

Ethanol now on tap in Dalby, Qld

GRAHAM FULLER

6/01/2009 4:18:00 PM

Australia's first grain-to-ethanol plant is up and running, generating huge interest as it seeks to meet most, if not all, its original strategic objectives.

Dalby Bio-Refinery Ltd's (DBRL) production processes holds the key to transforming truck-loads of sorghum into quality green fuel.

Plus a number of equally significant by-products.

It's been a long haul for all involved – a journey that began more than five years ago when the concept of locating a \$140 million ethanol plant among some of the state's prime sorghum-growing country was first mooted.

Initially, the world in general and the US in particular championed the renewable fuels revolution from grain.

The US ethanol program contrasts with Brazil's use of sugar as the primary feedstock in its ethanol revolution.

In the US, the upsurge in ethanol output saw thousands of hectares of farmland earmarked for producing ethanol, principally from corn.

Such was its momentum that at one stage the US had 125 operational ethanol plants with 80 or so more due to come on-stream as fast as they could be completed.

Originally, ethanol was seen as playing an important part in combating climate change since it produces 'cleaner' emissions when compared with fossil fuels.

But early last year the United Nations appeared to have a change of heart when one official gained global mileage by suggesting 'green energy' was leading to thousands of acres of rain forest being cleared to grow crops for fuel, labelling it "a crime against humanity."

Equally, a run of scare stories about the likely damage ethanol could inflict on car engines in this country did nothing to enhance consumer confidence in Australia.

Then there's also been the Australian Lot Feeders Association's long-standing opposition for any government support for grain-derived ethanol production.

But there have also been some upsides for the fledgling biofuels industry.

The Qld Government last year flagged its commitment to a 5pc ethanol mandate by 2010, and NSW also has indicated it wants an ethanol mandate.

Caltex reportedly has agreed to buy at least 30 million litres of ethanol annually for three years from the new DBRL operation.

So far, the Qld Government's "+e" campaign has been labelled a success as motorists adopt a more conciliatory approach to biofuels.

Technical challenges at DBRL have been largely overcome with early talk of the Dalby plant being able to produce some 90-plus million litres of ethanol this year – up from its original target of 60 million litres for the first 12 months of the plant's operational life.

As well as a steady flow of trucks coming in with the sorghum, tankers will combine to carry out ethanol and the less widely known by-products, such as 'wet cake' and syrup for beef and dairy producers.

Staff at the plant believe it has the capability to process about 200,000 tonnes of sorghum during 2009, amounting to a daily intake of some 550 tonnes.

Footnote: DBRL says it has purchased most of the sorghum it needs out to September of this year, currently offering three-year contracts to interested farmers.

Extract from report in Queensland Country Life, January 8

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Great to see a new industry start up. The question is 'will grain producers in the north of the state be able to transport grain to this distillery at a price that will produce a profit for the farmer. Has this been looked at?'

Posted by **Kev Plumb** on 7/01/2009 8:41:51 AM

We have to weigh it up: do we feed the petrol tank or do we feed the people. How green it is, too, is debatable.

Posted by **concerned** on 7/01/2009 9:00:55 AM

Hooray. Now taxpayers from right across Australia can start paying the subsidy of \$0.38143 cents for each litre of ethanol produced, needed to return a profit to these 'canny' investors. For 90 million litres, that will cost us about \$34 million annually.

We are subsidising this conversion of food to fuel at the rate of \$154 per tonne of grain used. Tony Kelly's E10 mandate in NSW will require about five more of these plants to be built. How stupid are we?

Posted by **two bob** on 7/01/2009 9:38:51 AM

This will be the same situation as overseas. There will in the future be very few crops grown for food production.

Posted by **keith** on 7/01/2009 12:14:52 PM

About time!

Posted by **Greg** on 7/01/2009 12:52:00 PM

'Two Bobs' has got it wrong - the 38.143 cents excise rebate goes to the consumer not the producer, in the same way as it does for car owners who use LPG.

Ethanol and biodiesel are good for the environment, good for farmers, good for country jobs, and good for Australia's balance of payments.

And not so good for oil companies profits. Whose side do you want to be on?

Posted by **Tony Kelly** on 7/01/2009 7:33:24 PM

The Food vs Fuel debate? In the US fuel prices and grain prices have dropped dramatically.

Food prices have not - the Food vs Fuel debate appears to be a cover up by retailers gouging profits.

As far as crops for fuel or food, again the US exported one of the largest grain surpluses in 2008.

Posted by **Pat** on 8/01/2009 5:41:00 AM

Tony, A grain ethanol plant cannot make a profit without an excise rebate provided by the Federal government.

There is no difference in whether the consumer is paid to buy the product or whether the producer is paid, it is still the same subsidy. Ditto for LPG.

Posted by **two bob** on 8/01/2009 8:16:44 AM

Tony, I have nothing to do with the oil companies. You fail to realise there is another side to be on.

It is called commonsense and good governance of this country. It is about not establishing a uneconomic, unsustainable grain ethanol industry that will have many damaging impacts, not the least being its impact on global food security.

Posted by **two bob** on 8/01/2009 8:18:39 AM

Tony Kelly is again getting his facts wrong. The excise is paid by fuel manufacturers. Given that Manildra currently doesn't currently pay the full excise, it is receiving an effective subsidy.

Is this subsidy benefit being passed onto consumers in the form of lower prices? I suggest not.

Ethanol also has two thirds the energy of conventional fuel thereby requiring at least a 4c discount to petrol at the bowser. Show me a bowser with ethanol priced at a four cent discount Minister Kelly.

Regarding the benefits to the environment, farmers and balance of payments, numerous studies have shown that the costs of Government support to the industry outweigh the benefit. This is why the Victorian Government opposed a mandate. Shame that the NSW Government can't see that this mandate is poor policy.

Posted by **James B** on 8/01/2009 10:24:20 AM

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Job well done....Australia's first grain-to-ethanol plant is now operational on the outskirts of Dalby.



The plant's two grain silos can accommodate 2,400 tonnes of grain, according to DBRL's safety, health, environmental and community affairs manager, Nele Dinkla.



A steady stream of trucks already is delivering wet distillers grains to nearby feedlots which value its high nutritional content.



The real deal....a tanker loads up its precious cargo of ethanol for transportation to Brisbane for distribution in the fuel chain.