



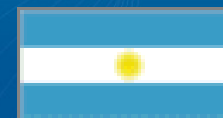
The BRITISH ARGENTINE CHAMBER OF COMMERCE

Business Networking Day 2010

13th and 14th October – United Kingdom



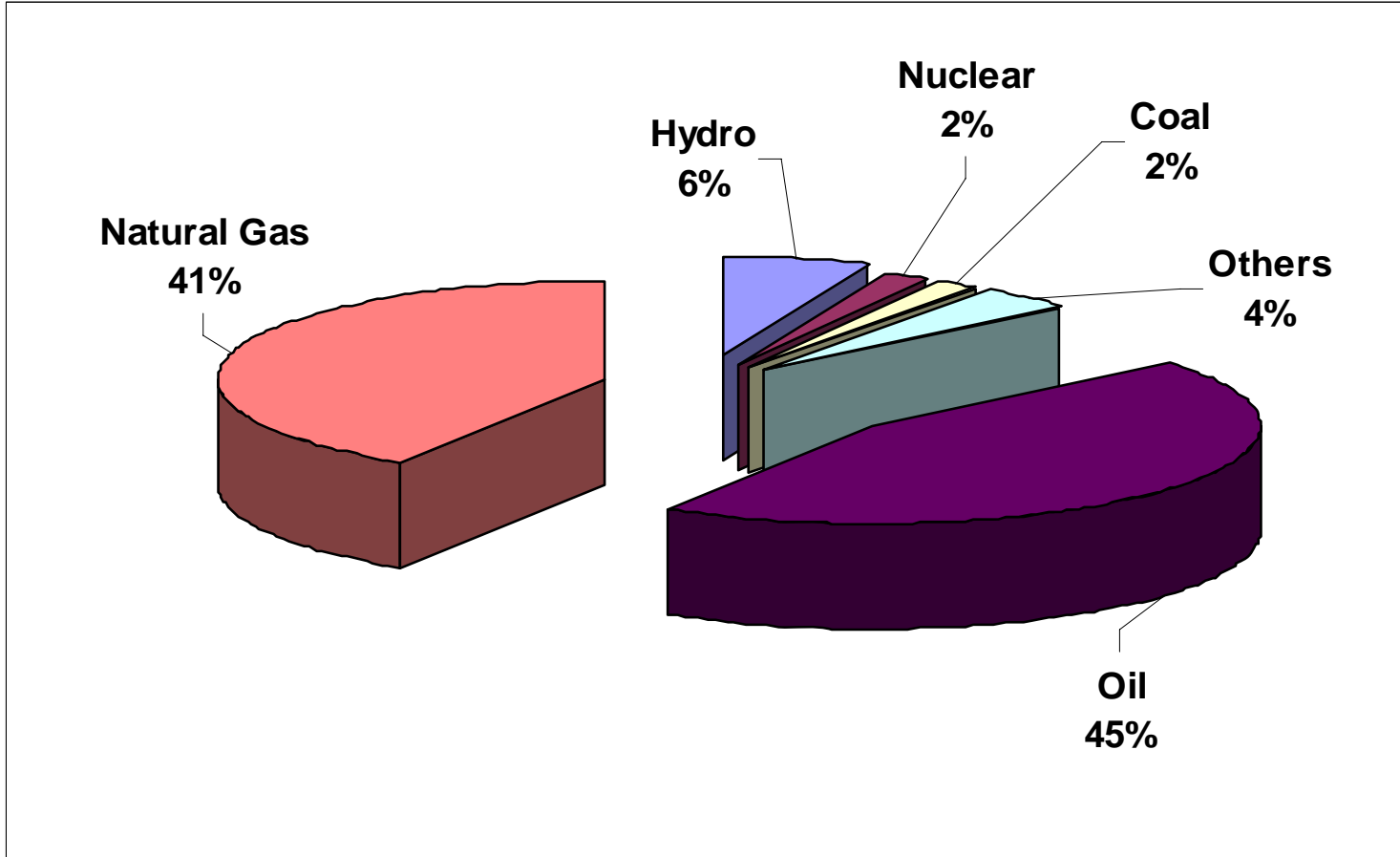
Ministry of Agriculture,
Livestock and Fisheries
National Presidency



