



## Canola Council's Diesel Digest

Alberta to invest in biofuels

Vol. 1, Issue 12, Oct. 18, 2006

Alberta will invest \$239 million over the next five years as part of nine-point plan to increase the production of 'bio energy', including ethanol and biodiesel according to a release by Doug Horner, Minister of Agriculture, Food and Rural Development.

The largest component of the plan, a four-year Renewable Energy Producer Credit Program, will provide \$209 million to bring more renewable fuels into traditional fuel and energy markets.

### Renewable Energy Producer Credit Program (\$209 million from 2007-2011):

- A program to encourage production and incorporation of bio energy products within the marketplace.
- Biofuel producer credits will be provided to Alberta manufacturers and reviewed annually against key competitive North American jurisdictions. The minimum credit will be equal to the Alberta Fuel Tax, which is currently at nine cents per litre.
- Biogas producer power credits will be implemented and the credit will apply to Alberta commercial production and reviewed annually.
- Annual program budget will not exceed the \$209 million over the life of the program; therefore production eligible for program support may be capped based on annual manufacturing estimates.
- Program will replace the existing Alberta ethanol fuel tax exemption of nine cents per litre.

The program will be reviewed annually against competitive North American policies.



Hon. Doug Horner

*Biodiesel: The future's fuel*

### Diesel Digest

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

"We in Canada have a window of opportunity that is narrowing ...we need to catch up to the rest of the world to put a renewable fuel strategy in place, like the Americans, like Europe."

**Brad Hanmer,**  
Past-President Saskatchewan  
Canola Growers Association

[More Details: \(RELEASE\) \(INFRASTRUCTURE PROGRAM\) \(MARKET DEVELOPMENT\)](#)

**To: Prime Minister Stephen Harper and Members of Parliament**

**Re: Support Canola-based Biodiesel - a Made in Canada Opportunity for the Made in Canada Crop - Signature Tally: 00520**

More than 40 years ago, Canadians seized the opportunity to build a new industry with the development of canola. Today, canola contributes over \$11 billion to Canada's economy. A window of opportunity exists for the development of a domestic biodiesel industry - with the potential to stabilize acreage and improve the net return from growing canola by providing an important third market to the North American food industry and raw seed exports markets. But we need to act now if we are to build Canadian biodiesel production facilities before those investments are made elsewhere. We urge the Government of Canada to develop and fund a National Biodiesel Strategy by the end of 2006 that includes:

- A Renewable Fuels Mandate for transportation fuels including a diesel specific requirement to ensure demand for biodiesel
- Policy incentives to support "Made in Canada" biodiesel production that maintain a competitive balance across North America (
- Mandated performance-based quality parameters for biodiesel that address the realities of the Canadian climate and ensure end user acceptance
- Opportunities for growers to actively participate in the canola biodiesel value

[More Details \(MANITOBA CANOLA GROWERS ASSOCIATION\)](#)

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## Ted Turner, Chairman of the UN Foundation on Bio-fuels

Farmers have always grown crops for food and fibre. Today, farmers can grow crops for food, fuel and fibre. This changes the future. There's a huge market for palm, soy, and rapeseed oil that can be made into biodiesel. Agriculture is changing from an industry that faces limited demand to an industry that faces unlimited demand, from an industry facing low prices, to one facing high prices.



There is a huge and growing opportunity in agriculture for farmers who can grow fuel. Biodiesel production is up nearly fourfold. And demand is so great that even though Brazil produces almost a quarter of the world's sugar, it still struggles to meet its own domestic demand for ethanol.

It's also an opportunity to do something for the earth and humanity. Biofuels are far better for the planet than fossil fuels. They can dramatically cut greenhouse gas emissions. And biofuels are renewable. You don't have to spend billions of dollars finding new oil fields in the ocean. You don't have to put new wells in national parks. And you don't have to negotiate with countries oceans away. You have to plow and plant seeds. We've been doing that for a long time.

The emergence of biofuels creates something like a merger between two industries: agriculture and energy. When agriculture (an industry with slow-growing demand) is merging with energy (an industry with fast-growing demand), it's a very bullish change for agriculture. This gives developed countries a chance to end the stalemate over agriculture subsidies by giving farmers incentives to grow biofuels and by giving consumers incentives to use them.

