

# **Synergism Between Agricultural and Energy Policy: The Case of Dedicated Bioenergy Crops**

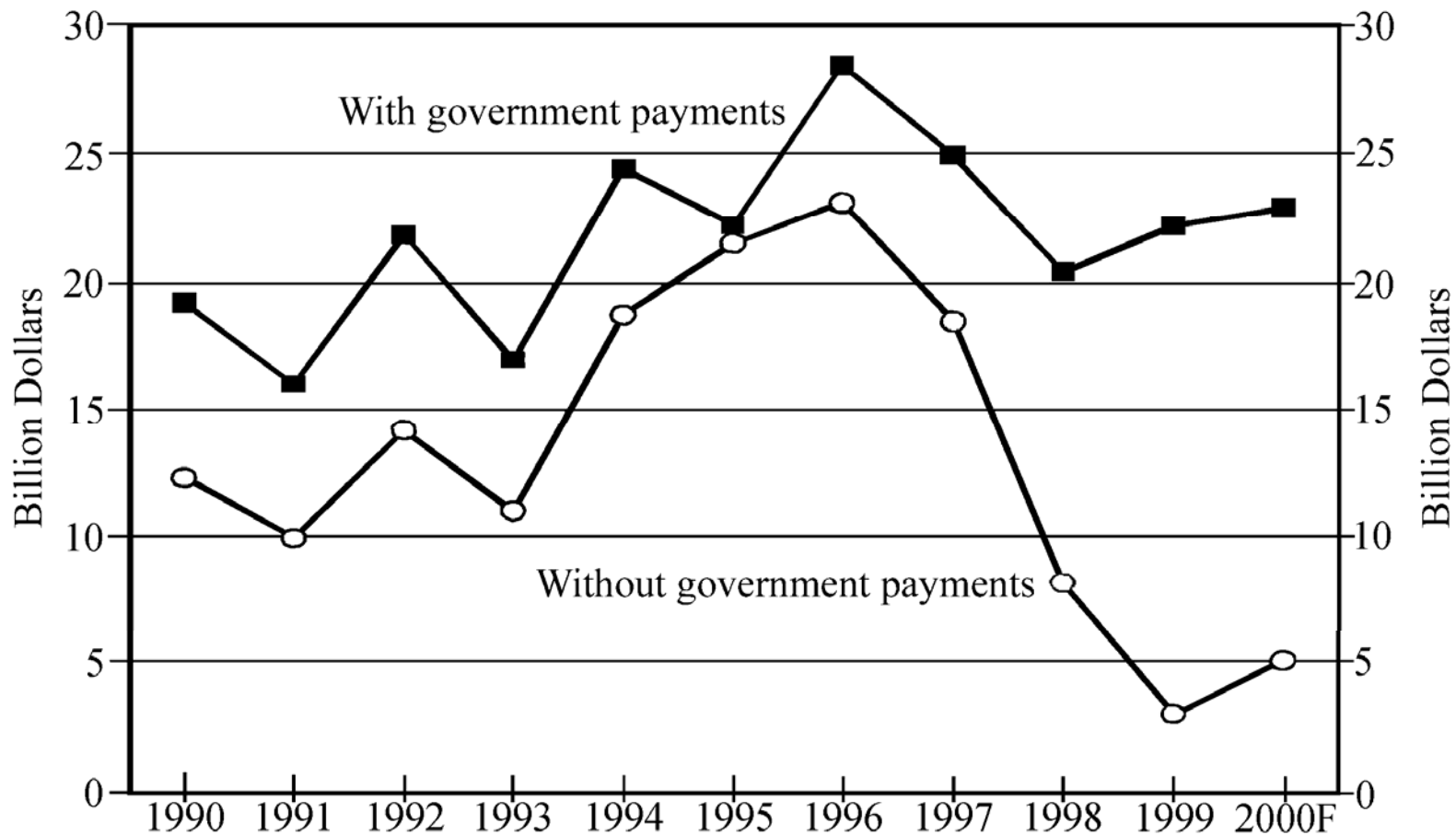
