Bioenergy Crops

Michael Blazier, Richard Vlosky, Dek Terrell, Glenn Hughes, Vadim Kochergin LA Ag Tech & Management Conference February 15, 2012



What is biofuel?

- Biofuel: Any fuel developed from plant biomass
- Biofuel types:
 - Biomass for burning = replaces/supplements coal for electricity generation
 - Biomass for transport fuel = replaces/supplements gasoline or diesel
 - Ethanol
 - Green gasoline
 - Biodiesel







Why biofuel?

- High dependence on imported oil
 - -70% of U.S. oil imported
 - Political unrest in supplying countries = less energy security for U.S.
- Global energy demands increasing while petroleum supplies decreasing
- U.S. mandating production of more domestic fuel sources
 - Example: DOE mandate to replace 30% of petroleum transport fuels with biofuels by 2025

Today's biofuel market

Government mandatesEconomic trends

Today's biofuel market

Government mandates — Emerging
 Economic trends — biofuel market

Today's biofuel market

Main biofuels:

- Wood burned for electricity
- Corn for ethanol
 - 2010: 13.3 billion gallons
 - Example: Bunge-Ergon, Vicksburg, MS
- Soybean for biodiesel
 - 2010: 315 million gallons
 - Example: Vanguard Synfuels, Pollock, LA

What can be grown for biofuels in Louisiana?

Ag Waste for Biofuels

Corn stover

1.3 billion tons generated per year
Sugarcane bagasse
Forest harvest biomass
- 3 to 8 tons/acre after harvest

Energy cane

- 15 tons biomass/acre/yr
 - 4 tons/acre/yr usable for sugar
- Make ethanol, butanol from fiber
- Power production facility from burning bagasse
- Bred to tolerate lower temperatures than sugarcane



Energycane and 2007 Ag Census Sugarcane for Sugar



DRAFT: October 29, 2009, DO NOT CITE

Energycane 3,800,000 Estimated Acres

- Sweet sorghum
 - Ethanol
 production
 - Squeeze plant, collect juice, add yeast, make ethanol
 - Yields similar to energy cane
 - Can be grown throughout SE US



Sweet Sorghum

Energy Cane



July - September

October - January

Bagasse, syrup, woodchips, molasses, etc.

February - June

New project led by LSU AgCenter:

- "Regional Program for Production of Multiple Agricultural Feedstocks and Processing to Biofuels and Biobased Chemicals"
- Consortium of universities, industry, USDA partners from 8 states
- Key objectives: Develop and refine production processes for making gasoline, jet fuel, diesel, butanol, isoprene from energy cane and sweet sorghum

- New project led by LSU AgCenter (cont.):
 - Refinery testing
 - Pilot plant being built on LSU AgCenter research station
 - Industry partners using their facilities
 - Variety and cropping system testing
 - State-wide network of research sites
 - Economic performance testing
 - Environmental impact testing

- Switchgrass
 - Native across US
 - Yields 2 to 12 dry tons/acre
 - 4 tons = minimum yield to feed facilities
 - Minimal inputs:
 - Herbicide in years 1-2
 - Annual fertilization N, P, K
- Energy benefits:
 - 7,500 BTU = low-grade
 - Cellulosic ethanol





Emerging biofuel crops: Short-rotation woody crops

- Fast-growing trees
- Yield 2 to 20 dry tons/acre/year
 - DOE: 8-10 tons/acre/year needed to sustain biofuel facilities
- Harvest size in 3 10 years
- Possible trees:
 - Cottonwood
 - Sycamore
 - Black willow
 - Eucalyptus



What are farmers thinking about biofuels?

Study Region

 Surveys sent to farmers along Lower Mississippi Alluvial Valley



Socio-Demographic Ownership Size



Agricultural Management



"What is your overall opinion of using biomass for bioenergy?" n = 733



Agricultural Producers "A bioenergy market will be competitive compared to conventional energy markets." n = 727



Agricultural Producers Biomass Perceptions Percent of Respondents

Survey Questions	Strongly/ Somewhat Disagree	Somewhat/ Strongly Agree
Economically viable technologies exist for converting biomass to bioenergy (n=732).	14%	56%
Agricultural biomass harvesting and collection will not require extra personnel and equipment (n=729).	43%	25%
Agricultural biomass transportation can be done with traditional agricultural equipment (n=725)	21%	49%

Agricultural Producers Biomass Perceptions Percent of Respondents

Survey Questions	Strongly/ Somewhat Disagree	Somewha t/ Strongly Agree
Converting agricultural biomass to bioenergy is a simple process that can be done at most agricultural processing facilities (n=728)	35%	24%
Agricultural biomass requires utilizing entire crop as well as residual feedstock (n=610).	33%	36%

Respondent Perceptions of Environmental and Market Issues

	Percent of Respondents
	that Somewhat /
Biomass Issues	Strongly Agree
I believe harvesting agricultural	
biomass negatively impacts wildlife	27%
habitat (n=709) I believe barvesting agricultural	21/0
biomass negatively impacts air and water quality (n=710)	20%
I believe harvesting agricultural	
biomass negatively impacts soil quality (n=704)	28%

Agricultural Producers Respondent Perceptions of Environmental and Market Issues

	Percent of
	Respondents that
	Somewhat /
Biomass Issues	Strongly Agree
Tax credits should be given to landowners, harvesters, and companies that utilize biomass for bioenergy (n=703)	68%
Subsidies should be provided as an incentive to companies for selling biomass residues from agricultural operations (n=704)	56%
Incentive programs should be provided to defray the costs of establishing biomass crop species (n=704)	61%
Grants should be awarded for research and development capable of advancing biomass production technologies. (n= 704)	73%
Secured loans should be provided to develop and	
construct commercial scale bio-refineries (704)	62%

"Would you be willing to participate in management activities specifically geared toward biomass production from your agricultural land?"



Agricultural Producers Conclusions

- ^a 51% of respondents were willing to participate in bioenergy feedstock production.
- ^a The high percent of neutral responses suggests respondent would benefit from additional information.
- ^a A gap exists between the desire to utilize agricultural biomass and the viability of bio-based markets.

What would be the ecomomic impact of an ag-based biofuel facility?

Hypothetical Biomass Facilities in Mississippi and Louisiana

Cellulosic ethanol plant located in the Delta region of either Mississippi or Louisiana

<u>Assumptions</u>

Annual output = 77 million gallons

- Construction cost: \$220 million
- 25% construction expenditures from within the region in Louisiana; 20% from within Mississippi region
- Feedstock cost: \$29/green ton

 Feedstock annual consumption: 1.5 million green tons; of which 500,000 green tons from within region Earnings and Output Figures are in \$ Million The Economic Impact of Construction of a Cellulosic Ethanol Plant using Agricultural Waste as a Feedstock in the Louisiana Delta Area

	Jobs	Earnings	Output
Direct Effect	442	\$14.2	\$55.0
Indirect Effect	74	\$3.4	\$11.6
Induced Effect	62	\$1.7	\$6.3
Total Effect	578	\$19.4	\$72.9

Earnings and Output Figures are in \$ Million The Economic Impact of Operations of a Cellulosic Ethanol Plant using Agricultural Waste as a Feedstock in the Louisiana Delta Area

	Jobs	Earnings	Output
Direct Effect	92	\$7.2	\$34.7
Indirect Effect	43	\$2.3	\$9.5
Induced Effect	34	\$0.9	\$3.4
Total Effect	169	\$10.5	\$47.7

Key points

Policy and economic trends increasing interest in biofuels
 Several crop options for Louisiana
 Farmers favorable to biofuels, but need more information