

For: State and County Offices

**BCAP Matching Payments for Prioritized Eligible Materials
and Signup for Eligible Material Owners (EMO's) for FY 2016**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

On September 30, 2013, BCAP authorization expired.

On February 7, 2014, BCAP was reauthorized under the 2014 Farm Bill with mandatory \$25 million annual funding for each FY 2014 through 2018. Funding includes that not less than 10 percent, nor more than 50 percent, of the annual funding be used to make collection, harvest, storage, and transportation (BCAP matching) payments.

The BCAP final rule was published in 7 CFR Part1450 or FR, pages 10569-10575 on February 27, 2015 and effective on May 28, 2015.

On December 11, 2015, the Congressional omnibus appropriated \$3 million for the annual FY 2016 budget for BCAP. On January 29, 2016, the Office of Management and Budget (OMB) provided FSA with an apportionment. A total of \$1.5 million or 50 percent of the \$3 million is allocated to BCAP matching payments.

B Purpose

This notice advises:

- State and County Offices about:
 - general provisions related to the restart of BCAP matching payments for FY 2016
 - policy and procedures for submission, review, and approval of EMO applications for FY 2016

Disposal Date	Distribution
May 1, 2017	State Offices; State Office relay to County Offices

Notice BCAP-38

1 Overview (Continued)

B Purpose

- the \$1.5 million (the statutory maximum of the annual budget) in BCAP matching payments for the remainder of FY 2016 for agricultural residues or forest residues from the National Forest System and DOI, BLM lands
- general information related to restarting BCAP matching payments for FY 2016
- policy and procedures for submitting the BCAP-10's for eligible material owner for FY 2016 signup and approval process for the BCAP-11's.
- County Offices to follow the guidance in this notice for applications of EMO's for FY 2016.

2 BCAP Start of Matching Payments for Selected Eligible Materials for FY 2016

A Overview of Start of BCAP Matching Payments for FY 2016

Following are guidelines for the FY 2016 BCAP matching payments opportunity:

- \$1.5 million in BCAP matching payments for FY 2016
- the selected or prioritized eligible material will be **only** agricultural residues or forest residues from the FS National Forest System and DOI, BLM public lands for FY 2016
- the BCAP matching payment rate will be up to \$1 for each \$1 per ton provided to the qualified Biomass Conversion Facility (BCF), not to exceed more than \$20 per dry ton
- EMO's will not be allowed to receive contract approval in FY 2016 for more than 4,000 dry tons on a single contract nor collectively amongst contracts.
- EMO's in California and Arizona with actively approved contracts from FY 2015, which were voluntarily extended through September 16, 2016, will not be eligible for sign up in FY 2016 until the EMO's extended contract(s) reach full performance and are finalized

Note: The limited funding amount of \$1.5 million in FY 2016 is likely to result in a shorter than scheduled sign up period, therefore eligibility of EMO's in California and Arizona with voluntarily extended FY 2015 contracts that reach full performance and are finalized within the sign up period are also subject to availability of funding.

- BCF's must first be qualified by FSA **before** EMO's may deliver the selected eligible material provided in this subparagraph, or apply for BCAP matching payments.

Notice BCAP-38

2 BCAP Start of Matching Payments for Selected Eligible Materials for FY 2016 (Continued)

B Timeline for Start of BCAP Matching Payments in FY 2016

The following table provides the timeline for the BCAP matching payments for FY 2016.

Signup Category	Application Location	Dates
New BCF's submit BCAP-1's.	State Office where BCF is located.	May 23 through June 6, 2016
Eligible material owners submit BCAP-10's.	Service Center where the land is located or where the farm records exist.	On June 15 through August 4, 2016

1/ The signup end date of August 4, 2016, is subject to the availability of funding. Eligible material deliveries must occur **on or before** December 15, 2016, unless determined otherwise by DAFP. BCAP-1's from eligible material owners **must** be submitted by **December 30, 2016**.

3 EMO and Selected Eligible Material Overview for FY 2016

A Submission Overview

Beginning June 15, 2016, through COB August 4, 2016, EMO applications will be accepted at County Offices, according to 1-BCAP, paragraphs 120 through 126.

EMO applications will be accepted at the County Offices closest to 1 of the following.

- Where field or CLU is located, and on which the collection or harvest takes place.
- Federal lands, unless otherwise previously designated in a specific county.
- County Office where records already exist.

Note: The signup end date of August 4, 2016, is subject to the availability of funding.

EMO's in California and Arizona with actively approved contracts from FY 2015, which were voluntarily extended through September 16, 2016, will not be eligible for sign up in FY 2016 until the EMO's extended contract(s) reach full performance and are finalized.

EMO's cannot receive contract approval in FY 2016 for more than 4,000 dry tons on a single contract nor collectively amongst approved contracts.

Note: The review of FY 2015 signup and contract performance data provided a baseline for the EMO dry tonnage limits. This limit per EMO mathematically provides that the minimum volume of EMOs for the FY 2016 signup would be 18.75 EMOs.

Notice BCAP-38

3 EMO and Selected Eligible Material Overview for FY 2016 (Continued)

B Eligible Material Selected for Signup

To qualify for a matching payment, COC **must** determine that the biomass for which a matching payment is being sought meets **all** of the following requirements:

- meets the definition of eligible material according to the 1-BCAP, and is either agricultural residues or forest residues from the FS National Forest System and DOI, BLM public lands
- is consistent with the guidance provided in the eligible material in 1-BCAP
- meets the eligible material requirements of 1-BCAP, and this paragraph.

