



Canola Council's Diesel Digest

Tax incentives urged

The Saskatchewan Canola Development Commission is urging the federal government to include tax incentives in the upcoming budget to ensure biodiesel plants are built in Canada. Fearing the federal budget may not contain measures that would create parity with the U.S., the Commission and groups in Manitoba and Alberta are calling on farmers to write Prime Minister Stephen Harper and Finance Minister Jim Flaherty.

The canola organizations want the Conservatives to create a refundable tax credit to fuel producers of 20 cents a litre for biodiesel. Canola group representatives from the three Prairie Provinces were in Ottawa at the end of January to lobby MPs. But there have since been indications there won't be the kind of incentives the canola industry believes are necessary, according to SCDC executive director Laurie Hayes

In the past decade, more than 100 biofuel plants have been built in the U.S., compared with three in Canada, according to the industry groups.

Currently, biodiesel blenders south of the border receive a tax credit of \$1 US per gallon -- or roughly 30 cents per litre.

When asked about the canola growers' concerns about tax measures for biofuels, federal Agriculture Minister Chuck Strahl said that any details on additional programming will have to wait until the budget. But Strahl told reporters in Saskatoon that he realizes groups planning biofuel facilities are looking for cost certainty.

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

Biodiesel value-added innovation for canola growers

What the canola growers have to say...

"A National Biodiesel Strategy must become a reality in Canada to ensure the survival of the family farm and our environment."

Alberta

"I think this is an opportunity for our government to create policy that will give producers the incentives needed to participate and prosper in the biofuels industry."

Saskatchewan

"We need incentives to put us on a level playing field with the United States, so that we can develop this industry in Canada, and keep the jobs and the economic spin-offs at home."

Manitoba

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

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Biodiesel: The future's fuel

Diesel Digest

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

"Let's seize this opportunity to be leaders! Biodiesel can be an important third market to the North American food industry and raw seed exports markets."

Manitoba Canola Growers Association



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U.S. soy growers ask for higher U.S. support, biodiesel aid



The American Soybean Association (ASA) said that Congress should increase soybean subsidies and provide a biodiesel incentive payment to encourage development of the renewable fuel.

The ASA asked for a support price of at least \$5.01 a bushel and a target price of at least \$6.85 a bushel. "We would prefer to see any additional funds used to level the playing field by setting more equitable marketing loan rates and target prices, and through income-generating opportunities like biodiesel that are good for soybean growers and the nation at large," said ASA president Rick Ostlie, of Northwood, North Dakota.

It also recommended:

- A biodiesel incentive payment to support continued growth of the young U.S. biodiesel industry in the face of sometimes subsidized foreign imports.
- Expanding the Conservation Security Program into a national program and giving it more money. CSP pays farmers who make land stewardship part of their farming operations.
- More money for the cost-sharing Environmental Quality Incentives Program, which combats runoff from feedlots and fields. EQIP gets about \$1 billion a year.
- Allowing higher-quality land in the land-idling Conservation Reserve to "return to production or to produce energy crops", such as soybeans for biodiesel or corn for fuel ethanol.

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

Tokyo aiming for greener biodiesel buses

For such a large city (35 million people in the metropolitan area), Tokyo is surprisingly not as polluted as it might be. Still, it's far from perfect, so it's good to hear that the Tokyo Metropolitan Government is involved in a project to use biodiesel derived from biological sources in its public buses.



The Tokyo project, which is being run with several partners, including Toyota, aims to replace 10 percent of the fuel in buses with biodiesel.

In the UK, a 5 percent biodiesel blend is generally supported by car manufacturers, while the likes of Volkswagen in Europe maintain warranties even on diesel vehicles running on 100 percent biodiesel. The overall aim of the Japanese plan is to cut carbon emissions to a quarter of their 1990 equivalent by 2020.



