

Report leaves farmers at biomass turning point

How should arable farmers react to the government's response to the Biomass Task Force report? **Kevin Lindegaard** looks at the options

Limbo-land: That's where many arable farmers interested in pursuing biomass opportunities might feel they have been left following the publication of the government's biomass action plan.

Unveiled earlier this month, the government's response to recommendations made by its own biomass task force has received a lukewarm response from the renewable energy industry at large.

For arable farmers the problem is trying to get a handle on the mixed messages coming out of the report. On one hand some grants like the Energy Crops Scheme are coming to an end, while others (see box) are being promised for the future. It makes it difficult to

know whether to act now or in a year's time.

Renewable Energy from Agriculture's Robin Twizell is concerned farmers will only go for the latter. "Farmers are waiting for a clear signal and the only steer coming from the government response is to wait until next year. Most farmers like the idea of biomass but don't want to be the first to do it."

OPPORTUNITIES

So is there an alternative to the wait and see option? Are there opportunities that can be grasped now? The short answer to both questions might be yes.

As yet, there is no flesh on the bones of the future grants, so, as

the old saying goes, the bird in the hand might be worth two in the bush. For instance, the Energy Crops Scheme, which closes on 30 June, offers up to £1000/ha for planting miscanthus or short rotation coppice. Growers applying now can get a grant enabling them to plant over a two- to three-year period.

There is no certainty future grants will be at the same level, while there is a likelihood future support may be targeted at regions where availability of wood fuel is limited, and where regional clustering can be promoted. It could mean for some farmers this might even be the last opportunity to obtain funding.



"Farmers have got nothing to lose," Bical's Graham Kerslake says. "If they make an application now, the grant is ring fenced but there is no obligation to plant. At the end of the day it's only an application."

While most farmers would obviously hope to have a definitive market in place before making

The sun might be rising on biomass crops, but growers have to decide whether it needs to be high in the sky before committing themselves.

a commitment, the long-term nature of these crops can buy growers time while reducing their outgoings.

REFA's Mike Dunwoodie is one farmer with a market already in place. He planted 4ha (10 acres) of

ANNOUNCEMENT

What's announced in the government response

- * A new five-year grant scheme for biomass boilers and CHP which will amount to £10-£15m over the first two years. This is planned to come on line in late 2006 and will provide 40% of the additional costs of installation over and above that of a comparable fossil fuel boiler
- * A second round of the Bioenergy Infrastructure Scheme is expected in 2007 to provide start-up costs for fuel supply companies
- * Continue to consider the option of a renewable heat obligation
- * Support for positive planning measures and public procurement for government buildings
- * Launch of the Biomass Energy Centre to be run by the Forestry Commission (www.forestry.gov.uk)

short-rotation coppice three years ago, and is about to plant a further 7ha (16 acres) for the Sembcorp co-firing plant on Teesside. But he says at first there was an element of curiosity about growing the crop. "I also wanted to make an income from my set-aside. Having SRC allows you to sell everything but your dog - you can get contractors to plant, spray, cut back and harvest - all you need to watch it grow."

For growers without a market, there are opportunities to create their own. For example, the wood chip could be used to heat the grower's farm or be sold to local authorities, who will soon have to produce 10% of their own buildings' energy needs on site.

Sir Ben Gill who led the Biomass Task Force is quick to sing

CASE STUDY

Seb Kingsley

HOLDENBY ESTATE, NORTHAMPTONSHIRE

* Seb Kingsley of chartered surveyors Fisher German is overseeing a green makeover for the 1000ha (2500-acre) Holdenby Estate in Northamptonshire. A 250-300kW biomass system is being planned for installation in the spring of 2007 and will heat the main building, an old stable block containing six offices and a swimming pool.

The estate already is home to 15ha (37 acres) of miscanthus which is sent to a local power station. This area may be expanded but the majority of wood fuel for the boiler could come from the estate's woodlands. Although Mr Kingsley can see the potential of a CHP system he feels that the technology presently available is not suited to the needs and requirements at Holdenby House and offices.

Another option available for generating electricity is to install a small-scale wind turbine, however this could be sensitive given the proximity to the historic house.

the praises of biomass heat but believes "ignorance remains the biggest barrier. Since the start of the task force there have been dramatic changes as a result of oil prices going up and virtually all *Farmers Weekly* readers will have been affected".

Currently heating oil is around about 40p/litre, which means that rural consumers are paying about 5p/kWh compared to 1-1.25p/kWh just a couple of years ago. Wood fuel heating systems deliver heating at 50% less than heating oil and can pay back the additional costs of installation very quickly.

ALTERNATIVE

Another alternative could involve small-scale electricity production in on-farm combined heat and power plants. At present using energy crops for this is marginal but CHP can be a potential money spinner if you have access to other sources of wood.

Some local authorities will even pay farmers a gate fee to take wood waste off their hands. In the response the government announced that it has relaxed the rule on the purity of biomass used

in electricity production to 90% to allow significantly more of the 3m tonnes of waste wood produced annually to be used in energy production instead of being sent to landfill sites.

But you'll have to act quick. A £2m fund for large heat and small CHP projects ranging from £50,000 to £500,000 is open to applications until the end of July. Everyone is in the same boat for this fund, as it was only announced a month ago due to an under spend.

Even those with no interest in energy crops, waste wood or CHP might still have biomass opportunities on the doorstep. Northwoods' Neil Harrison points out only 43% of the possible timber resource in the UK is harvested annually.

"A lot of this is unmanaged woodland which could be harnessed to provide an additional income stream, improve biodiversity and develop recreation opportunities."

Farmers own much of this land, he notes. "It could and should be making them money." fwarable@rbi.co.uk



Teesside farmer Mike Dunwoodie is growing 10.5ha (26 acres) of short rotation coppice for the Sembcorp co-firing plant.

MORE INFORMATION

- * Renewable Energy from Agriculture and Bical are recruiting energy crop growers for various large scale projects (www.refa.org.uk, www.bical.net)
- * Northwoods runs the IGNITE training course which provides a grounding in the economics and technology of woodfuel systems (www.northwoods.org.uk)
- * To find out more about growing SRC for your own needs go to www.crops4energy.co.uk
- * More information about the Big Lottery Fund renewable energy grants can be found at www.biglotteryfund.org.uk/programmes/renewable

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