



## Canola Council's Diesel Digest

### Manitoba - A biodiesel blueprint

Volume 1, Issue 4, June 14, 2006

In case you haven't noticed, the biofuels revolution is on.

The Manitoba government eliminated all provincial taxes on Manitoba-produced pure biodiesel in March.

Manitoba Hydro is using a 20% biofuel blend in its trucks in summer, and a 5% biodiesel blend in winter. Manitoba Hydro is already running about 60 medium-sized to heavy trucks on biodiesel fuel blends.

And growers will reap the benefits. About 70% of the cost of biodiesel is the feedstock, not labour. Also, local communities planning to build biodiesel plants have a built-in market.

Any biodiesel plants will also add another market for farmers' canola — the best crop for making biodiesel because it has the best flow in cold temperatures.

In biodiesel, Manitoba is way ahead of the rest of the country. Any biodiesel plants being contemplated will need about 10 full-time staff, operating three shifts, adding very welcome employment in rural regions.

Manitoba burns 850 million liters of diesel fuel a year. Replacing 10 percent of that purchase with biodiesel would use up more canola than Manitoba grows. Plus, there's great demand outside the province. Europe has started calling Manitoba, looking to buy biofuel. "We could end up shipping product there by tanker. The European market is just starving for biodiesel."

[More Details: \(BRANDON SUN\)](#)



*Biodiesel: The future's fuel*

### Diesel Digest

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

"The use of plant oil as fuel may seem insignificant today. But such products can in time become just as important as kerosene and these coal-tar-products of today."

**Rudolf Diesel** – in 1912, in his application for a patent that bares his name

### U.S. Government leading by example



The White House presented the prestigious Closing the Circle Awards at a ceremony Monday, and three of the winners use a 20 percent biodiesel blend (B20) to help them achieve outstanding environmental track records.

They are the Department of Defense, Naval Station Great Lakes; the Department of Energy Green Fleet Team; and the U.S. Postal Service.

"We're thrilled to see the use of biodiesel within the federal government continuing to grow and its users recognized with this important award," said Joe Jobe, CEO of the US National Biodiesel Board. "These fleets are important models to their peers as well as the nation at large."

The U.S. Postal Service delivers more than 46 percent of the world's mail volume -- some 212 billion letters, advertisements, periodicals, and packages a year -- and serves seven million customers each day at its 37,000 retail locations nationwide.

Economic work conducted at the University of Missouri estimated the benefits of producing biodiesel in a metropolitan region. This study concluded that 100 million gallons of biodiesel production could generate an estimated \$8.34 million increase in personal income and over 6,000 additional temporary or permanent jobs for the metropolitan region.

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

To remove your name from our mailing list, please reply to this email with UNSUBSCRIBE.

Questions or comments? E-mail us at : [ismanb@canola-council.org](mailto:ismanb@canola-council.org)

## Iowa Governor Signs Renewable Fuels

Gov. Tom Vilsack signed into law two renewable fuels and infrastructure bills. One provision is that point-of-sale retailers will receive a three cent income tax credit on each gallon of a two percent (B2) blend or higher. To qualify, at least half of the distributor or retailer's diesel sales must be B2 or higher blend levels. The signing also establishes a renewable fuels standard, saying sales of ethanol or biodiesel must equal 25 percent of a retailer's fuel sales by 2020. There are exceptions for small fuel r e t a i l e r s .

Specifics of the biodiesel and renewable fuels bills include establishment of a three cent-per-gallon tax credit until 2012; a system for the delivery of infrastructure support for biodiesel point-of-sale, as well as infrastructure grants; 50 percent cost-share assistance up to \$50,000 per project for biodiesel-related projects such as retail sites or terminal racks; statutory recognition of the ASTM and EPA definitions of biodiesel; and support for increased state monitoring of fuel quality.

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



## Australian farmers call for more help to for biodiesel production

Australian farmers trying to establish commercially viable biodiesel operations say the Federal Government needs to do more to encourage development. Victorian farmer Josh Pearce, who has set up a plant at Donald, in the state's west, says taxing biodiesel at the same level as ordinary diesel is a disincentive to farmers making or using it.

He says in the face of rising fuel costs, grain farmers particularly, have a great opportunity to start growing some of the fuel they need for their farms. "There should be a few more incentives for people to actually get into the biodiesel industry, and even for some sort of tax benefit for farmers and for people to start using biodiesel," he said.

"I think what is going to happen is that it is going to go back to a bit like the old days where they used to grow a quarter of their farm to feed the draft horses. We're going to go back to growing canola to fuel our tractors."

