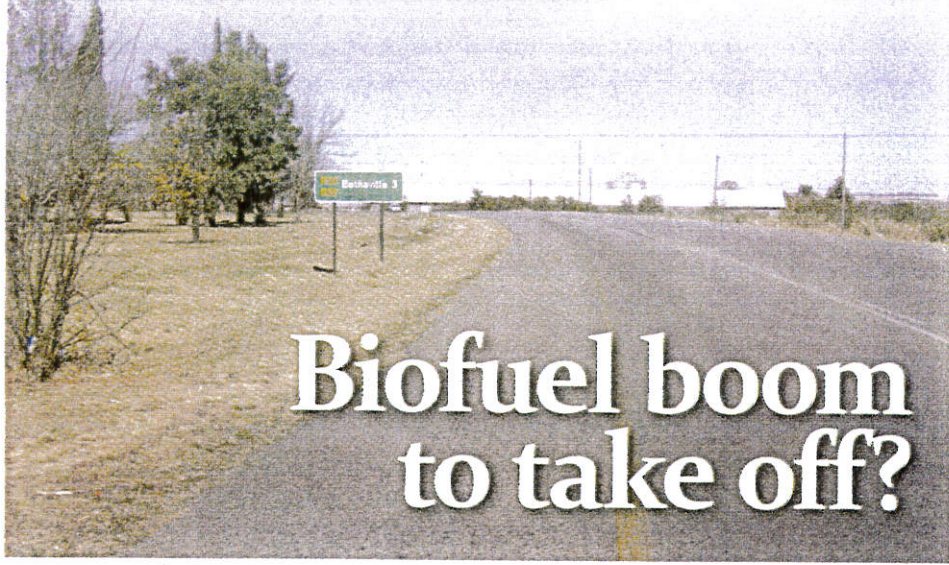




Biofuel boom to take off?

Biofuel producers are gearing up for 2015, **Robyn Joubert** reports.

With the draft position paper on the biofuels regulatory framework recently released for comment by Department of Energy (DoE) minister Ben Martins, the SA biofuels industry is one step closer to takeoff. Once the final regulations have been gazetted, development is expected to begin in earnest, giving a shot in the arm to a number of agricultural industries, including sorghum and soya beans.

The catalyst was government's decision to introduce the mandatory blending of petrol with 2% bioethanol and diesel with 5% biodiesel from 1 October 2015. While sorghum, soya bean, sugarcane and sugar beet, among others, have been approved for use as a feedstock, maize has been banned to allay food security concerns.

Four bioethanol and four biodiesel licence applications have been issued or granted by the DoE to produce 392,3 million litres bioethanol per year and 970 million litres biodiesel per year. The total capacity

of the envisaged biofuels plants, if realised, will exceed the 2% penetration of biofuels in the national liquid fuel supply, according to the draft.

The first licensed bioethanol project will be built in Bothaville in the Free State by Mabele Fuels, using sorghum as feedstock. Mabele Fuels CEO Zahir Williams said it would utilise 380 000t grain sorghum annually to produce 158 million litres of bioethanol a year.

"The grain sorghum market has been in decline and fewer than 150 000t grain sorghum is being produced currently. Our plant will more than double the grain sorghum market. Using a benchmark price of R3 000/t, this feedstock represents a monetary value of just under R1,2 billion/year for local farmers," Williams said.

Mabele was committed to sourcing as much local grain sorghum as possible and was working with organisations such as Grain SA, the African Farmers' Association of SA and individual farmers' groups in the Free

State, said Williams.

"The farming community can't wait for us to give them the green light to start. One area of anxiety is that we're unable to enter into contractual negotiations with farmers until the regulatory process is complete. The closer we get to 1 October 2015, the more difficult it is to source the bulk of our feedstock requirements locally."

'WE WOULD NEED ABOUT 1,1 MILLION TONS OF CANOLA SEED PER YEAR'

According to Williams, Mabele would have to look at imports on a limited basis as a stopgap measure in order to keep the refinery running. "As soon as the local market can fulfil our needs, we will cease imports," he said.

He was confident that the biofuel regulation position paper was the last step in the regulatory process.

"Our call to government is to hasten, where it can, the regulatory process, so we can bring this industry into the operational phase at the

ABOVE: Bothaville in the Free State is set to benefit from large-scale biofuel developments. FW ARCHIVE