Daniel De La Torre Ugarte

University of Tennessee

Marie Walsh

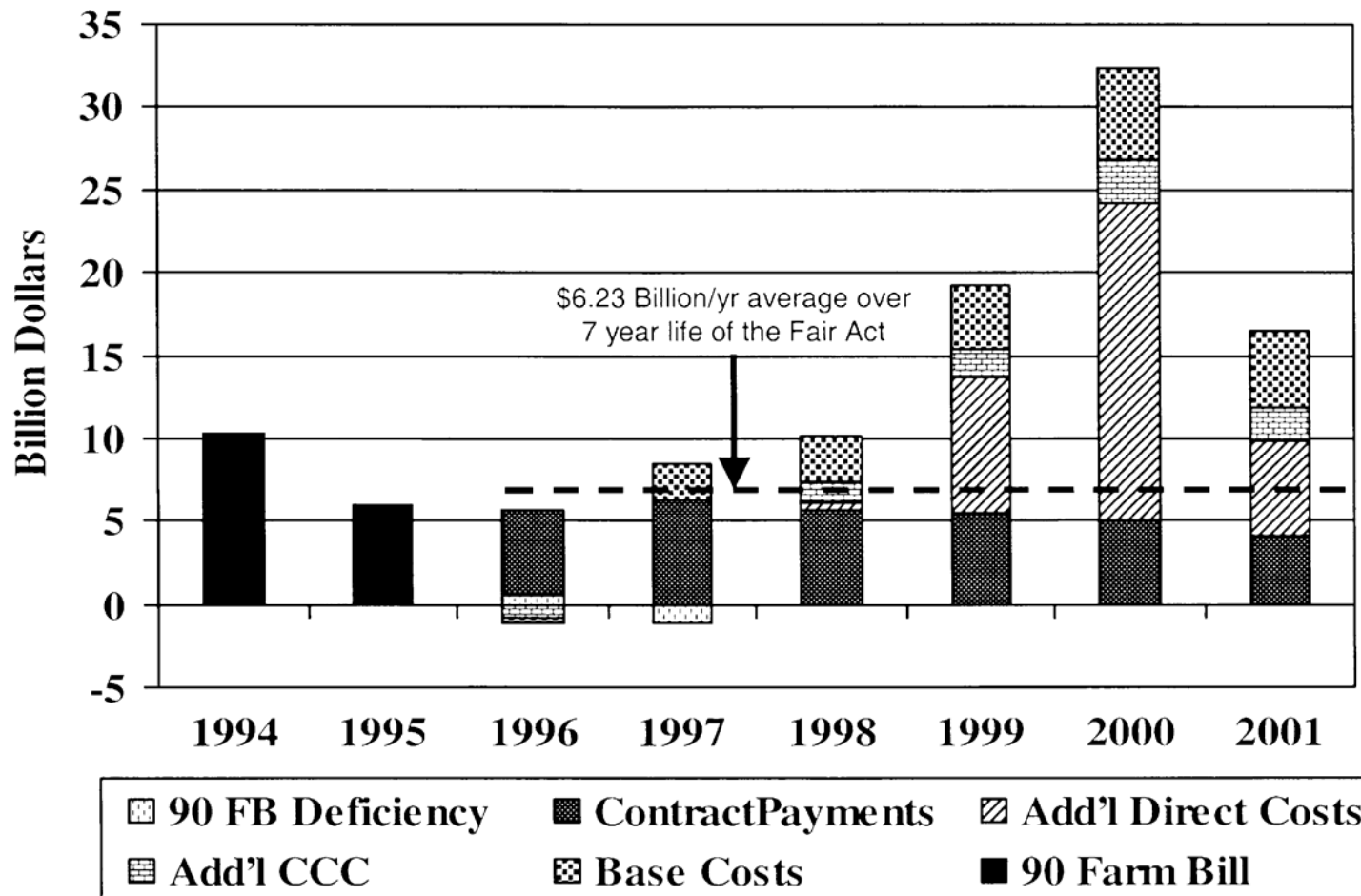
Oak Ridge National Laboratory

# Net cash income for 8 