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Office of Energy Policy and New Uses**

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# **THE ECONOMIC FEASIBILITY OF PRODUCING ETHANOL FROM SUGAR FEEDSTOCK 2003-05 COMPARED TO 2007-09**

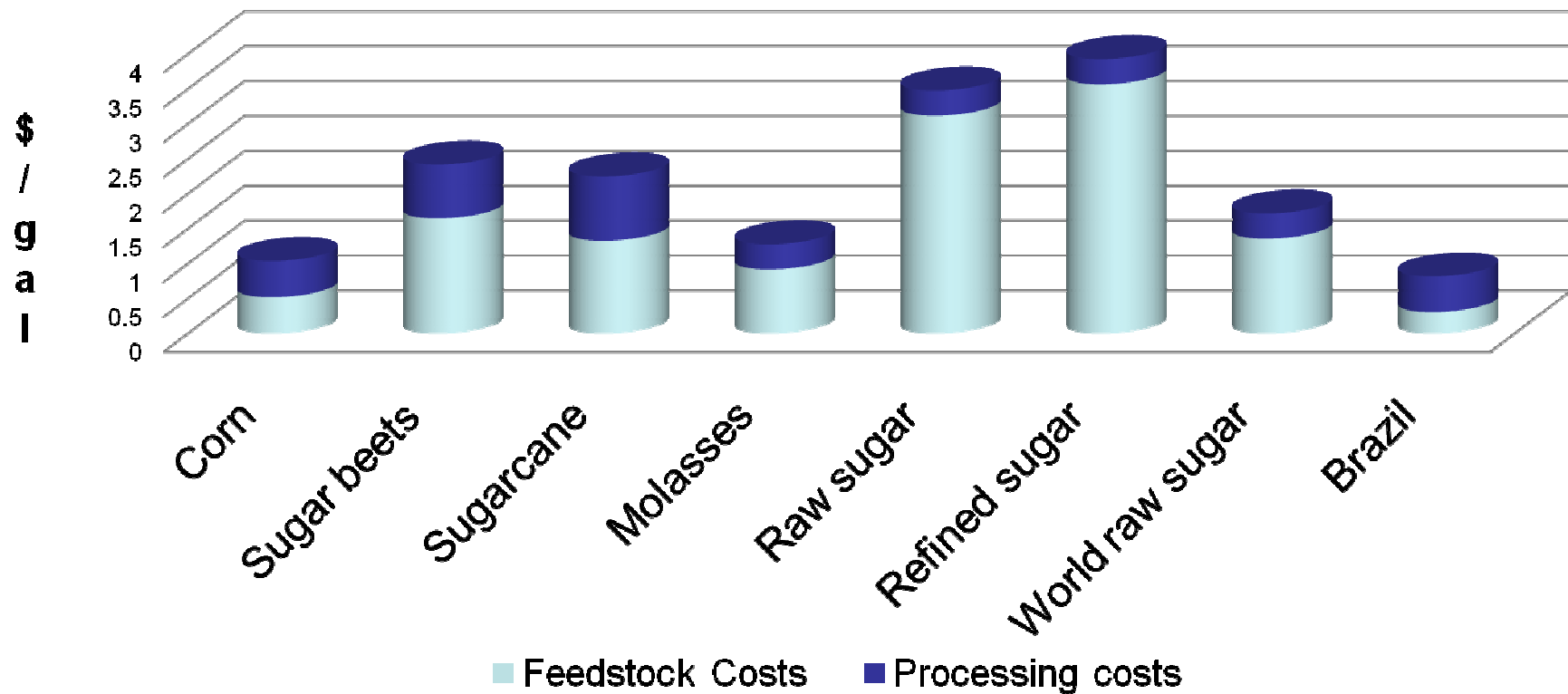
**Presented by  
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**2010 International Sweetener  
Colloquium**

