

Canola Council's Diesel Digest

Europe's Insatiable Demand for Biodiesel

Volume 1, Issue 5, June 28, 2006

The European rapeseed market is currently impacted by the significant development of the biodiesel industry, using rapeseed oil as the primary raw material to process biodiesel. Large biodiesel plants and crushing facilities have been, are, and will be built mainly in Germany, France and the Netherlands.

- In 2005/06, European rapeseed production increased as a result of the higher demand for industrial processing into biodiesel primarily in Germany and France, where record crops were harvested.
- As EU biodiesel production principally derives from rapeseed oil, rapeseed crush increased at the expense of the soybean crush.
- The driving force in rapeseed production 2006/07 will continue to be the demand for biodiesel. With an expansion of total EU crushing capacity, primarily in the Netherlands and Germany, EU rapeseed crush is expected to increase sharply in 2006/07.
- Increasing imports are expected to be needed to supply crushing plants. These imports are expected to come mainly from Ukraine, Russia, and Canada.
- In Germany and France, industry has funded research and promotion to overcome farmer bias against the use of rapeseed meal in livestock production.



Biodiesel: The future's fuel

Diesel Digest

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

"All levels of government will need to be involved to develop a plan for **Canada** if Saskatchewan is to benefit from a biodiesel industry."

**Judie Dyck and Darin Egert
Co-Chairs
Saskatchewan Biodiesel Development Task Force**

[More Details: \(USDA FOREIGN AGRICULTURE SERVICE\)](#)

Lakeland College's Enviro Club Sunfuel project claims Emerald Award



Lakeland College houses the largest student-managed farm in Canada and the Enviro Club members noticed the huge amount of fuel consumption by the farm. Another problem was the large amount of emissions produced as well as increasing costs of operation on the farm. The group decided to find an environmentally friendly solution to the farm's challenges.

"It's incredible. I can't believe we won," said Kyle Parkyn, one of the student leaders who accepted the award along with Kassie Mahar. Both are recent Lakeland College graduates, Parkyn in environmental conservation and reclamation and Mahar in adventure tourism and outdoor recreation.

Lakeland College students are now becoming leaders in biodiesel education, planning "how to" workshops for farmers, open houses, and school tours for children.



The Alberta Emerald Awards celebrated its 15th anniversary in 2006. The Alberta Emerald Foundation for Environmental Excellence established the Emerald Awards. The Foundation was created in the fall of 1991 to recognize the outstanding initiative and leadership Albertans demonstrate in the face of many environmental challenges.

[More Details: \(LAKELAND COLLEGE\) \(EMERALD FOUNDATION\)](#)

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Malaysia firm begins biodiesel plants

Golden Hope Plantations commissioned what is probably Asia's first commercial biodiesel plant yesterday and aims to churn out an annual total of almost 400 000 tonnes of the fuel starting in 2008. "We will make our first biodiesel shipment to a big customer in Japan this August and later to Europe and other markets," CEO Datuk Sabri Ahmad told reporters.

"The Japanese contract will last for six months and we will export between 2 000 tonnes and 3 000 tonnes of biodiesel per month and later on tap the Indian, China, South Korean and European biodiesel markets,"

Golden Hope is also building three other biodiesel plants — one each in Carey Island (together with the Malaysian Palm Oil Board); in Bintulu, Sarawak, and the Netherlands.

Sabri said the company is in the final stage of negotiations with a European partner to build a biodiesel plant in Unimills, Rotterdam.

[More Details: \(BUSINESS TIMES\) \(GOLDEN HOPE\)](#)



Sabri promoting Golden Hope's product, the Bio-N

US National Renewable Energy Conference Set

The conference, Advancing Renewable Energy: An American Rural Renaissance is scheduled for October 10-12, 2006, in St. Louis, Missouri. "Keeping America competitive calls upon us to work together to expand sustainable, market-driven, domestic energy sources," USDA Secretary Mike Johanns said. "The October conference will build upon the President's vision for overcoming our energy challenges and help create new wealth opportunities in rural communities."

Johanns also announced a loan guarantee and grant totaling \$3.75 million for construction and operation of a new biodiesel production facility in Iowa. The Bush Administration has funded more than \$356 million in renewable energy and energy efficiency ventures through various programs.

Biodiesel has become the fastest growing alternative fuel in the US, with 75 million gallons sold in 2005. That's up from 500,000 gallons in 1999. The industry is on track to sell 150 million in 2006.

