

# **2014 CenUSA Switchgrass Bioenergy Feedstock Field Day**

**Richard Perrin**

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## Economics of Switchgrass As a Biomass Feedstock

How much does it cost to produce switchgrass?

*Costs vary widely, and will depend on yield, but here is an estimate:*

Cost component:	Per acre	Per ton of Dry Matter		
		@ 3 tons/ac	@4 tons/ac	@5 tons/ac
Establishment (annualized)	\$30	\$10	\$8	\$6
Fertilizer	40	14	10	8
Swath, bale and store	75	25	19	15
Land rent	85	28	21	17
<b>Total</b>	<b>230</b>	<b>77</b>	<b>58</b>	<b>46</b>

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## Economics of Switchgrass As a Biomass Feedstock

Who will buy switchgrass?

Biomass refineries will contract for production in advance, but there are none yet in Nebraska. Meanwhile, the only significant market it is as grass hay.

How much can switchgrass be sold for?

Biomass refineries might pay from \$75/ton on up to \$125 or even more, depending on Federal mandates for use of cellulosic ethanol. Meanwhile, grass hay in Nebraska will probably continue to sell near \$100/ton.

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