



BUSINESS 2.0

THE 31 BEST BUSINESS IDEAS IN THE WORLD

SOCIAL NETWORKING

A KOREAN IMPORT THAT COULD TOPPLE MYSPACE

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GREEN ENERGY

AUSTRALIA JUMPS AHEAD WITH ITS AMAZING SOLAR TOWER

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WEB 2.0

SMART NEW SITES FROM AROUND THE GLOBE

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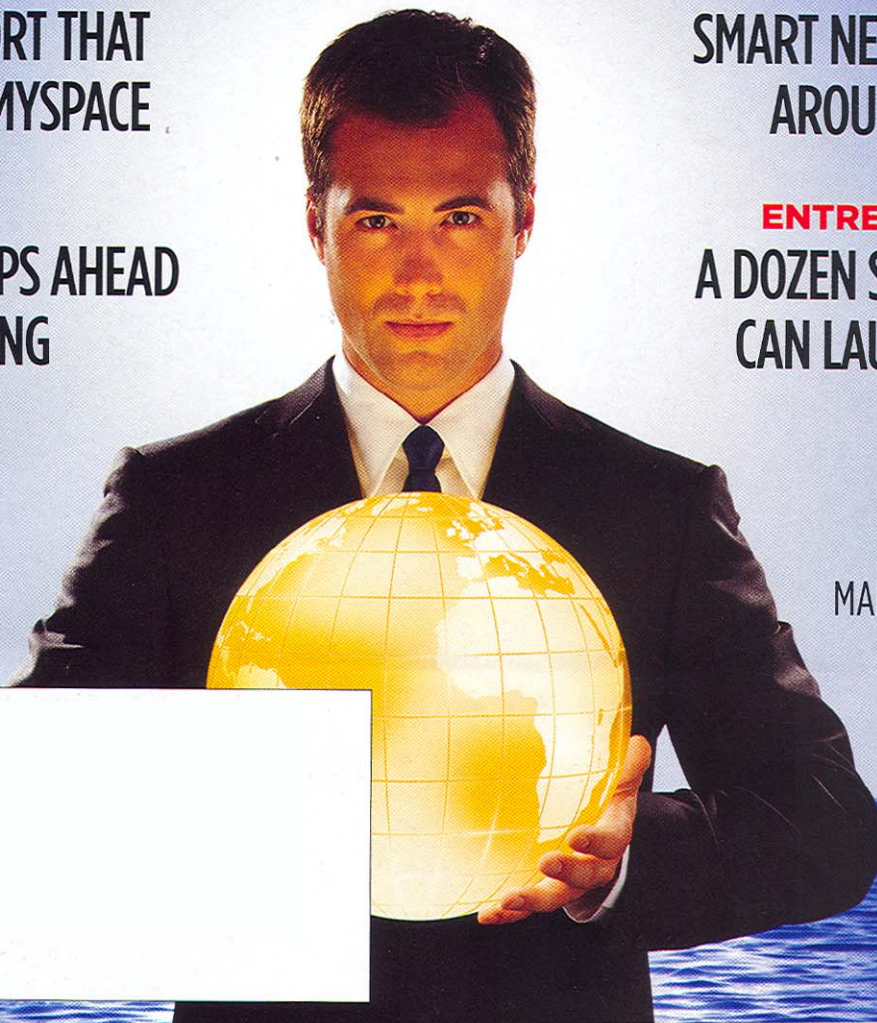
ENTREPRENEURSHIP

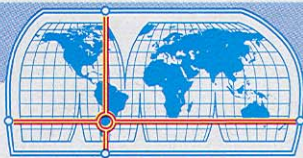
A DOZEN STARTUPS YOU CAN LAUNCH ABROAD

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PLUS:

BULLETPROOF DESIGNER SUITS, MANAGEMENT SECRETS FROM OPUS DEI, AND MORE





THE OPPORTUNITY: Become a biodiesel producer in Argentina.

SOYBEANS THAT GIVE YOU GAS

INVESTMENT LEVEL
\$100K-
\$500K



FUELING GROWTH
Tobias's new plant in Argentina will outproduce all U.S. facilities combined.

