



Center Research Activity in the area of Energy and the Environment

Tom Hertel and Wally Tyner

**GTAP Advisory Board Meeting, Helsinki, Finland
June 9-11, 2008**



Outline

- Research themes
- Personnel working in this area
- Data and modeling infrastructure
- Key findings
- Future Directions

Research Themes

- Potential contribution of land-based mitigation strategies to global GHG abatement:
 - Forest carbon sequestration
 - Abatement of non-CO2 emissions from agric
- Biofuels mandates:
 - Policy choices and associated costs
 - Implications for land use and poverty
 - GHG emissions associated with biofuels
- Interactions between climate policies, biofuels mandates and ongoing economic growth
- Impacts of climate change for poverty vulnerability

Staffing: All on Non-Core Funding

- PI's on various projects: Tyner, Hertel, Diffenbaugh, Zhuang (both of Earth and Atmospheric Sciences - Purdue), Ramankutty (Geography-McGill)
- Post-docs: Golub, Taheripour, Rios, Ahmed (as of Sept.)
- Graduate students:
 - GTAP-related: Birur, Beckman, Avetisyan
 - Energy-related: Baldos, Bista, Brechbill, Rismiller, Simon, Perkis, Yu

Data and Modeling Infrastructure (1)

- **Global land use data base** (on web site):
 - Obtain crop land cover from satellite data, but distinguishing crop type requires on-the-ground data
 - AgroMaps = joint project: FAO, IFPRI and SAGE to map the world's crop production; combine satellite data with county level harvested area and production data
 - Monfreda et al. have made this into a usable data set
 - Aggregate grid cells to AEZs based on common Length of Growing Period: depends on temperature and moisture availability
 - 18 AEZs = 6 LGPs x 3 climate zones
 - Use AEZs to disaggregate land endowment in model
 - Crops compete within AEZ for common land base; if crop is not present, will not compete

Data and Modeling Infrastructure (2)

- **GTAP-Biofuels data base** (newly available to board): uses detailed production and use data to disaggregate 3 biofuels sectors using SPLITCOM (see Taheripour et al. RM on the web for documentation):
 - Ethanol from corn
 - Ethanol from sugarcane
 - Biodiesel
- **Non-CO2 emissions data base:** release is still pending final approval by EPA – check with Steve Rose for progress report
- **Various GE and PE models:**
 - GTAP-BIO: See Birur, Hertel and Tyner
 - Energy-related PE models: Tyner and Taheripour

Key Insights to date

➤ Biofuels:

- Historic change wrt to linkage of agricultural and energy prices
- Current level of subsidy to biofuels industry is unnecessary and inefficient; if we do want to subsidize, should be variable
- However, trade policy and oil prices are more important than the subsidy in the US in driving corn prices
- In the US, corn ethanol mandates are not binding above \$110 oil – the market produces the biofuels
- Land use impacts are a significant contributor to emissions
- Interaction between US and EU mandates especially important in third countries (e.g., Brazil)

Key Insights to date

- Carbon pricing changes the pattern of comparative advantage for land-based sectors, e.g.
 - Favors USA for agriculture, relative to forestry
 - In USA, more sequestration at intensive margin
 - Non-CO₂ and forest carbon sequestration account for about 1/4th of total abatement at \$100/TCE



Future Directions

- Continue to refine work on biofuels model and data base (e.g., palm oil)
- Add two kinds of cellulose sources to the biofuels model: corn stover and similar residues and crops for cellulose (e.g., switchgrass)
- Improve the land supply data especially for large and important countries like the U.S., Brazil, certain African countries, and some Eastern European countries
- Improve the analysis of land use changes and associated GHG emissions