

## Canola Council's Diesel Digest

### Ground broken at Velva, North Dakota biodiesel plant

Volume 1, Issue 1, May 03, 2006

Archer Daniels Midland Co. officials announced April 24<sup>th</sup>, that there had been a change of plans and the production of the biodiesel plant at Velva has now increased to 85 million gallons, versus the original 50 million gallons a year. Greg Webb, ADM vice president for public affairs: "I'm pleased to announce today the crushing capacity will also be increased." **The new facility is estimated to cost more than \$30 million to build.** It will employ dozens during the construction phase and create 12 full-time jobs when operational. The plant expects to attract Canadian canola from southern Manitoba and Saskatchewan.



*Biodiesel: The future's fuel*

[For more details, click here: \(MINOT NEWS\)](#)

### President Bush's Plan to Confront High Energy Prices

On April 25th, President Bush discussed his practical plan to confront high gas prices. The President's plan includes making sure consumers and taxpayers are treated fairly, promoting greater fuel efficiency and investing aggressively in alternatives to gasoline.

Biodiesel fuel can substitute for regular diesel in cars, trucks, buses, and farm equipment. It is fully domestic, and a good way to support farmers and the rural economy. The President signed into law the first-ever Federal tax credit for biodiesel producers. **Biodiesel refiners now receive \$1.00 for every gallon of biodiesel they blend.**

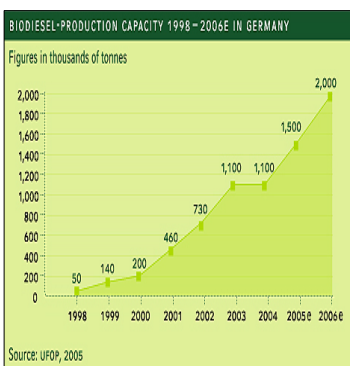
[More Details: \(WHITE HOUSE PRESS RELEASE\)](#)

## Diesel Digest

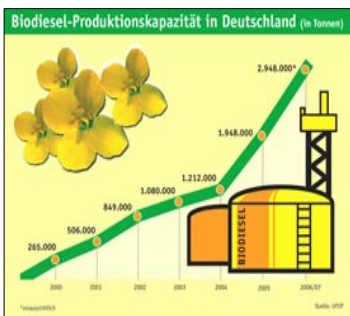
**The Canola Council's News-wire on World Developments in Biodiesel**

**Trade:** The obvious and simple system of natural liberty in which individuals are free to pursue their own interests, while governments provide the framework in which commerce takes place." - **Adam Smith, "The Wealth of Nations" (1776)**

## World Shifting to Biofuels for Energy Needs, U.N. Reports



**April 25** - An oil-hungry world is beginning a major shift toward the use of renewable bio-energy fuels, according to an April 25 statement from the Food and Agriculture Organization (FAO) of the United Nations. Biodiesel, a fuel made from any oilseed, is the alternative of choice in Europe, now the world's leading producer of biodiesel. European farmers are growing rapeseed, soy and sunflower seeds to supply the raw material for the fast-growing alternative fuel market, according to the FAO.



Europe is already the world's largest producer of biodiesel (now made from rapeseed, soybeans or sunflower seeds), and the sector is growing fast. **Various countries such as Germany, Ukraine and others, and many private and public companies are considering a big move into biodiesel** from these crops and other sources.

"The beauty of bioenergy is that production can be tailored to local environments and energy needs," Best said. "Where there's land, where there are farmers, where there's interest, bioenergy may be the best option. And if we add some sound analysis and good business models, we will get that option right." noted Gustavo Best, FAO's Senior Energy Coordinator.

[More Details: \(FAO NEWSROOM\)](#)

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## US Biodiesel Board testifies before Congress

One day after President Bush delivered a major energy speech highlighting renewable fuels, Joe Jobe, CEO of the National Biodiesel Board (NBB), testified before Congress on the state of the biodiesel industry.

Jobe testified before a Senate Committee on Agriculture hearing last Wednesday. He highlighted the strong growth of biodiesel and policy initiatives foundational to its continued success; the timeliness of biofuels initiatives with energy prices; and biodiesel as part of the agriculture industry. "Biodiesel does much more than just utilize surplus agricultural commodities; it adds multiple layers of value to agricultural economics," said Jobe.

Jobe said that three federal policy initiatives have helped biodiesel grow exponentially. He cautioned that the following three must be extended to accommodate biodiesel's expected growth:

- The federal tax incentive for biodiesel
- The Bioenergy Program, under the United States Department of Agriculture (USDA)
- Commodity Credit Corporation

[More Details: \(JOBE'S TESTIMONY\)](#)



## Case New Holland (CNH) backs Biodiesel



Case New Holland announced recently that it's leading agricultural and construction equipment brands fully support use of B5 blends (5% biodiesel and 95% petroleum-based diesel) in all engines they manufacture. In addition, use of 20% blends (B20) is within consideration.