ARGENTINA

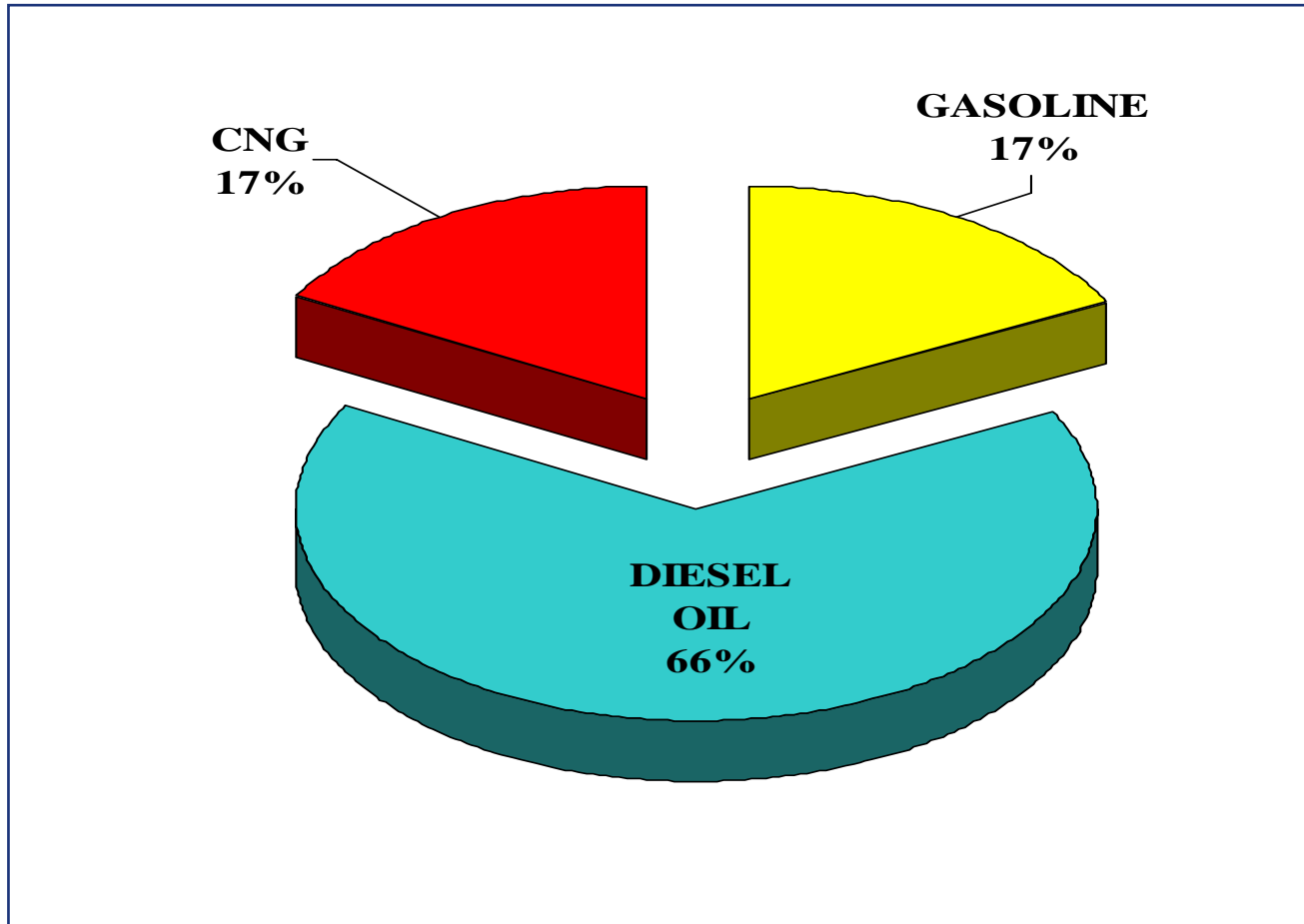
- **Energy sector in Argentina.**
- **Reasons for the development of biofuels in Argentina.**
- **Law N° 26093: main objectives.**
- **Availability of raw material for biofuels production.**
- **Recent developments in the Argentine biofuels sector.**
- **Conclusions and challenges ahead.**

