

The Development of a Producer Group Model within the Bioenergy Heat Sector

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1. Background

Renewable Energy Directive (2009/28/EC)

Target of 12% of Irelands heating supply to come from renewable sources by 2020

Energy crops Miscanthus + Willow used as biomass for renewable heat production

Emphasis from EU to encourage collaboration and develop group structures through CAP and RDP

Examine the Producer Group Model as a means of supply chain establishment for renewable heat

2. Objectives

- 1 Determine energy crop growers' opinions on the sector and their interest in developing a producer group model
- 2 Analyse previous bioenergy producer group models in Ireland to better inform the future development of groups
- 3 Identify the optimal internal organisational structure of a bioenergy producer group
- 4 Identify the current role of extension services in bioenergy group formation and recommend how these services could be enhanced
- 5 Make recommendations as to how producer group structures can contribute to the development of the Irish bioenergy sector

5. Case Study:



Green Energy Growers Association (GEGA) formed in 2006 with Coolfin Partnerships

Development of seven regional Green Energy Service Companies (GESCOs) (limited companies)

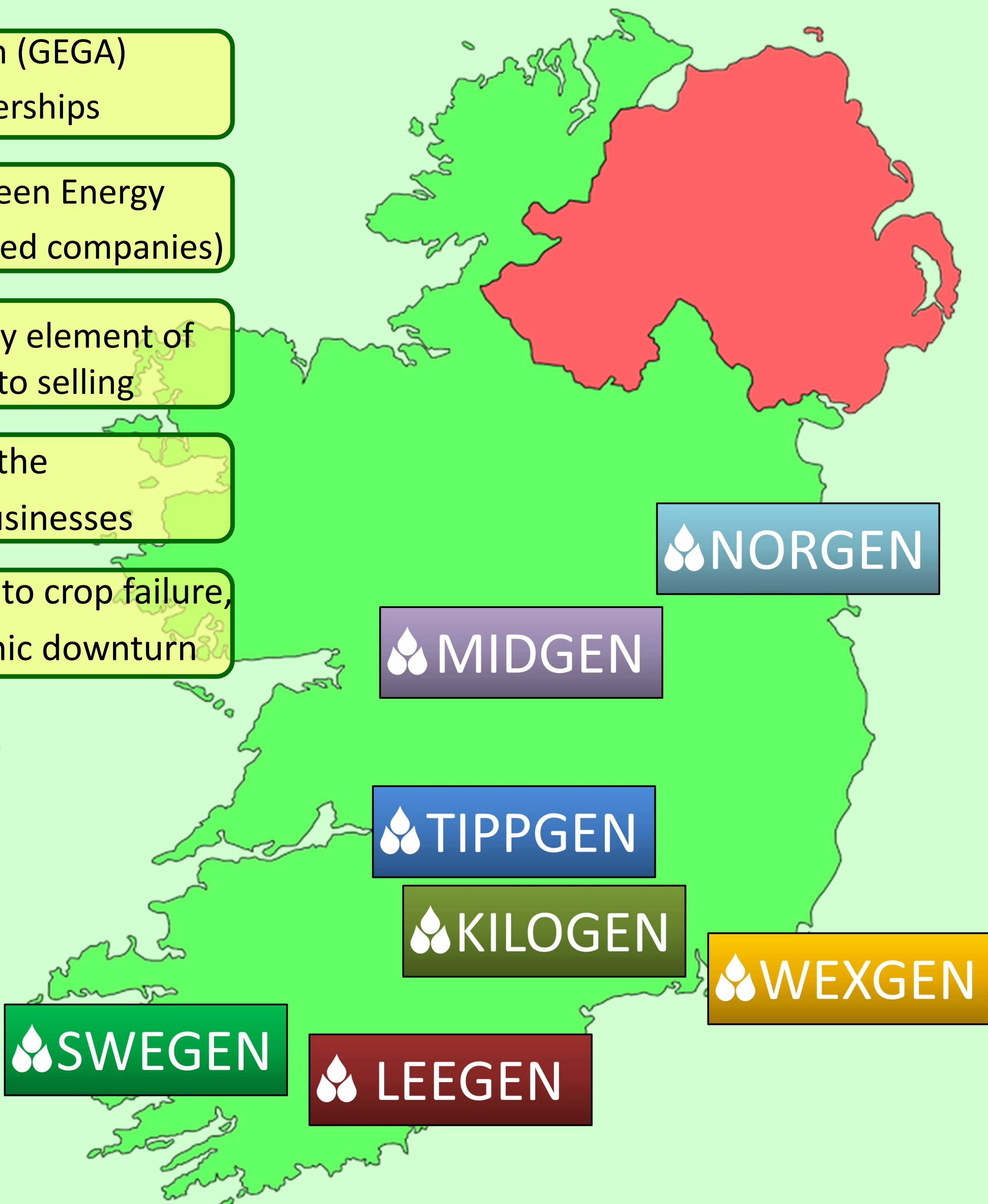
Producer led GESCOs covered every element of miscanthus supply chain: planting to selling

