



Biofuel production capacity grows despite drought - report

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English

BIOFUEL ADELAIDE, Sept 4 AAP - Australia's capacity to produce ethanol and biodiesel is gaining strength despite the drought, experts say.

APAC Biofuel Consultants released a report in Bangkok today at the Advanced Global Biofuel Summit which predicts Australian biofuel production capacity will double this year to more than 600 million litres.

The report, prepared by APAC Biofuel Consultants principals Mike Cochran and Graeme Bethune, said biofuel production could top 1,000 million litres a year by mid-2009.

Mr Cochran said demand for ethanol blends was growing, driven by the rapid growth in the number of retail outlets selling ethanol blends.

"Biodiesel, though, continues to face challenges - high feedstock costs and commissioning difficulties are contributing factors which have meant that biodiesel production has been well below capacity over the past six months," he said.

"However the outlook is improving.

"The cost of major biodiesel feed stocks such as tallow, canola and (imported) palm oil are beginning to move down from their highs earlier this year."

The report, *Australian Biofuel Projects 2007*, said total biofuel production was on track to meet the Australian government's target of 350 million litres by 2010.

APAC Biofuel Consultants is a joint venture of ECCO Consulting and EnergyQuest.