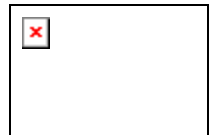




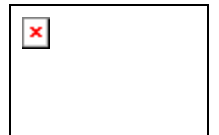
# ENERGY CROPS

The Risks from a suppliers  
perspective

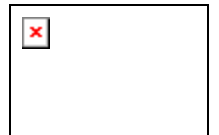
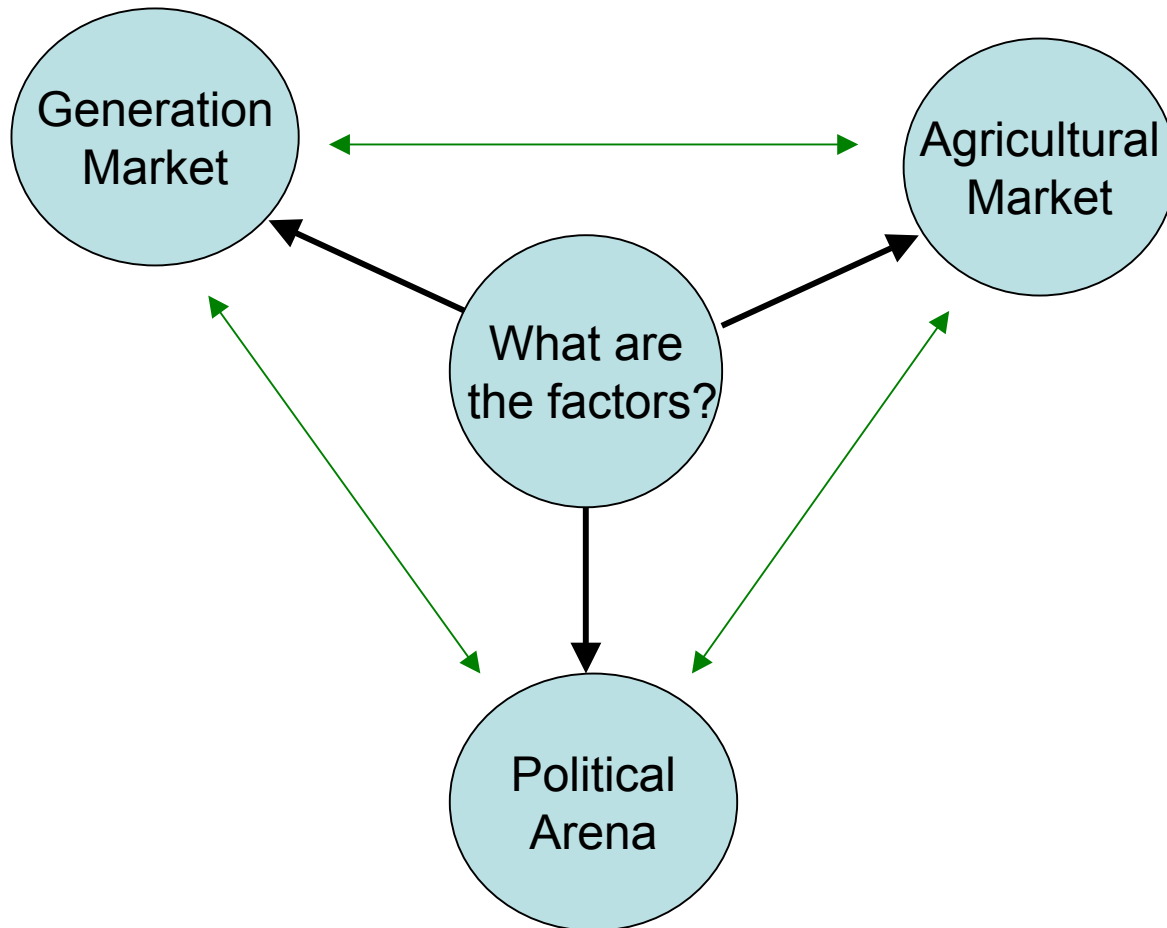