[More Details: \(AUSTRALIA BROADCASTING CORPORATION\)](#)

## Highlights of the Worldwatch Institute Report on Biofuels



- Continued rapid growth of biofuels will require the development of a true international market in these fuels, unimpeded by the trade restrictions in place today. Freer movement of biofuels around the world should be coupled with social and environmental standards and a credible system to certify compliance.
- Biofuel policies should focus on market development, based on sound fiscal incentives and support for private investment, infrastructure development, and the building of transportation fleets that are able to use the new fuels.
- From 2002-04, world oil demand increased by **5.3 per cent**. China's consumption alone increased by 26.4 per cent, while consumption in the United States rose by 4.9 per cent; **Canada 10.2 per cent**; and the United Kingdom 6.3 per cent. Demand in Germany and Japan, meanwhile, dropped by 1 per cent and 2.6 per cent respectively.
- Energy crops have the potential to reduce Green House Gas (GHG) emissions by more than 100 percent (relative to petroleum fuels) because such crops can also sequester carbon in the soil as they grow.

[More Details: \(WORLDWATCH INSTITUTE\)](#)

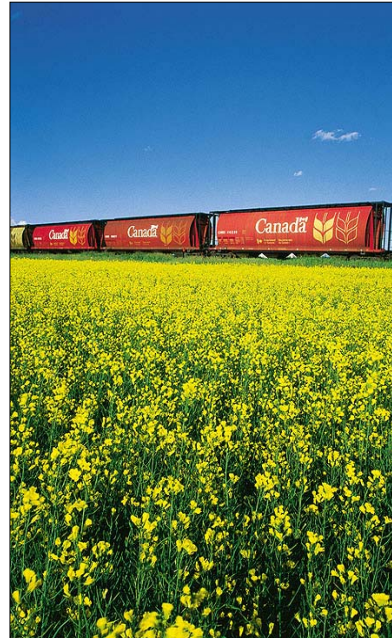
To remove your name from our mailing list, please reply to this email with UNSUBSCRIBE.

Questions or comments? E-mail us at : [ismanb@canola-council.org](mailto:ismanb@canola-council.org)

## **Biodiesel: Environmental benefits and a chance to reduce job exportation**

Awareness is growing quickly in Canada due to biodiesel's proven success in other countries and the current and projected prices of petroleum diesel.

- Up to 90% reduction in lifecycle CO2 emissions
- 67% reduction in unburned hydrocarbons
- 48% reduction in carbon monoxide emissions
- 47% reduction in particulate matter emissions
- 100% reduction in sulphur emissions
- The highest positive energy balance of any other alternative fuel: 3.24:1 (~7:1 for recycled oils)
- Increased energy independence
- Increased safety compared to regular diesel due to faster biodegradability (4 times faster than diesel); a higher flashpoint (almost 3 times higher); and its non toxic nature
- Its higher lubricity rating – a 2% blend of biodiesel increases the lubricity of petro-diesel by 65%
- Its higher cetane rating, resulting in improved combustibility, smoother engine running and quieter operation
- Comparable engine performance (horsepower, torque and fuel consumption)
- For every \$100 million of additional demand for canola generates an additional \$83 million in Canadian Gross Domestic Product and more than 730 direct jobs in value-added industries



[More Details: BC SUSTAINABLE ENERGY ASSOCIATION](#)

### **Oil Company says Europe must do more to back biodiesel**



Europe needs to take additional steps to bolster biodiesel production rather than focus on ethanol in a bid to support its farmers, says oil major Total.

"The European market definitely is, and for a long time will be, a diesel market," he said. The EU's Common Agricultural Policy provides farmers with subsidies that have led to overproduction of cereals such as wheat.

Rising diesel demand is forecast to increase Europe's deficit of the product over at least the coming 10 years, boosting the region's need to import. Europe lacks sufficient rapeseed capacity to meet even the 5.75-per cent biofuel target, Mr. Jacques Blondy, head of agricultural development at Total, said. "If you cover France with rapeseed, which is not achievable for economic reasons, you can only produce two-thirds of the diesel you need," he said. "Probably, we need to import."

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

### **Honourable Rona Ambrose, Minister of Environment Canada on Clean Air Day**

It's been around 120 days since I was appointed to be Minister of the Environment.

On May 23rd, I met with the federal / provincial ministers responsible for renewable fuels. This meeting, a first in Canadian history, was our first step in honoring the commitment that the Prime Minister made during the election campaign on moving to a target of 5% biofuel content in Canada by 2010. This is a very ambitious timetable that we have set out. Our U.S. counterparts will be at a 4% renewable fuel content by 2012 and the European Union will be at a 5.75% renewable content by 2010.

My message to you, on Clean Air Day, is that the Government of Canada is working towards a "Made-in-Canada" approach to deliver real change and real results for all Canadians, in our common campaign to clean up our air and to reduce our greenhouse gas emissions.

[More Details: \(SPEAKING NOTES\)](#)

**To remove your name from our mailing list, please reply to this email with UNSUBSCRIBE.**

**Questions or comments? E-mail us at : [ismanb@canola-council.org](mailto:ismanb@canola-council.org)**