

## **U.S. to Pay Farmers for Non-Food Crops for Biofuels, Vilsack Says**

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The U.S. will pay farmers to produce non-food crops that can be converted to fuels for planes, cars and power plants to reduce reliance on imported oil and boost rural economies, Agriculture Secretary [Tom Vilsack](#) said today.

The Agriculture Department will resume payments to farmers under the 2008 Biomass Crop Assistance Program for eligible perennial crops and work with the Federal Aviation Administration to develop aviation fuels from farm wastes, Vilsack said today at the [National Press Club](#).

The effort is part of a plan to boost annual production of biofuels, including corn-based and cellulosic ethanol, to 36 billion gallons required by the Renewable Fuels Standard. U.S. drivers will use about 138 billion gallons of gasoline this year, and ethanol facilities are expected to produce 12.8 billion gallons of the additive, according to the Washington-based Renewable Fuels Association.

“Domestic production of renewable energy, including biofuels, is a national imperative,” Vilsack said at a press conference. “That’s why USDA is working to assist in developing a biofuels industry in every corner of the nation.”

Vilsack said he is directing the agency to plan within 60 days and help fund construction of five refineries spread across the U.S. to process biomass into fuels. Higher costs for refiners related to use of the new feedstocks will be paid from up to \$281.5 million that remains from the 2008 Farm Act, Vilsack said.

Poet LLC, the largest U.S. ethanol producer, plans to seek approval to consume these biomass crops under at a cellulosic refinery in Emmetsburg, Iowa, and at a pilot plant in Scotland, South Dakota, the company said today in an e-mailed statement. Sioux Falls-based Poet also plan to use waste for a generator at an ethanol plant.

The Environmental Protection Agency last week approved increasing concentrations of ethanol blended with gasoline for U.S. vehicles made in 2007 and later to 15 percent from 10 percent. A decision on whether to extend that ruling to cars built from 2001 to 2006 will come next month after more testing, the EPA said.

To boost demand for ethanol during the transition to higher concentrations, the agency will help deploy 10,000 blending pumps at convenience stores and filling stations around the country. Each of those pumps cost \$25,000, which would put the total cost of the expansion at \$250 million, Vilsack said.

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