# What are the risks?

- Entering the UK Biomass Industry!
- What is the consequence of that risk
- WIN or LOSE
  - Monetary for the company and shareholders
  - Political risk for the government
  - Public perception and financial penalties for the Industry
  - Future generations

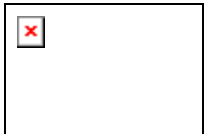


# ENERGY CROPS



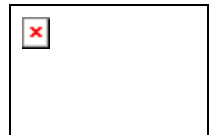
# Agricultural Factors

- Is the Energy Crop Scheme grant funding secure – long term?
- Will the FCS embrace Agri-forestry
- Will the Farm gate price/gross margin excite the farmer to convert
- What is the price/tonne trend for arable/industrial crops
- How will reducing SFP impact upon the farming community in general.
- How will a changing climate affect Energy Crops
- ***Can we convince the farming community to convert – growing fuel not food?***



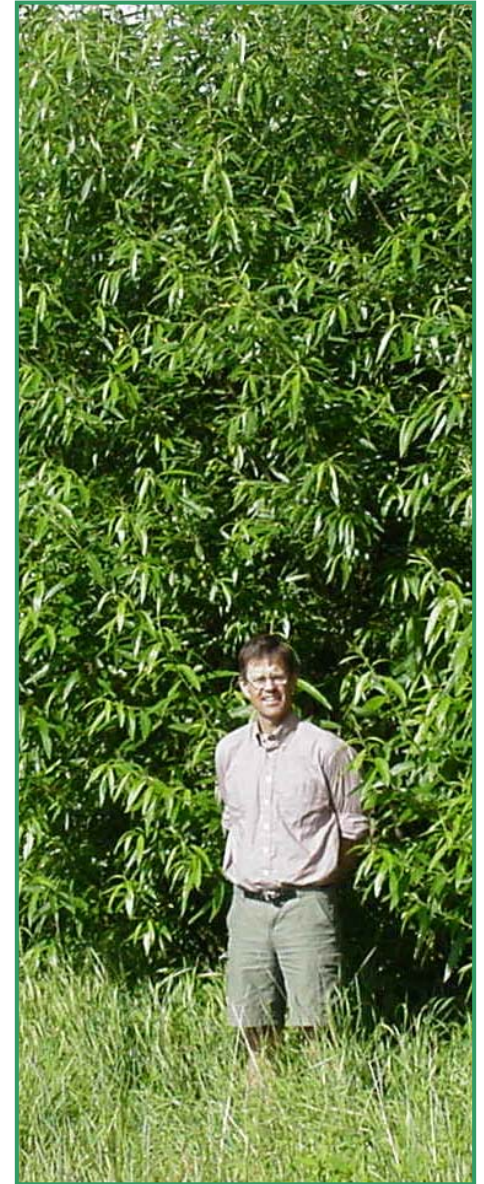
# Power Generation Factors

- Can Co-firing stations effectively burn energy crops?
- Does the industry sector believe that the UK agricultural industry can deliver?
- Does the industry sector believe there are alternatives – imported energy crops?
- Will local embedded biomass power plants develop?
- ***How committed are the generators and are they prepared to pay a realistic price that is an incentive for suppliers to enter and stay in the market.***

