

Voluntary Report – Voluntary - Public Distribution

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Report Name: Bolivia Approves Biodiesel Production

Country: Bolivia

Post: Lima

Report Category: Agricultural Situation, Biofuels, Oilseeds and Products

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Report Highlights:

The Government of Bolivia approved the production of biodiesel in 2019 and now plans to build a processing plant in Santa Cruz. The plant is projected to have a production capacity of 1.4 million liters per day and is planned to be operational by 2024. If a mandate of five percent is implemented, the plant could require soy crude oil from 20 percent of Bolivia's three million metric ton soybean crop.

The Government of Bolivia recently approved the production of biodiesel in 2019 and on March 3, 2021, announced plans to construct a biodiesel production facility. This long-awaited measure will open a new market for Bolivia's soybean producers. Bolivia's diesel imports have increased almost five-fold since 2005, from \$305 million to \$1.4 billion in 2019. According to media sources, the government seeks to reduce the outflow of foreign exchange for fuel purchases; Bolivia spent \$12 billion on diesel and gasoline imports from 2006 and 2020. As part of the announcement, President Luis Arce declared the plan would, "achieve energy sovereignty and boost the economy."

For many years, former President Morales' government strongly opposed biofuels production based on the food versus fuels argument. At the end of his administration in 2018, Morales approved production of ethanol from sugarcane.

Bolivia plans to build a biodiesel processing plant in Santa Cruz with a production capacity of 1.4 million liters per day (500 million liters per year), which will require an investment of \$270 million. The plan is to have the plant fully operational by 2024. Bolivia's diesel demand is 2 billion liters per year. Reportedly, this plant will be built by the state owned Yacimientos Petroliferos Fiscales Bolivianos (YPFB). However, Minister of Hydrocarbons Franklin Molina further stated that an international competition for the construction of the plant will be announced in the second half of 2021.

Soybean production in Bolivia has stabilized in the past few years at roughly three million metric tons (MT). The government plans to establish a five percent blend mandate for biodiesel which could require up to 505,000 MT of soybeans, or roughly 95,000 MT of soy crude oil, which would produce 105 million liters of biodiesel. In 2020, Bolivia produced 474,000 metric tons of soybean oil and exported 385,000 metric tons of it, principally to Colombia (53 percent), Ecuador (32 percent), and Peru (11 percent).

Attachments:

No Attachments.