ARGENTINE ENERGY CONSUMPTION BY SOURCE



Source: Department of Energy, Argentina

LIQUID FUELS - CONSUMPTION



Argentina imports 3 to 4% of total diesel oil

REASONS FOR THE DEVELOPMENT OF BIOFUELS IN ARGENTINA

WORLD SOYBEAN PRODUCTION 2008:

Country	Production	Share
	million tons	%
USA	72.9	33%
BRAZIL	61.0	28%
ARGENTINA	46.2	21%
CHINA	14.0	6%
SUBTOTAL	194.1	88%
REST	26.4	12%
TOTAL	220.5	100%

Source: SOYSTAT- USDA

REASONS FOR THE DEVELOPMENT OF BIOFUELS IN ARGENTINA

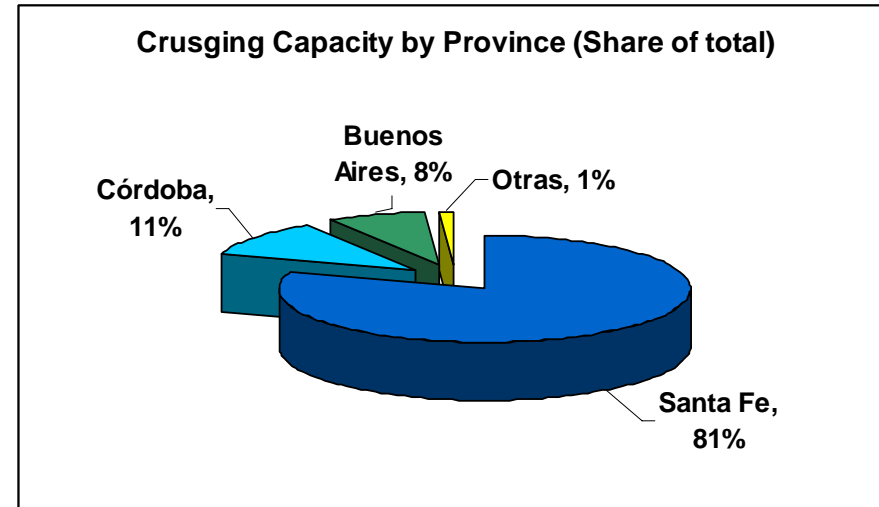
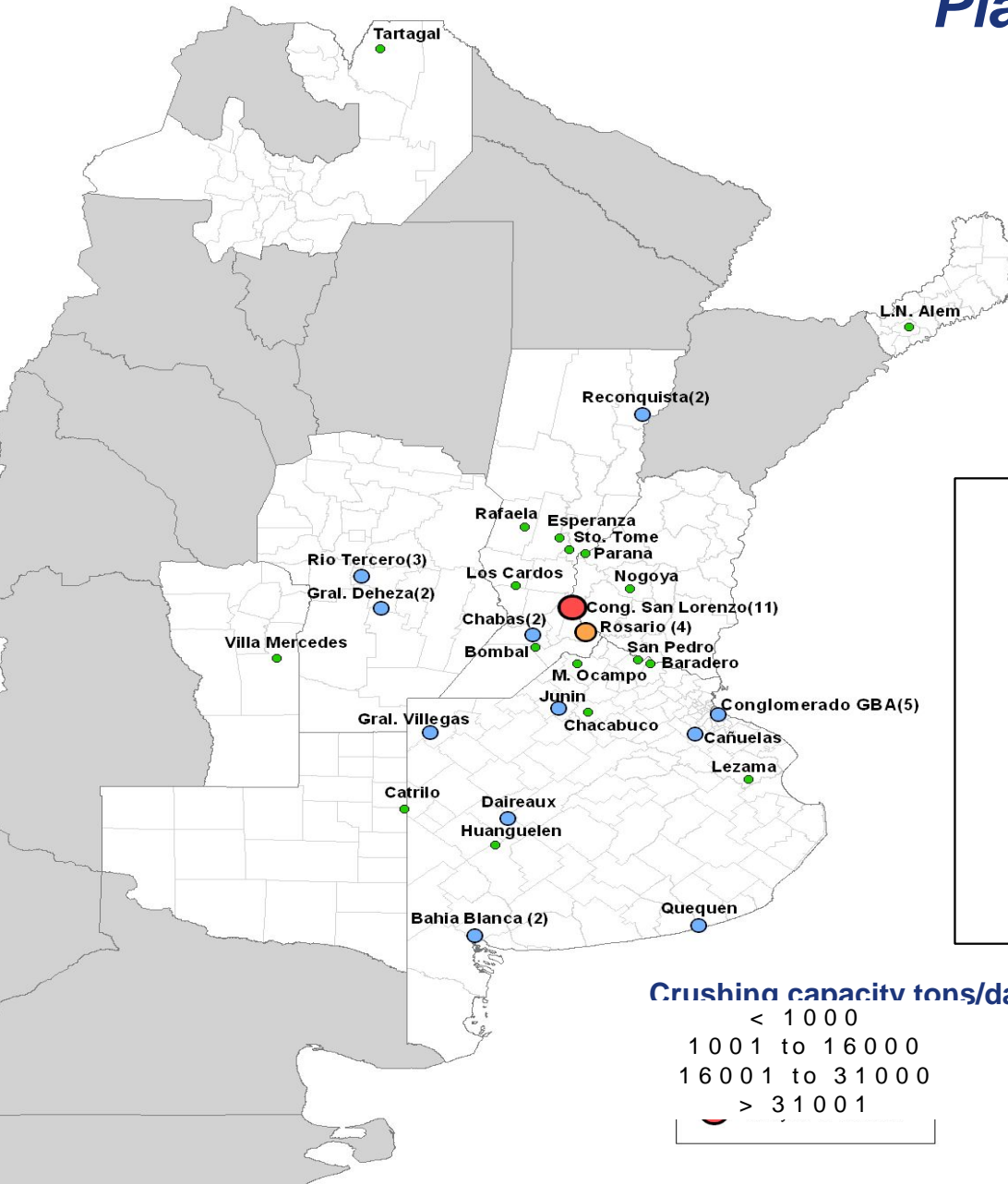
- One of the main exporters of vegetable oil in the world.
 - The oil industry in Argentina is export - oriented, sending 95% of its production to the foreign market. (2008 crushing capacity : 160,000 tons/day).

