



News Release

For immediate release

CANADA'S NEW GOVERNMENT INVESTS OVER \$1.6 MILLION FOR RENEWABLE ENERGY PRODUCTION IN SASKATCHEWAN

HAGUE, Saskatchewan, June 8, 2007 – The Honourable David Anderson, Parliamentary Secretary to the Minister for the Canadian Wheat Board and Member of Parliament for Cypress Hills-Grasslands, on behalf of the Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, today announced that Canada's New Government is investing more than \$1.6 million in nine Saskatchewan projects to help develop the emerging biofuels industry.

"Canada's New Government believes in the biofuel industry and its positive impact on our environment, in our communities and the opportunities it provides to our farmers," Mr. Anderson said. "It's especially fitting, during this celebration of Environment Week, that we can announce these new biofuels opportunities in Saskatchewan."

Through the Biofuels Opportunities for Producers Initiative (BOPI), the nine projects will receive funding to conduct business plans, feasibility studies and, in some cases, complete environmental assessments, all related to various biofuels projects.

"It's encouraging to see the federal government provide support to help these companies explore the vast potential for biofuel use," said Murray Purcell, Chair of Saskatchewan Council for Community Development's BOPI Advisory Group, which administers the BOPI program in Saskatchewan. "These projects demonstrate how committed we are to both our environment and our agricultural sector."

BOPI is a two-year \$20 million commitment by Canada's New Government designed to provide farmers and rural communities with opportunities to participate in, and benefit from, increased Canadian biofuel production. The initiative helps agricultural producers develop sound business proposals, as well as undertake feasibility or other studies to support the creation and expansion of biofuel production capacity. It is delivered through the industry councils in each province and territory that administer Agriculture and Agri-Food Canada's Advancing Canadian Agriculture and Agri-Food Program.

In Budget 2007, Canada's New Government allocated \$2 billion over seven years to support the production of renewable fuels. In addition, since coming to office, this government has announced \$500 million to assist farmers and rural communities to seize new market opportunities in the bio-economy through biofuels and bio-products initiatives.



See attached Backgrounder for additional information.

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BACKGROUND

Biofuels Opportunities for Producers Initiative funds nine Saskatchewan projects

The Government of Canada is committed to establishing regulations that will require 5 percent average renewable fuel content in transportation fuels by 2010 and intends to regulate a 2 percent requirement for renewable content in diesel fuel and heating oil by 2012. Agriculture and Agri-Food Canada (AAFC) wants to ensure that these targets are implemented in ways that result in the greatest possible benefit to the agricultural sector, including ownership of biofuel production facilities by agricultural producers.

The Biofuels Opportunities for Producers Initiative (BOPI), delivered through the industry councils in each province/territory that administer AAFC's Advancing Canadian Agriculture and Agri-Food (ACAAF) Program, was developed to help meet this goal. Individual project funding is capped at \$300,000 and at least 25 per cent of the project cost must be provided by the industry, of which one third must come from producers.

BOPI funding totalling \$1,658,537.50 is being provided through the Saskatchewan Council for Community Development to nine Saskatchewan biofuels projects, including:

- \$300,000 for the Prairie Ethanol Consortium Inc. of Meadow Lake to develop a core business plan to serve five related projects;
- \$300,000 to Quill Plains Biofuel Co-operative Ltd. of Watson to develop a business plan to build an ethanol production facility near Watson;
- \$280,000 to Tisdale Alfalfa Dehy Ltd. of Tisdale to hire technical and business advisers to develop a business plan;
- \$262,500 to Gardiner Dam Terminal Ltd., of Loreburn to create a locally owned ethanol production facility that increases the profitability of primary producers by maximizing local ownership;
- \$167,250 to South Parkland REDA of Melville to conduct a pre-engineering and environmental assessment of a proposed ethanol facility;
- \$155,662.50 to the Nipawin Biomass Ethanol New Generation Co-operative Ltd. of Nipawin to develop environmental and market assessments and a business plan;
- \$101,250 to Cypress Agri-Energy Inc. of Shaunavon to update its business plan and carry out project development and financing activities to build an ethanol plant near Shaunavon;
- \$73,125 to Central Sask Biofuels Ltd. of Davidson to study the feasibility of building a biodiesel production facility near Davidson;
- \$18,750 to Peacock Industries of Hague to develop a business plan for the manufacturing and marketing of biodiesel fuel and additive products for a niche market.

Opportunities for greater involvement in biofuel production facilities allow agricultural producers to participate in this emerging industry and increase their share of the benefits from renewable fuels production beyond delivering feedstock.

For more information on BOPI, please visit www.agr.gc.ca/bopi.

For more information on the Saskatchewan Council for Community Development, please visit www.sccd.sk.ca or call 1-800-641-8256.