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## Economics of biodiesel production from Jatropha oil

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Samodini S. Nevase<sup>1\*</sup>, S.R. Gadge<sup>2</sup>, A.K. Dubey<sup>3</sup> and B.D. Kadu<sup>4</sup>

<sup>1</sup>Department of UCES and EE, Dr. PDKV, Akola (M.S.), India, <sup>2</sup>Department of UCES and EE, Dr. PDKV, Akola (M.S.), India, <sup>3</sup>AEP, CIAE, Bhopal (M.P.), India, <sup>4</sup>Jain Irrigation Systems Pvt, Ltd., Jalgaon (M.S.), India

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The economic feasibility of biodiesel production from jatropha oil was investigated. The biodiesel was prepared by the process of transesterification of the unfiltered jatropha oil, in presence of three per cent of KOH catalyst. Ethanol was added to oil by 30 per cent volume basis. The reaction temperature was kept at  $60 \pm 5^\circ\text{C}$  for 1 h. The developed batch production unit of 5 l capacity at Central Institute of Agricultural Engineering, Bhopal was used for biodiesel production from jatropha oil. The 90.20 per cent of biodiesel recovery was obtained. The economic feasibility of prepared biodiesel was calculated by calculating the various economics of jatropha plantation, jatropha oil extraction, jatropha ethyl ester production. The cost of oil per kg and JEE production cost per liter was found to be Rs. 25.34 and 28.64, respectively.

**Key words:** Biodiesel, Transesterification, Jatropha oil, Economics.

### Introduction

Energy is the driving force in the development of any country. There exist a strong relationship between economic growth and energy consumption. The socio-economic indicator drives the pace of economic development of any country. With regard to population, India is the second largest country in the world and has 17 per cent of the world population. The huge population, from 300 million in 1947 to over one billion people today, is putting strain on environment, infrastructure, employment and natural resources (Lodha and Singh, 2006). A programme for the development of energy from raw material, which grows in the rural areas, will go a long way in providing energy security to the rural people (Naik *et al.*, 2004). Even though many options like fuel cell run by hydrogen, electric vehicles etc. are being explored, use of biodiesel as replacement of petro diesel and ethanol in place of petrol are frontline alternatives as they can be used without any modification or change in the

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\* Corresponding author: Samodini S. Nevase; e-mail: [samodininevase@rediffmail.com](mailto:samodininevase@rediffmail.com)

existing engines avoiding major additional investment. Recently, biodiesel has been receiving increasing attention due to its less polluting nature and because it is a renewable energy resource as against the conventional diesel, which is a fossil fuel leading to a potential exhaustion. Mostly biodiesel is prepared from oils like soybean, sunflower, safflower, rapeseed groundnut, and mustard etc. these oils are essentially edible in nature. Attempts have been made for producing biodiesel with non-edible oils like karanja and jatropha especially available in India. Considering the above facts, the present study was undertaken with the following objective to test the economic feasibility of biodiesel from jatropha oil.

Dorado *et al.* (2006) studied and approach to the economics of vegetable oil based biofuels in Spain. This study identified that the price of the feedstock was one of the most significant factors. Also, glycerol was found to be a valuable by-product that could reduce the final manufacturing costs of the process up to 6.5 per cent, depending on the raw feedstock used. Biodiesel can only compete with diesel fuel prices. Planning Commission of India (2004) has calculated the cost of biodiesel for Jatropha biodiesel considering seed at Rs. 6 per kg. And worked out the cost to be Rs. 20 per lit. (Which is expected at least after 4 years of plantation from then). Dindorkar (2006) studied on the production and energy balance of biodiesel and its performance in CI engine. Economics were calculated for biodiesel production using small scale domestic PKV Biodiesel processor. The cost of biodiesel was found Rs. 29.31 per liter of biodiesel considering seed cost Rs.5/kg.