[More Details: \(DIGITAL WORLD\)](#)

Biodiesel racing engine under development



Scott Racing Ltd is aiming to fit its first prototype race engine to run on 100 percent biodiesel engine into a car competing in the Dunlop MSA British Touring Car Championship – with the current plan being to have a car running partly on the fuel racing in the series during the coming season before running on 100 percent biodiesel in 2008.



One Northeast has backed the project with a grant for Research and Development and Scott Racing is now keen to exploit a gap in the market as motor sport strives to boost its green credentials by adopting cleaner and more environmentally friendly fuels than petrol. "Most of the existing cars run on petrol with a few on ethanol - no-one has yet run a fully-biodiesel powered car, as technically it is very challenging," company managing director and former Formula Ford 1600 driver Tim Scott said. "The British Touring Car Championship has led the way with regards to cleaner fuels, they are crying out for someone to bring in a biodiesel car and they are very supportive of our development."

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

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Spain's Pamplona switches buses to biodiesel



Pamplona started running 50 city buses on pure biodiesel this week, becoming the first city in Spain to do so, supplier Acciona said. Acciona will deliver 1.5 million liters of fuel a year, produced from vegetable oil at its plant in northern Spain. Acciona said the city planned to extend biodiesel use to the whole fleet of 127 buses.

"This is the first case in which 100 percent biodiesel is used by public transport in Spain on a large scale," it said. Spain has adopted the European Union target of replacing 5.8 percent of its transport fuel with plant-based biodiesel or bioethanol by 2010, as part of EU efforts to rein in carbon dioxide emissions.

The CO2 produced by biofuel is offset by the amount absorbed by the plants used to make it as they grow, so using them to replace mineral oil-based fuel helps reduce CO2 and curb global warming.

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

U.S. biodiesel hot on ethanol's trail

After ethanol's coming-out party in 2006 - when at least three producers raised nearly \$1 billion through initial public offerings - some investors are eyeing biodiesel as alternative energy's new darling. The U.S. had 105 commercial biodiesel production plants operating as of Jan. 31, according to the National Biodiesel Board, concentrated mostly in the Midwest and Southeast, with a handful on the East Coast and in California.

The trade group counts another 77 under construction. But annual biodiesel production of 864.4 million gallons still amounts to a fraction of the 4.48 billion gallons of ethanol produced each year in the U.S., according to the Renewable Fuels Association.

Federal incentives played a key role in boosting ethanol demand last year. Analysts widely anticipate that legislators will increase Washington's incentives program this year and potentially broaden its scope to include other renewable fuels, such as biodiesel.

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

Diesel cars could gain ground in U.S.

In Europe, 50 percent of all cars and SUVs sold by BMW are diesels, compared with the United States, where the percentage is zero.

On U.S. roads, diesel passenger cars are a minuscule percentage of vehicles, while in European nations, new diesel car sales surged past the halfway mark during 2006.

But diesel perceptions in the United States are changing, and many automakers and market analysts say diesel cars could soon enjoy a renaissance in this country.

In a recent survey, Autobytel researchers were surprised by a rapid shift in opinion by drivers in favor of diesel. In the poll, released in January, 72 percent of respondents said they were "absolutely open" to buying a diesel vehicle, compared with 31 percent who answered in the affirmative in an April 2006 survey.

[More Details: \(AZ CENTRAL\)](#)

Arkansas senate committee to consider biodiesel incentive bill

The Senate Agriculture, Forestry and Economic Development Committee will take up the \$20 million biodiesel incentive bill, which passed the House on Monday.

Agriculture Secretary Richard Bell says that only about 20 percent of Arkansas' soybean crop can be used to make the alternative fuel because of a lack of equipment to grind the beans and extract their oil.



The proposal, by House Speaker Benny Petrus, would offer grants to companies wanting to build such equipment. It would also provide the state Department of Agriculture with \$16 million to distribute to companies that make biodiesel fuel from soybeans or wood products.

[More Details: \(LITTLE ROCK\)](#)

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