

IN THE PIPELINE

U.S. BIODIESEL: 2 BILLION GALLONS CAPACITY BY YEAR'S END . . .

is the goal that concluded the 2007 National Biodiesel Conference and Expo in San Antonio, TX, along with the goal of acquiring knowledge and insight on a number of issues related to the burgeoning biodiesel industry.

According to *Industrial Info Resources* (Sugar Land, TX), a record 3,000 plus people attended over 40 sessions covering everything from industry growth plans, fuel quality standards, legislation updates and transportation and marketing strategies.

Biodiesel is a proven clean burning alternative to petroleum diesel. Construction and investment in the industry is at an all-time high. Currently, 94 biodiesel plants have the capacity of producing 756 million gallons of the renewable fuel annually. The conference outlined a plan to increase over all domestic production to over 2 billion gallons annually by the end of 2007, an increase exceeding 150 percent. There are now over 48 plants under construction, representing 1.12 billion gallons of capacity, and more plants are scheduled to begin construction over the next eleven months.

One of the main issues facing the industry is the transportation of both feedstock and finished product from the plant gate. Due to the tremendous growth in the ethanol market, the supply of rail cars and barges to move feedstock and product has been tight. In 2006, orders for new rail cars increased over 13 percent, or 14,000 new rail cars. Rail industry experts speculate an additional 36,000 rail cars will be added to fleets over the next 12 to 16 months just to support the renewable fuels market. Seven major rail haulers currently handle over 90 percent of all ethanol and biodiesel volumes.