SOY OIL	6.1 Million Tons
SUNFLOWER OIL	1.7 Million Tons
OTHERS	0.1 Million Tons
TOTAL	7.9 Million Tons

Source: CIARA



Plants by crushing capacity



REASONS FOR THE DEVELOPMENT OF BIOFUELS IN ARGENTINA

ARGENTINA IS THE No 1 EXPORTER AND No 3 WORLD PRODUCER OF SOY OIL



THE No 1 EXPORTER AND No 2 PRODUCER OF SUNFLOWER OIL IN THE WORLD



MAIN TOOL FOR THE DEVELOPMENT OF BIOFUELS IN ARGENTINA – LAW 26093

- **The creation of a legal framework for the development of this new industry.**
- **The Argentine Congress approved on April 19th, 2006 a law to promote the use and production of biofuels in the country. The biofuels involved are: biodiesel, ethanol and biogas.**

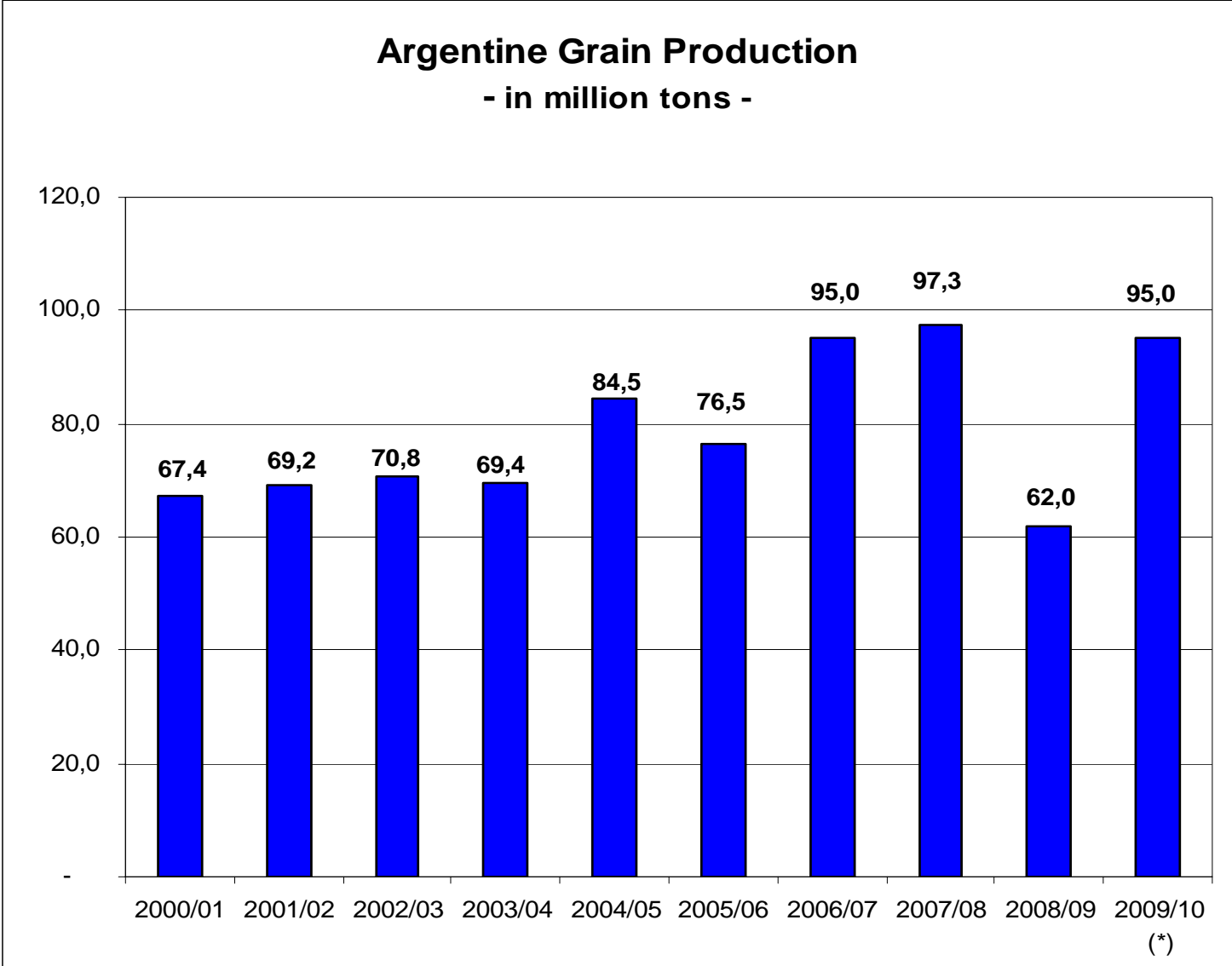


MAIN ASPECTS OF THE LAW

- 5% mandatory use of biodiesel and ethanol in all diesel oil and gasoline consumption, beginning January 1, 2010. Currently is 7% for biodiesel.
- Creation of a National Authority (N.A.) for the evaluation and support of projects for the production of biofuels.
- The functions of the N.A are, among others:
 - To establish biofuels quality standards.
 - To establish the criteria for the approval of projects in order to obtain the benefits established by the law.
- The law prioritizes projects that follows these criteria:
 - Sponsored by small and medium sized companies.
 - Belong to farming producers.
 - Located in regional and rural economies.