## **Materials and methods**

Mechanical oil expelling was done for Jatropha oil extraction. CIAE, mini oil expeller was used for small-scale oil extraction of Jatropha. Ethanol ( $C_2H_5OH$ ) was selected as alcohol, and is produced from biomass with less poisonous. Potassium hydroxide (KOH) was selected as catalyst, due to its high reactivity with oil in presence of ethanol. The batch production unit is developed by CIAE, Bhopal for production of biodiesel was used by processing 5 liters of Jatropha oil by using KOH and ethanol in single stage transesterification method. Single stage transesterification method was used for the production of JEE from crude oil of Jatropha. The general procedure adopted for the various trials as follows:- to know the quantity of filtered Jatropha oil, the oil was poured in transesterification vessel, potassium hydroxide was used about 3 per cent (w/v), ethanol was added 30 per cent (v/v), ethanol and KOH was mixed in stirrer, and stirring was slowly done by 50 to 100 rpm, Above mixture was slowly poured in the transesterification vessel containing Jatropha oil. The mixture was heated at 65°C in a closed vessel for alcoholysis, and the

same temperature and speed were maintained up to one hour, to achieve complete transesterification. After an hour, the material was poured in semitransparent settling tank. It was kept at room temperature for 2-3 h for separation of the glycerine. Upper orange-brown ester was separated as bio-diesel from lower thick brownish glycerin by using siphon pump or other suitable means in separate tank. Ester was washed with water and mixed with water in 1:1 proportion followed by air bubble from the bottom of the vessel using air pump. Two times washings of 1-2 h were given, then pH of the bio-diesel decreased in the range from 6.5 to 7.5. Washed bio-diesel was separated from lower whitish washed water, Bio-diesel was heated up to 110°C for 1 hour and 10 minutes to remove the excess moisture and thereafter cooling, bio-diesel was ready for use in any diesel engine.

### Results and discussion

The economics of *Jatropha* plantation cost per ha, per plant and the cost per *Jatropha* plant Rs. 6.00 under rainfed condition as shown in Table 1. Same result was predicted by Planning Commission of India (2004). The economics of *Jatropha* oil extraction from Central Institute of Agricultural Engineering (CIAE) mini oil expeller as shown in Table 2. Capacity of the expeller assumed to be 100 kg per hour and life of plant assumed for 10 years. And plant was supposed to run for 12 h/day and in one month for 25 days i.e. in one month for 300 h and in 10 years 3000 h. cost of oil estimated 25.34 by considering the seed cost Rs. 6/kg by considering profit at 15% the cost of oil was Rs 30 which was used for calculation of economics of JEE. This study showed that the price of the raw oil was one of the most significant factors. Also, seed hull and oil cake were by-products that could reduce the final production costs of the process up to 7.8 per cent. Same result was observed by Dorado *et al.* (2006). The oil cost by using different seed cost was shown in Table 3. It showed that if the seed cost increased by Rs 2/- then oil cost increased by Rs 8/-. The economics of *Jatropha* ethyl ester production was shown in Table 4. It showed that if the *Jatropha* oil cost was Rs. 26/kg, then the cost of *Jatropha* ethyl ester was Rs. 28.64/liter. It seems that production of *Jatropha* ethyl ester is economically feasible. The same observation was reported by Dindorkar (2006).

**Table 1.** Economics of Jatropha plantation

<b>Description</b>	<b>Cost (Rs)</b>
Site preparation –10 MD	500
Alignment and staking-5MD	400
Digging of pits (2500 Nos.)	3500
Cost of FYM (2 kg per pits)	2000
Cost of fertilizer at Rs 6 per kg (50 gm per plant)	800
Mixing of FYM, insecticides and refilling pits at 100 per pit	1000
Planting and replanting cost 100 plants per MD	2000
Irrigation- 3 irrigation	1500
Wedding and soil working	1000
Plant protection measure	300
Sub total	13000
Contingencies at 10%	1300
Total	14300
Cost per plant	5.75