[More Details: \(TED TURNER\)](#)

### President Bush Discusses Energy at Renewable Energy Conference

Excerpts from his speech on October 12, 2006:

- I view this as kind of a meeting of pioneers, people who are on the leading edge of change, and people whose research, thought, and production will all help this country become stronger and better. And so I appreciate you giving me a chance to come by and visit with you.
- I have been to a biodiesel plant in Virginia. And it doesn't take much capital investment to refine biodiesel from soy, soybeans; it just doesn't. Biodiesel is coming. It makes a lot of sense for us to continue to invest in biodiesel technologies to make the production process even more efficient. I have seen biodiesel poured into a new truck, and watched that truck crank right up, and realize it emitted no emissions. I know, because I put a handkerchief over the stack.
- See, I like the idea of promoting a fuel that relies upon our farmers. I happen to believe a good farm economy is important to a good national economy
- Oh, I'm sure there are some people out there saying, well, you know, he's just dreaming. Well, I'm just listening to the dreamers who happen to be good, smart, capable people who know what they're talking about.



[More Details: \(WHITEHOUSE.GOV\)](#)

### Austria's Biolux starts building China biodiesel plant



Biolux started construction on a wholly-owned project to produce biodiesel in Nantong City, China.

According to Veit Schalle, chairman of Biolux, the 120 million euros project is the largest ever Austrian agricultural project in China. The project will process de-gummed rapeseed oil into biodiesel with an annual production capacity of one million tonnes.

Construction on the first-phase of the project will be completed by the end of 2007, with an annual production capacity of 265,000 tonnes through processing 700,000 tonnes of rapeseed. Its products will be sold to EU countries and other international markets. According to an agreement signed by Biolux and the local agricultural bureau, Nantong will provide 325,000 hectares of rapeseed for the project every year. China's is the world's largest rapeseed production base (11.4 million metric tonnes in 2003) and nearly 75% of its rapeseed grows in the drainage basin of the Yangtze River.

[More Details: \(PEOPLE'S DAILY ONLINE\)](#)

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## Caltex Australia begins supply of diesel containing 2% biofuel

In a first for Australia, all of the 550 million litres/year of diesel supplied by Caltex from its Newcastle terminal is to contain biodiesel. The blended diesel is to be progressively rolled out from October 3 to around 185 Caltex service stations in the eastern state of New South Wales.



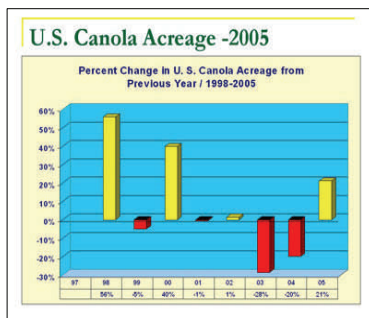
The Australian government is keen to boost the take-up of biofuels and plans to lift national output to at least 350 million litres/year, or around 2% of the current transport fuel market, by 2010. Caltex has said previously that it believed the target could be reached as early as between mid-2007 and mid-2008.

Des King told Platts the introduction of biodiesel also represented an important diversification of supply in the Australian market, which imported 30% of the entire diesel it consumed in 2005.

"Caltex is working with biodiesel suppliers in key regions to grow and expand this emerging industry," King said. "The product will also be supplied from other Caltex terminals when biodiesel supply arrangements and infrastructure modifications have been completed."

[More Details \(PLATTS.COM\) \(CALTEX\)](#)

## North Dakota Could See Canola Crops Double



North Dakota could see its canola crop double with the increasing demand for biodiesel fuel and the recent government acknowledgment that canola oil may be good for the heart.

Canola acreage in North Dakota hit a record 1.3 million in both 2001 and 2002. Barry Coleman, executive director of the Northern Canola Growers Association, expects that record to be broken soon.

"In two to three years, 2 million acres is a very real possibility," he said.

[More Details:](#)

## Canola Crushing Plants Tip of the Iceberg

Brad Hanmer greeted the news that James Richardson International (JRI) and Louis Dreyfus plan to build crushing plants in Yorkton with something just short of jubilation.

"The world is absolutely hungry for vegetable oil," he stated. "Biodiesel is playing a huge role in that, but also the healthy aspects of canola oil are really starting to take hold." Biodiesel is where Hanmer's infectious enthusiasm for the future of canola really starts to kick in.

"Every other major agricultural jurisdiction in the world has got a plan in place to integrate biodiesel and ethanol into the fuel system. We don't here in Canada yet."



Brad Hanmer

[More Details: \(DISCOVER MOOSE JAW\)](#)

## Portland, Oregon, Requires Green Garbage Trucks

The city of Portland will require all residential garbage and recycling haulers to use a biodiesel blend fuel beginning in March 2007. The blend of 20 percent biodiesel fuel will reduce carbon dioxide and particulate matter emissions.

The move is equivalent to taking 240 cars off the road, according to a news release from the U.S. Environmental Protection Agency.

A total of 29 haulers serve Portland's residential customers, each assigned franchises to specific parts of the city. Portland is the first city in Oregon to adopt the B20 standard for haulers.



[More Details: \(CHRON.COM\)](#)

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