

Canola Council's Diesel Digest

EU to extend energy crop aid to all Member States

Vol. 1, Issue 11, Sep. 28, 2006

The European Commission has proposed to extend the energy crop premium introduced by the 2003 Common Agricultural Policy (CAP) reform to the eight Member States which currently do not benefit from it.

The countries affected are the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Poland, and Slovakia. This would involve increasing the maximum area, which can benefit from the aid to 2 million hectares from 1.5 million at present.

The data on the development of ethanol and biodiesel production as well as recently constructed capacities shows a dramatic increase in the demand for energy crops within the next few years. The aid for energy crops is an incentive for farmers to produce crops for energy purposes.

Currently, the majority of the EU member states encourage the use of biofuels in transport by tax incentives. But by 2008, most countries would introduce obligatory measures. The EU introduced a 45-euro per hectare (CAD\$25.75 an acre) aid for energy crops in 2004 to provide an incentive for farmers to grow the raw materials for biofuels. Between 1.2 million and 1.3 million hectares of biofuel crops are being subsidized in 2006, according to the Commission.

The farming of energy crops has become economically viable as oil prices climb, said a Commission spokesman on Friday. The EU is heavily dependent on external energy supply. Dependence in the transport sector exceeded 80 percent in 2004, much higher than the United States, China and India.

[More Details: \(BUSINESS UPDATED\) \(CHINA VIEW\)](#)



Biodiesel: The future's fuel

Diesel Digest

The Canola Council's News-wire on World Developments in Biodiesel

"I think it's really a case of renewables becoming a mainstream part of the energy mix that we use every day."

Kory Teneycke
Executive Director
Canadian Renewable Fuels Association

Brazil biofuel investors not worried about oil

Falling oil prices don't scare a group of U.S. and Brazilian investors currently looking to build the world's largest biodiesel plant in a small town in the interior of Sao Paulo state, says David DeWind, one of the lead investors in Brasil Eco Energia, a new biofuel company forming in Brazil.

"Oil is a big player in the entire world push for biofuels. It's the benchmark," DeWind said in an interview with Dow Jones Newswires. "But you have to look at the global situation. You have increases in population, you have increases in energy consumption and even if they discover an oil field off the coast of the Gulf of Mexico, you're looking at years before that oil comes on line. It's years before you have fuel cells. And even when you have that, biofuels will still be big because of global warming concerns and that is not going to go away."

Their goal is to build the world's largest biodiesel plant, capable of producing 835 million liters of biofuel annually. Archer Daniels Midland (ADM) is also planning to build a biodiesel plant in Mato Grosso, which will produce all of its fuel from soybeans. The current largest biodiesel plant currently produces over 500 million litres and is located on the Poland-Germany border.

Construction begins in the first quarter of 2007, with the facility fully operational by 2008, the year Brazil mandates a 2% mix of biofuel in all diesel fuel, DeWind said. The Brazil biodiesel market will consume some 800 million litres just to meet the 2% mix rule. That mix could increase to 5% by 2010, according to government estimates.

[More Details \(MARKET WATCH\)](#)

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Containerized biodiesel plants to begin construction

Green Star Products, Inc. announced that it will start constructing containerized biodiesel plants at the Glens Ferry Idaho facility. Joseph P. LaStella, P.E. President of GSPI, stated, "The next logical step in the evolution of biodiesel plant construction would be to build fully operational biodiesel plants in approved ocean transportation containers at a central assembly location. This concept would be similar to the techniques used in modular housing (pre-fabrication) construction."



Advantages include:

- Assembly line type of production at a central location allows for multiple plant site locations to be developed simultaneously, both in the U.S. and abroad.
- Transportation costs are greatly reduced using standardized containers shipped by truck, rail or by ocean freight.
- Fire protection systems with the latest foam technology can be installed before shipment.

Recently, the first two 40-foot containers arrived from Long Beach Harbor in California. Presently, Long Beach has an abundance of containers, which are not being returned to China and are available at low prices.

The Glens Ferry facility is located on 7.8 acres, which includes a 90,000 sq. ft. building with 1,000 feet of railroad spur, eight indoor grain silos (each with a capacity of 16,500 bushels), bulk grain elevators and handling facilities. The Glens Ferry site will serve as a fabrication facility and a biodiesel production facility.

[More Details: \(BUSINESS WIRE\)](#)

Honda Motor Co. unveils 'super-clean' diesel engine

Honda Motor Co confirmed it has developed a clean diesel engine car that it intends to introduce into the US market within three years. The first diesel passenger car engine capable of meeting California's tough 2009 air-quality standards. The "super-clean" diesel's emissions will be no greater than those of a gasoline engine, Honda said.



Honda unveiled the new engine, capable of propelling an Accord sedan to speeds in excess of 190 KPH, during a demonstration at its research centre, 160 km north of Tokyo.

