The leading biofuels sector consultancy

Company background

Agra CEAS Consulting is a specialist agri-food consultancy that has carried out a broad range of assignments since its establishment in Brussels in 1973, helping both public and commercial sector clients to monitor, analyse, assess, evaluate and implement policies and business strategies specifically in the fields of agriculture, food and drink, rural development, environment, trade and, more recently, *biofuels* in the form of *biodiesel* and *ethanol*. Our services include *inter alia*:

- market analysis for due diligence processes
- supply/demand and price forecasting using our specially developed world biofuels model
- plant feasibility studies
- economic analysis of policy
- policy and business impact assessments
- sectoral and micro-economic studies
- trade and regional development issues

Agra CEAS Consulting at the *Centre for European Agricultural Studies* in Wye, UK and at *Bureau Européen de Recherches* in Brussels, Belgium is jointly owned by Imperial College London (University of London) and Agra Informa Ltd (which also owns *F.O. Licht*). *Imperial College* (formerly Wye College) has a worldwide reputation for its education and research in agriculture, agricultural economics, rural development, environmental studies and food marketing. *Agra Informa Ltd.* provides high value information on food, agriculture, soft commodities, fisheries and seafood. Established in 1963, Agra Informa Ltd. publishes over 60 separate publications and organises high level conferences, exhibitions and seminars world-wide.

Our sister company, *F.O. Licht*, the leading international commodity analyst and information provider, has been analysing world commodity markets since 1861. *F.O. Licht* produces a range of international reports, online services, conferences, directories, yearbooks and special studies, including newsletters, reports and conferences on ethanol/biofuels.

Agra CEAS Consulting offers a core group of professional consultants and dedicated support staff, and active links into the academic resources of Imperial College London through our office at the Centre for European Agricultural Studies at Imperial College London's Wye Campus, into the EU policy-making environment through our office in Brussels, and into the commercial strengths of Agra Informa Ltd and F.O. Licht. These permanent linkages are reinforced by the company's network of contacts throughout the world, and in particular Europe, which bring in specialist consultants and academic experts whenever needed.

In addition to the above core economic, market and policy analysis skills Agra CEAS can draw on in-depth associate technical and environmental analysis expertise as well as our sister companies in North America (*Informa Economics*) and Brazil (*Agra FNP*) to deliver services and products across a range of bio-based industries worldwide.

Recent ethanol and biofuel sectors experience

In association with *F.O. Licht*, *Agra CEAS Consulting* has considerable experience of undertaking market and economic analysis and policy work in the ethanol and biodiesel sectors. The following projects demonstrate some of our recent capability and expertise in market, policy and economic analysis of the European and international ethanol and biodiesel sectors:

- **Due diligence, feasibility and market studies**. Due diligence, feasibility and market studies analysing the outlook for biofuels and feedstocks in the EU are regularly undertaken for a range of private clients. Such work has been conducted for investors across Europe and worldwide including in Angola, Belgium, the Dominican Republic, Germany, the Netherlands, United Kingdom and the Ukraine.
- **World biofuel supply, demand and price forecasting to 2027**. Based on Agra CEAS Consulting's own regionalised dynamic partial equilibrium model of the world biofuel (ethanol and biodiesel) market, studies are regularly undertaken to provide forecasts of global biofuel supply, demand and price to 2027 and quantified the extent to which forecasts are impacted by key economic and policy drivers, such as changing oil prices. Other important economic and policy drivers considered include the impact of changing: feedstock supply and price, biofuel by-product values, biofuel conversion costs and capacity, impact of cellulosic ethanol and government incentives and subsidies.
- **Biofuels value chain analysis**. Undertaken for a leading European investment fund based in the UK, his report provided an analysis of the biofuels value chain to identify where in the chain value is currently being generated and assessed what the outlook is in this regard in the medium to long term. The analysis covered both bioethanol and biodiesel sectors. A detailed review of the ethanol and biodiesel market (supply and demand) was undertaken and an outlook for pricing, performance and investment returns was carried out to identify the potential investment opportunities in the value chain.

