

New U.S. farm subsidy up to \$45/ton for crop waste

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by Glenn Caleval

The U.S. government has announced a new subsidy program to encourage the "collection, harvest, storage, and transportation of biomass" to be used in producing energy or other products.

The program, directed at wheat straw, corn stalks and similar crop residue, is not restricted to ethanol production but can be directed to any "conversion facilities that use biomass for heat, power, bio-based products or biofuels."

The subsidy is a dollar matching program, effectively reducing the cost of raw materials for conversion facilities by at least 50 percent to a maximum match of \$45/ton or \$90/ton total payment to the farmer.

By including "bio-based products" the new subsidies may spur presently uneconomic uses for crop residue such as papers or materials substitutes.

A second program was announced at the same by the U.S. government "for feasibility studies, loan guarantees, and grants for renewable energy systems and energy efficiency improvements as well as for applications to conduct energy audits on behalf of agriculture producers and rural small businesses."

The program will issue funds to cover energy audits for farmers and "recommendations and information on renewable energy development assistance and improving energy efficiency."

Oddly, one of the goals of this grant program is needed to inform U.S. farmers as to other "assistance" for which they might also be eligible.

Meanwhile the USDA announced another \$30 million "to provide payments to eligible agricultural producers to support and ensure an expanding production of advanced biofuels."