Biochar Market Development and Product Registration

Presented by:

August 24, 2016

Ron Alexander, President R. Alexander Associates, Inc. Biochar 2016



Subjects

- Current Realities of the Biochar
 Marketplace (my POV)
- Registration Basics
- Labeling Basics
- Certified Organic 'Listing'



Perspective

Biochar production and market expansion.....

Learn from history of compost, AD, worm castings, humic acid industries/markets in the USA





Need to follow a similar path....

- Professionalism,
- Science over 'fluff',
- Understand economics of process and usage



Industry Advancing through Large-Scale Technology Providers (or 'Really Small' Producers)?







Typical with 'waste management' technologies

Current Biochar Markets Bolstered by...



- 2013 to more than 9 billion in 2050. To sustain this lev
- growth, food production will need to rise by 70 percent Between 1982–2007, 14 million acres of prime farmlar
- in the U.S. were lost to development.
- Improving soil health is key to long-term, sustainable a



Interest in soil health, cannabis production, retail package d soils (....but don't get delusions of grandeur!!)

Confusion in the Marketplace

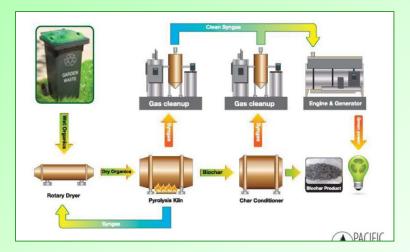
What is Biochar?

- -Need to define it 'as an industry'...
- -What is 'real' biochar? (BBQ ashes?)
- -Which products provide expected/proven benefits?













Labs Standards Established?

			Dry Basis Unl	ess Stated:	_	Units	1227122		
Moisture (time of analysis)		#DIV/0!		% wet wt.		ASTM D1762-84 (105c)			
Organic Carbon			#DIV/0!		% of total mass		Dry Comb	ust-ASTM D	4373
	Carbon (H:C)		#DIV/0! 0.7 Max		Molar Ratio		H dry com	bustion/C(ab	ove)
Total Ash			#DIV/0!		% of total mass		ASTM D-1	762-84	
Total Nitrog	gen		0.00		% of total mass		Dry Combustion		
pH value			0.00		units		4.11USCC:dil. Rajkovich		
Electrical C	ond. (EC20	w/w)	0 mmhos/cm dS/m		4.10USCC:dil. Rajkovich				
Liming (net	ut. Value as-4	CaCO3)	#DIV/0!	percent	%CaCO3		Rayment &	& Higginson	
Particle Siz	e Distribution	n	ASTM D 28	62 granular		Basic Soil B	Enhanceme	nt Properties	
	< 420 um			#DIV/0!	percent		Results	units/meth.	Meth.
	420 - 2380	um		#DIV/0!	percent	Potassium			
	2380 - 4760	um (#DIV/0!	percent	Total (K)		#DIV/0!	mg/kg B
	> 4760 um			#DIV/0!	percent	Available (h	<)	#DIV/0!	mg/kg C
All units mo	g/kg dry unle:	ss stated:		Meth. Det.		Phosphorus	s		
		Results	Max. Levels	Limit (ppm)	Method	Total (P)		#DIV/0!	mg/kg B
Arsenic	(As)	#DIV/0!	12 to 100	0.15	E	Available (F	P)	#DIV/0!	mg/kg C
Cadmium	(Cd)	#DIV/0!	1.4 to 39	0.005	E	Nitrogen			
Chromium	(Cr)	#DIV/0!	64 to 1200	0.015	E	Total Nitrog	gen (N)	0.00	mg/kg KjN
Cobalt	(Co)	#DIV/0!	40 to 150	0.25	E	Ammonia(N	NH4-N)		mg/kg A
Copper	(Cu)	#DIV/0!	63 to 1500	0.5	E	Nitrate (NO	3-N)	#DIV/0!	mg/kg A
Lead	(Pb)	#DIV/0!	70 to 500	0.1	E	Organic (O	rg-N)	#DIV/0!	mg/kg cald
Molybdenu	r(Mo)	#DIV/0!	5 to 20	0.6	E	Volatile Ma	tter	#DIV/0!	% dw D
Mercury	(Hg) (ppb)	#DIV/0!	1k to 17k*	0.160 ppb	EPA 7471	Butane Act		#DIV/0!	g/100g dw
Nickel	(Ni)	#DIV/0!	47 to 600	0.05	E	Surface cor	rrelation	#DIV/0!	m2/g d. wt
Selenium	(Se)	#DIV/0!	1 to 36	0.25	E	Methode A	Rayment &	& Higginson	
Zinc	(Zn)	#DIV/0!	200 to 7000	0.1	E	В	Enders & I	Lehmann	
Boron	(B)	#DIV/0!	Declaration	1	TMECC	C	Wang afte	r Rajan	
Chlorine	(CI)	#DIV/0!	Declaration	0	TMECC	D	ASTM D17	762-84	
Sodium	(Na)	#DIV/0!	Declaration k = 1000	5	E	E	EPA3050E	3/EPA 6010	