- **Ethanol production prospects in African, Caribbean and Pacific (ACP) countries**. This study provided a review of sugar production and trade prospects and the potential for bioethanol production for ACP countries benefiting from the EU-ACP Sugar Protocol following the introduction of the EU sugar regime reform, for the European Commission (DG Development). This review involved field visits in eight ACP countries.
- **World Biodiesel Markets - the outlook to 2010.** This study, prepared together with F.O. Licht, provides a forward looking analysis of the biodiesel market world-wide. The study reviews the production processes as well as feedstocks used globally. The study also examines likely policy, market and price evolution for biodiesel and vegetable oils.
- **Ethanol production costs - A world-wide survey (multi-client study with F.O.LIcht)**. This recent study highlights and analyses government policy and the regulatory framework for ethanol in key countries, including leading producers, and provides an outlook for the sector in each country. A detailed analysis of ethanol production costs is provided by country and by type of feedstock. The total cost of producing ethanol is broken down into capital-related or fixed costs; variable operating costs; and, net feedstock costs. Cost calculations are presented for eight countries and a broad range of existing and potential feedstocks (sugar, molasses, maize (wet and dry milling), cellulose etc.) and plant capacities. Finally, by-product prices in the major producing countries are provided.
- **Biofuels strategy for Swaziland**. This study provides an analysis of the potential market for biofuels in Swaziland in the context of world sugar and ethanol market developments. Critical elements of a future biofuels policy in the country are examined.
- **Feasibility study for an ethanol plant in a developing country**. The potential for adding value to molasses production in a developing country was assessed by reviewing local, regional and world markets for molasses and molasses based products. Specifically, it reviewed the markets for molasses to be used for animal feed, or to be used as a feedstock for production of monosodium glutamate (MSG), yeast, citric acid, lysine and fuel ethanol. The analysis included a profile of the market drivers, regulatory and policy framework and key players in each of these sectors. As a second stage to this project, an engineering study was carried out to provide a pre-feasibility assessment for a fuel ethanol plant.
- **European ethanol price report**. This weekly newsletter provides contract and spot prices of pure alcohol delivered for industrial grade ethanol, and comments on fuel and pharmaceutical grades where relevant. Prices are broken down into 5 major producer and user areas in the EU-25, namely West (UK and France), Central (Germany and Benelux), South (Mediterranean), North (Scandinavia) and East (New Member States). Each report includes a concise market comment.
- **The ETBE market in France, Spain and Germany**. This report provides a description of ETBE production capacity, an overview of existing ETBE plants and a comment on actual production in Spain, France and Germany. Based on a discussion of trade in ETBE, domestic ETBE consumption is estimated. In addition, it describes the production of ETBE-gasoline blends in each of the three countries by discussing the blending rates applied at the refineries and the impact of logistical practices on the final ETBE-content of the gasoline sold at service stations. Based on a commentary on trade in ETBE-gasoline blends, domestic consumption of ETBE-gasoline blends was estimated.
- **Review of alcohol management and monopoly abolition in the EU**. This study investigated the issues arising from the management of the alcohol sector and the privatisation of the alcohol monopolies by a series of interviews with relevant government officials and industry participants in selected EU Member States. Specifically it looked at the control and administrative systems previously and currently in place for alcohol in these countries, how they have been liberalised over time and the impact that this liberalisation has had on ethanol prices, trade volumes and domestic market structure.
- **EU crop chains and world crop prices**. This report provided flow charts on EU common wheat, durum wheat, maize and soyabeans supply and demand, from production through to second transformation and exports. Key characteristics and market elements at each stage of each crop's flow change were described. Current and future (2007 and 2015) internal crop prices (wheat, maize, soybeans, rice, sugar and potatoes) were provided in major world producing countries.
- **Analysis of the Energy Balance and costs of transformation of sugar beet into ethanol and other products** (for European Commission, DG Agri and DG Research). Taking into account oil prices, currency exchange rates and interest rates, this study clarifies the economic and commercial environment for bioethanol in order to establish the potential for commercial viability and the main constraints which must be overcome.

For further information on our services and the research and experience of Agra CEAS Consulting, please contact:

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