

45Z

WHAT TO DO NOW

- Keep good records of your practices and inputs
- Talk with your ethanol plant about their 45Z plans
- Consider practices that improve efficiency and soil health
- Stay current on soil tests



WHAT THIS MEANS FOR FARMERS

Each ethanol plant will decide:

- How much of the credit generated will be passed back to farmers
- How it will be structured (per bushel premium, tiers, contracts, programs, etc)
- Which practices, documentation and enrollment approach they use

Your grain's CI score can help lower the CI of ethanol, making it eligible for a higher 45Z credit.

KEY POINTS IN THE FEEDSTOCK CALCULATOR



FIELD-LEVEL SCORE

CI is calculated at the field level, not a farm-level average.



ACTUAL YIELD

Calculated using actual yield with an expected yield backstop.



NITROGEN

Total nitrogen used divided by total bushels produced to calculate efficiency.



NITROGEN INHIBITOR

You can input nitrogen inhibitor use based on % used of total N applied.



TILLAGE WITH T-DISC

Tillage is determined with a new additional tool called T-DISC. No-till requires no-till 4 out of 5 years on that field.



GRAZED COVER CROPS

Cover crops can be grazed if 50% of biomass remains.



MANURE'S INCLUDED

Manure is now included in the final methodology.



SOIL TESTING

Soil test every 2 years or have a nutrient management plan in conjunction with an approved ag expert.



DELIVERABILITY

Mass Balance chain of custody is what is allowed today & grain must be deliverable to an ethanol producer.



MAJOR LAND RESOURCE AREAS

MLRAs reflect underlying soil properties. Counties are grouped together & CI score will be consistent within MLRAs but may vary in differing MLRAs.

WHERE WE STAND TODAY

USDA HAS TAKEN ACTION

USDA released a final feedstock FD-CIC Calculator.

This is the tool needed to calculate in-field carbon intensity (CI) lowering value.

NEXT STEP DOE & TREASURY

DOE & Treasury must still adopt and embed this methodology into the 45Z tax credit.

45Z TAX CREDIT GOES TO ETHANOL PLANT

The 45Z tax credit goes to the ethanol plant for producing a low CI fuel - not directly to the farmer.

QUESTIONS

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