



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

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Biomass Crop Assistance Program – Project Area Number 6 - Camelina Growers in Oregon and Washington Eligible to Receive Financial Incentives to Support Biodiesel Production

Overview

The Farm Service Agency (FSA) has announced the sixth new Biomass Crop Assistance Program (BCAP) project area in Oregon 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 6 are eligible to receive annual payments to grow camelina for energy purposes.

Camelina is an oilseed annual crop. 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 contracts at their own expense. The Project Sponsor for BCAP Project Area 6 is Beaver Biodiesel, LLC.

Project Area Acreage & Location and Phases

The project entails enrollment of up to 1,000 acres in fiscal year 2011 in the following project area counties:

- Jefferson County, Ore.

- Klamath County, Ore.
- Umatilla County, Ore.
- Union County, Ore.
- Wasco County, Ore.
- Whitman County, Wash.

A tract of cropland must be completely located in a project area county to be eligible. Generally, cropland previously used for summer-fallow wheat production is expected to be enrolled under these new crops and converted to camelina production.

Additional allocations and increases in the acreage enrollment target in excess of 20,000 acres may also occur in future years, provided funds are available and project goals are not met with the 20,000 acre target.

Annual Payments for Enrolled Land

Annual rental payments per acre for cropland enrolled under these contracts will be based on posted Conservation Reserve Program non-irrigated cropland rental rates plus an additional incentive of 20 percent. These posted rates generally range from \$33 to \$66 an acre in the six project area counties.

BCAP contracts will be five years in length with all annual rental payments obligated from the FY 2011 allocations. The estimated total annual rental payment allocation amount is \$330,000.

Required Reductions in Annual Payments

Producers who enroll land can harvest their camelina crops for sale

to any biomass conversion facility or any other user. 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. The percentage will vary according to the following table:

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).

Participants will be required to

plant and harvest camelina each year of the 5 year contracts at their own expense; although some exceptions for prevented plantings and crop failures due to no fault of the participants may be approved on a case-by-case basis. During the first year of BCAP contracts previously established standing crops of wheat or other crops may also be harvested from contract acreage.

All uses of plant material removed from land enrolled under active contracts, including sales of first year standing crops, grazing, gleaning or similar uses will also 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 Payments

Establishment payments for part of the eligible costs of the plantings will not be made 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 also not be made available for biomass harvested or collected from BCAP contracted acreage by eligible material owners.

Eligible Land

Only land classified as cropland by FSA is eligible to be enrolled in this project. Rangeland, pastureland and forestland will generally not be suitable for this cropland classification. Eligible cropland land must be suitable, as determined by NRCS, for the produc-

tion 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, 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 USDA's Natural Resource Conservation Service (NRCS) or NRCS's technical service program partners.

Producer Participation

The signup 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 signup duration and total acreage allocation are both 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 Centers location where the farm is administered.

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

After contracts are approved for FY 2011 the camelina plantings are generally expected to start in the spring of 2012.

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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