

Excerpt from Nature, December 7, 2006

A field in ferment

To move US biofuels beyond subsidized corn will be a challenge, reports Katharine Sanderson.

Critics of the US ethanol industry have long derided it as an environmentally questionable subsidy to Mid-western farmers that simply serves a transparently political purpose. Voters in Iowa, the buckle in the US corn belt, get first say in the process of choosing presidential candidates. All such candidates are in favour of turning corn (maize), which the state produces in abundance, into ethanol. This pre-presidential support is good for the Iowan economy, but not necessarily that great for the environment.

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Iogen recently secured a \$30-million investment from the bankers Goldman Sachs, bringing the total invested in it since the 1970s up to \$130 million. But not all potential investors are convinced.

.... Matt Drinkwater, market analyst at New Energy Finance in London, UK. And his concerns are not unique to Iogen — many of the companies in the sector, he says, hold details of their processes so close to their chests that they are hard to evaluate, whether they be relatively small outfits such as Iogen or giants such as DuPont, which is also developing cellulosic ethanol technologies. Robert Wilder, who manages the Wilderhill clean energy index — the first such index to be accepted on Wall Street — agrees, but acknowledges the constraints that the chief executives of small cellulosic ethanol companies work under in terms of not tipping their hands to larger competitors.

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