old-growth maintenance, restoration and management direction of section 102 (e)(2), (3), and (4) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6512) and large-tree retention of subsection (f); or
- Any organic matter that is available on a renewable or recurring basis from non-federal land or land belonging to an Indian or Indian tribe that is held in trust by the United States or subject to a restriction against alienation imposed by the United States, including:
  - Renewable plant material,

including feed grains, other agricultural commodities and other plants and trees; and  
- Waste material, including crop residue and other vegetative waste material (including wood waste and wood residues).

Eligible material does not include:

- Harvested grains, fiber or other commodities eligible to receive payments under Title I of the 2008 Farm Bill;
- Animal waste and animal waste by-products including fats, oils, greases and manure;
- Food waste and yard waste; or
- Algae.

### **BCAP Establishment and Annual Payments**

The 2008 Farm Bill also provides that establishment and annual payments are available to producers in order to support the production of eligible crops on BCAP contract acreage. BCAP contracts will be available only for land within BCAP project areas. These project areas will be selected by the FSA from project area proposals submitted by biomass conversion facilities or by groups of producers. Establishment payments will be made for up to 75 percent of the cost of establishing perennial crops. Annual payments will be limited to no longer than five years for annual and perennial herbaceous eligible crops, and no longer than 15 years for woody perennial eligible crops. The implementation of a conservation plan, forest stewardship or equivalent plan will be a requirement of BCAP contracts.

### **BCAP Project Areas**

BCAP project areas proposals will be submitted by project sponsors. Project sponsors may be biomass conversion facilities or groups of producers. At a minimum, project area proposals must include:

- A description of the eligible

land and eligible crops that will be included;

- A letter of commitment from a biomass conversion facility to use the eligible crops that will be produced in the project area; and
- Evidence that the biomass conversion facility has sufficient equity available if it is not yet in operation at the time the proposal is submitted.

These proposals will be evaluated by selection criteria including:

- The volume of the eligible crops available from contract acreage and the probability that such crops will be used for BCAP purposes;
- The volume of renewable biomass projected to be available beyond contract acreage
- The anticipated economic impact;
- The opportunity for producers and local investors to participate in the ownership of the biomass conversion facility;
- The participation rate by beginning or socially disadvantaged farmers or ranchers;
- The impact on soil, water and related resources;
- The variety in biomass production approaches;
- The range of eligible crops; and
- Other criteria, as determined by CCC.

### **Eligible land**

Eligible land for BCAP project areas includes agricultural and non-industrial private forestland. Eligible land does not include:

- Federal or state-owned land;
- Land that is native sod; or
- Land enrolled in the:
  - Conservation Reserve Program;
  - Wetlands Reserve Program; or
  - Grassland Reserve Program.

### **Eligible Crop**

Eligible crops for BCAP contracts are crops of renewable biomass, as defined by the 2008 Farm Bill, with the following exclusions:

- Any crops eligible to receive payments under Title I of the 2008 Farm Bill; or
- Any plant that is invasive or noxious, or has the potential to become invasive or noxious.

### **BCAP Administration**

FSA administers BCAP with partnership support from:

- USDA's Rural Development (RD);
- USDA's Forest Service (FS);
- USDA's Natural Resources Conservation Service (NRCS);
- USDA's Cooperative State Research, Education and Extension Service (CSREES);
- Department of Energy's National Renewable Energy Laboratory;
- State forestry agencies;
- Local soil and water conservation districts; and
- Other non-federal providers of technical assistance.

### **For More Information**

For more information on BCAP, please visit FSA's BCAP website at <http://www.fsa.usda.gov/bcap>.

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