AVAILABILITY OF RAW MATERIAL FOR BIOFUELS PRODUCTION IN ARGENTINA

ARGENTINE GRAIN PRODUCTION



Source: Ministry of Agriculture, livestock and fisheries of Argentina

(*) Estimated

ARGENTINE GRAIN PRODUCTION

Argentine total grain production for the 2007/2008 reached 95,0 million tons. SOY, CORN and WHEAT account for almost 90% of total grain production.

Total Grain Production 2007/2008 season:

Grain	Planted area	Production	Share
	million hectares	million tons	%
SOY	16.6	46.2	47%
CORN	4.2	22.0	23%
WHEAT	6.0	16.3	17%
SUNFLOWER	2.6	4.7	5%
SORGHUM	0.8	2.9	3%
OTHERS	1.8	5.2	5%
TOTAL	32.0	97.3	100%

Source: Ministry of Agriculture, Livestock and Fisheries - Argentina

ARGENTINE GRAIN PRODUCTION

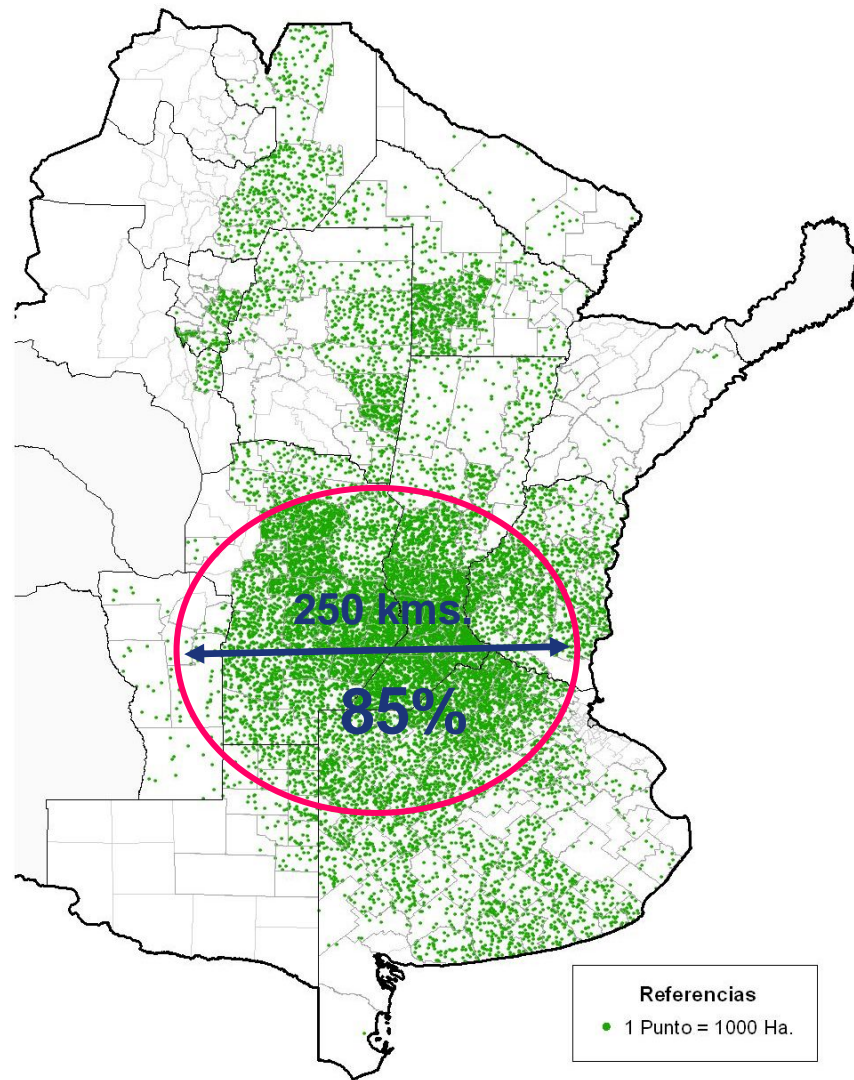
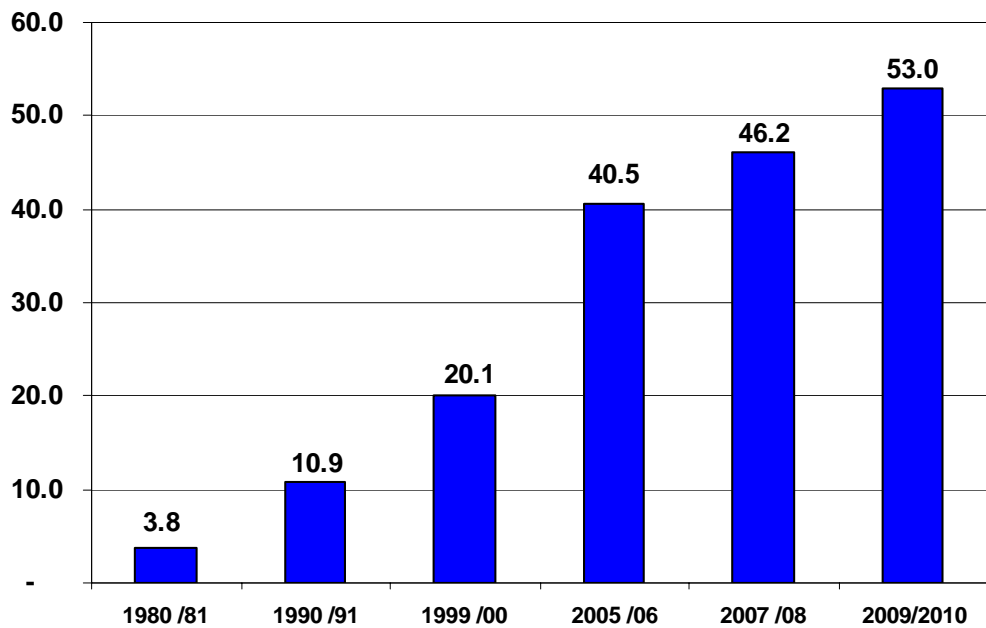
Soybean Production

