

Workshop report outline

Goal of the workshop

In this stakeholder workshop, we sought to identify the challenges and opportunities of cellulosic ethanol production in Emmetsburg, IA. We take these into account for the formulation of the upcoming workshop on future scenarios.

Questions of the workshop

- 1) Describe the value chain – what are the different steps that are relevant (producers, transport, storage, pre-treatment, processing, technology provider, selling and trading) and the context (policies, subsidies, other competitors)
- 2) Who are the key current players in this value chain? What is their role? (look into how different stakeholders see their own role and the role of other stakeholders)
- 3) What are the advantages of cellulosic ethanol production? For whom are which advantages? When did this new process come to their attention and how?
- 4) Where are the bottlenecks in the value chain? Who could do what about the bottlenecks identified?

Participants

Table 1 – Description of participants

Stakeholder group	Number of participants
Extension	3
Local representation – private sector	3
Local representation – public sector	3
Farmers	4
Technology provider	2

Methods

Participants were invited to sit at three tables, where each research team member acted as a moderator and note-taker. Groups were kept heterogeneous to foster discussion on the cellulosic ethanol from different perspectives along the value chain.

At each table, large sheets and pens were provided for participants to write and draw their answers on the sheet. Participants were also provided with a blue and red sticker as means of showing priority for one issue of their choice for question 3 and 4 after deliberating with the other participants at their table.

Answer 1 – Key steps in value chain

Stakeholder group	Value Chain										
	Seed selection	Crop growth	Harvesting corn	Collecting stover	Biomass Storage	Transport of biomass	Processing (conversion of Biomass)	End-products	Transport of ethanol	Market of ethanol	OTHER
Extension											Institutional knowledge, COOPs
Local representation – private sector											Landlords, COOP, agronomists, ISU extension
Local representation – public sector											Educational institutions, Farm Bureau, Farm Credit, USDA, contract, knowledge
Farmers											By-products, community, government
Technology provider											Policy

Green color – Represents the awareness of presence in value chain.

This table underlines that overall there is good knowledge of the total value chain amongst stakeholder groups and across stakeholder groups. There were individual variations in how stakeholders perceived the value chain, but overall participants showed a great understanding of the value chain.

Answer 2 – Role of the key players

Extension
<p><i>Seed selection</i> Farmers,</p> <ul style="list-style-type: none"> Seed companies (increase productivity) <p><i>Crop growth</i></p> <ul style="list-style-type: none"> Farmer/producer (practices, manage, grow) Landlord/tenant (utilize the land) <p><i>Harvesting corn</i></p> <ul style="list-style-type: none"> Farmers (practices) <p><i>Collecting stover</i></p> <ul style="list-style-type: none"> Farmers (more money, lose value to soil) <p><i>Storage</i></p> <p><i>Transport</i></p> <p><i>Processing</i></p> <ul style="list-style-type: none"> POET-DSM/plant (take biomass, plant operation, logistics, grinding, filtering, adding value) selling agent, liaison <p><i>End-product</i></p> <p><i>Transport</i></p> <p><i>Market</i></p> <ul style="list-style-type: none"> Purchaser user (energy) <p><i>OTHER</i></p> <ul style="list-style-type: none"> Coop (growth, marketing), County (economic growth)
Local representation – private sector
<p><i>Seed selection</i></p> <ul style="list-style-type: none"> Input supplier (Fertilizer, Financial consulting, Equipment, fuels, energy supplies, services), Farmer <p><i>Crop growth</i></p> <ul style="list-style-type: none"> Producer, Farmers (crop production), Farmer (get payback, work with COOP, agronomist) <p><i>Harvesting corn</i></p> <ul style="list-style-type: none"> Producer

- Harvesters (Biomass collection)
- Farmer

Collecting stover

- Operators – Equipment costs/repairs/depreciation, Harvesters (Biomass collection)

Storage

Transport

- Logistics (Transportation of biomass)

Processing

- Processors,
- Plant Biomass (receiving, handling process),
- Plant ethanol (processing Technology & process) ,
- POET-DSM

End-product

Transport

- Distribution (Movement of fuel from refinery to retail)

Market

- Fuel retailer (Marketing of fuel),
- End user (Consumption of fuel)