major crops, 1990–2000. *(Source: USDA OCE)*



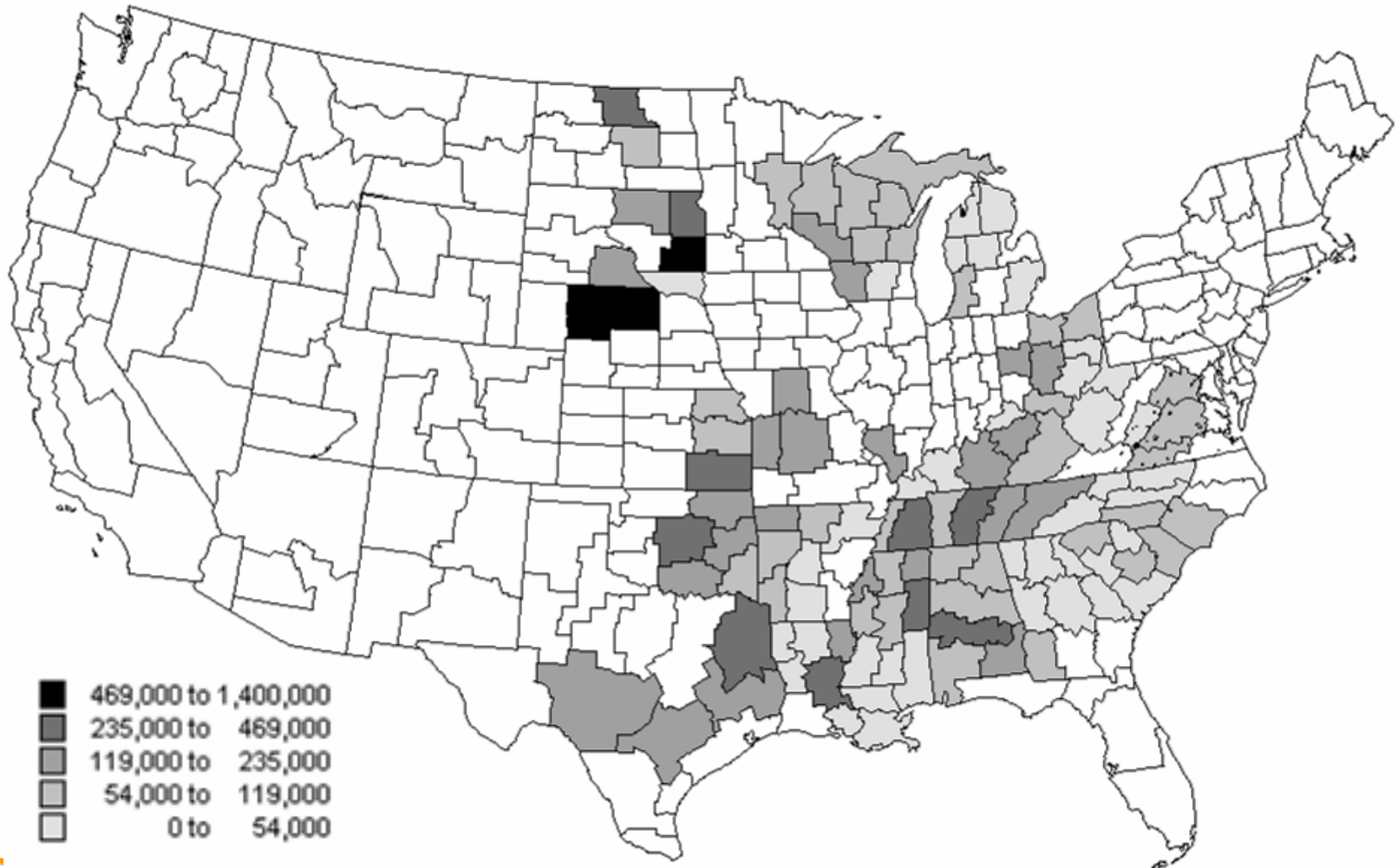
# Government outlays by source

1994–2001 (*Source: USDA*)