Campagne
2007 – 2008

46.2 million tons

Argentine Soybean Production

- in million tons -



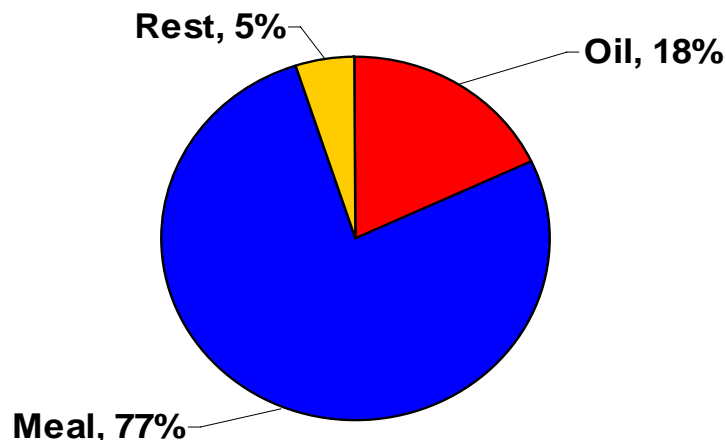
Source: Ministry of Agriculture, livestock and fisheries of Argentina-
2009/2010 projected

MAIN IMPACTS EXPECTED FROM THE LAW

BIODIESEL

With the implementation of the 7% mandatory use of biofuels, the needed production in 2011 is:

- Biodiesel: **1.2 million tons**
- Vegetable oil: **1.2 tons (17% of total current production).**
- Soybean seed contains 18% oil, and 77% protein meal



