



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Risk, Infrastructure and Industry Evolution

Proceedings of a conference June 24-25, 2008, in Berkeley, California

Edited by

Burton C. English

*Department of Agricultural Economics
The University of Tennessee
Knoxville, TN*

R. Jamey Menard

*Department of Agricultural Economics
The University of Tennessee
Knoxville, TN*

Kim Jensen

*Department of Agricultural Economics
The University of Tennessee
Knoxville, TN*

Sponsored by

Farm Foundation

USDA's Office of Energy Policy and New Uses

USDA Economic Research Service

Energy Biosciences Institute



Contents

Executive Summary	<i>iv</i>
<i>Burton C. English, Kim Jensen, and Jamey Menard</i>	
New Relationships: Ethanol, Corn, and Gasoline Volatility	<i>1</i>
<i>Zibin Zhang and Michael Wetzstein</i>	
Biofuel: Distributional and Other Implications of Current and the Next Generation Technologies	<i>12</i>
<i>Steven Sexton, Deepak Rajagopal, Gal Hochman, David Roland-Holsts, and David Zilberman</i>	
Biofuel, the Rural Economy, and Farm Structure	<i>23</i>
<i>John Miranowski, David Swenson, Liesl Eathington, and Alicia Rosburg</i>	
Managing R&D Risk in Renewable Energy	<i>29</i>
<i>Gordon Rausser and Mary Papineau</i>	
Risk and Uncertainty at the Farm Level	<i>42</i>
<i>James Larson</i>	
Policy Risk for the Biofuels Industry	<i>53</i>
<i>Wyatt Thompson, Seth Meyer, and Pat Westhoff</i>	
Bioenergy Ownership and Investment Models for Rural America	<i>61</i>
<i>Anthony Crooks, James Baarda, and David Chesnick</i>	
Factors Determining Corn-Based Ethanol Plant Site Selection, 2000-2007	<i>69</i>
<i>Lance Stewart and Dayton Lambert</i>	
Spatial Optimization and Economies of Scale for Cellulose to Ethanol Facilities in Indiana	<i>79</i>
<i>David Perkis, Wallace Tyner, Paul Preckel, and Sarah Brechbill</i>	
Economic Feasibility of Supplementing Corn Ethanol Feedstock with Fractionated Dry Peas: A Risk Perspective	<i>90</i>
<i>Cole Gustafson, Scott Pryor, Dennis Wiesenborn, Abhisek Goel, Ron Haugen, and Andrew Wilhelmi</i>	
The Cellulosic Biorefinery: Coproducts Extraction from Biomass	<i>98</i>
<i>Danielle Carrier and Edgar Clausen</i>	
The Economics of Biomass Collection and Transportation and its Supply to Indiana Cellulosic and Electric Utility Facilities	<i>105</i>
<i>Sarah Brechbill, Wallace Tyner, and Klein Ileleji</i>	

***Rural Policy for the 21st Century*..... 116**

Thomas Dorr

***Infrastructure for the Bioeconomy*..... 119**

Frank Dooley