

For Immediate Release

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While Tax Package Richly Rewards Corn Ethanol, Senate Appropriators Propose Pulling Rug Out from Under Next Generation Bioenergy

“This is a slap in the face to those trying to develop the next generation of bioenergy.”

WASHINGTON, DC (December 15) – While the Senate approved a tax package today that includes a \$5-billion subsidy for corn ethanol, five lines buried within the almost 2000-page Senate Omnibus appropriations bill unveiled yesterday sound a death knell for next generation bioenergy crops at a critical time for the industry. The omnibus bill proposes to zero out funding for a key program to support development of the next generation of biofuels and bioenergy based on grasses and trees.

“Coming on the heels of a tax package that approves billions for corn ethanol that economists have said are not even needed, this is a slap in the face to those trying to develop the next generation of bioenergy” says Julie Sibbing, director of Global Warming, Agriculture and Wildlife at the National Wildlife Federation.

The Biomass Crop Assistance Program (BCAP), enacted as part of the 2008 Farm Bill, has been eagerly awaited by the next generation bioenergy industry as a critical link in making biomass-based energy a reality by helping with the “chicken and the egg” problem of ensuring an adequate supply of tree and grass crops to fuel biomass energy facilities. The program would provide annual payments for five years to offset the risk to the landowner of trying these new crops, as well as assistance with the cost of establishing the new crops.

“BCAP is crucial to helping us start the biomass industry,” said Steve Flick, president of the Show Me Energy Cooperative in Centerville, Missouri, a facility that produces energy pellets from grasses, crop residues and other organic wastes. “Show Me farmers throughout Missouri are ready to face the challenge of helping fuel this nation, while providing energy security to the U.S.”

The timing of the proposed cuts is especially troubling. USDA just issued the final rules for the program in November and was set to begin signing up farmers within weeks. “Show Me Energy Coop farmers have been waiting for two years for this program to become a reality,” Flick said, “and canceling BCAP funding now would create economic chaos in energy agriculture like we never have seen before.”

While Senate appropriators claim that it was their intent to deeply cut, rather than to eliminate the BCAP, the language included in the bill would eliminate all funding for the program in Fiscal Year 2011.

“If we can afford \$5 billion in tax credits for the mature corn ethanol industry, we can afford \$246 million to help develop the next generation of more sustainable and efficient bioenergy,” said Sibbing. “We call on the appropriators to restore full funding to the BCAP program.”

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