**Miami, Florida  
February 21-24**



## Ethanol production costs, 2003-05





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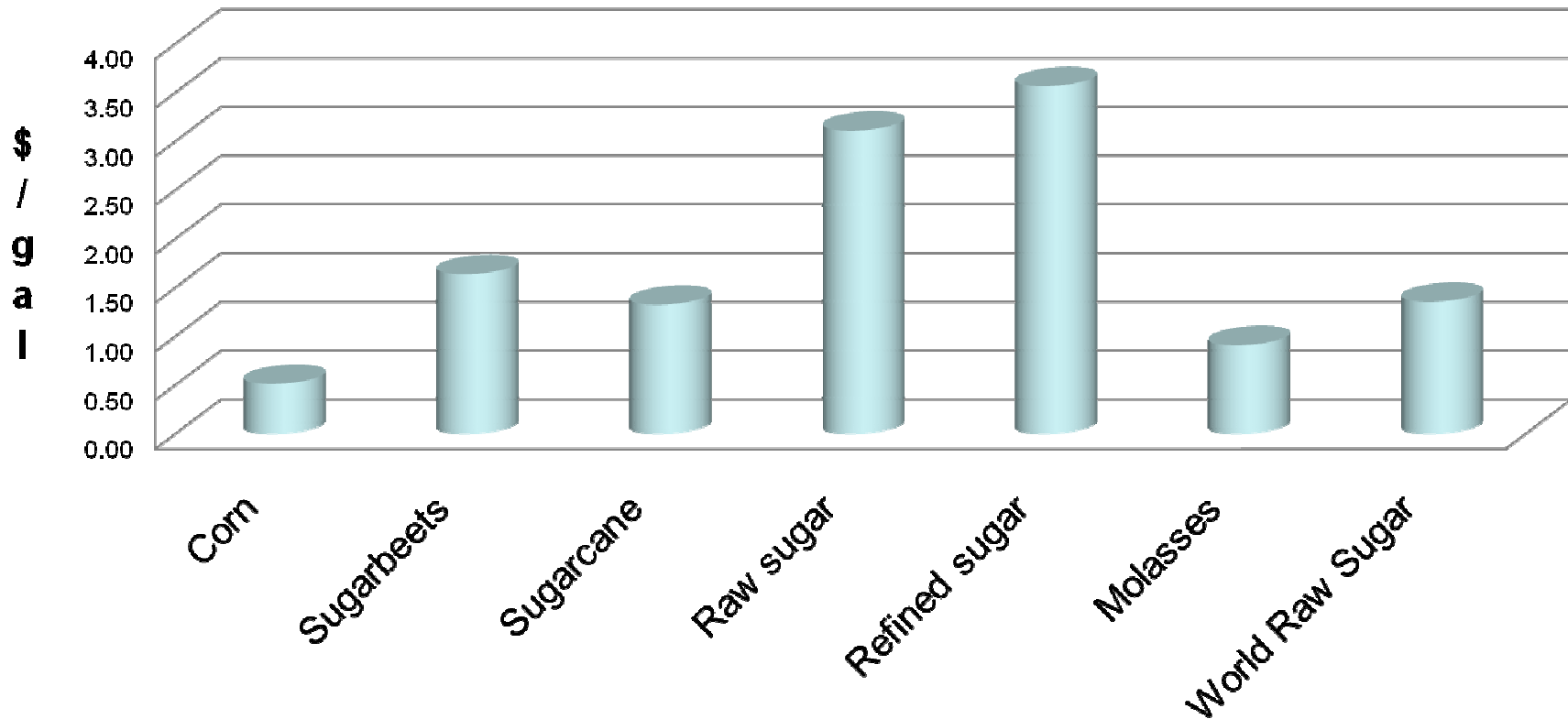
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## **2003-05 Time Period**

- **Low commodity prices**
- **EPACT, RFS1**
- **Lack of liability Protection for MTBE blenders**
- **No incentive for sugar-ethanol producers**
- **High profit margins for corn-ethanol**