Standardized Testing Methods



Need to establish standardized testing methods (agreed upon)......
 composting industry (TMECC and STA program assisted)

Important Parameters for Compost

Compost Parameters	Reported as		
рН	N/A		
Soluble salts	dS/m (mmhos/cm)		
Primary plant nutrients	%, as-is (wet) & dry weight basis		
Nitrogen	Total N		
Phosphorus	P_2O_5		
Potassium	K ₂ O		
Calcium	Ca		
Magnesium	Mg		
Moisture content	%, wet weight basis		
Organic matter content	%, dry weight basis		
Particle size	Screen size passing through		
Stability (respirometry)	mg CO ₂ -C per g TS per day mg CO ₂ -C per g per day		
Maturity (Bioassay)			
Percent emergence	% (average)		
Relative seedling vigor	% (average)		
Select Pathogens	PASS/FAIL (Per US EPA Class A standards, 40 CFR § 503.32(a)		
Trace metals	PASS/FAIL (Per US EPA standards, 40 CFR § 503.13, Table 3)		

What do we test for in order to compare products and determine expected results?

Standardized Testing Required to...

Actual Comparison of Compost to Other Horticultural/ Agricultural Products

	Compost ¹	Organic Soil ²	Native peat ³	Canadian peat 4	Aged chicken manure
Organic matter (%)	46.00	12.00	74.00	97.00	43.00
рН	7.40	7.50	5.20	4.20	-
Soluble salts (mmhos/cm)	2.23	0.64	0.31	0.07	15.10
Bulk density	32.16	70.22	14.26	6.98	39.32
Moisture holding capacity	227.00	53.00	428.00	1307.00	166.00
Cation exchange capacity	17.30	13.60	4.00	3.10	-
(meg/100g)					

Field Guide to Compost Use, US Composting Council, 1996

1 = biosoilds/yard trimmings	
2 = organic Florida muck soil	
3 = Florida reed sedge peat	
4 = Canadian sphagnum peat moss	

Understand your product vs. competing products

What can the product actually replace?

What are realistic applications / markets (economics)



