

SPECIAL ADVISORY BULLETIN



A Special Report of the Mulch & Soil Council

June 1, 2015

USDA Announces Restart of BCAP for Renewable Energy

One of the key concerns the Mulch & Soil Council expressed over the 2014 Farm Bill was USDA's maintaining the structure for the Biomass Crop Assistance Program (BCAP) after it had initially been removed from the bill. Keeping the infrastructure of the program enables USDA to remobilize raw materials diversions for energy by simply funding the existing structure for BCAP.

TODAY, the U.S. Department of Agriculture (USDA) announced that incentives will resume this summer for farmers, ranchers and forest landowners interested in growing and harvesting biomass for renewable energy. BCAP provides financial assistance to establish and maintain new crops of energy biomass, or who **harvest and deliver forest** or agricultural residues to a qualifying energy facility.

Financial assistance is available through BCAP for costs associated with collecting, harvesting, storing and transporting (CHST) agriculture or forest residues to facilities that convert biomass crops into energy. Eligible crops may include corn residue, diseased or insect infested wood materials, or orchard waste. The energy facility must first be approved by USDA to accept the biomass crop. Facilities can apply for, or renew, their BCAP qualification status beginning today. *\$11.5 million of federal funds will be allocated to support the delivery of biomass materials through December 2015.*

Farmers, ranchers and forest landowners can also receive financial assistance to grow biomass crops that will be converted into energy in selected BCAP project areas. New BCAP project area proposals will be solicited beginning this summer and accepted through fall 2015, with new project area announcements and enrollments taking place in early spring 2016. The extended proposal submission period allows project sponsors time to complete any needed environmental assessments and allows producers enough lead time to make informed decisions on whether or not to pursue the BCAP project area enrollment opportunity. This fiscal year USDA's Farm Service Agency (FSA) will allocate up to *\$8 million for producer enrollment to expand and enhance existing BCAP project areas.* Additionally, in accordance with the 2014 Farm Bill, underserved farmers are eligible for a higher establishment cost share. BCAP projects have supported over 50,000 acres across 74 counties in 11 different project areas.

While the funding levels for CHST and project areas remains relatively low, the new emphasis by USDA to keep the program in existence continues the possibility that wood fiber diversions to energy projects can represent a threat for existing wood fiber users. For more information, visit www.usda.gov/farmbill.

In the interim, members are urged to report any incidents of wood fiber diversions that diminish the available supply of raw materials for mulch and soil products. It is essential that the industry maintain our "higher and greater value" status to prevent a return to large-scale materials diversions as occurred in 2012.