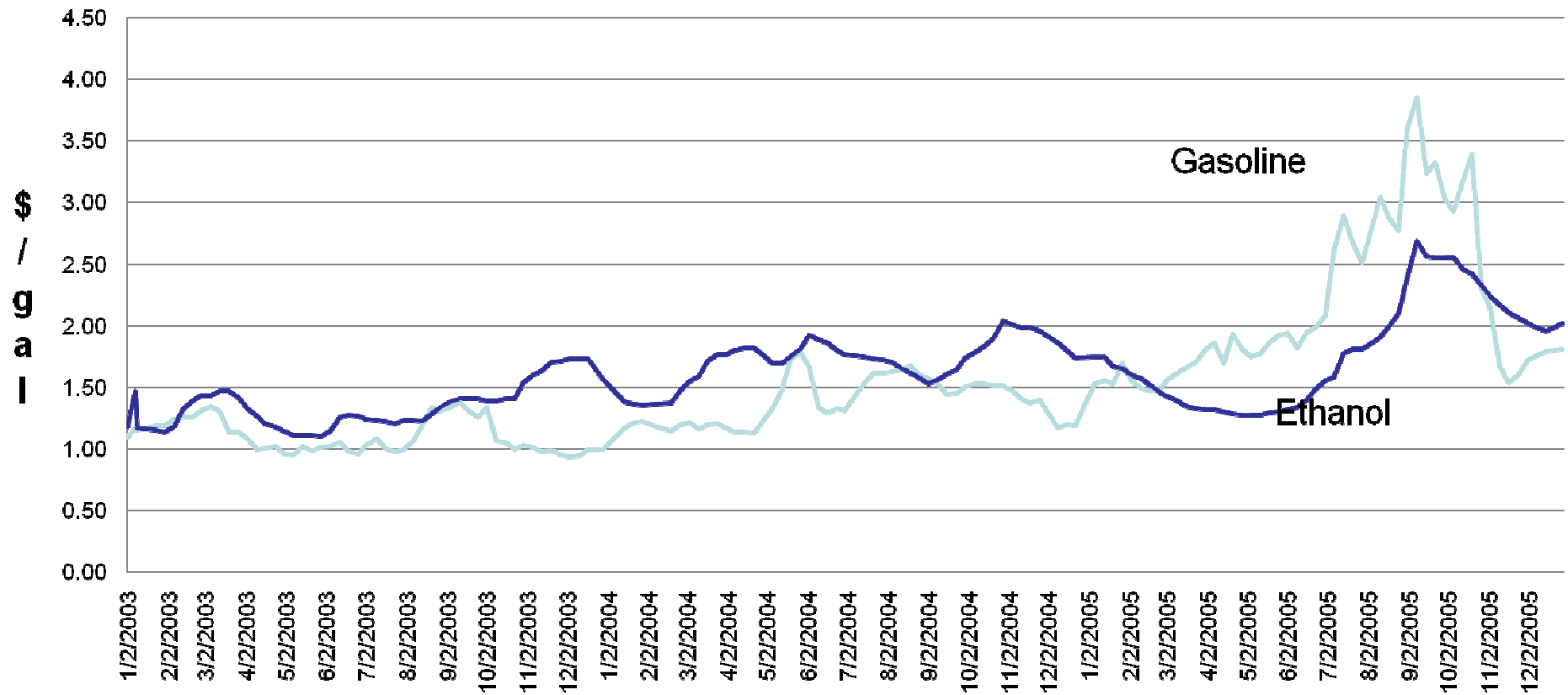


# Net feedstock cost per gallon of ethanol, average 2003-05





# Prices of gasoline and ethanol, 2003-05





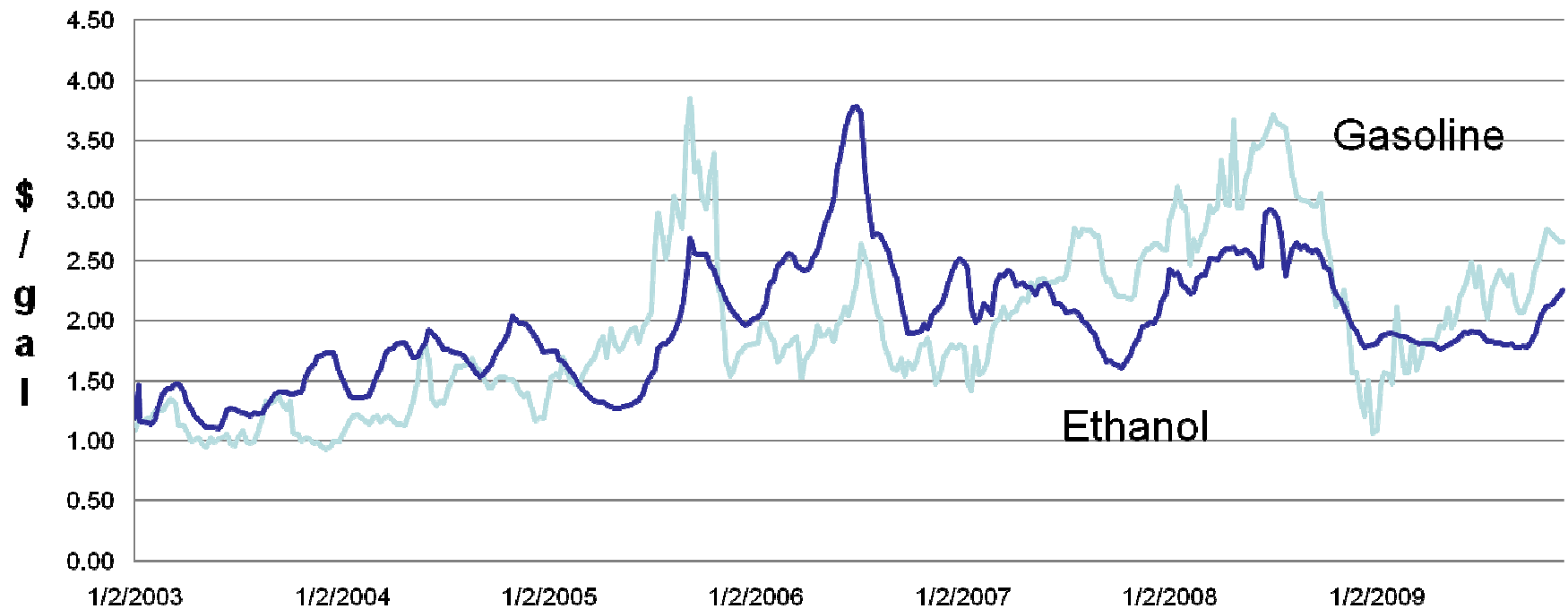
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## 2007-09 Time Period

- **High commodity prices**
- **Financial market collapse**
- **EISA, RFS2:**
  - **Four separate categories of renewable fuels**
  - **With specific lifecycle GHG emission threshold**
- **Farm Bill Energy Provisions:**
  - **Incentives for advanced biofuel production**