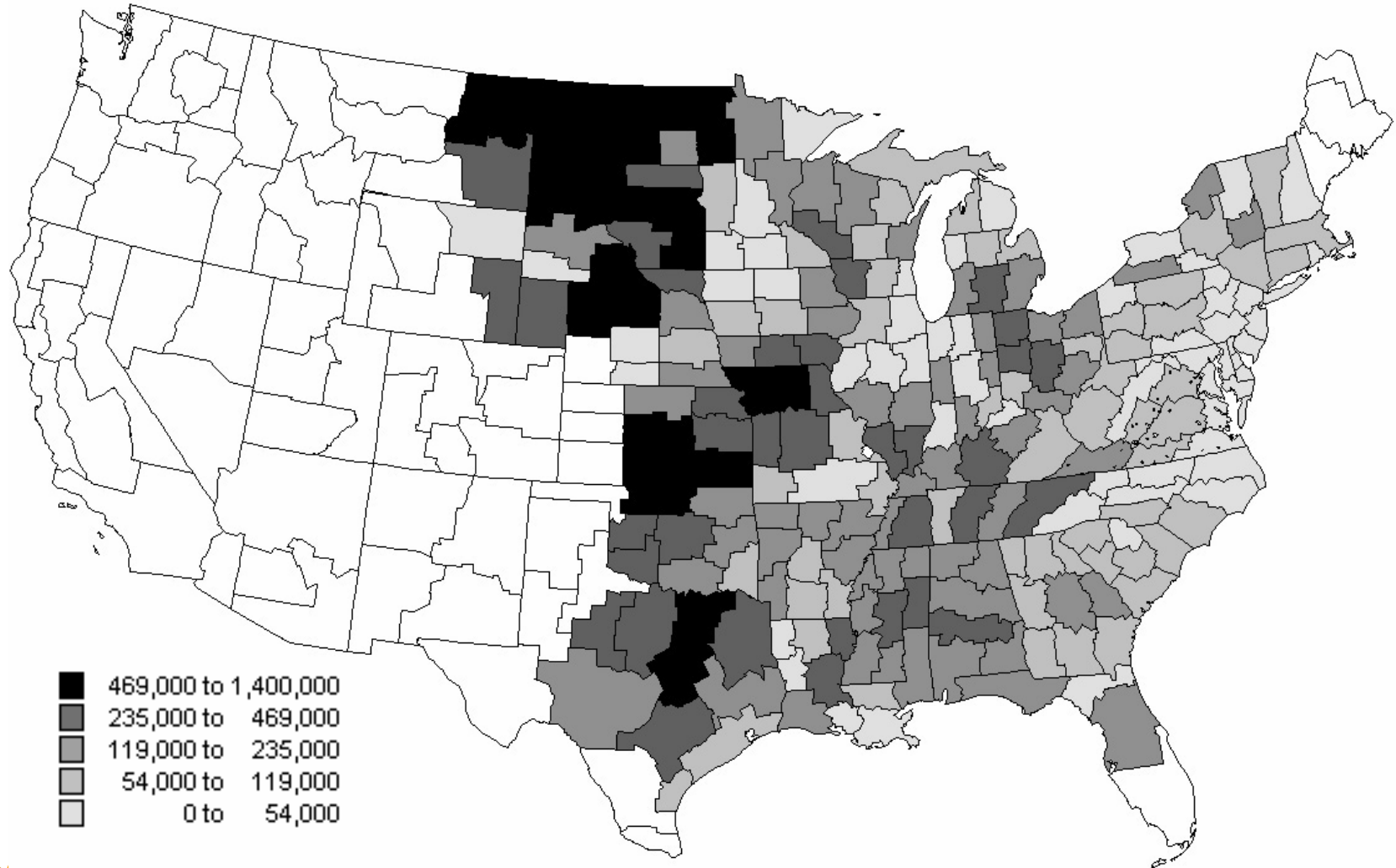
# Scenario 1 - \$30 / dt :