Compost Comparative Data

	Wood	MSW	Yard Trimmings	Cotton Boll	Cattle manure
Primary Feedstock	Compost	Compost	Compost	Compost	Compost
PHYSICAL					•
Moisture Content (%)	28.3	36.1	30.7	38.4	29.8
Total Solids (%)	71.8	64.2	69.4	61.8	70.2
CHEMICAL					
рН	5.9	7.4	7.4	8.1	8.9
EC (dS/m)	0.3	6.4	4.0	4.2	12.1
PO ₄ -P (mg/L)	2.0	1.3	1.1	86.3	45.6
TKN (% w/w)	0.3	2.0	1.0	1.5	2.2
NO ₃ -N (mg/kg)	5.5	355.3	447.0	78.0	19.8
NH ₄ -N (mg/kg)	1.2	14.0	9.5	61.7	1835.5
NH ₄ -N / NO ₃ -N (Ratio)	2.0	5.0	0.0	0.0	36.0
Fe (mg/kg)	4,734	8,896	11,300	3,645	5,285
C:N (Ratio)	161.0	10.9	12.0	15.0	12.2
CCE (% w/w)	2.8	16.4	-	5.0	9.1
BIOLOGICAL					
Seedling Emergence (%)	99.0	95	100.0	100	5
Seedling Vigor (%)	5.5	71.0	97.6	90.0	1.0
CO ₂ Evolution (mg/gTS/d)	0.5	0.6	0.7	0.9	2.0
Salmonella (MPN/g dw basis)	0.0	0.0	5.8	3.1	1.5
T. Coliform Bacteria (MPN/g dw basis)	1,400	10.8	4.0	5.4	1.8

Compost is not compost, varies based on feedstock, processing, etc.

Biochar Comparative Data

	% Moisture of Biomass	% Biochar + Ash Left		% OM in Biochar		% Carbon in Biochar	Neutralizing Value as % CaCO ₃	Carbonate Value as % CaCO ₃
						(estimated @ 90% of OM)		
Biosolids	7.1	67.1	1.8	14.2	85.8	12.8	13.8	12.6
Foodwaste	84.9	32.2	4.4	49.3	50.7	44.4	25.8	21.9
Greenwaste	10.9	46.2	4.3	49	51	44.1	24.1	17.9
Ground Pallets	14.4	26.2	14.6	29.1	70.9	26.2	27	21.6
Redwood Fines	12.4	46.4	4.7	26.2	73.8	23.6	9.3	4.5
Redwood (new)	17	33.5	11	76.2	23.8	68.6	17	13.1
Rice Waste	39.5	52.8	3.6	23.3	76.7	21	16.5	9.9
Wood chips	6.9	28.7	10.5	70.3	29.7	63.3	20.6	15.6
Wood shavings	17.9	24.4	13	72.4	27.6	65.1	16.7	13.3

F. Shields, Gabilan Laboratory - 550°F min, 1 hour

BIOCHAR IS NOT BIOCHAR - Variability based on feedstock, production technique, temperature, etc. Products are not the same, need to be able to test using standard methods to better understand

Improve Sales & Marketability

Helps when products possess the appropriate characteristics:

'fit for purpose' and/or of general good quality





Must define...



Compost Specs for Landscaping

-----General Range-----

General Kange					
Parameters ¹	Reported as (units of measure)	Turf Establishment, Planting Bed Establishment, Backfill Mix	Mulch		
pH^2	pH units	6.0 - 8.5	5.5-9.0		
Soluble Salt Concentration ²	dS/m (mmhos/cm)	Maximum 10	Maximum 10		
(electrical conductivity)					
Moisture Content	%, wet weight basis	30 – 60	25-60		
Organic Matter Content	%, dry weight basis	30 – 65	>30		
Particle Size	% passing a selected mesh size, dry weight basis	98% pass through 3/4" screen or smaller	99% pass through 3" screen, >25% passing 3/8" screen		
Stability ³					
Carbon Dioxide					
Evolution Rate	mg CO ₂ -C per g OM per day	< 8	N/A		
Maturity ³ (Bioassay)					
Seed Emergence and	%, relative to positive	Minimum 80%			
Seedling Vigor	control	Minimum 80%			
	%, relative to positive control				
Physical Contaminants (inerts)	%, dry weight basis	< 1	<.1		

Leads to easier specification (for usage), especially on larger public projects...

