

# LogistEC

## Logistics for Energy Crops' Biomass

Grant agreement number: FP7-311858

**Collaborative project (small or medium-scale focused research project  
targeted to SMEs)**

**SEVENTH FRAMEWORK PROGRAMME**

**Priority: Food, Agriculture and Fisheries, and Biotechnology**

### **Deliverable D6.4**

### ***Proceedings of EU cooperation workshop***

**Due date:** M20, April 2014

**Actual submission date:** M21, May 14

**Project start date:** September 1<sup>st</sup>, 2012      **Duration:** 42 months

**Workpackage concerned:** WP6

**Concerned workpackage leader:** AEBIOM

**Dissemination level:** PU

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## Summary

### Objective:

The workshop focused on how to develop lignocellulosic energy crops in the EU. The event achieved successful results thanks to the participation of more than 80 stakeholders that have exchanged best practices and exposed their recommendations for a real take off of lignocellulosic energy crops in Europe.

### Rationale:

The contribution of agriculture to the energy sector is expected to increase significantly in the coming 10 years. Therefore, a good understanding of the issues associated with energy crops is becoming essential for those involved in these initiatives. The workshop focused on how to integrate energy crops within the Common Agricultural Policy (CAP) after 2013. The discussions covered all types of lignocellulosic crops: annual and multi-annual crops, perennial grasses, and short-rotation coppice.

The EU Cooperation Workshop targeted EU policy makers in order to spread the findings of the project regarding possible measures to support the deployment of lignocellulosic-based value chains. The workshop focused on trans-national cooperation and involved speakers from EU DG Agriculture and Rural Development and several Member States representatives dealing with relevant policies. The targeted participants included scientists, national leaders for rural development programmes and farmers trade unions.

### Teams Involved

Leader: Jean-Marc Jossart, AEBIOM

Involved partners: AEBIOM (2pm), Averinox (0.1pm), ECN (0.25pm), Acciona (0.1pm), Biotrans (0.05pm), BIOPOPLAR (0.05pm), Risø DTU (0.1pm), FCBA (0.1pm), CENER (0.2pm)

## RESULTS



### **Recommendations for a real take off of lignocellulosic energy crops in Europe**

**Findings from a LogistEC workshop on 19 March 2014**

The LogistEC project supported by FP7 aims to develop new or improved technologies of the biomass logistics chains. Cost-efficient, environmental-friendly and socially sustainable biomass supply chains are needed to achieve the 2020 EU RES targets. Energy policy will generate high demand for solid biomass and energy crops could fill the possible solid biomass supply gap. Lignocellulosic energy crops (short rotation coppice, annual and multi-annual crops, perennial grasses) have now reached about 100 000 ha in Europe but their development is stagnating. The new EU Common Agricultural Policy (CAP) offers opportunities to develop lignocellulosic energy crops.

The workshop organized by AEBIOM in the framework of the LogistEC project on 19 March 2014 focused on how to develop lignocellulosic energy crops in the EU. The event achieved successful results thanks to the participation of more than 80 stakeholders that have exchanged best practices and exposed their recommendations for a real take off of lignocellulosic energy crops in Europe.

A list of recommended actions has been established by the stakeholders of the workshop.

#### ***Increase Supply of energy crops***

Large land potential remains in the EU for energy crops production. Therefore, policies should help to foster production. Participants proposed the following actions:

- Support subsidies for establishment (start-ups) but at reasonable level (not too high) to ensure meaningful project development on suited land and avoid plantations just aiming at collecting subsidies (support for investments related to short rotation coppice possible under the new Common Agricultural Policy (CAP) - Article 17 of the Rural Development Regulation<sup>1</sup>).
- Support subsidies to develop machinery, infrastructures, logistics, etc. (possible under Common Agricultural Policy (CAP) Article 17 of the Rural Development Regulation<sup>2</sup>).
- Incentivize the conversion of unexploited/abandoned agricultural lands into energy crops
- Increase R&D and breeding on species/varieties to increase yields and therefore increase competitiveness of the biomass fuels produced.
- Try to mitigate chicken and egg dilemma (no crop – no market) and develop economies of scale:
  - Develop large-scale pilot/demonstration projects to launch the business (support in the form of feed in tariff and without tendering process still possible for demonstration projects under the new state aid guidelines article (126) and (128)<sup>3</sup>)
  - Push for cooperatives to reach critical mass and gain on competitiveness

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<sup>1</sup> REGULATION (EU) No 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0487:0548:en:PDF>