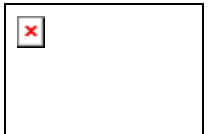
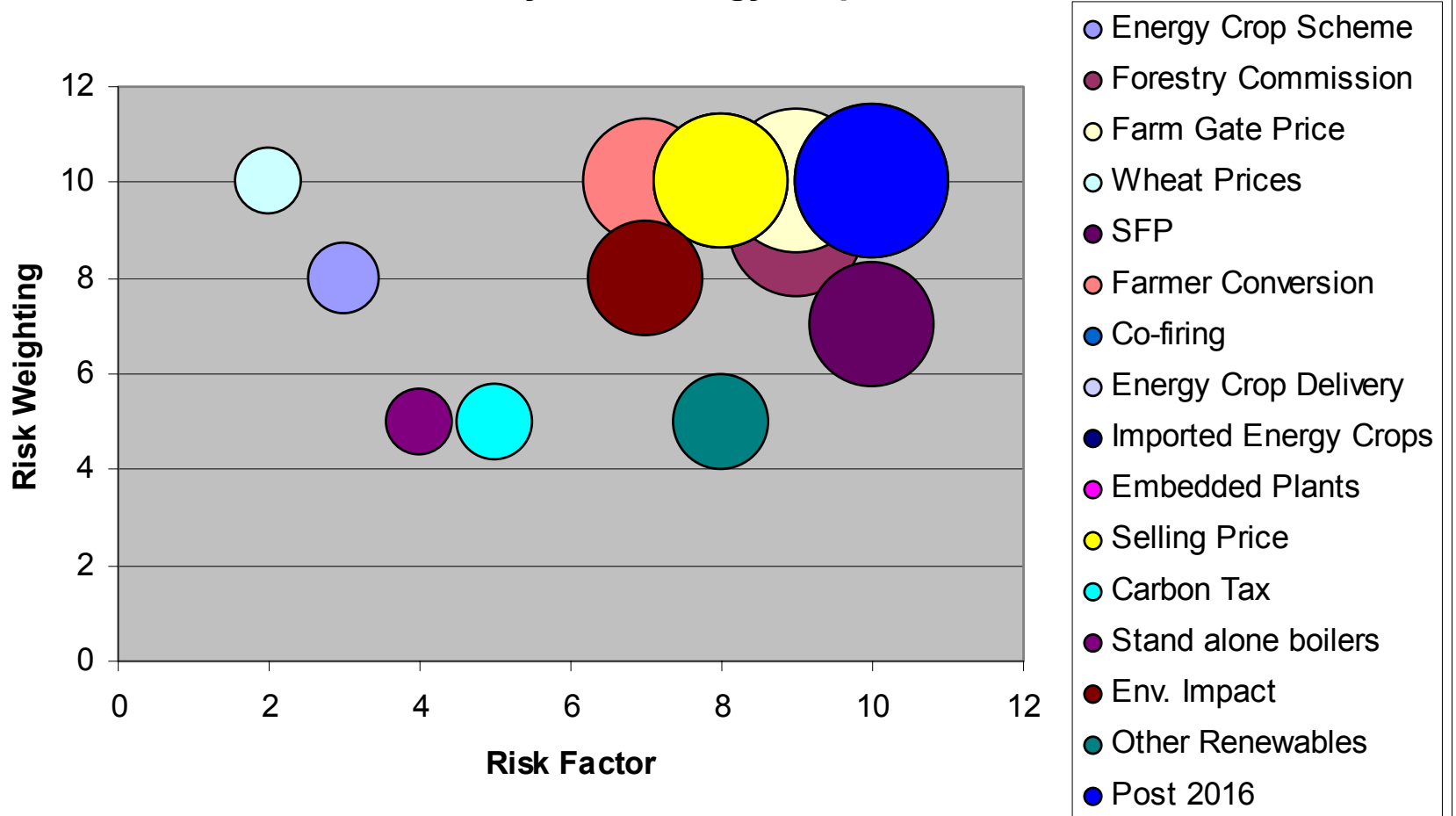


# Political Factors

- How will Carbon Tax trading impact upon the industry?
- Will OFGEM allow stand alone biomass boilers on coal firing stations?
- Is the public ready for large monocultures of energy crops – anti-wind – “*not on my backdoor!*”
- Where is the political focus - on other quick win Renewables e.g. wind or carbon sink technologies?
- ***What happens post 2016?***



## Risk Analysis of Energy Crop Production



# *Moving forward* →

- There are challenges ahead
- No business is without risk!
- Champions out there – UK & Overseas
  - Sweden – 15,000ha plus planted
  - Sembcorp, Teeside awarded
  - Castle Cary, Somerset
  - Lockerbie, Scotland
- **Stay positive!**