## Acres Planted to Switchgrass, 2000



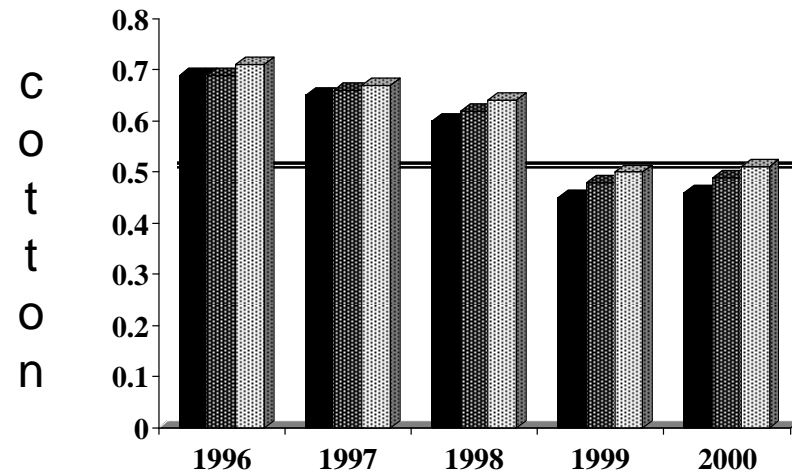
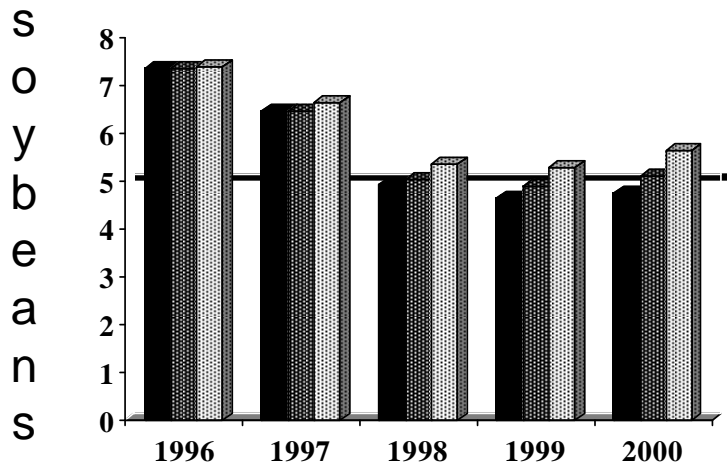
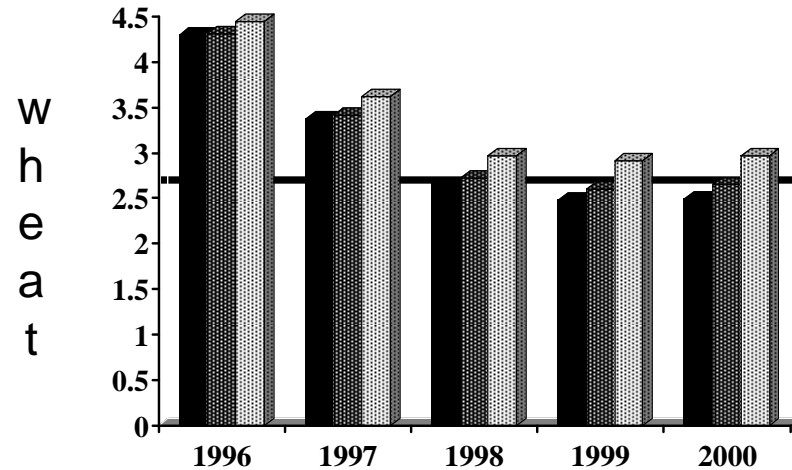
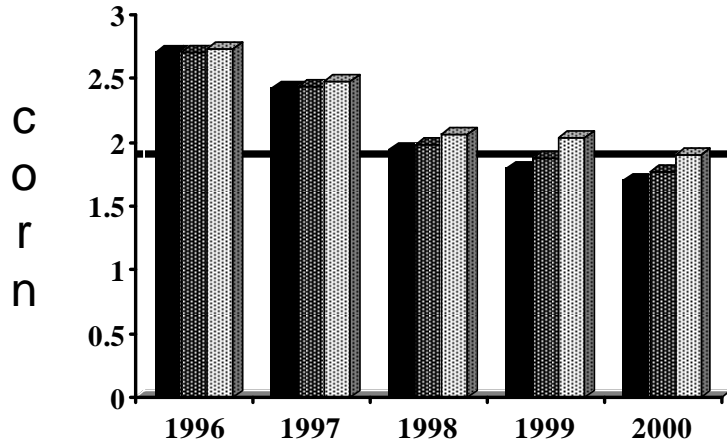
# Scenario 2 - \$40 / dt :

## Acres Planted to Switchgrass, 2000



# Changes in Crop Prices

Comparing historical & switchgrass scenarios



# Comparing Actual vs. What If Annual Average 1996 -2000

		Actual	Bioenergy \$30 / dt	Scenario \$40 / dt
Switchgrass Acreage	mil. acres	-	9.42	22.23
Market Returns	mil. \$	21,547	22,579	25,102
Loan Deficiency Payments	mil. \$	1,888	952	206
Emergency Payments	mil. \$	3,903	3,903	3,903
Total returns	mil. \$	27,338	27,434	29,211

