



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-7010

April 2, 2007

Scott H. Pearce
President and Chief Executive Officer
BioFuel Energy Corp.
1801 Broadway, Suite 1060
Denver, CO 80202

**Re: BioFuel Energy Corp.
Amendment No. 2 to Registration Statement on Form S-1
Filed March 15, 2007
File No. 333-139203**

Dear Mr. Pearce:

We have reviewed your filing and have the following comments.

Recapitalization, page 32

1. We have reviewed your response to comment 2 in our letter dated February 7, 2007. Paragraph 13 of EITF 98-5 states that, for a security that becomes convertible only upon the occurrence of a future event outside the control of the holder, any contingent beneficial conversion feature should be measured at the commitment date but not recognized in earnings until the contingency is resolved.
 - Please clarify for us when the commitment dates are for each different class of equity being converted into one class of equity. Paragraph 16 of EITF 00-27 defines the commitment date as the date in which a binding, legally enforceable agreement with an unrelated party specifies all significant terms and includes a disincentive for nonperformance that is sufficiently large to make performance probable. If, subsequent to the initial commitment dates, there were any changes to the agreement to exchange existing classes of equity for one class of equity, please tell us if you have recognized new commitment dates and if not, why not. See paragraphs 8-12 of EITF 00-27.
 - Please provide us with your analysis as to whether there are any beneficial conversion features associated with your preferential ratios of exchange. You state that the dollar amount of liquidation preference for each holder will be determined by the pricing of the IPO. Please provide an estimate of the IPO price in your analysis. See cases 2 to 4 of EITF 98-5.

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2. Registration statements, including pre-effective and post-effective amendments filed on or after December 15, 2006, that are required to include Items 402 and 404 of Regulation S-K disclosures for fiscal years ending on or after December 15, 2006, must comply with the requirements adopted by the Commission and published in Release No. 33-8732A. Please revise. For guidance, you may wish to refer to our compliance and disclosure interpretations and our transition questions and answers on executive compensation and related person disclosure, both of which are available in the Division of Corporation Finance's section under "SEC Divisions" on the Commission's website at www.sec.gov.

Please direct questions regarding accounting comments to Jeffrey Gordon at (202) 551-3866 or in his absence, Rufus Decker at (202) 551-3769. Please contact Brigitte Lippmann at (202) 551-3713 or in her absence, Lesli Sheppard at (202) 551-3708 with any other questions.

Sincerely,

Pamela A. Long
Assistant Director

cc: Ronald Cami, Esq.
Cravath, Swaine & Moore LLP
825 Eighth Avenue
New York, NY 10019