Compost Specs for Erosion Control

Parameters ^{1,6}	Reported as (units of measure)	Filter Berm to be Vegetated	Filter Berm to be left Un- vegetated	Surface Mulch to be Vegetated	Surface Mulch to be left Un- vegetated
pH ²	pH units	5.0 - 8.5	N/A	5.0 - 8.5	N/A
Soluble Salt Concentration ² (electrical conductivity)	dS/m (mmhos/cm)	Maximum 5	N/A	Maximum 5	Maximum 5
Moisture Content	%, wet weight basis	30 – 60	30 – 60	30 – 60	30 – 60
Organic Matter Content	%, dry weight basis	25 – 65	25-100	25 – 65	25-100
Particle Size	% passing a selected mesh size, dry weight basis	Minimum: • 100% passing 3" (75 mm), • 90% passing 1" (25mm), • 70% passing 3/4" (19mm), Between: • 30-75% passing 1/4" (6.4mm). Maximum: • particle size length of 6" (152mm) (no more than 60% passing 1/4" (6.4 mm) in high rainfall/flow rate situations)	Minimum: • 100% passing 3" (75 mm), • 90% passing 1" (25mm), • 70% passing 3/4" (19mm), Between: • 30-75% passing 1/4" (6.4mm). Maximum: • particle size length of 6" (152mm) (no more than 50% passing 1/4" (6.4 mm) in high rainfall/flow rate situations)	Minimum: 100% passing 3" (75 mm), 90% passing 1" (25mm), 65% passing 3/4" (19mm), Maximum: 75% passing 1/4" (6.4 mm) particle size length of 6" (152mm)	Minimum: • 100% passing 3" (75 mm), • 90% passing 1" (25mm), • 65% passing 3/4" (19mm), Maximum: • 75% passing 1/4" (6.4 mm) • particle size length of 6" (152mm)
Stability ³ Carbon Dioxide Evolution Rate	mg CO ₂ -C per g OM per day	< 8	N/A	< 8	N/A
Physical Contaminants (man- made inerts)	%, dry weight basis	<1	<1	<1	<1

Leads to ease of purchase (help buyers), and identify best products for specific applications

Pacific **Biechar**

Standard Price Sheet for Spring 2016

Free delivery available in CA with full truckload purchases! Otherwise, listed prices are FOB Willows, CA, 95988



Blacklite

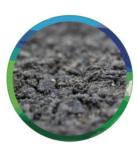
This biochar material is created purely from softwood forestry residues. It is sustainably produced in CA with capacity to consistently deliver large volumes. It is highly porous, adsorptive, and has great water holding capacity. The gradation is 1/4" minus, the bulk density dry is 1.5 pounds per gallon and it is delivered with 50% moisture content for safety and ease of handling. Ingredients: Biochar



BlackLite Mix #6

Beyond plain biochar, our Mix #6 cultured blend is fantastic for use as a component of potting blends. The unique biological activation process that we have developed results in a biochar material that is charged, matured, and instantly ready to help your soil produce vigorous plants.

Ingredients: Biochar, Worm Castings, Rice Bran. (About 90% biochar by volume)



Dense Mix

Moist biochar rolled in microfine basalt rock powder, blended with rice bran and worm castings then given time to mature. The biochar acts as a catalyst for microbial activity and housing for beneficial fungi, allowing minerals to become available faster. This material is particularly good for re-invigorating tired or abused soils. Ingredients: Biochar, Microfine Basalt Rock Powder, Rice Bran, Worm Castings. (About 70% biochar by volume)

Custom Blended Orders Available Upon Request. Free Consulting Available for Application Optimization.

www.pacificbiochar.com | sales@pacificbiochar.com | 808.936.3484

Varying products based on application (market/use)



...It's starting



R. Alexander Associates, Inc. ©



Confusion in the Marketplace



It's not a magical product! (SCIENCE-BASED)

Focus on realistic claims / proven benefits?



Verified Vermicompost Benefits

- Improves soil structure and porosity
- 2. Increases moisture infiltration and permeability, and reduces bulk density of heavy soils
- 3. Improves the moisture holding capacity of light soils
- 4. Improves the cation exchange capacity (CEC) of soils
- 5. Supplies organic matter
- 6. Aids the proliferation of soil microbes
- 7. Supplies beneficial microorganisms to soils and growing media
- 8. Encourages vigorous root growth
- 9. Allows plants to more effectively utilize nutrients
- 10. Enables soils to retain nutrients longer
- 11. Contains humus
- 12. Buffers soil pH
- 13. Source of macro and micro nutrients
 (for fertilizer registered products, not soil amendment registered products)

Must identify provable benefits!

