DETOURS ON THE ROAD TO SUSTAINABLE FEEDSTOCK PRODUCTION FOR CELLULOSIC BIOFUEL

Assessing Multidimensional Policy Approaches

Washington, DC—April 30, 2014, For Immediate Release – Economic research on policy approaches to achieving sustainable feedstock production for cellulosic biofuel will be the focus of a National C-FAR research seminar on Thursday, May 8. The seminar will occur twice—first at 10 am in 337 Russell Senate Office Building, and again at noon in 1302 Longworth House Office Building. The presenter is Dr. Madhu Khanna, professor in the Department of Agricultural and Consumer Economics at the University of Illinois at Urbana-Champaign.

“Farm Bill programs such as the Biomass Crop Assistance Program that provide a cost share for establishment and a matching payment per ton of biomass are critical to offset barriers to investment in energy crops, like miscanthus and switchgrass, by farmers,” says Dr. Khanna. “However, funding for these programs would need to increase substantially to incentivize production of even the first billion gallons of cellulosic biofuel at current oil prices. Other programs such as crop insurance for energy crops will also be needed to offset the yield and revenue risks associated with their production.”

“These presentations provide excellent examples of the value of federally funded food and agricultural research, Extension and education in producing the scientific outcomes and outreach needed to meet 21st century challenges and opportunities,” says Chuck Conner, President of the National Coalition for Food and Agricultural Research (National C-FAR).

ABSTRACT: High yielding energy crops, such as miscanthus and switchgrass, have been considered sustainable feedstocks for cellulosic biofuel production in the United States because of their potential to be grown on marginal lands and provide environmental benefits to soil and water quality. However, production of these feedstocks may expose farmers to several types of risk, due to volatility in yields and prices. Existing policies do not fully address the liquidity constraints and may worsen the variability in income over the life-span of these crops. Our research examines the design of an actuarially fair crop insurance for energy crops that reduce the riskiness of production. It also assesses the effectiveness of three policy instruments, a crop insurance subsidy, an establishment cost share and a biomass price subsidy, in promoting energy crop production. The implications of these policies for the geographical distribution of energy crop acreage will be discussed.

The seminar is open to the public and the media.

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NATIONAL C-FAR is a nonprofit, nonpartisan, consensus-based, and customer-led coalition that brings food, agriculture, nutrition, conservation, and natural resource stakeholders together with the food and agriculture research and Extension community, serving as a forum and a unified voice in support of sustaining and increasing public investment at the national level in food and agricultural research, Extension, and education. National C-FAR's Hill Seminar Series, now in its tenth year, regularly presents leading-edge researchers working to provide answers to pressing issues confronting the public and Congress. The Hill Seminar Series helps demonstrate the value of public investment in food and agricultural research—investment that returns 45 percent per year on average, and $20 in economic benefit from every $1 investment in food and ag research.

Go to http://www.ncfar.org/Hill_Seminar_Series.asp for more information about the seminar series and past topics. Interviews with National C-FAR President Chuck Conner are available by request. For additional information, go to www.ncfar.org; or contact Tom Van Arsdall, Executive Director, at tom@vanarsdall.com or (703) 509-4746.