



News Release

For immediate release

GOVERNMENT PROVIDES FUNDING FOR NEW BIOFUELS OPPORTUNITIES TO PRODUCERS ACROSS CANADA

OTTAWA, Ontario, September 20, 2006 – Farmers and rural communities across Canada can now benefit from \$5 million in funds to help them increase their participation in biofuels production in Canada.

The Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, the Honourable Gary Lunn, Minister of Natural Resources, and the Honourable Rona Ambrose, Minister of the Environment, today announced that the Government has released \$5 million to fund the Biofuels Opportunities for Producers Initiative. The industry-led councils that deliver Agriculture and Agri-Food Canada's Advancing Canadian Agriculture and Agri-Food program in the provinces and territories are now accepting applications for funding under this program.

"Canada's new government announced earlier this year that it is aiming to achieve five percent average renewable fuel in transport fuel by 2010 and this means increasing biofuels production in Canada," said Minister Strahl. "We've listened to farmers and others in rural communities who've told us they need financial support to participate in the value chain. This initiative will help them make sure they can take advantage of the biofuels opportunities that lie ahead."

The \$5 million in funding is the first wave of funding from a \$10 million package announced in July. The initiative will help participants hire experts to help develop business proposals and undertake feasibility studies to expand biofuels production capacity that involves significant (greater than one-third) ownership by farmers.

"With over 17 million vehicles on our roads and highways, reducing emissions by improving efficiency and using cleaner fuels is important," said the Honourable Gary Lunn, Minister of Natural Resources Canada. "Biofuels are a sustainable, renewable alternative that will diversify Canada's energy mix."

"Our five percent target for the average renewable content in Canadian motor fuels will have real environmental benefits for Canadians," said Minister Ambrose. "This initiative is one element of a practical, results-oriented approach that my colleagues and I will be rolling out over the coming months to protect the health of Canadians."



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Agriculture and Agri-Food Canada will make the remaining funds available through the provincial and territorial councils based on demonstrated project demands in early winter 2007. Application procedures and deadlines for this first wave of funding will be determined by each council. For more information on how to apply, please visit www.agr.gc.ca/bopi.

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BACKGROUND – MEDIA

BIOFUELS OPPORTUNITIES FOR PRODUCERS INITIATIVE - ACAAF COUNCIL DELIVERY

The Government of Canada is committed to requiring, nationally, five percent average renewable fuel content in transport fuel by 2010. Environment Canada is leading the development of the overall strategy to implement the goal, with support from Natural Resources Canada and Agriculture and Agri-Food Canada (AAFC). The Government of Canada wants to ensure that the five percent target is implemented in ways that result in the greatest possible benefit to the agriculture sector, including ownership of biofuels production facilities by agricultural producers.

Assistance Available Through the Biofuels Opportunities for Producers Initiative

New federal funding of \$10 million will be available in fiscal year 2006/2007 through the Biofuels Opportunities for Producers Initiative of the Advancing Canadian Agriculture and Agri-Food (ACAAF) Program. Funding will be provided for agricultural producers in the following key areas:

1. hiring technical, financial, and business planning advisors to assist in developing sound business proposals to create and expand biofuels production capacity involving significant (greater than one-third) ownership by agricultural producers;
2. undertaking feasibility studies and other studies required to support business proposals;
3. investigating the pre-commercialization of biofuels related research; and
4. gathering information to help identify opportunities and provide the necessary input to generate industry involvement in biofuels capacity building.

Individual project funding will be capped at \$300,000 and at least 25% of the project cost must be provided by industry.

Opportunities for greater involvement in biofuels production facilities will allow agricultural producers to become participants in the value chain and increase their share of the benefits from renewable fuels production beyond delivering feedstock.

Advancing Canadian Agriculture and Agri-Food (ACAAF) Council Delivery of the Biofuels Opportunities for Producers Initiative

The industry councils in each province/territory administering AAFC's ACAA program are now ready to deliver the first \$5 million of this new funding for projects under the Biofuels Opportunities for Producers Initiative. The councils are capable of undertaking this expanded role as it is consistent with their mandate to position the sector at the leading edge to seize new opportunities.

AAFC will make the remaining \$5 million funds available through the councils, based on demonstrated project demands in early winter 2007.