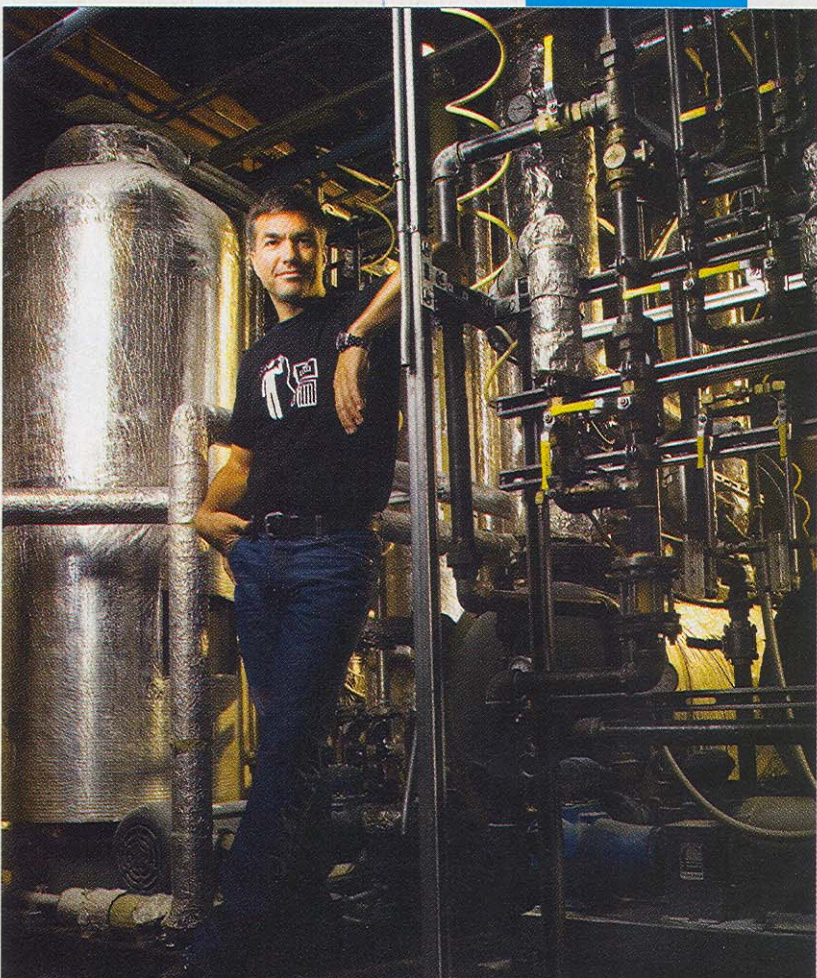
Argentina has three key resources that make a certain niche of investors lunge for their calculators: inexpensive land, cheap labor, and bumper crops of soybeans.

No, we're not talking about ideal conditions for a soy-milk venture. We're thinking bigger: a next-generation biodiesel plant. For starters, the timing is ideal. The \$15 billion global biofuel market is expected to triple by 2015, and one of the most promising niches to step into, experts say, will be refining and selling biodiesel fuel for trucks, buses, and other commercial vehicles in Argentina. Following Brazil's lead, the nation just passed a law mandating that biofuels account for 5 percent of all fuel sold by 2010.

Biodiesel is a renewable fuel because it's made by refining oil derived from plants like soybeans, palm trees, and rapeseed. Thinner than vegetable oil, biodiesel can power diesel engines without further conversion. That gives it a big advantage over ethanol, which burns in standard gasoline engines only when it's blended with petroleum.

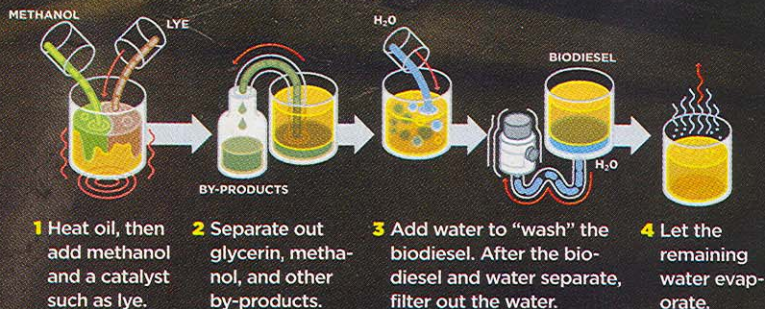
The first significant player in this market just emerged: Imperium Renewables, a Seattle startup, will soon begin building a biodiesel refinery in Argentina that CEO Martin Tobias says will produce 100 million gallons of fuel per year. That, for comparison's sake, is more than the entire U.S. output in 2005. While the VC-backed plant will cost about \$50 million to build and takes 50 people to operate, clean-tech experts consider the Argentine biodiesel market wide open to smaller players. In fact, newer off-the-shelf technology that's currently being commercialized will lower plant construction costs to about \$3 million, a far more digestible sum for angel investors.

It's possible to go even smaller. Tobias's Argentine refinery—to be situated near a major city, which he declines to name—makes sense because the number of customers within a small radius means minimal shipping costs. But Argentina's farmers account for about 75 percent of the country's diesel consumption; entrepreneurs can apply the same sell-local principle by building micro-refineries in rural areas. Last year Edmundo Defferari, an industrial engineer, built a prototype of such a plant 145 miles west of Buenos Aires for just \$150,000. It already produces 130,000 gallons of biodiesel a year and requires human labor only to load the plant with soybeans and turn it on. Defferari sells fuel to local farmers for 95 cents a gallon, about two-thirds the cost of regular diesel. It's a virtuous circle: His customers grow the soybean feedstock that he puts into his machinery. — P.K.



Biodiesel 101

By treating oil from soybeans or other plants with chemicals, you can refine it into a lighter-grade fuel that burns in diesel engines.



Source: Imperium Renewables