

Harvesting The Wind

Wind energy may be a profitable companion crop.

By Kindra Gordon

Looking for another crop to harvest? Consider the wind.

“Wind turbines are compatible with raising crops, forages and livestock. They take less than 2% of the land out of production, so it’s not replacing what’s there. It is an additional source of revenue,” says Lisa Daniels, director of Windustry, a Minnesota-based organization devoted to educating landowners about wind energy.

With wind energy potential pegged at 10,777 billion kilowatts (kWh) annually – three times the amount of power the U.S. now uses – many 200-foot tall wind turbines have already been erected by the dozens on ag lands across the country. As the nation’s fastest-growing power source, wind energy’s appeal is bolstered by its environmentally-friendly attributes and the potential to reduce American reliance on foreign energy.

North and South Dakota, Minnesota, Iowa, Wyoming, Nebraska, Kansas and Oklahoma are the top states with wind energy development potential, according to the American Wind Energy Association. And, as Daniels points out, the turbines are compatible with about any land use. The 2002 Farm Bill even allows wind turbines to be erected on idle lands enrolled in the Conservation Reserve Program.

Last year, South Dakotan Jason Runestad and his parents John and Sharon had eight wind turbines erected on pasture land used for their commercial cow-calf operation. The turbines are part of a 27-turbine wind farm located near Highmore, SD and operated by a Florida-based energy company. The Runestad’s and other landowners involved with the project, lease the land with the wind towers on it to the power company, and Runestad says once the towers are constructed there is little interference with their livestock grazing operation. “It’s been a good deal and an extra source of income,” he says.

Income Opportunities

Although much of the future growth in the wind industry is expected to come from large wind power plants run by corporations, small clusters of turbines operated by local landowners and small businesses are also viable. In these scenarios, there are two potential revenue streams for landowners.

The most popular is through leasing land to wind developers, which can generate \$2,000 to \$5,000 of income for the landowner per machine per year, says Daniels, depending on size of the machine and contract negotiations. “There is no real expense on the landowners side, however there is limited reward as far as income potential,” she points out.

As a second option, local entities can produce the wind power themselves and sell it to utility companies. Daniels says, “As people become more familiar with wind energy, I think we’ll see more elements of local ownership of these projects – whether it be a school district, a local utility

company, or a group of producers.”

Income potential with these larger scale projects could produce up to six-digit returns after expenses are paid off, according to some estimates.

Most importantly, the demand for wind energy appears to be growing with several U.S. utilities already buying wind power or owning turbines outright. That’s expected to continue, especially as federal initiatives aim to have more than 10,000 megawatts (MW) of wind capacity being used in the U.S. by 2010.

Once developed, wind energy portends to be an economic boost to the ag economy. Daniels reports that each 100 MW of wind development in southwest Minnesota has generated about \$1 million annually in property tax revenue and about \$250,000 per year in direct lease payments to landowners.

For more information visit www.windustry.com.

One large wind turbine alone can produce about 3 million kWh of electricity each year – enough energy to run 420 average American households.