



CONVERTING FARM OPERATIONS: PROPANE TO NATURAL GAS

Are you interested in converting grain drying or building heating from propane to natural gas, but are not sure where to start? Are you unsure about accurate costs of construction and calculating return on your investment?

The Ohio Soybean Council (OSC) offers several resources – free of charge – to aid farmers in making the most beneficial decisions about these questions and investments in on-farm energy infrastructure.

Inside this fact sheet, you'll find an overview of important considerations and key information sources to help Ohio soybean farmers make strategic decisions about converting farm operations from propane to natural gas. As the result of your checkoff dollars put to good work, OSC developed this fact sheet and the associated natural gas conversion resources to increase profit opportunities for Ohio farmers.

IS CONVERSION TO NATURAL GAS RIGHT FOR MY FARM?

When considering options for converting from propane to natural gas, three questions outline the decision-making process.

WHAT NATURAL GAS INFRASTRUCTURE IS AVAILABLE?

Understanding what natural gas source is available to the farm is important.



Type

- The type of natural gas pipeline available determines what type of service line can be installed. Three options are typically available to farms:
- Leverage existing service to the farm
- Connect to a local distribution system, such as a local natural gas utility or co-op
- Connect to a large transmission pipeline, also known as installing a "farm tap"

Natural Gas Extraction

- Farms that can connect directly to natural gas wells could acquire comparatively inexpensive natural gas directly from the point of extraction, rather than through multiple intermediary companies.
- However, farmers may need to buy specialized equipment and process the extracted natural gas, leading to additional costs.

Contact OSC for additional information on connection options

DOES THE AVAILABLE OPTION MEET MY NEEDS?

No two farms are exactly alike, and different natural gas service providers will offer different options.

Sample Questions for the Service Provider

- Will the size, pressure, and load capacity of the pipeline support the additional load, based on the farm's energy demand?
- When will the project start?
- How long will the project take?
- Can the construction be timed for minimum disruption to farm operations?
- Can farm laborers do any of the construction work?
- What are the service contract options?
- Are there any service guarantees?
- What happens if farm property gets damaged during the project?



Contact OSC for a more extensive list of questions to ask your service provider

HOW MUCH WILL IT COST?

Two major phases of natural gas conversion influence the overall costs.



Contact OSC for a comprehensive worksheet to calculate costs and ROI

Establishing the New Natural Gas Service

- Installing a connection to the natural gas source
- Installing a new main line from which the service connection to the farm will be established
- Installing new service line(s) to the farm
- Installing new natural gas meter(s)

Converting Farming Operations

- Installing new or updated grain dryers and/or burners
- Connecting natural gas lines from the new meter(s) to where the natural gas will be used

WHO TO CONTACT

Getting the attention of service providers isn't always easy. Knowing the right point of contact and having your questions ready increases your odds.

- **Talk to your neighbors.** Find out whether anyone else has considered converting to natural gas. Gathering interest from other local farms or nearby communities arms you with an incentive for service providers to consider service expansion in the area.
- **Call the local natural gas service provider.** That company may be your first and last stop. On the other hand, the local service provider may know whether there is a transmission pipeline near the farm and, if so, who owns and operates that pipeline.
- **Ask for the right point of contact:** a sales representative, a field manager, or the new business department.

ADDITIONAL RESOURCES

OSC's Natural Gas Conversion Technical Assistance Case Study provides additional detail on the topics in this brochure, as well as:

- Summary of information needed to make sound decisions about a natural gas conversion project
- List of potential challenges and benefits
- Checklist of questions to ask service providers
- Worksheet for keeping track of information about your prospective project
- Step-by-step instructions for calculating the payback period
- Ways to cut project costs
- Additional resources

OSC also provides these products, developed through the Natural Gas Conversion Technical Assistance Project.

- Natural Gas Conversion Fact Sheet
- Natural Gas Decision Makers Fact Sheet
- Natural Gas Conversion Worksheet

To request a copy of the case study or other OSC products,
contact Barry McGraw, Director of Product Development & Commercialization, at

bmcgraw@soyohio.org



OHIO SOYBEAN
COUNCIL

