



Canola Council's Diesel Digest

Canadian biodiesel - Level the playing field

Vol. 2, Issue #2 - Feb. 7, 2007

Throughout history, even when governments have had the political will to drive change, they often struggle with the process of putting final policies into effect. As Canadians, we have watched Europe, Asia and the United States lead the biodiesel revolution. Now is not the time to struggle. .

We continue to watch from the sidelines and plan for home-made solutions for a biodiesel platform while the rest of the world enjoys tax incentives and tax credits to ensure a vibrant industry.

Tax parity may be achieved through a federal program, ten years in duration, with a volume cap and open to "renewables" in diesel PLUS provincial road de-taxation and/or programs.

"If there is a better tax advantage for locating plants in the U.S. rather than in Canada, infrastructure will locate itself on the U.S. side of the border and market finished product north," said Barbara Isman of the Canola Council.

Without government investments that put Canada on par with the U.S., there is no biodiesel industry in Canada. We need to ensure this piece of the puzzle is in place as soon as possible or the opportunity for Canadian farmers and the economy will be lost.

The Canadian canola industry is committed to building a biodiesel industry at home. Do we as Canadians, have the political will to drive the changes required?

[More Details: \(CANOLA COUNCIL\)](#)



Biodiesel: The future's fuel

Diesel Digest

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

"We do not want to export raw canola seed to the U.S. and import biodiesel back."

Dale Gryba, vice-president, Manitoba Canola Growers.

Canola growers unite for common cause



On the first two days of the new session of Parliament last week, members of the Alberta Canola Producers Commission (ACPC) met with Alberta rural MP's to ask for their support in creating a tax environment to help build a Canadian biodiesel industry. "The biodiesel industry in Canada needs tax parity with the United States if it's going to get off the ground" said ACPC Chair Greg Porozni.



Ethanol and biodiesel producers and users in the United States, Europe and many other countries have special tax measures in place to encourage both the production and blending of these fuels. This means the return on investment for producing biodiesel is higher in these countries than it is in Canada. Domestic biodiesel production would mean better and more stable prices for canola growers at farm gate as well as the opportunity to invest in a new industry.



"We do not want to export raw canola seed to the U.S. and import biodiesel back" says Dale Gryba Vice-President of Manitoba Canola Growers Association. "Parity with the 30 cents per litre refundable tax credit that U.S. bio-diesel receives is the only way that the value added biodiesel facilities will be built in Canada."

[More Details: \(ALBERTA\) \(MANITOBA\) \(SASKATCHEWAN\)](#)

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Biodiesel will see explosive growth over next ten years



Currently Europe represents 90% of global biodiesel production and consumption, according to a report from Emerging Markets Online, "Biodiesel 2020". But Brazil is expected to surpass Europe and the U.S. in production by 2015, said William Thurmond, director of management consulting at Emerging Markets Online.

"It is possible that Biodiesel could represent as much as 20% of all on-road diesel used in Brazil, Europe, China and India by the year 2020 if governments continue to aggressively pursue targets -- enact investor-friendly tax incentives for production and blending -- and help to promote research. In Europe, biodiesel represents 2% total on-road transportation fuel consumption and is expected to reach 6% by 2010.

In the U.S. demand is growing quickly with seventy major plants struggling to meet demand, according to the report. Over fifty new, larger-scale plants are in production. The number of retail outlets for biodiesel in the U.S. grew more than three fold -- from 300 in 2005, to over 950 retail sites so far in 2006.

The initial results from the study *Biodiesel 2020: A Global Market Survey* find that new developers, farmers, feedstock providers, producers, and investors who can meet growing demands for supply are expected to benefit from this emerging market.

[More Details: \(INDUSTRY WEEK\) \(EMERGING MARKETS\)](#)

Spotlight on Seattle biodiesel company

Businesses don't usually announce contracts with private vendors in a U.S. senator's office, but Seattle-based Imperium Renewables is more than just a business. It's a biodiesel producer and, therefore, a symbol to many of all the promises of renewable energy — from revitalizing rural communities to curing America's "addiction" to foreign oil to saving the planet from global warming. Imperium's founder and president, John Plaza praised the deal for "building a bridge between the two sides of the state." But he noted that 1 million gallons of biodiesel represents only 1 percent of the fuel Imperium intends to produce ever year at its almost-completed facility at the Port of Grays Harbor.

Plaza would not specify where Imperium will turn for materials to produce the other 99 million gallons. He said the company was looking beyond Washington to canola grown in Canada and soy from both the Midwest and "the rest of the world."

