Introduction

India is one of the fastest growing economies in the world. The Development Objectives focus on economic growth, equity and human well-being. Energy is a critical input for socio-economic development. The energy strategy of a country aims at efficiency and security and to provide access, which being environment friendly and achievement of an optimum mix of primary resources for energy generation. Fossil fuels will continue to play a dominant role in the energy scenario in our country in the next few decades. However, conventional or fossil fuel resources are limited, non-renewable, polluting and, therefore, need to be used prudently. On the other hand, renewable energy resources are indigenous, non-polluting and virtually inexhaustible. India is endowed with abundant renewable energy resources. Therefore, their use should be encouraged in every possible way.

This project aspires to contribute to the discussion regarding the development of non-edible or bio-fuel production plant in Karnataka. More specifically, operation cost, financial conditions and to see the working capital to focus on establishing a long-term relationship business and downstream agribusiness (processors, exporters and retailers) on the other. Also the provision of extension services such as finance, training, inputs, etc. enhance the development and capabilities which can stimulate the development of sustainable market linkages. However, there are high costs and risks associated with linking production of bio-fuel. Problems with regard to production costs and volumes, poor access to information, etc., raise the transaction costs of working with a large number of small farmers. In addition, the low production capacity of smallholders is an obstacle to achieve economies of scale.

Objectives

1. To find out the sourcing of non-edible oil seeds
2. To find out the processing cost of non-edible oil seeds
3. To estimate the marginal cost of processing of bio-fuel.

**Methodology**

The methods and methodology are selected such that the objectives can be fulfilled

**Out sourcing of non-edible oil seeds**

Availability and location of various types of non-edible oil seeds available in Karnataka state was be analyzed based on the literature review. Also, the various way of out sourcing of non-edible oil seeds was analyzed. The data will be used to create a matrix which gives the seeds out sourcing during a year.

**Processing cost of non-edible oil seeds**

Here we directly interact with farmers to know the cost of the different types of seeds and also what is the cost incurred for collecting the seeds, farming seeds, what are their carrying cost, what are the cost of its by-products, which helped us to calculate the processing cost of non-edible oil seeds.

**Marginal cost of processing of bio-fuel.**

Cost of different types of non-edible oil seeds was analyzed, because it is one of the important parameter for analyzing the cost of raw material and also marginal cost of processing of bio-fuel.
Scope of the study

Our study focuses on Hassan district, Doddabalapur, Chikkaballapur, and Tumkur in and around for the collection of data.

The study emphasized on the sourcing and processing production plants (either in large scale or in a laboratory) was the focused region for our research to gain access to the cost incurring on the procurement and processing of non-edible oil seeds.

“Small is beautiful” was the baseline of our research where we have undertaken a specific seeds like Jatropa, Neem, Pongamia and Hippe, are main focused seeds and sources for the generation of bio-fuel and by-products.

The study focuses on adoption and application of cost cut, cost control and cost monitor as an indicator to minimize the cost to the fullest in the process.
Results and conclusion

Results
From the above research the non edible seeds production is increasing year by year and also the government initiatives and their developmental programs have given a significant result in year 2014-15, hence for the commercialization or large scale operation in bio-fuel industry with an emerging of both domestic and foreign players.

Availability of raw material, technological advancement has gradually decreasing the cost of production of the bio-fuel and the demand for bio fuel is core objective for creation of many entrepreneurial talents so, both push from government, entrepreneurs and research institutes and pull factor from corporate customers, next best alternative for fossil fuel has created an immense opportunity to enter, grow and flourish in bio market.

Conclusion:

Procurement
Use of both organized and unorganized sources for procurement of seeds which enable a constant flow of input into production system which makes the business to expand their operations.

Use of competitive pricing technique which enables the concern to gain access to premium quality seeds at the most appropriate price for both framers and buyers.

Processing
The process need to be simplified and systemized so that the product flow from the start to end can be done in a better manner which yields revenue through cut down of complex process and to achieve economies of scale in a faster way.

Adoption and usage of SOP (Standard of Processing) makes the business concern to elaborate and expand its operation in a most effective way which creates an immense opportunity for low investment business with higher return on it, through usage of proper cost check in all the functional process of the business.

Edible oils are in use in developed nations such as USA and European nations but in developing countries the production of edible oils are not sufficient. In a country like India, there are many plant species whose seeds remain unutilized and underutilized have been tried for biodiesel production. Non-edible oil seeds are the potential feedstock for production of biodiesel in India. These species have shown promises and fulfills various biodiesel standards. India, with its huge waste/non-fertile lands, has taken a well noted lead in the area and commercial production. Proper processing of non-edible oil seeds and transesterification can ascertain the quality of biodiesel and can be fulfill the large commercial application.
Scope for future work:
The future success of these non edible – oil as a sustainable source of feedstock for the bio-fuels industry is reliant on an extensive knowledge of the genetics, physiology, and propagation of these species. In particular, research should be targeted to maximizing plant growth as it relates to oil biosynthesis.
This research will help in trade related policy initiatives to elevate farmer rights in selling of the seeds. Emerge of more consumption in non-edible oil seeds lead to diversify and renew the resources. It will also help the farmers in crops improvisation in producing of seeds.

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