

FLASH

148 FAPC, Oklahoma State University, Stillwater, OK 74078 • 405-744-6071 • www.fapc.biz

Cellulosic ethanol feasibility template now available

Stillwater, Okla. – Nov. 25, 2008

The past decade has seen a tremendous increase in research related to ethanol production from feedstocks. Following this trend, researchers at the Robert M. Kerr Food & Agricultural Products Center, located on the Oklahoma State University campus, have been working on many projects related to the biofuels industry.

Most recently, Rodney Holcomb, FAPC agricultural economist, and Phil Kenkel, OSU department of agricultural economics professor, developed a cellulosic ethanol feasibility template funded by the Agricultural Marketing Resource Center.

“The purpose of the spreadsheet-based template is to give users the opportunity to assess the economics of a commercial-scale plant using enzymatic hydrolysis methods to process cellulosic materials into ethanol,” Holcomb said.

The downloadable template can be modified by the user to mimic the basic operating parameters of a proposed ethanol plant under a variety of production conditions.

Cellulosic materials have

“The purpose of the spreadsheet-based template is to give users the opportunity to assess the economics of a commercial-scale plant using enzymatic hydrolysis methods to process cellulosic materials into ethanol.”

*Rodney Holcomb
FAPC Agricultural Economist*

been called the best alternative for replacing food and feed grains in ethanol production. In 2007, the U.S. Department of Energy committed more than \$1 billion toward cellulosic ethanol projects.

The technologies utilized by proposed ethanol plants vary, as do the feedstocks to be used for production. Of the technologies that may be utilized, many also generate co-products such as electricity, hydrogen, ammonia and methanol.

“Because cellulosic ethanol projects may have a wide range of technical efficiencies, conversion rates and feedstock logistics, decision-makers, including agricultural producers, potential investors and rural community leaders, are interested in determining whether production could be feasible in their area,” Holcomb said.

The OSU cellulosic ethanol feasibility template directs users to

input information on building and equipment costs, personnel, feedstocks to be used, state and federal tax credits for ethanol production, and expected inflation rates for all inputs, Kenkel said. The template then generates depreciation and amortization schedules, as well as profit/loss statements and cash flow estimates.

“While the template does not substitute for a detailed feasibility study and business plan, it does serve as a general ‘what if’ instrument for an area of agribusiness where ‘what if’ questions abound,” Kenkel said.

The cellulosic ethanol feasibility template can be downloaded at www.fapc.biz/services/economics.html. For more information on the template and its uses, e-mail Holcomb or Kenkel at rodney.holcomb@okstate.edu or kenkel@okstate.edu, respectively.