

**Title:** Biodiesel Development: New Markets for Conventional and Genetically Modified Ag Products

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**Summary:**

With environmental and energy source concerns on the rise, using agricultural fats and oils as fuel in diesel engines has captured increasing attention. Substituting petroleum diesel with biodiesel may reduce air emissions, increase the domestic supply of fuel, and create new markets for farmers. U.S. agricultural fats and oils could support a large amount of biodiesel, but high production costs and competing uses for biodiesel feedstocks will likely prevent mass adoption of biodiesel fuel. Higher-priced niche markets could develop for biodiesel as a result of environmental regulations. Biodiesel has many environmental advantages relative to petroleum diesel, such as lower CO, CO<sub>2</sub>, SO<sub>x</sub>, and particulate matter emissions. Enhancing fuel properties by genetically modifying oil crops could improve NO<sub>x</sub> emissions, cold flow, and oxidative stability, which have been identified as potential problems for biodiesel. Research activities need to be directed toward cost reduction, improving fuel properties, and analyzing the economic effects of biodiesel development on U.S. agriculture.

Copies of this report are available by calling 1-800-999-6779. Ask for U.S. Biodiesel Development: New Markets for Conventional and Genetically Modified Agricultural Products (AER-770).

**Market Segment:** General Interest

**Accessibility:** Public

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