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Cost Analysis of a Startup Biofuels Operation

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Abstract: This paper seeks to analyze the different costs typically encountered in a startup biofuels operation. The focus is on the biodiesel extraction process. The startup operation is based in southeast Georgia. Different costs and analyzed, evaluated and classified based on the frequency of their occurrence as well as their role in the actual production process. The cost analysis is done with the objective of trying to optimize the operation. This consists of minimizing costs where possible. The study can be further extended to include an operations analysis of the production process. Such analysis will lead to the best results in terms of profitability of the overall operation.

Keywords: Biodiesel, Renewable Energy, Direct Cost, Overhead Cost, Revenue, Profitability