Allowable label claims based on state, application rates, etc.

National organization should establish list with AAPFCO



Biochar - Advantages

- Enhanced plant growth
- Suppressed methane emission
- Reduced nitrous oxide emission (estimate 50%)
- Reduced fertilizer requirement (estimate 10%)
- Reduced leaching of nutrients
- Stored carbon in a long term stable sink
- Reduces soil acidity: raises soil pH
- Reduces aluminum toxicity
- Increased soil aggregation due to increased fungal hyphae
- Improved soil water handling characteristics
- Increased soil levels of available Ca, Mg, P, and K
- Increased soil microbial respiration
- Increased soil microbial biomass
- Stimulated symbiotic nitrogen fixation in legumes
- Increased arbuscular mycorrhizal fungi
- Increased cation exchange capacity



Biochar Claims from Existing Labels

- Improve soil tilth and aeration
- Boost soil biodiversity
- Increase nutrient and water retention
- Stimulate and promote beneficial microbes and fungi
- Reduce off gassing of CH₄ and NO₂
- Increase pH and reduce liming needs
- Accelerate composting process
- From actual label.....which claims provable, which relevant to 'buyer'? WHICH ONES WILL BE DEEMED ALLOWABLE?



- AAPFCO – all written (and spoken) word = a labelling claim

Biochar Claims from Existing Labels

- Healthier soil = Better yields
 - Vegetables and flowers are bigger and more abundant. Encourages micro-organisms to thrive in your soil. Increases nitrogen and other important nutrients.
- Drought resistance
 - Retains water better than compost and peat moss
- Long-lasting love for your soil
 - Biochar benefits the soil for 100's of years
- Reduces Global Warming...Seriously!
 - Biochar returns carbon back to the soil that would've been released as CO₂ into the atmosphere. Also called carbon sequestration, this "carbon negative" process helps stop global warming.

From actual label....(problem claims)

Labels and sales data should not be an academic exercise, must lead to sales, not cause a 'stop sale'

Valuing Products

- Must work to monetize product benefits
 - Depends on product characteristics
 - Real and perceived value
 - Other....



Just because university research proves benefits, doesn't mean the industry will readily accept them! (commercialization)

Markets and Applications











Various markets are being established, but are 'early days' (need more people knocking on doors)

Key Elements in Market Research and Development

- Production/facility
- Product development research
- Market research
- Promotion
- Education
- Sales / distribution



^{*}Industry needs to take market development seriously... expand usage, raise value...

AAPFCO

Organization of State DOAs

- Work together on issues affecting State DOAs regarding the distribution of feed, lime, <u>fertilizers</u>, and soil amendments
 - Involve industry in discussions
- Goal: uniformity from state to state
- Create model legislation & regulation, labeling law



State regulations affect how we 'legally' approach the market

Regulatory Background

- 48 states have fertilizer laws (not HI or AK), 38 have soil amendment laws
 - Biochar currently considered a soil amendment
- Individual State DOA's decide what you can and cannot state on the label
 - Regulation will be based on the State in which your facility is located and the states in which you distribute product
 - Biochar producers / marketers have to register product in all states that product is distributed, and meet their labeling and distribution regulations



Related Regulation

- Typically, State DOAs (Control Officials) regulate the distribution of products, not their production
- Can regulate product quality (e.g., heavy metals, pathogens, etc.) *'Adulteration'*
- Regulate labeling text (during the registration process) 'Also adulterated if it doesn't meet claims'
 - Claims (benefits), terms, units of measure, other
 - Providing any nutrient data, technically, makes your product a fertilizer

*Some States have gotten very conservative about labeling claims, especially with soil amendments / conditioners & Alexander Associates, Inc. ©