**Table 2.** Economics of jatropha oil extraction

<b>Description</b>	<b>Nos.</b>	<b>Rate</b>	<b>Rs.</b>
<b>A) Fixed cost</b>			
a) Machine cost:	1		
i) Power operated cleaner cum grader having capacity 150 kg/h	1	10000	10000
ii) Dehuller with 1 Hp motor having about 100 kg/h capacity	1	10000	10000
iii) Flanking unit	1	40000	40000
iv) Oil filter press	1	15000	15000
v) Weighing scale, 100 kg capacity	1	10000	10000
vi) Pretreatment of seed	1	10000	10000
vii) Oil expeller	1	100000	100000
Total			195000
viii) Housing, furniture 5%			9750
Total			204750
ix) Salvage 10%			20475
Total			184275
Total per month			18427.5
b) Labor cost:			
i) Skilled operator	1	4000	4000
ii) Helper	2	2000	4000
Total per month			8000
c) Electricity cost per month:			16000
Total Fixed cost (a+b+c)			42427.5
<b>B) Variable cost</b>			
a) Seed cost	30000 kg	6/kg	180000
b) Miscellaneous 1%			184.27

c) Interest 2%			368.55
Total Variable cost (a+b+c)			180552.82
Total cost (A+B)			222980.325
<b>C) Material cost</b>			
i) Oil cake per month	18000	2/kg	36000
ii) Hull per month	4500	1/kg	4500
Total			40500
D) Total less byproduct cost [(A+B)-C]			182480.325
Oil cost per kg (D/seed weight)			25.34

Assumptions: Capacity of the oil expeller was 100 kg/h of Jatropha , Power requirement 20 Hp motor, Operation per day 12 hr, Production of oil cake 60 kg, oil 24 kg, hull 15 kg, 1 kg waste, Sale price of oil cake Rs 2/kg, and hull Rs 1/kg

**Table 3.** Effect of seed cost on oil extraction economics

Seed cost per kg (Rs)	Weight of seed per day (kg)	Seed cost per day (Rs)	Oil cost per kg (Rs)
4	30000	120000	17.01
6	30000	180000	25.34
8	30000	240000	33.67
10	30000	300000	42.01
12	30000	360000	50.34

**Table 4.** Economics of jatropha ethyl ester production

Sr. No.	Description	Nos.	Rate	Rs.
<b>A) Fixed cost</b>				
Machine cost:				
1)	Cost of machine	1	50000	50000
2)	Depreciation 10%			4500
3)	Interest 2%			1000
4)	Maintenance 1%			500
	Total			56000
	Cost/day (Capacity 200 l/day)			28.00
<b>B) Variable cost</b>				
1)	Jatropha oil	200 l/day	26/kg	5200
2)	Ethanol	60 l/day	35/l	2100
3)	Catalyst	6 kg/day	10/kg	60
4)	Electricity	10 kW/day	4	40
5)	Labor	1	100/day	100
	Total			7500
<b>C) Byproduct cost</b>				
	Glycerol	30 l/day	60/l	1800
	Total			1800
	Total cost [A+(B-C)]			5728
	Total cost of JEE per liter			28.64

Economics of Jatropha biodiesel production in the biodiesel processor were developed and started with oil of Jatropha. The cost of production for the processor was around Rs. 5000 and plant age was considered approximately 10 years. The cost of JEE was estimated as Rs. 28.64 by considering seeds and Jatropha oil cost of Rs. 6/kg and Rs. 26/kg., respectively. Biodiesel production was found to be affordable and comparable to the existing diesel prices.

## **Conclusion**

The cost of JEE was found to be Rs. 28.64 per liter (by reducing cost of byproducts) when the cost of Jatropha oil was a Rs. 26/kg and that of seed cost was Rs. 6/kg. Biodiesel is gaining acceptable worldwide as a solution for problem of environmental degradation, energy security, restricting imports, rural employment and attaining better agricultural economy.

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