
Brazil to Count on 200,000 Families This Year to Produce Biodiesel

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A biodiesel mill with a capacity for production of 108 million liters per year was officially inaugurated yesterday (31), in the city of Crateús, in the northeastern Brazilian state of Ceará.

This is the largest mill of the sort in the country, beside another, installed in the city of Iraquara, in the state of Bahia (also Northeast Brazil), which has the same installed capacity. The event counted on the participation of Brazilian President Luiz Inácio Lula da Silva.

According to the ministry of Mines and Energy, both factories belong to company Brasil Ecodiesel, which is the largest biodiesel producer in Brazil and has other units in the cities of Floriano and Teresina, in the state of Piauí, in the Northeast.

According to the ministry, the company should inaugurate another three mills this year, one in Rosário do Sul, in the southern Brazilian state of Rio Grande do Sul, another in Porto Nacional, in the northern Tocantins, and the other in São Luís, Maranhão (Northeast Brazil). With this the company should add another 324 million liters to the annual production.

Production in the state of Ceará, according to the ministry, started in December last year. The company has already started delivering the produce sold at the 2nd public biodiesel auction promoted by the National Petroleum Agency (ANP).

Up to now the government, through the ANP, has already promoted four auctions for the purchase of the fuel, with Brasil Ecodiesel selling the largest volume, 488,000 cubic meters, or 58% of the total traded.

The company, always according to the ministry, uses castor seeds, soy and sunflower seeds as raw material for biodiesel. The organization works with a network of integrated producers from various areas of the country and counts on 20,000 families, according to the organization's site. For this reason, the organization has the Social Fuel Stamp, granted by the Ministry for Agrarian Development (MDA).

According to the ministry, six industries now have the seal and another 10 have requests pending approval. The government informs that these companies together have a capacity for production of 1.3 billion liters of biodiesel per year and 60,000 family farmers work on the production of raw material for them, a figure that, says the ministry, may reach 200,000 up to the end of the year.

Agroenergy is one of the great bets of the government and of the private sector in Brazil. Today the legislation authorizes

the addition of 2% biodiesel to the common diesel sold in the country, a percentage that should become compulsory in 2008. In 2010, the percentage will rise to 5. Ethanol, produced from sugarcane, in turn, has been widely used as a fuel in Brazil since the 1970s.

The government estimates that the production of biodiesel in the country should reach 3.34 billion liters in the next four years. The production of alcohol, which is currently around 16 billion liters, should reach 23.3 billion over the same period.

The government estimates that the sector is going to attract US\$ 13.3 billion in investment over the period, for the construction of 46 biodiesel mills and 77 plants for the production of ethanol.

Anba