Biomass: New Market for Farmers and Ranchers

Roger Johnson, President
National Farmers Union
National Farmers Union

• Founded over 100 years ago

• Members in all 50 states

• Mission: To advocate for the economic and social well-being, and quality of life of family farmers, ranchers, fishermen and consumers and their communities through education, cooperation and legislation. NFU advocates sustainable production of food, fiber, feed and fuel
Current Opportunities for Farmers Through Government Incentives

1. Renewable Fuel Standard (RFS)
2. E15
3. Farm Bill Programs
   - REAP
   - BCAP
E15
2008 Farm Bill
Energy Title: Mandatory Funding

Source: ELPC

*Congress did not limit BCAP funding. While this chart uses the federal budget estimate of $70 million over 4 years, actual BCAP spending will be much larger.
Farm Bill: REAP

REAP Funding Totals by Technology 2003-2009

- Wind: 27%
- Biomass: 21%
- Energy Efficiency: 29%
- Solar: 6%
- Anaerobic Digester: 15%
- Hybrid: 1%
- Geothermal: 1%
- Hydropower: 1%

Source: ELPC

REAP Popularity Outpaces Resources

2003 2004 2005 2006 2007 2008 2009

- Grant Requests
- Appropriated funds
- Loan guarantee requests

Source: ELPC

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Farm Bill: Biomass Crop Assistance Program
How to Further the Industry

Protect Farm Bill Programs

• Biorefinery Assistance
• Bioenergy Program for Advanced Biofuels
• Rural Energy for America Program (REAP)
• Biomass Research and Development
How to Further the Industry

Protect Farm Bill Programs

• Biomass Crop Assistance Program (BCAP)
• Repowering Assistance
• Biobased Markets Program
• Biodiesel Fuel Education Program
How to Further the Industry

**Increased Infrastructure**

1) Pipelines  
2) Railroads  
3) Blender pumps  
4) E85 filling stations  
5) Expanded RFS creating separate standard for cellulosic biofuels  
6) Flex-fuel vehicles
EPA Tailoring Rule

- Defines which types of emitters will need permits for greenhouse gas emissions under the Clean Air Act.
- Aims to protect small producers of greenhouse gases such as farms and instead target large industrial plants.
- Originally included biomass but EPA recently exempted biomass from permitting requirements for three years.
- Tailoring Rule represents a departure from federal policy which had previously considered biomass ‘carbon neutral’.
EPA Tailoring Rule

NFU Believes:

- Carbon policy should be based on science

- Different biomass feedstocks have different carbon emission cycles

- EPA must continue to exempt biomass from permitting requirements
How to Further the Industry

The Role of Co-ops

• Place alternative marketing devices for alternative fuels such as E85/biodiesel and blender pumps at every cooperative retailer in the nation

We support:

• Consumer-owned utilities uniting to develop & demonstrate economic feasibility of renewable energy systems
• Cooperatives providing consumers incentives for using ethanol or biodiesel-enhanced fuels
Thank You

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