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

German government extends tax break for biodiesel

The German government has decided to extend the duty-free status of biodiesel two years longer than originally planned, until 2011, according to local media reports. Meanwhile, the German oil industry group Mineraloelwirtschaftsverband (MWV) has surveyed its membership and as a result forecasts that annual road fuel consumption in the country will drop substantially over the next 19 years, from 53.1 million tonnes (MMT) last year to 14 MMT in 2025.

Petrol consumption is forecast to drop 42% as more motorists switch to increasingly efficient diesel vehicles, while diesel demand is forecast to decline by 12%. Carbon dioxide emissions from road traffic are forecast by the MWV to fall by 30% over a 20-year period to 113 million tonnes a year, MWV predicted.

From 2000 to 2005, Germany has led the world's quadrupling of biodiesel production to nearly 4 billion litres.

Cargill recently broke ground on a 75 MMgy biodiesel plant in Frankfurt, Germany. The plant will use rapeseed oil refined by another Cargill facility approximately 12 miles away from the biodiesel plant construction site. Cargill reported that it is investing around USD\$30.75 million in this new biodiesel refinery, which is slated to open in the third quarter of 2006.

[More Details: \(AUTO INDUSTRY\) \(CARGILL\)](#)



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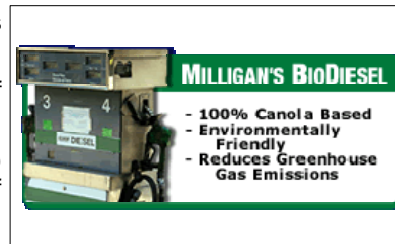
Sask. Biodiesel Development Task Force Releases Final Report

"A window of opportunity exists for Saskatchewan to excel in the area of biofuels," Agriculture and Food Minister Mark Wartman said. "This report will provide the information necessary to advance the biodiesel side of the industry."

The Task Force consulted with key stakeholders to examine the current status, challenges and opportunities of Saskatchewan's biodiesel industry. The report's recommendations ask the Province to work with the Government of Canada to:

- develop trade-compliant programs and policies for the biodiesel industry;
- develop a National Bio-Products Centre in Saskatoon;
- fund research and testing on standards for performance-based specifications, and establish a program to help companies meet biodiesel approved standards;
- promote business structures that facilitate Canadian primary producer investment in biodiesel production facilities;
- evaluate options in a distribution system that provides equity opportunities for all interested parties; and
- continue research and development, commercialization of new products and the expansion of the biodiesel industry.

In April, the Saskatchewan Transportation Company (STC) announced a 12-month test of biodiesel in more than half of the provincial bus fleet.



[More Details: \(RELEASE\) \(FULL REPORT - 418 KB\)](#)

Biodiesel by the Numbers - The Annual List

The Proposed Biodiesel Plant List has become an annual undertaking for the US based Biodiesel magazine. This year there is a whole lot of production capacity on the drawing board, with a downright eye-opening figure of 65 would-be plants representing an astronomical 1.46 billion gallons annually.

According to the Spring 2006 U.S. & Canada Biodiesel Plant Map, there is approximately 400 MMgy (million gallons per year) of capacity on line today with another 320 MMgy under construction. Taken in the context of the proposed plants, the industry is looking at the potential for more than 2 billion gallons of annual capacity.

The biodiesel industry is moving ahead at a breakneck pace. Although biodiesel projects are popping up in at least 29 states, Iowa continues to dominate the renewable fuels landscape. The state leads this list with six proposed projects totaling 280 MMgy of production.

To make the list more manageable, only plants slated to produce 1 MMgy or greater were included. Of the 65 plants included in the list, 64 are located in the United States and only one in Canada; West Coast Biodiesel Ltd. Located in Vancouver, B.C.

[More Details: \(THE BIODIESEL LIST\)](#)

Cold Lake Biodiesel Pilot Program - Leading by Example

When officials at 4 Wing Cold Lake, Alberta decided to become the first base in Canada to offer biodiesel fuel for its fleet, Defence Construction Canada was tapped to make sure the plan flowed smoothly. For two years, members from Wing Logistics and DCC's site office worked together to develop and implement the biodiesel trial, officially launched in September 2005. Under this program, 4 Wing will fuel 64 of its 282 ground vehicles with a 2% blend of canola-based biodiesel. If the trial is a success, 4 Wing plans to increase the biodiesel concentration up to 20%.



[More Details: \(DEFENSE CONSTRUCTION CANADA\)](#)

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