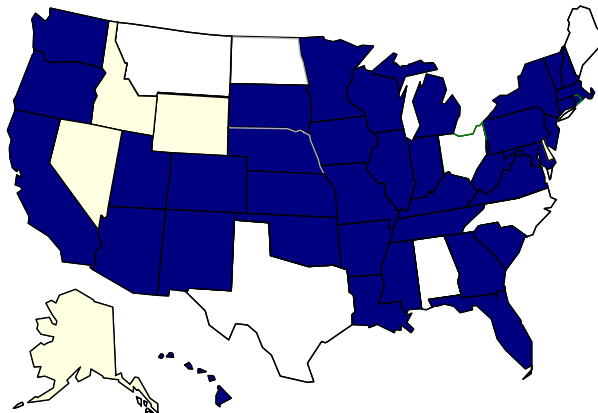
The statement covers Case IH and New Holland agricultural equipment and Case and New Holland construction equipment brands. CNH officials say they are committed to working with partners to push toward higher-level biodiesel that will be a compatible fuel source in future low-emissions compliant engines, and has initiated aggressive field tests to evaluate the performance with 100% biodiesel.

[More Details: \(CASE NEW HOLLAND\)](#)

## United States 2006 Biodiesel Initiatives

### 2006

- **145 biodiesel specific bills in 37 states**
- **IL** - State Sales Tax Reduction/Exemption
- **MN** - B2 Requirement
- **IN** - Producer, Blender, Retailer Tax Credits
- **PA** - Producer Incentive; School/City Use Reimbursement
- **MO, KY, MS, ND, SD, TX, AR** - Production Incentives
- **WA** - Production, Distribution Incentives, B2 Mandate
- Several States-State Fleet Use/State Excise Tax Reductions



[More Details: \(BIO DIESEL BENEFITS\)](#)

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## Canadian biodiesel looks for big breakthrough

There are only two major Canadian biodiesel plants in operation. The new Biox Corp. operation at Hamilton Harbour, on the western edge of Lake Ontario, will be able to produce 60 million litres annually when it comes online at the end of May. The other is in Montreal and has a capacity of about 30 million litres per annum.

The Biox plant already has customers lined up, but the clients are generally not based in Canada, says Scott Lewis, Biox's director of business development. "The biodiesel market worldwide is really being developed by government policy, as to whether or not they need to include biofuels as part of their fossil-fuel distribution," says Lewis. "Canada has a long way to go."

"The timing for biodiesel in Western Canada is right now," says ABDA president Ian Thomson. "Western Canadians are looking for a made-in-Canada climate change plan and biodiesel is a perfect fit, and as a rural economic development idea, it has huge potential."



### [More Details \(BUSINESS EDGE\)](#)

## ADM Chooses Energy-Savvy Outsider As New CEO

Archer-Daniels-Midland Co., shattered company tradition by appointing a woman and energy-savvy outsider as its new CEO.

After a seven-month search, directors of ADM named 53-year-old Patricia A. Woertz, a former executive vice president at Chevron Corp., as CEO, president and a director.

A big part of Ms. Woertz's assignment is to lead ADM's push into transforming crops into more profitable industrial products, most of which would be alternatives to goods now made from petroleum. With President Bush touting plant-derived ethanol motor fuel as one way to end America's addiction to foreign oil, bioproducts are suddenly hot in the Farm Belt.



### [More Details: \(CHICAGO TRIBUNE\)](#)

## Biodiesel refinery planned for Volga, South Dakota

Plans have been announced to build one of the United States largest biodiesel refineries at Volga, according to South Dakota Soybean Processors.



The 40-million-gallon High Plains Biofuels refinery would be next to the group's soybean processing plant on the east side of town. SDSP is working with Transocean Group Holdings Propriety of Sydney, Australia, on the refinery project.

South Dakota Soybean Processors, now in its 10th year, operates an 80,000-bushel per-day soybean processing plant and soybean oil refinery and has branched into other soy product areas. It started as a cooperative venture among South Dakota and Minnesota farmers. Shareholders now number more than 2,100.

"Oil from the Midwest rather than from the Middle East - we believe that's a good thing," said Rodney Christianson of Brookings, chief executive officer for SDSP. Adding a biodiesel refinery "is another great opportunity for us to move down the value-added chain," he said.

Minnesota Soybean Processors' 30-million gallon plant is the largest plant now, and Cargill plans a 38-million gallon refinery.

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

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