Carbon credit trading element of the organisation for producers and businesses

All but two ceased operation due to crop failure, lack of market return and economic downturn

Key Facts:

- 7 private limited companies
- Over 250 shareholders
- 40 directors
- Over €4,000,000 invested between the growers



6. Initial Conclusions and Recommendations

- Viable energy crop production requires a developed, demand-led bioenergy sector and a crop which is suited to Irish conditions
- Insights from the case study show that the Producer Group Model is an effective means of biomass supply chain establishment
- Need to further disseminate Teagasc research, publications and guides as producers have requested this information in the past
- Support for dedicated *Energy KT Groups* needs to be provided
- Need for brokering the linkage of biomass end users to the energy crop producers as awareness gap exists between the two groups

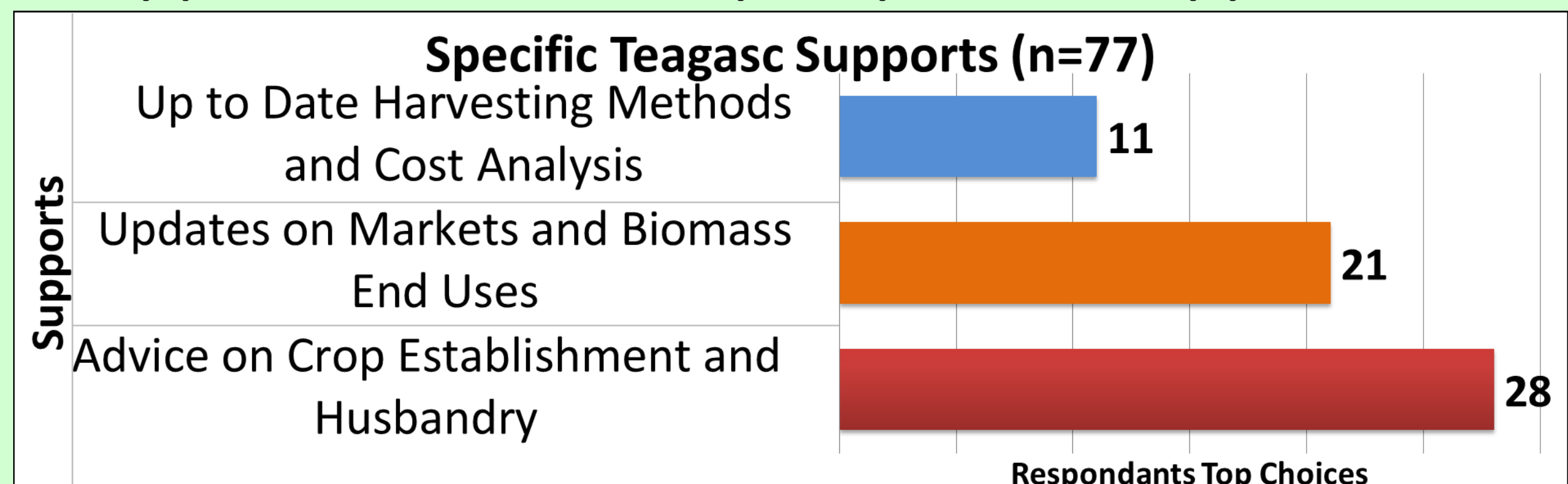


3. Methods

Literature Review	Review of all relevant literature
Phone Interviews with Producers (n=90)	Miscanthus: 60 Producers Willow: 30 Producers
Producer Survey (n=101)	Miscanthus: 70 Producers Willow: 31 Producers (80% Response)
Interviews with Forestry Advisors (n=3)	Teagasc advisors who have facilitated the formation of forestry producer groups
Semi-Structured Elite Interviews (n=4)	Key informants from the bioenergy sector
Case Study:	Green Energy Growers Association

4. Key Initial Results

- **(58%)** of miscanthus growers vs. **(15%)** of willow growers surveyed had removed their crop
- Lack of market return on crop **(25%)** was the main reason for crop removal followed by poor crop growth and establishment **(20%)**
- Main market for crops: Edenderry Power Station
- **(73%)** of respondents felt that Teagasc could do more to support the sector. Top requested supports were:



- **(91%)** were in support of dedicated *Energy KT Groups*
- **(49%)** of respondents stated they were interested in future involvement with a bioenergy producer group

7. Next Steps

Explore biomass end users' perspective on the bioenergy sector

Make recommendations on best practice establishment of producer groups

Complete data analysis and begin thesis write up