

# The biofuel COUNTRY

Brazil is the world's third largest producer and consumer of biodiesel. by Cassiano Viana

Just one year after it was made compulsory to add biodiesel to diesel, Brazil can celebrate its status as the world's third biggest producer and consumer of biodiesel, with annual output of 1.2 billion liters in 2008. In January of this year, the country's production capacity stood at 3.7 billion liters, while 91 percent of Brazil's 51 biodiesel plants possessed the "Social Fuel" stamp.

With a stable regulatory regime and 13 auctions held by the federal government over the last three years, the industry has been able to meet demand whilst generating jobs and income across different regions of Brazil. The success of the program is borne out by the increase in the mandatory proportion of biodiesel in diesel from two to three percent in the second half of 2008, as a way of absorbing the rising output of recent years.

The industry continues to grow, as does the participation of family farms in the production of the different vegetable oils used as raw materials. Existing targets for the proportion of biodiesel in diesel sold are likely to be met or exceeded. The government is currently examining the possibility of accelerating the implementation of the B4 (four percent biodiesel) blend to the middle of this year. There are also plans to implement B5 in 2010 rather than 2013.

Once again, Brazil is reinforcing its vocation as a major producer of clean and renewable fuels, as it consolidates a program that is providing economic, social and environmental gains for the country. In 2008, Brazil maintained its



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global leadership in the ethanol market, exporting more than five billion liters of the fuel. In January 2009, 86.2 percent of all light vehicles sold in Brazil were "flex fuel," able to run on conventional gasoline or ethanol. Between January 2003 and January 2009, 7.29 million flex fuel vehicles were sold in the country, and ethanol's share of light vehicle fuel supply is estimated at 28 percent. ■