OTHER

- Snow,
- road hazards with bale,
- by-product

Local representation – public sector

Seed selection

- Farmers, Seed dealers

Crop growth

- farmers

Harvesting corn

- farmers

Collecting stover

- baler

Storage

Transport

<p><i>Processing</i></p> <ul style="list-style-type: none"> • POET <p><i>End-product</i></p> <p><i>Transport</i></p> <p><i>Market</i></p> <ul style="list-style-type: none"> • Big Oil <p>OTHER</p> <ul style="list-style-type: none"> • Bankers • ISU
<p>Farmers</p> <p><i>Seed selection</i></p> <ul style="list-style-type: none"> • Seed/chemical dealers, • Farmer, landowners, <p><i>Crop growth</i></p> <ul style="list-style-type: none"> • Equipment dealers, • Farmer, • landowners <p><i>Harvesting corn</i></p> <ul style="list-style-type: none"> • Equipment dealers, • Farmer, • landowners, • manufacturer <p><i>Collecting stover</i></p> <ul style="list-style-type: none"> • Equipment dealers, • Farmer, • custom farmer, • landowners, • manufacturer <p><i>Storage</i></p> <ul style="list-style-type: none"> • Equipment dealers, • Farmer, • custom farmer <p><i>Transport</i></p> <p><i>Processing</i></p> <ul style="list-style-type: none"> • Plant employees, manufacturer, Project Liberty <p><i>End-product</i></p>

<p><i>Transport</i></p>
<p><i>Market</i></p> <ul style="list-style-type: none"> • Fuel stations, • consumers, • policy
<p>OTHER</p> <ul style="list-style-type: none"> • Government, • COOP
<p>Technology provider</p>
<p><i>Seed selection</i></p> <ul style="list-style-type: none"> • Seed co • Farmers
<p><i>Crop growth</i></p> <ul style="list-style-type: none"> • Farmers, • custom harvester
<p><i>Harvesting corn</i></p> <ul style="list-style-type: none"> • farmers • Equipment
<p><i>Collecting stover</i></p> <ul style="list-style-type: none"> • farmers • Equipment
<p><i>Storage</i></p>
<p><i>Transport</i></p>
<p><i>Processing</i></p> <ul style="list-style-type: none"> • Biorefinery
<p><i>End-product</i></p>
<p><i>Transport</i></p>
<p><i>Market</i></p> <ul style="list-style-type: none"> • Consumers
<p>OTHER</p> <ul style="list-style-type: none"> • Policy • Weather, • Banks

Answers 3 (Advantages) & 4 (Bottlenecks) experienced by key players

Advantages	Bottlenecks
Extension	
<u>Landlord/tenet</u> Land God's gift, limited land/productivity <u>Producer of crop</u> Making living <u>Producers</u> Community: Jobs created, economic benefit Development of POET – 2 to 3 gallons Able to do corn on corn by bailing, much in residue Limiting deep tillage Silage instead of bale <u>Final end user</u> (Purpose) Was need met e.g. energy, food value <u>Economic</u> money at all levels of the chain (Economic Profitability and Bottom Line in the value chain) Additional value of crop population County economic benefit (County revenue, taxes, job) <u>Non-Economic</u> Population increase Jobs Time constraints Sustainability	<u>Landlord/tenet</u> Water quality Cover crops Conservation Corn turn vs soya turn decision <u>Producer of crop</u> Conservation Long term vs short term decisions Carbon footprint – producer fertilizer Field – organic matter nutrients Labor – weather Learning the process Process – wrap, quality of bale and storage of bale Number of passes in field – time invested per ton <u>Process of biomass</u> Employees Demand of product Community <u>Logistics/value added intermediary && Selling agent/Liaison</u> Technology Δ 's to meet end user Δ ? Perfect product to end user What will sell What can be done economically (\$)
	<u>Purchaser/user of product</u> Value added steps \$, Right type, right time, right place <u>Final end user</u> Meeting need Energy vs food <u>Generic</u> Equipment development Investments – working capital Policy government Lack of education