Current Registration Options

- Register as soil amendment
- No nutrient claims (unless dual registration),
 volume vs. weight, must negotiate label claims
- Register as fertilizer
- Sell by weight, moisture content vs. nutrient claims, etc.
- Dual registration few states (e.g., PA, IL)
- Don't register? (OK, until you get caught)

Related Definitions

Soil Amendment – (commonly referred to a Soil Additive or Soil Conditioners), means <u>any substance or a mixture of substances which is intended to improve the physical, chemical, biochemical, biological or other characteristic of the soil, except fertilizer, agricultural liming materials, unmanipulated animal manures, unmanipulated vegetables manures, pesticides and other materials exempt by regulation.</u>

MANY STATES WILL REQUIRE UNIVERSITY RESEARCH TO PROVE CLAIMS

CLAIMS MUST BE TRUTHFUL, BASED ON SUGGESTED APPLICATION RATES



Related Definitions

Fertilizer – any substance containing one or more recognized plant nutrient(s) which is used for its plant nutrient content and which is designed for use or claimed to have value in promoting plant growth, except unmanipulated animal and vegetable manures, marl, lime, limestone, wood ashes and other products exempted by the regulation by the

Specialty Fertilizer – a fertilizer distributed for non-farm use.

MAY HAVE TO PROVE NUTRIENT RELEASE / PLANT AVAILABILITY

Related Definitions

T-101 Biochar - is a solid material obtained from thermochemical conversion of biomass in an oxygen-limited environment (pyrolysis) containing at least 60% carbon. Feedstocks may be composed of residue, wood or other forest waste, and animal manures. Materials transported in salt water, painted, or treated with preservatives are not permitted. When listing biochar in an ingredient statement, the feedstock shall be designated by prefixing the term biochar with the feedstock from which it was produced; i.e. poultry litter biochar, green waste biochar, papermill biochar, etc. When more than one feedstock is involved, all feedstocks greater than 10% of the total volume are to be listed by decreasing volume. Their uses include soil amendments.



Registration Costs

- Fees associated with registering both soil amendments and fertilizers vary from state to state
- There may be a registration fee per product or company and/or a tonnage fee (known as an inspection fee).
- Often you pay both a registration fee (typically ranging from \$0 to \$250/product and a tonnage fee (typically ranging from \$0 to \$0.90/ton).



Biochar Labels

What needs to be on the label?

What cannot be on the label?

Bagged product = Bag is label Bulk product = Literature, B/L is label



Biochar Distributed as a Soil Amendment

Uniform Soil Amendment Bill

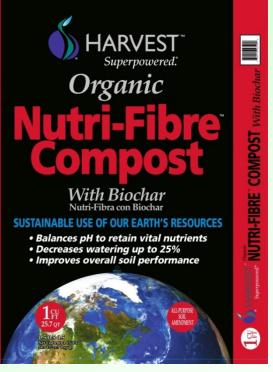
- Brand name
- Net weight (or volume)
- Guaranteed analysis ingredient statement
- Purpose of product (benefits/claims)
- Directions for application
- Name and address of applicant





Product are on the market, which are 'registered'?









Biochar Distributed as a Fertilizer

Uniform State Fertilizer Bill

- Brand (product name)
- Grade (e.g., 0-0.5-0.5)
- Guaranteed analysis chemical breakdown (e.g., WIN, WSN)
- Directions for use for fertilizer distributed to the end user
- Name and address of registrant/licensee
- Derivative statement source of nutrie
- Net weight (IMPERIAL AND METRIC UNITS)