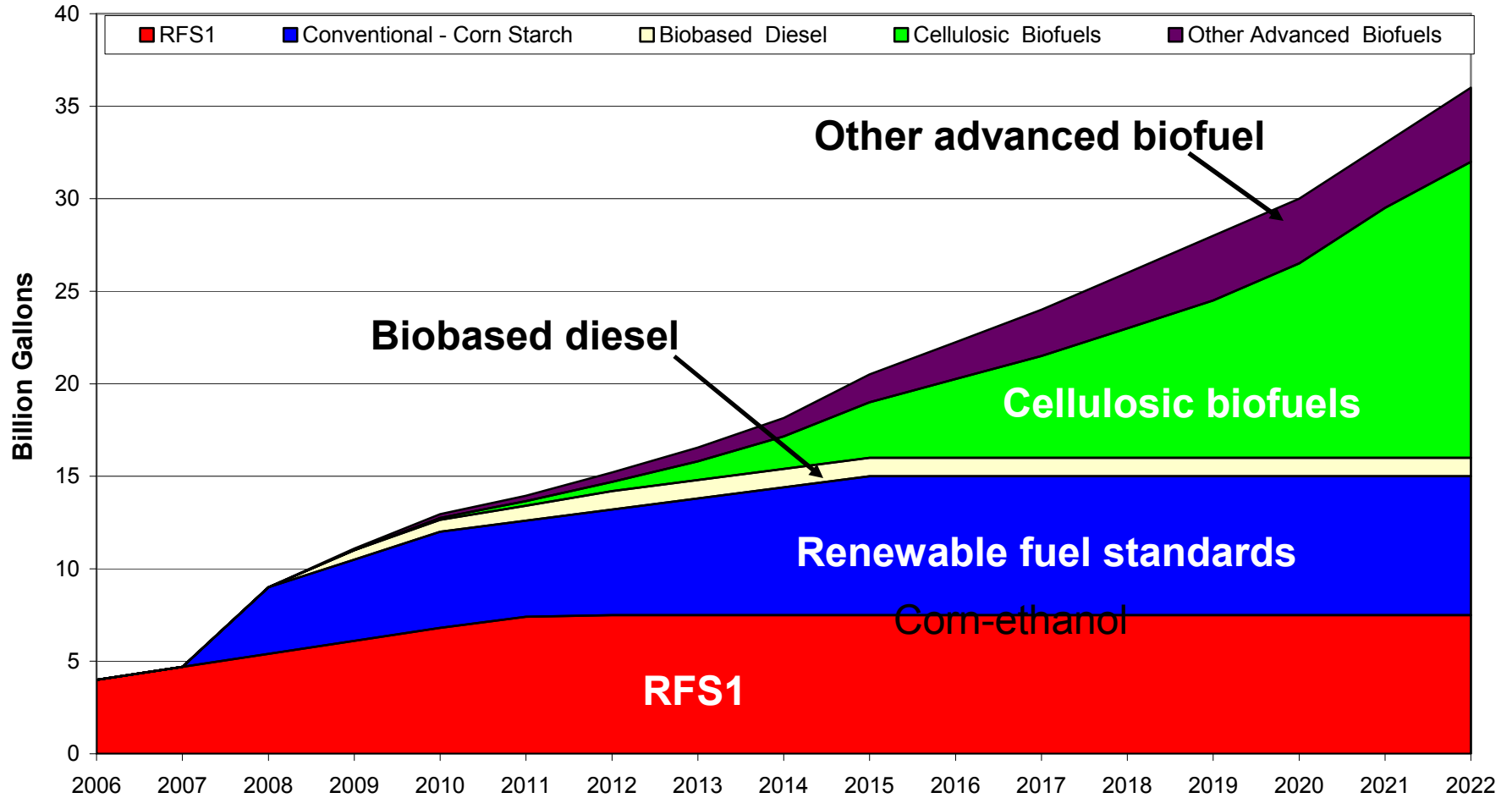


# Prices of ethanol and gasoline, 2003-09



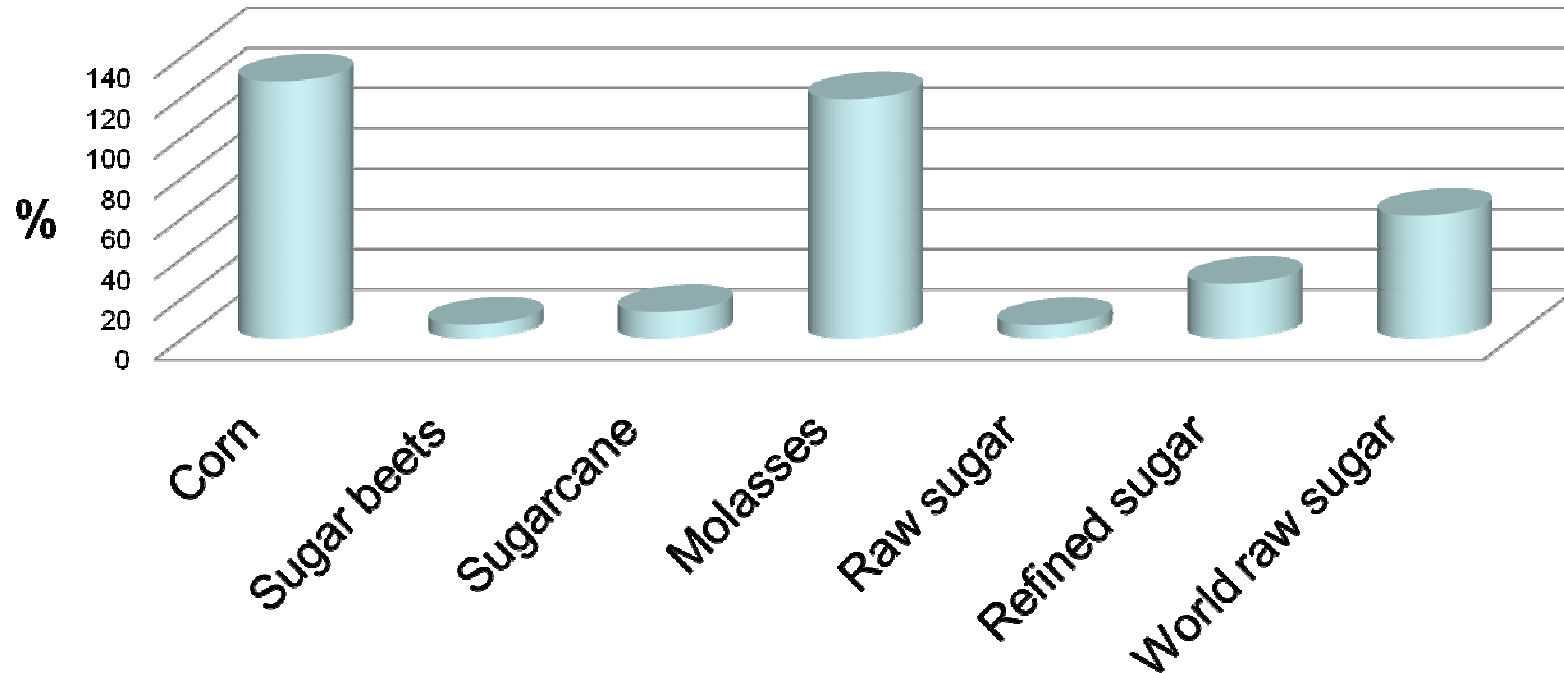


# EISA – EPACT Renewable Fuels Standard



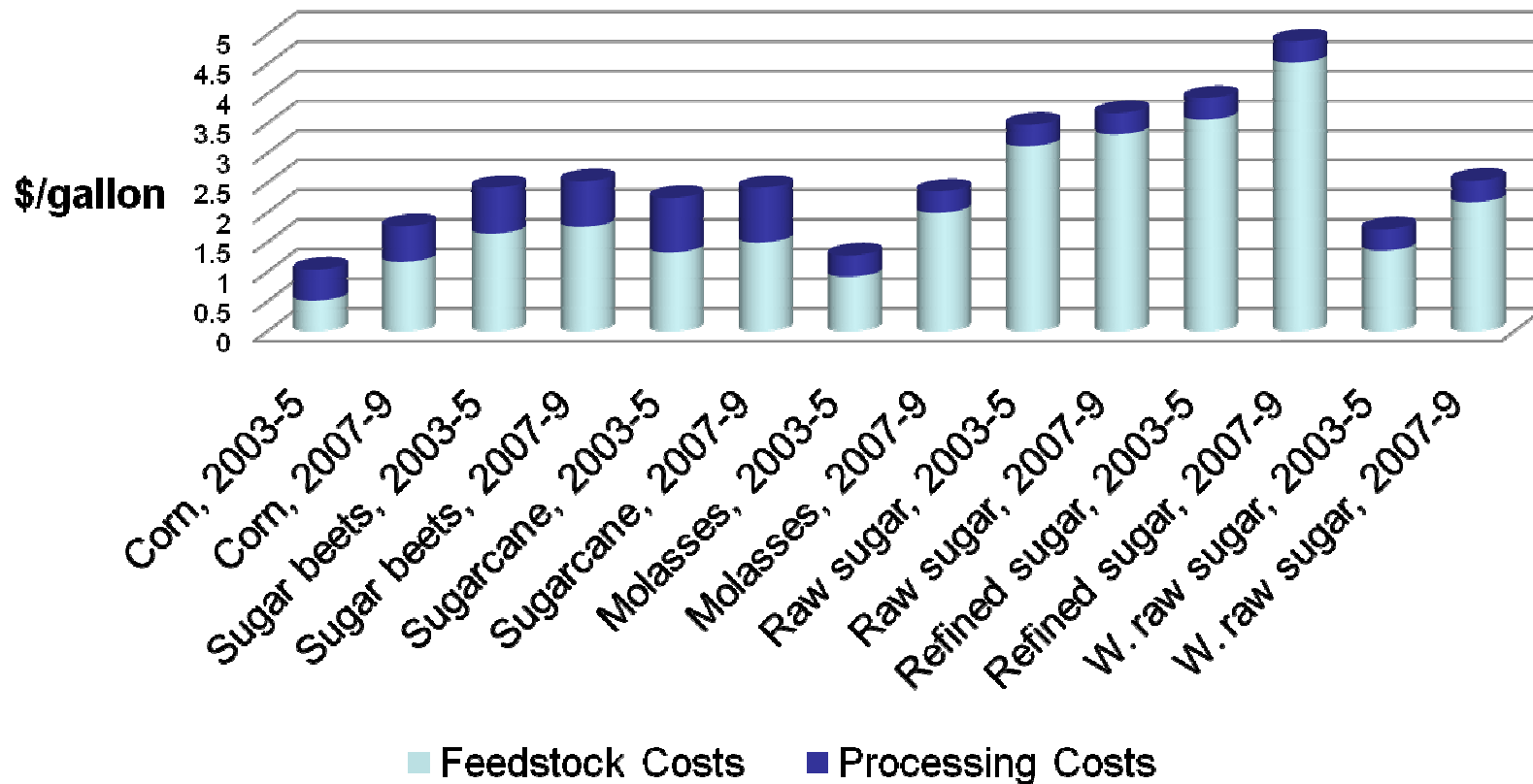


# Percent of change in net feedstock costs, 2007-09 compared with 2003-05