The new diesel motor is considered more cost-effective and efficient than hybrid motors, according to Reuters. The motor is so efficient that it could be used to replace gasoline driven cars. Diesel engines, which now power half of Europe's new cars, are slowly gaining traction with fuel-conscious consumers around the world since they typically get 30 percent better mileage than gasoline cars. Honda, the world's largest engine maker and second behind Toyota Motor Corp. in production of gasoline-electric hybrid power systems, intends to add four- and six-cylinder diesels to its arsenal to help set it apart from rivals.

[More Details: \(REUTERS\)](#)

North America's newest biofuel test centre opens



The Saskatchewan Research Council (SRC) officially opened its Biofuels Test Centre in Regina last week. The SRC test centre is a fully-qualified and accredited facility which will offer reasonably priced, fast and reliable tests to the biofuels industry on a fee-for-service basis.

These tests will help producers validate the quality of their product as well as helping them to ensure that it meets the full range of Canadian and International industry standards. Executive Manager Zenneth Faye said "Having SRC's Biofuels Test Centre located in the province will greatly improve turnaround times and our accessibility to their independent, third - party testing verification which MBTI requires to meet customers' needs."

"This facility, the newest biofuels test centre in North America, builds on SRC's more than 20 years of experience providing testing services for the petroleum industry," Deputy Premier and Regional Economic and Co-operative Development Minister Clay Serby said.

[More Details: \(RELEASE\)](#)

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Petrobras given go-ahead to build its first biodiesel plants



Brazilian state-controlled oil company Petrobras said it has received environmental licenses to build biodiesel plants that are part of the company's broad renewable fuels plan. Its objectives include making 855 million litres biodiesel/year by 2011. Petrobras is considering 15 new biodiesel plants in several regions of Brazil, with partners ranging from large investment groups to rural worker unions.

The first three plants will produce a combined 57 million litres/year of biodiesel. Petrobras has been buying biodiesel from several plants run by farmer groups that began producing last year, mostly in the northeast. Petrobras also unveiled plans this year to begin adding soybean oil to its conventional hydro-cracking process in some of its refineries, to make a diesel fuel that contains part vegetable oil. The technology, known as H-Bio, will begin commercial production by the end of the year.

[More Details \(PLATTS\)](#)

Finnish Neste targets over 2 million tonnes from biodiesel plants by 2016



Neste Oil said it plans to become the world's biggest biodiesel producer over the next decade using its in-house, biomass-to-liquids technology to make clean, renewable diesel fuels. Its new biodiesel projects would total at least 2 million MT/year (40,000 barrels per day) over 10 years.

Neste NExBTL biomass-to-liquids technology is capable of producing high-quality diesel fuel from a variety of renewable raw materials, such as vegetable oil and animal fat. The EU's biofuels directive has targeted a minimum level of biofuels as a proportion of fuels sold in the EU of 5.75% by 2010 and 20% by 2020. The EU is keen to promote the use of biofuels as part of commitments to cut emissions of CO₂ by the transport sector and reduce Europe's dependence on imported oil.

[More Details: \(PLATTS.COM\) \(FORBES\)](#)

Agrenco, Co-ops to invest in Biodiesel plants – Brazil

Dutch agribusiness group Agrenco and two Brazilian agriculture cooperatives together plan to invest USD\$100 million to build three biodiesel plants in Brazil, Agrenco said in a statement. The plants, which are due to start operations by the end of 2007, will have combined capacity to produce 380,000 tonnes of biodiesel a year.



The plants will be in the states of Mato Grosso, Mato Grosso do Sul and Paraná. The two cooperatives are C Vale Agroindustrial from Mato Grosso and Coagri from Mato Grosso do Sul. The plants will use different oilseeds purchased from 20,000 small-scale farmers. Some 57 new biodiesel plants are due to start operations in coming years, according to the Mines and Energy ministry.



[More Details: \(BN AMERICAS\)](#)

Ohio Governor Johnson encourages expanded use of soy biodiesel



Lieutenant Governor Bruce Johnson today encouraged increased use and production of soy biodiesel, a renewable, domestic energy resource. Soy biodiesel is a fuel that burns cleaner than conventional petroleum and requires no special modifications to existing diesel engines. Johnson delivered his remarks at "Soy Biodiesel...Fueling Ohio's Future," an event sponsored by the Ohio Soybean Council, Ohio's Tomorrow and Peter Cremer North America.

Johnson also praised Columbus' Central Ohio Transit Authority (COTA), which is fueling its 234 buses with soy biodiesel and is using a B90 blend (90 percent soy biodiesel and 10 percent petroleum), the highest blend used by a transit system in the nation. COTA buses use an estimated 1.2 million gallons of soy biodiesel, saving COTA and estimated \$400,000 a year.

[More Details: \(RELEASE\)](#)

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