

The Biofuel Sector's Saviours

Jim Lane [Biofuels Digest](#) [1] — October 30, 2009

Generally recognized “hot technologies”, deep-pocketed investors, and a plentiful supply of raw material at stable prices: a recipe for growth in almost any industrial sector, but something felt to be elusive in the biofuels sector. With a general feeling that solar and battery technologies help more promise, investors were hard to find and feedstocks were either elusive or fluctuating greatly in price.

Yet new data suggests that things are on the up in the biofuels space:

- Hot technologies.** [In Massachusetts, four biofuels companies were named to MIT's 10 Companies to watch in Transportation](#) [2]. Synthetic Genomics, Range Fuels, Qteros and Mascoma were all named to the list. [“Synthetic Genomics has partnered with ExxonMobil](#) [2] and BP on projects that would use genetic engineering to make cheap, cleaner fuels from algae and coal-bed methane.” [“Range Fuels produces](#) [2] cellulosic ethanol using a thermochemical process that turns biomass into synthetic gas and then liquid fuel. The company is set to open the United States’ first commercial cellulosic-ethanol plant in Georgia next year.” [“Qteros uses a unique type of microbe](#) [2] to convert biomass into ethanol in one step, potentially replacing a multistep process that uses expensive enzymes to break down cellulose.” [“Mascoma is commercializing](#) [2] a cheap one-step process for producing cellulosic ethanol, using specially developed yeasts and bacteria. Late last year the company started producing ethanol at a demonstration facility; it hopes to break ground on its first commercial production facility next year.”
- Investors with deep pockets.** [According to a report from VentureBeat:](#) [3] “Chevron is investing heavily in biofuel companies, including Mascoma, LS9, and solar power enterprises like Brightsource Energy and Konarka. The oil and gas giant appears to have a realistic grasp on the future of advanced fuels...As for the company’s apparent good will in the green space, it looks like biofuel is the perfect opportunity play. Not only does it get the credit for going green and thinking outside oil well, it is also supporting products that complement — rather than replace — what it is already selling. Both LS9 and Mascoma create some gasoline additives. And even if one of them commercialized a gasoline substitute, much of the same infrastructure could be used.”
- Stability in feedstocks.** [According to a report in Cattle Network:](#) [4] “Currently, USDA is projecting a 13.018 billion bushel corn crop as calculated in the October Crop Report. Ag economists Daniel O’Brien and Mike Woolverton at Kansas State University report that level of production with the old crop carryover would supply just over 14.7 billion bushels, a

The Biofuel Sector's Saviours

Published on Chem.Info (<http://www.chem.info>)

volume that would be the largest supply on record... the 2007-2008 marketing year shipped 3.049 billion bushels of corn to ethanol plants. During the 2008-2009 marketing year that volume climbed to 3.700 billion, and now it is forecast at 4.2 billion for the current marketing year...O'Brien and Woolverton believe there to be an adequate supply of corn available to meet the ethanol demand in the current marketing year, but that higher export demand will be complemented by lower feed demand.

A cautionary note on corn feedstocks: "[But over the coming 10 years, the prospects may be different](#) [4]. They say USDA economists are pushing ethanol demand to 5.05 billion bushels by 2018-2019 and that assumes a steady upward production trend, with feed use climbing to 5.850 billion and exports to 2.225 billion bushels...As ethanol consumption of corn rapidly grows, there will be challenges to supply enough corn if there are moderate growth rates for other uses of corn."

More on Hot technologies: [The 50 Hottest Companies in Bioenergy](#) [5] candidate companies. More on bioenergy finance: [Who's Your Daddy? A special report on bioenergy finance and investors](#) [6].

Source URL (retrieved on 08/22/2014 - 10:19am):

<http://www.chem.info/news/2009/10/biofuel-sectors-saviours>

Links:

[1] <http://www.biofuelsdigest.com/blog2/2009/10/30/biofuels-heaven-or-hell-hot-technologies-deep-pocketed-investors-and-stable-feedstock-outlook-brings-promise-after-tough-times/>

[2] <http://www.technologyreview.com/energy/23724/>

[3] <http://green.venturebeat.com/2009/10/27/chevron-follows-the-money-bats-down-climate-bill/>

[4] http://www.cattlenetwork.com/Will-There-Be-Enough-Corn/2009-10-28/Article.aspx?oid=929820&fid=CN-FEED_BYPRODUCTS&aid=760

[5] <http://www.biofuelsdigest.com/blog2/2009/10/21/50-hottest-companies-in-bioenergy-registration-closes-competition-begins-for-more-than-1000-companies-reader-poll-on-hot-fuels-feedstocks-and-technologies/>

[6] <http://www.biofuelsdigest.com/blog2/2009/07/13/whos-your-daddy-a-special-report-on-key-biofuels-investors-and-investments/>