# Bottom Line

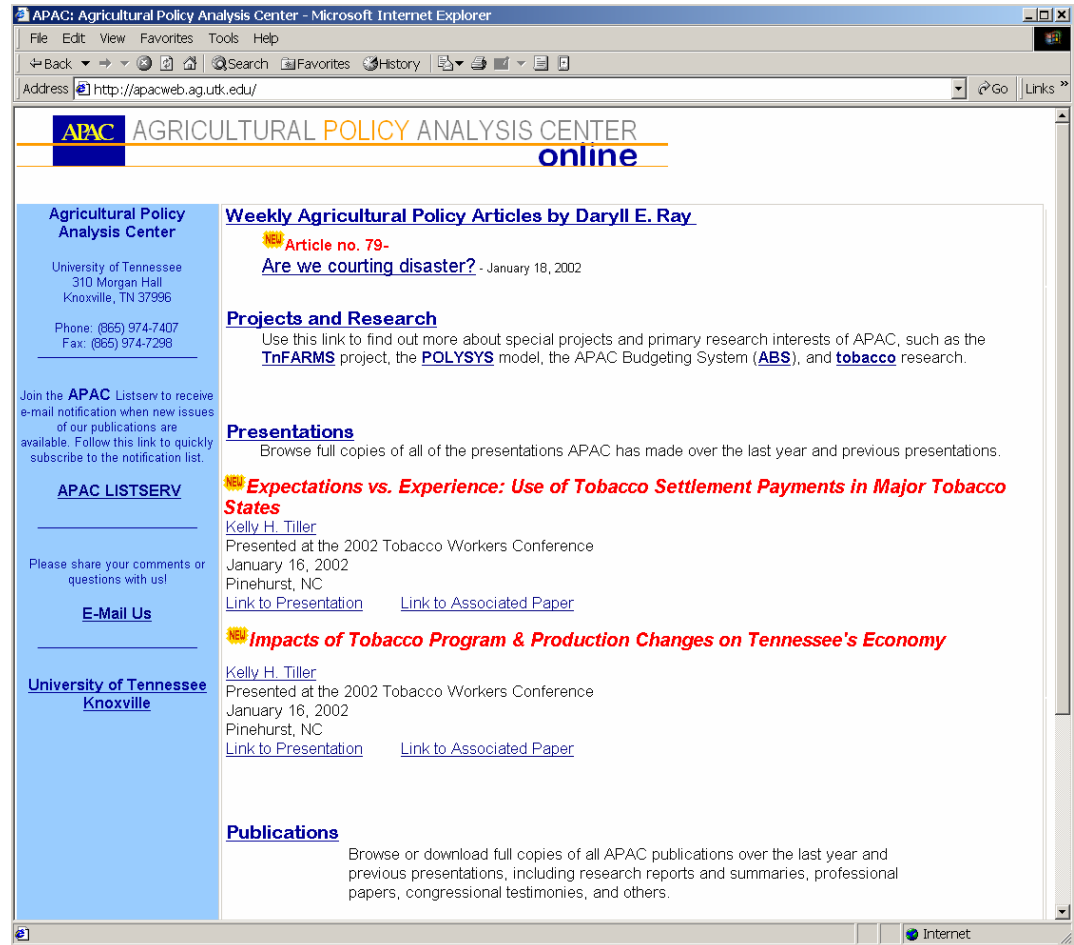
## Annual Average 1996 -2000

		<b>Bioenergy Scenario</b>	
		<b>\$30 / dt</b>	<b>\$ 40 / dt</b>
Government Savings	mil. \$	936	1,682
Change in Total Returns	mil. \$	(96)	1,873
Potential Switchgrass Subsidy	\$ / dt	56.5	50.6

# For More Information ... [www.agpolicy.org](http://www.agpolicy.org)

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The University of Tennessee  
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The screenshot shows a Microsoft Internet Explorer browser window displaying the APAC website. The address bar shows <http://apacweb.ag.utk.edu/>. The website header features the APAC logo and the text "AGRICULTURAL POLICY ANALYSIS CENTER online".

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