A U.S. Department of Energy study found that biodiesel emits about 78 percent less carbon dioxide than petroleum diesel. Last year, the U.S. used approximately 63 billion gallons of regular diesel, with the West Coast consuming 6 billion gallons.

[More Details: \(SEATTLE TIMES\)](#)

Sask. MP urges biofuel assistance



Saskatchewan Conservative MP Garry Breitkreuz is urging his own federal government to put measures in the next federal budget to promote the building of biofuel plants in Canada. But the province's deputy premier accused his federal foe of grandstanding for political gain. In an unusual step, the Yorkton-Melville MP issued an open letter to Tory Finance Minister Jim Flaherty, asking him to create a tax instrument to ensure Canadian producers of ethanol and biodiesel are competitive with other jurisdictions.

"Currently, American ethanol and biodiesel producers enjoy tax measures and a tax regime that provide a competitive advantage over Canadian producers," Breitkreuz wrote. "I am asking you, as Canada's finance minister, to take the steps necessary to level that playing field." Breitkreuz said the gap between Canada and the United States could be addressed by a refundable tax credit to fuel producers of 10 cents a litre for ethanol and 20 cents a litre for biofuel.

Kory Teneycke, executive director of the CRFA said refundable tax credits are seen as the right approach. "The problem is the difference in taxation rates between Canada and the U.S., and so our preference is to have a tax solution as opposed to some sort of subsidy program."

[More Details: \(REGINA LEADER POST\)](#)

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Let the diesel duels begin

DaimlerChrysler Canada will expand and improve its lineup of environmentally-friendly, advanced clean diesel technology starting with the 2007 model year. Clean diesel technology will allow DaimlerChrysler to offer new or improved diesel powered versions of its vehicles: the 2007 Jeep Grand Cherokee CRD the 2007 Dodge Ram 2500 and 3500 pickup trucks with the Cummins 6.7-litre engine and for the first time, a Dodge Ram 1500 light duty pickup after 2009.



The Jeep Grand Cherokee CRD will be fueled with B5 (5 per cent) biodiesel at the assembly plant to help increase the awareness of biodiesel.

These new clean diesel engines will provide owners with a dramatic increase in low-end torque, an average of 30 per cent better fuel efficiency and a 20 per cent reduction in carbon dioxide emissions when compared to an equivalent gasoline engine. Under loads such as towing, diesel engines can provide improvements in fuel economy up to 40 per cent.

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

Nafta Lendava to build biodiesel refinery in Slovenia



Oil refinery Nafta Lendava and its Austrian partner CMB Maschinenbau & Handels announced on Thursday, 25 January they would build the biggest biodiesel refinery in Slovenia and one of the biggest refineries of the kind in Europe.

The EUR 22.2m refinery will open in the beginning of 2008, and its annual production of 60,000 tonnes of biodiesel will amount to 88% of the total production in Slovenia, and 1% of the total EU production.



Vizjak said that energy was the key foundation for the economy, especially in the EU. The bloc relies on imports for 50% of its energy needs and for 82% of its oil needs, a figure which will reach 93% by 2030.

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

Report finds biofuels fuel Missouri economy

Biofuels could generate an additional \$542 million dollars in economic activity in Missouri each year through 2013, according to a state report released Tuesday.



The report, produced by the Department of Economic Development, projects that state subsidies and tax breaks for the ethanol and biodiesel industries would result in a \$14.8 million annual loss in state revenues but a net gain in Missourians' personal income of \$492 million annually.

Mike Mills, the assistant director of Economic Development, said that if the projections are extended beyond 2013, the state's investment in biofuels increases state revenues. That's because state incentives are being used to build a baseline of biofuels plants. As more plants go online, the state's investments start coming back through taxes and economic development.

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

Marathon Oil offers biodiesel fuel at Louisville, KY terminal



Marathon Oil Corporation announced that the company has completed a project adding biodiesel blended fuel at its Kramer's Lane Terminal located in Louisville, KY. "Marathon is proud to be the first biodiesel storage and distribution terminal in Kentucky to provide in-line blending," said Mary Ellen Peters, Marathon's senior vice president of Marketing.

"Biodiesel helps us meet the changing needs of our customers while supporting Kentucky's alternative fuels goals."

"Shipping the first load of biodiesel out of Marathon's terminal fulfills that goal." The Kentucky Clean Fuels Coalition, the Kentucky Soybean Board and National Clean Cities, Inc. collaborated with Marathon to attract grants that helped enable the installation of the blending infrastructure.

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

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