4 Additional Eligible Material Qualifications for Agricultural Residues

A Background

Generally, an approved conservation plan must be completed and signed before a BCAP-10 may be approved. However, in an effort to maximize BCAP matching payment sign-up for agricultural residues in FY 2016, and because BCAP funding for FY 2016 expires on September 30, 2016, interim conservation plans are authorized for agricultural residues that will be collected or harvested **after** the BCAP-10 is approved.

Note: For crop year 2015 agricultural residues that were collected or harvested **before** the approval date of the BCAP-10, an interim conservation plan for future crop years is required (Exhibit 2).

To qualify for a matching payment by COC, agricultural residues, including woody material that is orchard waste, which are collected or harvested from land other than project area contract acreage, **before** the BCAP-10 is approved, **must** present an interim conservation plan addendum (Exhibit 1) and interim conservation plan (Exhibit 2).

The interim conservation plan must contain:

- NRCS job sheets
- NRCS-approved technical practice codes applicable to the agricultural residue collection or harvest.

County Offices must ensure that all data entries on the interim conservation plan are completed. The interim conservation plan and interim conservation plan addendum must be signed by the BCAP-10 participant and CED no later than COB August 4, 2016.

Note: The specifications for all applicable practices shall be included in the final conservation plan. County Offices must reproduce the interim conservation plan addendum (Exhibit 1) and the Interim Conservation Plan example (Exhibit 2) locally.

Notice BCAP-38

4 Additional Eligible Material Qualifications for Agricultural Residues (Continued)

B Final Conservation Plan Completed

A final conservation plan must be completed no later than COB November 9, 2016. The NRCS National Office has agreed with this deadline. For approved BCAP matching payment agricultural residues, a final conservation plan is the approved conservation plan completed after an interim plan has been in effect for the BCAP-10.

Note: CED's shall **not** approve the BCAP-10 until the signature is obtained on the interim conservation plan addendum and interim conservation plan.

Participants **must** be notified that starting a collection or harvest for agricultural residues approved **before** approval of the BCAP-10 is at their own risk. Matching payments will only be paid for those eligible agricultural residues or materials that are approved under the interim or final plan.

The specifications for all applicable collection or harvest shall be included in the final conservation plan, consistent with procedure in 1-BCAP.

C Non-Qualifying Eligible Materials

If any of the requirement provided in 1-BCAP, paragraph 122 are not met, the selected eligible material will **not** qualify for a matching payment.

Sample Interim Conservation Plan Addendum

Following is the interim conservation plan addendum.

BIOMASS CROP ASSISTANCE PROGRAM FY 2016 BCAP MATCHING PAYMENT CONTRACTS INTERIM CONSERVATION PLAN ADDENDUM	
_____ NAME	_____ FARM NUMBER
_____ TRACT NUMBER	_____ FIELD NUMBER(S)
<p>The attached interim conservation plan is general in nature, but is intended to allow your contract period to begin upon approval of the BCAP-10 while a final plan is developed for your land for the Biomass Crop Assistance Program (BCAP) contract for that land. It may be that your interim plan requires nothing more than continuing certain practices, or your interim plan may require you to take certain additional conservation measures prior to any harvest or collection, land preparation, planting or production in furtherance of your BCAP participation. You need to check the plan (attached) and call any questions to the attention of your local Natural Resources and Conservation Services (NRCS) or Technical Service Provider (TSP). Personnel from the Department of Agriculture's NRCS or TSP will conduct a field visit and develop site specific requirements unique to your BCAP offer no later than November 9, 2016. An on-site field visit and evaluation of the existing field conditions will determine the present condition. In addition, NRCS or TSP will identify any site specific requirements or treatments required to meet the selected BCAP practice and related technical specifications. Modification of the interim plan and BCAP-10 contract will be made after the on-site evaluation.</p> <p>The requirements, shown in the attached interim conservation plan, may be revised when the final plan is completed after the field visit; however, you will be required to comply with the interim plan as a condition for being considered eligible for payments for the BCAP in this interim period. Specifically, you will be eligible for payment no later than 30 days following the date of the County Committee approves your contract, including this interim plan, provided you comply with all the terms and conditions of the contract. The final plan will be consistent with the interim plan and with the terms of the BCAP contract to which you have agreed. Matching payments during this interim period may only be paid for those current crop year materials which are approved in connection with the interim plan. Matching payments under the final plan will only be paid for those materials which occur after the final plan has, in fact, been finalized and agreed to.</p> <p>If you are not comfortable with the interim plan, contact your local NRCS office or TSP to ask that they work with you immediately on a detailed (final) plan. However, the timeline for final plan development is dependent on field office workload that may otherwise delay the beginning of your contract term. In these cases, it is unlikely a contract could be approved prior to the August 4, 2016 deadline.</p> <p>Accordingly, by signing below, the participant acknowledges receipt of this interim conservation plan addendum including the attached NRCS Interim Conservation Plan and agrees to comply with the terms and conditions hereof as well as the terms and conditions of the BCAP-10 contract.</p>	
_____ Eligible Material Owner Signature	_____ Signature of CCC Representative
_____ Date	_____ Date
Attachment: Plan map with fields and acres identified.	