<sup>2</sup> *Ibid.*

<sup>3</sup> Guidelines on State aid for environmental protection and energy 2014-2020, [http://ec.europa.eu/competition/sectors/energy/eeag\\_en.pdf](http://ec.europa.eu/competition/sectors/energy/eeag_en.pdf)

### ***Increase Demand for energy crops***

If production of energy crops is to increase, it is mainly through market pull rather than supply push. It is therefore necessary to increase the demand for solid biomass, through various policy instruments at disposal. Participants proposed the following actions:

- Support market development for bioenergy, by for example increasing the number of biomass based district heating plants. Under the new EU state aid guidelines, aid can be granted for investment, including upgrades, to high efficient CHP and energy-efficient district heating (article (140)<sup>4</sup>).
- Subsidies for crop establishment conditioned with the obligation to have a contract with a buyer, or to demonstrate necessity of plantation
- Implement attractive energy crops purchase conditions

→ Necessity to link production with market needs

***Ensure the quality of crop management (cuttings, weed control, etc.)*** through respect of rules on varieties licensing and dissemination of best practices guidelines (Irish example – necessity to comply to get grant)

→ avoid reinventing the wheel every time when growing crops in new countries.

### ***Convince farmers***

- Risk-free trials –guarantees to limit the risk for producers
- Share know-how and best practices to mitigate fears on new crops and production practices

### ***Convince Policy Makers/Member States***

Mentalities are still to be changed and awareness should be raised on the positive potential of energy crops for economic growth, creation of jobs and meeting 2020 energy package objectives (20% reduction CO<sub>2</sub>, 20% use of RES, 20% improvement in energy efficiency). Participants proposed the following actions:

- Explain/disseminate information to address fears on sustainability (e.g. biodiversity, indirect land use change, etc.)
- Bring forward multi-functionality of energy croplands (water edge protection, pollination, water quality – including nitrogen management, etc.)
- Ensure that Member States introduce bioenergy and energy crops in the revised EU Common Agricultural Policy (CAP), both in Rural Development and Ecological Focus Area (a detailed analysis of the CAP for the biomass sector has been prepared by AEBIOM).

The EU CAP leaves great flexibility to Member States that have to submit their national choices before summer 2014. It is important to bring to national legislator's attention the potential offered by an increased production of energy crops.

### ***Create an EU platform for exchange of experiences and lobbying***

Most of energy crops project developers and stakeholders are small. Exchanging at the EU level would allow sharing best practices and organize a more efficient lobby at Member State and EU level.

### ***Increase access to information***

- Increase transparency and dissemination of the existing subsidies framework at disposal
- Increase availability of information on crops and lands (e.g. profitability of competing crops, use of land relevant for energy crops, etc.)

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<sup>4</sup> *ibid.*

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## **PROCEEDINGS OF WORKSHOP**

### [Bioenergy and Biomass in new Common Agriculture Policy \(CAP\)](#)

Andreas Gumbert, EC DG Agriculture, bioenergy, biomass, forestry and climate change unit

### [The role of energy crops to meet the 2020 renewable targets and contribute to climate change mitigation beyond 2020](#)

Bernd Kuepker, EC DG Energy

### [Feedback on the effectiveness of the UK policy](#)

Kevin Lindegaard, Crops for Energy Ltd

### [Energy crops today and tomorrow](#)

Benoit Gabrielle, INRA, AgroParis Tech, LogistEC Coordinator

### [Meet the supply challenges](#)

Seppo Huurinainen, MHG Systems Oy Ltd

### [Miscanthus in Romania](#), by Ioan Sabău, Arge Miscanthus Romania

### [Poplar in Romania](#), by Paul Bertaux, Forest and Biomass Services

### [Poplar in Italy, France and Spain](#), by Roberto Robetti, Biopoplar

### [Willow in the UK](#), by Mark Paulson, CRL

### [Willow in Sweden](#), by Annika Henriksson, SalixEnergi

### [Willow and poplar in Austria](#), by Karl Mayer, Styrian Chamber of Agriculture and Forestry

### [Willow in Ireland](#), by Barry Caslin, Teagasc

## **Conclusion**

The event achieved successful results thanks to the participation of more than 80 stakeholders that have exchanged best practices and exposed their recommendations for a real take off of lignocellulosic energy crops in Europe. Some of these recommendations will be taken on board in the R&D activities of LogistEC (in particular regarding sustainability issues). The workshop thus provided an interesting feedback from stakeholders of the bio-based value-chains, which will improve the relevance of the project's results to this economic sector,