	<p>Legislation challenges</p> <p>Return on investment</p> <p>Challenges of sustainability</p>
Local representation – private sector	
<p><u>Input suppliers</u></p> <p>Market opportunities</p> <p>Purchase of equipment / financing on those purchases.</p> <p>Improvements in manufacturing processing.</p> <p><u>Landlord</u></p> <p>Money</p> <p>Income</p> <p>Sustainable</p> <p>Reduced carbon emissions. Reduced residue (corn on corn)</p> <p><u>Harvesters</u></p> <p>Income</p> <p>Equity</p> <p><u>Logistics</u></p> <p>Income</p> <p>Equity</p> <p><u>Plant biomass receiving</u></p> <p>Production</p> <p>Down time</p> <p>Reduce cost</p> <p><u>Plant ethanol processing</u></p> <p>Production</p> <p>Downtime</p> <p>Reduce cost</p> <p>Higher revenue stream for cellulosic ethanol.</p> <p><u>Distribution</u></p> <p>Policy satisfaction</p> <p><u>Fuel retailer</u></p> <p>Income</p> <p><u>End user</u></p> <p>Income</p> <p>Green friendly</p>	<p><u>Farmer</u></p> <p>Nutrient removal / Lost fertilization</p> <p>Landlord relationships</p> <p>Small harvest window</p> <p>Busy time of year</p> <p>Timing efficiencies</p> <p>Labor availability</p> <p>Weather: number of passes needed when taking 1T/acre as opposed to 3T/acre</p> <p><u>Harvesters</u></p> <p>Financial risk</p> <p>Consistency</p> <p>Small window for harvest</p> <p>Operators – Equipment costs/repairs/depreciation.</p> <p><u>Logistics</u></p> <p>Financial risk</p> <p>Consistency</p> <p><u>Plant biomass receiving</u></p> <p>Down time</p> <p>Manpower requirement</p> <p>Ash/Dirt/Rock/netwrap – Landfill</p> <p>Maintaining quality of bales in storage and overall</p> <p>Bale wrap</p> <p>Equipment maintained</p> <p>Process development</p> <p><u>Plant ethanol processing</u></p> <p>Finding the best process – trial & error</p> <p>Abrasive – Stalks are hard on equipment/bales</p> <p>Large investment</p> <p>Govt policy</p> <p>Feedstock supply risk</p> <p>Difficult technology</p> <p><u>Distribution</u></p> <p>Gallon replacement not an increase</p> <p><u>Fuel retailer</u></p> <p>replacement gallons</p>

<p><u>Community</u></p> <p>Great good jobs Generates property taxes Residue on roads (RINS [not sure what the participant wrote here]) Positives Increased income to local and surrounding communities Economic benefit for the community / area Job creation – sustainable well-paying positions.</p>	<p><u>End user</u></p> <p>confusion of quality/performance</p> <p><u>Generic</u></p> <p>Big Oil (negative ads) Carbon footprint Investment required Snow drifts in winter Road hazards from parts of bale falling off Policy Soil Cost of entry Stakers, transporters Twine</p>
<p>Local representation – public sector</p>	
<p><u>Community</u></p> <p>Emmetsburg is first to start the research for the future [emphasis added by participant] of new biofuel production. (The future may be astronomical)* [participant added a star on the back to elaborate] Reputation of Emmetsburg (local area)</p> <p><u>POET</u></p> <p>I gave you a document that shows the economic input that with the establishment of POET/Project Liberty/DSM. There is a continual history in their company, along with others in Emmetsburg that has infected new start up business. The whole process has had a lot of growth from the bales to the locations collection of bales Learned where to locate the bales from the very beginning of time We have good contact to assist on the federal level for legislative renewable fuels – we have built a large coalition</p> <p><u>Economic impact to farmers</u></p> <p>Transportation start-up – created an outlet for young farmers to give them an added ability to assist them with financial growth.</p> <p><u>Economic impact to the region (area)</u></p> <p>Different businesses were located here because of Project Liberty and DSM. (building equipment business, baling businesses started)</p>	<p>Producer timeliness and investment Early growing pains (bale storage) (no balers) mostly worked thru - The bales were backed up due to the construction Removal of mass from fields (nutrients, potash) Big Oil companies and (negative) mis-information spread about biofuels. Big battle from oil companies. Lack Education of the masses Do they look at other products – switch grass Transportation at time can be a challenge to stay with their contractual agreements (Transportation is still an issue) Time restraint when collecting the bales The equipment breakdown due to the materials that wouldn't process through their equipment Refinery waivers are still an issue for the profit</p>