RECENT DEVELOPMENTS

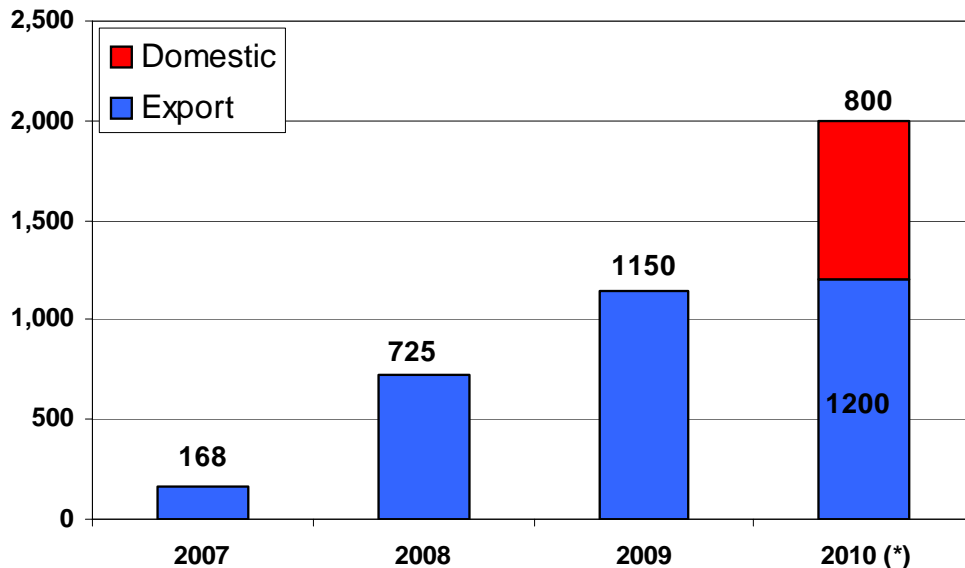
23 Biodiesel plants

Total production capacity : 2,5 million tons.

Total Investments: US\$ 500 million

Argentine Biodiesel Markets

- in thousand tons -



Source: Department of Energy and CARBIO

(*) Projected



RAW MATERIAL FOR THE PRODUCTION OF ETHANOL

ETHANOL

With the implementation of the 5% mandatory use of ethanol, the needed production is:

- **Ethanol : 250.000 tons.**
- **Quantity of corn/sorghum needed = 550.000 tons (2,5% of total current production)**

Currently total production of Ethanol is from Sugar Cane

SUSTAINABILITY OF BIOENERGY

Member of the Global Bioenergy Partnership (GBEP) – Participation on the definition of criteria and indicators for sustainable production of bioenergy (environmental, social, economic and energy indicators).

EU Directive on Renewable Energy - JRC-DGEN- INTA Document.

Establishment of a Working Group for measurement of GHGs – MINAGRI - MinCyT- Universities and Research Centers.

Participation in Public Consultations related to the sustainability of bioenergy (eg EU and U.S.A).

**Implementation of WISDOM methodology (S&D of biomass resources).
Tool for decision making.**

CONCLUSIONS

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- **Argentina has ideal growing conditions for the sustained development of the raw materials needed for the production of biofuels.**
- **Argentina has immediate availability of the raw material needed to cover the 5%-10% of mandatory use in all gasoline and diesel consumption.**
- **Argentina would become one of the major producers of biofuels worldwide.**

CONCLUSIONS

- From the economic and social point of view, the development of the Argentine biofuels industry is:
 - Creating a new industry in our country.
 - Adding value to grain and vegetable oil production since Argentina exports 70 percent of the corn and 90 percent of the vegetable oil that it produces.
 - Having a favorable impact on the environment.

MAIN CHALLENGES AHEAD

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- To monitor on a permanent basis, issues related to quality, safety and environment.
- To promote research and development to reduce costs of biofuels and to make more efficient use of the biomass produced.
- To encourage the use of biotechnology for the development of new varieties of feedstocks for the production of biofuels.
- To support the interaction between private and public companies, scientific and technological organizations and public organizations.
- To become one of the main producers and exporters of biofuels worldwide, adding value to current agricultural exports.

HOW TO CONTACT US



Ministry of Agriculture, livestock and Fisheries of Argentina

Paseo Colón 982 – 2nd. Floor - Office 219 – Buenos Aires

Miguel Almada

Phone: (5411) 4349-2226 / 2111

E-mail: malmad@minagri.gob.ar

Website: www.minagri.gob.ar