Biochar Distributed as a Fertilizer

Other stuff

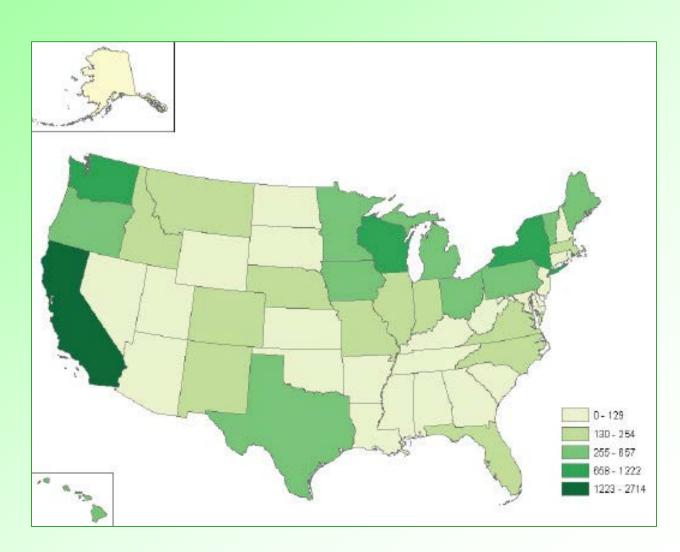
- Heavy metal statement and testing west coast states primarily
- Apply only as directed.....statement
- Allowable claims and terms on labels are based on historical product research, product type being registered (fertilizer vs. soil amendment), whim of individual State/Control Official
- No pesticidal or unproven claims!
 (University research) Careful microbial claims



Certified and Exempt Organic Farms

TOP 10 STATES

- 1. California 2,714
- 2. Wisconsin 1,222
- 3. Washington 887
- 4. New York 827
- 5. Oregon 657
- 6. Pennsylvania 586
- 7. Minnesota 550
- 8. Ohio 547
- 9. lowa 518
- 10. Vermont 467



EXPANDING!

(Gardeners also want).....so



OMRI Listing



Allows for easier usage on certified organic farms





Ashes

Status: Allowed

Class: Crop Fertilizers and Soil Amendments

- 1. Description: **Wood ash** must be produced exclusively from untreated and unpainted wood. Wood stove ashes must not be generated from burning of colored paper, plastic, or other prohibited materials. Excessive applications of ash can cause pH and nutrient imbalances. See ASH PLANT OR ANIMAL.
- 2. Description: Ash from plant and animal sources only. Ashes from burning minerals, manure, or prohibited materials are prohibited. See also MANURE ASH.

Ashes

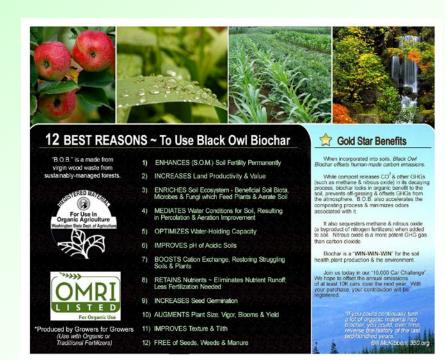
Status: Prohibited

Class: Crop Fertilizers and Soil Amendments

Specifically ash from **burning manure**. See Glossary for definition of "manure."

Products will be allowed (as an ash) primarily based on its feedstock (ingredients)

REMEMBER - OMRI has no labeling authority (so just because they approve it, doesn't mean it's a legal label



Crop Fertilizers and Soil Amendments Contaminant Requirements

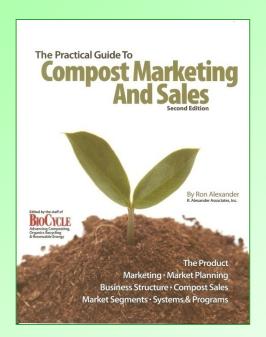
- Heavy Metals
 - As / 10ppm, Cd / 20 ppm, Pb / 90 ppm
- Pathogens
- 1,000 MPN Fecal Coliform
- 3 MPN Salmonella / 4 grams

Conclusions

- Industry needs more product development and market research (cost to produce vs. market value, applications)
- Understand market don't ASS-U-ME overall marketability or product value.... Be realistic with expected values
- Do a proper 'due diligence' do the RESEARCH! market and product development, study and invest, product placement
- Market/Sell using scientific proof
- Match product with application
- Properly register for sale (consider certifying, Listing)
- Industry must start to standardize to allow growth
 - Learn from history of related products / industries



Questions?



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