<p>The new employees created new jobs, means new homes, property taxes, school increased, start up restaurants, hotels, etc.</p> <p>The construction phase brought in a lot of economic impact.</p> <p><u>Production of ethanol (fuel)</u></p> <p>Saving the world's food source by not using corn</p>	
Farmers	
<p><u>Farmer</u></p> <p>Collect biomass</p> <p>Grow biomass</p> <p>Deliver biomass</p> <p>Purchase equipment</p> <p>Select seed</p> <p>Conservation</p> <p>Money to spend on living and business expense</p> <p>Extras income to spend on different purchases</p> <p>Added economic,</p> <p>Better crop,</p> <p>Conservation – Less tillage</p> <p>Profitability and market for the farmer</p> <p><u>Processing plant</u></p> <p>Homegrown renewable fuel</p> <p>Employers for local economy</p> <p>Employees at processing plant will spend money on cars, food, travel, taxes, clothing, housing etc which keeps economy going.</p> <p>Clean energy, value added product</p> <p>economic growth with a positive for the producer</p> <p><u>Fuel stations</u></p> <p>Sell a renewable fuel to consumers</p> <p>Less foreign oil</p> <p><u>Consumers</u></p> <p>Clean energy, Cleaner, Renewable</p> <p>Demand for product</p> <p>Availability of product</p> <p><u>Harvester Custom</u></p> <p>Job creation</p> <p>Bale, Move, harvest</p> <p><u>Equipment Dealer</u></p>	<p><u>Farmers/Landowners</u></p> <p>Removal of organic matter and nutrients</p> <p>Extra equipment cost and time to collect biomass.</p> <p>Transportation of biomass</p> <p><u>Processing</u></p> <p>Trial & error: Learning process of how to best make things work.</p> <p>Transportation of biomass to facility</p> <p>Changing government regulations.</p> <p><u>Consumers</u></p> <p>Confusion from misinformation/ lack of education.</p> <p>Food vs Fuel debate</p> <p>uncertainty in demand</p> <p><u>Policy</u></p> <p>Mandates</p> <p>Waivers of biofuel mandates to oil refineries.</p> <p>Attitude of the future</p>

<p>Products to sell service</p> <p><u>Manufacturer</u> Increased products to build</p> <p><u>Ferventor (Not sure)</u> Economic benefit, Patents</p>	
Technology provider	
<p><u>Biomass harvest equipment</u> (Engineering, manufacturing, service, education) Conserve natural resources Economic returns + developments</p> <p><u>Producers/Custom harvesters</u> (Use machinery, Supply biomass to biorefinery) Agronomic advantages Economic value added</p> <p><u>Biorefinery</u> (Acquire biomass, process biomass, suggest better methods) Conserve natural resources Economic returns - Benefit to community, job creation, good paying jobs, rotate 3-4 times, tax. Synergies with grain ethanol Plant will only make money once it makes full scale operation</p> <p><u>Policy makers</u> (Environmental concerns, change economic drivers) policy drivers best motivators climate change stabilization stability economics</p> <p><u>Lending & Banking</u> (Provide funds) Economic Community Stability</p> <p><u>Consumers (use energy)</u> – at the end of the day Environment Economic</p>	<p><u>Biomass harvest equipment</u> (Engineering, manufacturing, service, education) Policy Economy Equipment transformation</p> <p><u>Producers/Custom harvesters</u> (Use machinery, Supply biomass to biorefinery) Policy Weather at harvest Baler depreciates (2 dollar/Bale), depreciation of equipment; weather fall time, a lot to be done at the same time.</p> <p><u>Biorefinery</u> (Acquire biomass, process biomass, suggest better methods) Policy Feedstock quality Netwrap, ash stones, capital required, working capital, planning of how much needed.</p> <p><u>Policy makers</u> (Environmental concerns, change economic drivers) Elected officials change and so does opinion Long term energy policy RTS policy being challenged, lack of consistent policy.</p> <p><u>Lending & Banking</u> (Provide funds) stable policy stable economy</p> <p><u>Consumers (use energy)</u> – at the end of the day Cheaper than petroleum</p>