

## **MSU Product Center**

*For Agriculture and Natural Resources*

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### **Major forces driving biobased products - Economic and security factors**

- Most of the products that could be made from biomass feedstocks are currently made from petroleum based resources.
- Increasing consumption, scarcity and cost of petroleum-based resources and products are contributing to a growing interest in the biobased industry.
- In particular, rising oil prices, and the conception that domestic petroleum resources will not meet domestic energy needs have increased opportunities to utilize biomass resources to diversify the current petroleum based systems for fuel, power and other commercial and industrial products.
- Producing and using biofuels and other biobased products from domestic biomass resources will increase domestic energy security by reducing the vulnerability to energy supply disruptions and the dependence on imported energy sources for both fuels and other consumer and industrial products. The current economic concern related to petroleum based fuels has already begun to swing the economy towards biobased products from biomass feedstocks (i.e. a shift from hydrocarbon to carbohydrate based economy).
- In addition, a strong market for domestically produced biofuels will have a positive implication on the trade balance and contributes to positive economic trends in the U.S transportation sector.
- By creating jobs and generating revenues, this shift would also strengthen the employment and economic base in rural areas.

### **Sources**

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