FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

July 2011

Biomass Crop Assistance Program – Project Area Number 8
Camelina Growers in California, Montana and Washington

Overview

The Farm Service Agency (FSA) has announced the eighth new Biomass Crop Assistance Program (BCAP) project area in California, Montana and Washington. BCAP project areas provide financial incentives to eligible landowners and operators to establish and produce biomass crops for heat, power, biobased products and advanced biofuels. Producers in Project Area 8 are eligible to receive annual payments to grow the annual crop camelina for energy purposes.

Camelina is an annual oilseed crop suitable for cultivation in the project area states. Generally, land on which wheat had been previously grown is expected to be enrolled and dedicated to new camelina production. When camelina is crushed, the oil is suitable for biodiesel and the meal may be used as an animal feed.

To support camelina producers in the project area, FSA will enter into five-year contracts with producers to grow the annual crop each year on cropland enrolled in BCAP contracts. As a condition of enrollment, producers must provide evidence that they have a camelina production agreement with a third party biomass conversion facility. Participants will be required to establish, maintain and harvest the camelina during the five-year contract at their own expense. Camelina growers will be allowed to sell their harvested biomass to the Project Sponsor — Altair Fuels LLC, or any other biomass conversion facility they choose.

Project Area Acreage Targets & Location

The project entails enrollment of up to 50,000 acres in fiscal year 2011 in the following project area states/counties:

- California: Tehama, Solano, Butte, Colusa, S. Luis Obispo, Glenn, Tulare, Sacramento, Yolo, Fresno, Kings , San Joaquin, Kern, Merced, Madera, Riverside, Stanislaus counties — up to 25,000 acres.
- Montana: all counties — up to 15,000 acres.
- Washington: Pend Oreille, Chelan, Benton , Franklin, Adams, Walla Walla, Ferry, Douglas, Asotin, Okanogan, Grant, Lincoln, Columbia, Stevens, Garfield, Whitman, Spokane counties — up to 10,000 acres.

A tract of cropland must be completely located in a project area county to be eligible.

Annual Payments for Enrolled Land

Per acre annual rental payments for cropland enrolled under these contracts will be based on posted Conservation Reserve Program (CRP) non-irrigated cropland rental rates plus an additional 50 percent incentive.

Per acre annual rental payments for non-cropped agricultural land will be based on the lowest posted CRP marginal pasture rental rate plus an additional 50 percent incentive.

BCAP contracts will be five years in length with all payments obligated from the fiscal year 2011 allocations. The estimated total annual rental payment allocation amount is $20 million which is intended to fund obligations for the 50,000 acres for the full five years.

Required Reductions in Annual Payments

Annual payments will be reduced in the year the eligible crops are harvested or collected from the contract acreage by a percentage of the value of the harvest/collection and any BCAP matching payments (see table below):

REDUCTION PERCENT	FINAL CONVERSION PRODUCT
1 Percent	If the eligible crop is delivered to a biomass conversion facility for conversion to cellulosic biofuels as defined by the national Renewable Fuel Standard (40 CFR 80.1401).
10 Percent	If the eligible crop is delivered to a biomass conversion facility for conversion to advanced biofuels, as defined by the BCAP final rule (7 CFR Part 1450).
25 Percent	If the eligible crop is delivered to a biomass conversion facility for conversion to heat, power or biobased products, as defined by the BCAP final rule (7 CFR Part 1450).
100 Percent	If the eligible crop is used for a purpose other than conversion to heat, power, biobased product or advanced biofuels, as defined by the BCAP final rule (7 CFR Part 1450).

All uses of plant material removed from land enrolled under active contracts, including sales of first year standing crops, grazing, gleaning or similar uses also will trigger reductions in annual payments. FSA will require all participants to keep and submit accurate records of the disposition and/or sale of all materials removed from contract acreage.

Other Program Payments

Establishment payments for part of the eligible costs of the plantings will not be available because the BCAP's statutory provisions do not authorize establishment payments for annually planted biomass crops such as camelina.

Matching payments for eligible material biomass will not be made available for biomass harvested or collected from BCAP contracted acreage by eligible material owners.

Eligible Land

Only land classified as cropland or non-cropped agricultural land by FSA is eligible to be enrolled in this project. Forestland and similar lands will not be eligible for this project. Eligible land must be suitable, as determined by NRCS, for the production of camelina.

Ineligible land also includes native sod and land owned by federal agencies, states, and local governments. Additionally, land enrolled in Conservation Reserve Program (CRP), Wetlands Reserve Program, or Grassland Reserve Program is ineligible for enrollment in BCAP. Land enrolled in other programs may also be ineligible depending on the terms and conditions of those programs.

All land enrolled must be covered by a conservation plan provided through technical assistance from NRCS or technical service program partners.

Producer Participation

The sign-up periods for producers in project area counties is scheduled to run from Aug. 8 through Sept. 16, 2011. Interested producers are encouraged to inquire and apply early as the sign-up duration is very limited. Approvals of offers during this period will be made on a continuous basis, subject to funding availability. An enrollment application will be taken at the county USDA Service Center location where the farm is serviced.

Producers must be in compliance with the highly erodible and wetland compliance provisions of the Food Security Act of 1985, as amended, to be eligible for BCAP. There are no adjusted gross income requirements or payment limitation requirements for program participants. Any existing cropland base and yield history will be preserved for land enrolled in a BCAP contract.

For More Information

For more information about BCAP visit the FSA BCAP website at http://www.fsa.usda.gov/bcap, or see the general BCAP fact sheet at http://www.fsa.usda.gov/Internet/FSA_File/bcap_update_may2011.pdf.

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