
DANVILLE — A new investor has taken the helm of a biodiesel plant in Danville with plans to begin production there by the end of the year.

Blackhawk Biofuels LLC of Freeport announced Thursday it has completed the acquisition of a 45-million-gallon-per-year biodiesel production facility behind Bunge Milling.

Blackhawk acquired the Danville project from Biofuels Company of America LLC, the original investment group for the project.

The plant initially was designed to produce high-quality biodiesel using soybean oil produced by nearby Bunge Milling.

But the increased cost of soybeans threatened to derail the project just as construction neared completion on the facility, said Vicki Haugen, president and CEO of Vermilion Advantage.

“What has happened, because of the cost of soybeans and soybean oil, is that it was cost prohibitive to start up the plant,” she said.

“Now we have new investors and a new investment because of what the market was doing,” she said.

Blackhawk will make a significant enhancement at the facility by upgrading the plant’s process technology to allow alternative feedstocks, such as animal fats, to be used in biodiesel production.

This will allow Blackhawk to select feedstocks that are price competitive and enhance the operating characteristics of the fuel.

“Our investment in the Danville plant and the upgrade of its process technology will strengthen the investment already made in Danville and will contribute to Illinois’ goal of market leadership in renewable fuels,” Blackhawk Biofuels Chairman Ron Mapes said in a press release.

Local officials are relieved the biodiesel plant will now be put into production.

“This plant had the potential of being mothballed due to market conditions, like many biodiesel facilities around the country,” Danville Mayor Scott Eisenhauer said.

“I join hundreds of families in the Danville area in thanking the governor and the new owners for saving our plant and the jobs made possible by this plant’s long-term success,” he said.

The State of Illinois has pledged $19.8 million in support to leverage $25 million in private funding by the new owner and Iowa-based Renewable Energy Group Inc. (REG) to complete construction of the facility and upgrade technology.

Haugen said the new investors will construct additional storage for the other feedstock.

“The original construction is done,” she said. “Now there will be added construction of storage tanks before it can start up.

“It will be close to the end of the year before it’s in production,” she said of the facility.

REG will assume responsibility for the additional construction and will manage plant operations, procure feedstocks and market the biodiesel produced by the facility when it becomes operational.

The improvements to the biodiesel plant will enable it to produce biodiesel from animal fats as well as soybean oil, making it one of only a handful of plants nationwide with this capability.

This ability will help ensure the plant’s profitability, create 25 new jobs at the start up of the biodiesel plant and secure more than 100 jobs at Bunge Milling, as well as approximately 75 construction jobs.

Blackhawk Biofuels will partner with REG to operate the facility. REG, a leading biodiesel producer and marketer, will operate the Danville facility and market the plant’s biodiesel.

The project will receive financial assistance guaranteed by the state through the Illinois Finance Authority (IFA) and another $4.8 million in Opportunity Returns grants for construction through the Illinois Department of Commerce and Economic Opportunity and the Illinois Department of Transportation.