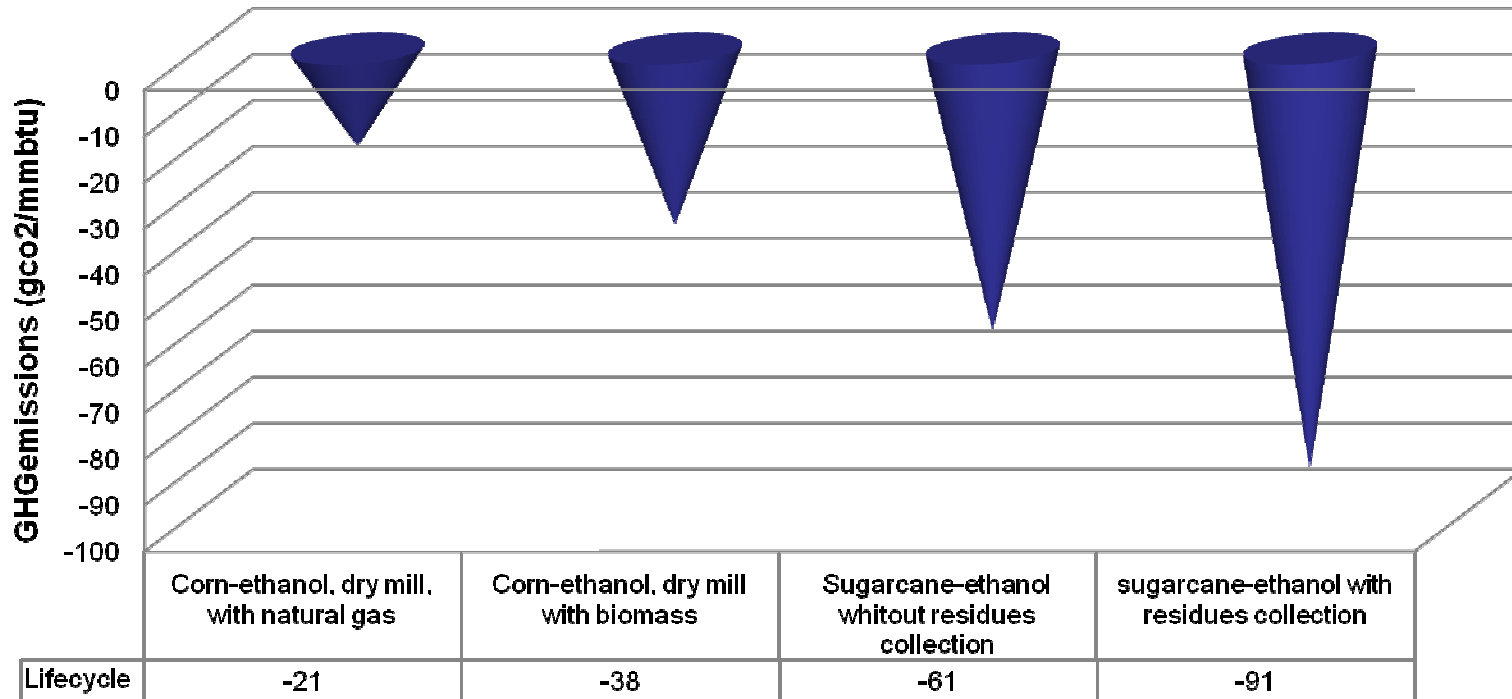


# Ethanol production costs, 2003-05 and 2007-09





# Biofuel lifecycle, Reduction in GHG emissions relative to 2005 gasoline





## Conclusions

- **Net sugar feedstock cost per gallon increased less than net feedstock cost for corn during 2009-07**
- **Sugar-ethanol may eligible to receive \$0.56/gallon production incentive**
- **Sugarcane ethanol has smaller environmental footprint than corn ethanol**



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**THANK YOU**

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