



Biofuels Opportunities for Producers Initiative (BOPI)

BOPI Objective

The Government of Canada is committed to requiring, nationally, 5% 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). AAFC wants to ensure that the 5% target is implemented in ways that result in the greatest possible benefit to the agriculture sector, including significant ownership of biofuels production facilities by agricultural producers.

To help meet the 5% target, AAFC is making available funding of \$7 million dollars in fiscal year 2007/2008 through the Biofuels Opportunities for Producers Initiative (BOPI). Greater involvement in biofuel 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.

In order to provide as much benefit as possible, the objective of the Initiative is to help agricultural producers (see definition below) in the development of sound, well documented business plans for projects that have significant producer ownership (greater than one-third – see definition under *Project Eligibility*), as well as aiding to undertake feasibility or other studies to support the creation and expansion of the biofuel production capacity.

Applicant Eligibility

Eligible applicants must be Canadian citizens or permanent residents that are legal entities, and may include: not-for-profit organizations and associations; universities; colleges; cooperatives; marketing boards; aboriginal groups; individuals and for-profit companies.

Excluded from eligibility are:

- Federal departments and agencies;
- Any applicant deemed ineligible as a result of Canadian government policy decisions or reasons; and,
- Any applicant that is not a legal entity.

Definitions

Agricultural Producer

Agricultural producers include individuals, corporations, partnerships, cooperatives or other associations of persons engaged in commercial agricultural production with at least \$10,000 annual gross farm sales. Beginning farmers are also eligible for funding (those who will establish a farm or have been in operation for less than six years) if they have, or will have at least \$10,000 in annual gross farm sales.



Project Eligibility

The objective of each approved project will be to improve the agricultural producers' ability to participate in and take advantage of opportunities to be created by biofuels production.

Funding Areas

To be eligible, projects must comply with ACAAF objectives, principles and criteria, must fit within one of the ACAAF pillars, and must fall under one of the following key areas:

1. Hiring technical, financial, and business planning advisors to assist in developing sound, viable business proposals to create and expand biofuels production capacity involving significant (greater than one-third) ownership by agricultural producers (Pillar I);
2. Undertaking feasibility studies and other studies required to support business proposals (Pillar I);
3. Investigating the pre-commercialization of biofuels related research (such as technical analysis, adaptive research, market assessment and venture assessment, technical feasibility, market and economic feasibility studies, engineering prototypes, strategic market and business plans, the development of production prototype and demo product features, and other related activities if deemed eligible by AAFC) (Pillar II); and
4. Gathering information to help determine opportunities and provide necessary input to generate industry involvement in biofuels capacity building (Pillar III). Initiatives related to Pillar III must be oriented to business opportunities rather than policy dialogues and conferences.

In accordance with the objectives of BOPI, priority will be given to supporting projects in the first two areas (i.e. business plans and feasibility studies).

To be eligible, projects under BOPI must not duplicate, overlap or replace existing federal, provincial and territorial programs and delivery mechanisms.

Funding Limits

Individual project funding will not exceed \$300,000 and at least 25% of the total project cost must be provided as cash (no in-kind) by the industry from non-government sources, of which a minimum of one-third must come from agricultural producers.

For example a project is received with a total cost of \$500,000. The industry portion must be at least 25% of the total project cost, which in this case would be \$125,000. A minimum of \$41,667 (representing one-third of the industry portion) must come from agricultural producers. Since the maximum funding from BOPI is \$300,000, the remaining \$75,000 would also have to be covered from the industry. Here is a table with two examples:

Total project cost:	\$200,000	\$500,000
Industry minimum amount:	\$50,000	\$125,000
Producer Share of Industry Portion:	\$16,667	\$41,667
BOPI funding:	\$150,000	\$300,000 (maximum allowable)
Outstanding amount to be covered by industry	\$0	\$75,000



To be considered, the application must clearly demonstrate that the minimum of 25% of the total project cost is provided by industry. Minimum funding request must be no less than \$2,500.

Funding Exclusions

The following areas are excluded from BOPI funding:

- Any expenses incurred prior to project approval will not be eligible for reimbursement;
- Assistance to producers can not include direct payments to create a financial incentive to participate in a BOPI project;
- Assistance for equipment or facility construction;
- Conferences and policy dialogues are ineligible for support from BOPI;
- Basic research (experimental or theoretical work which is undertaken primarily to acquire new knowledge without a specific application in view);
- ACAA Collective Outcome matching funds from AAFC.

Eligible Biofuels Inputs

The main goal of this Initiative is to produce a viable business case for making transportation fuels that includes agricultural inputs.

The primary inputs are agricultural products (corn, wheat or other cereals for ethanol, vegetable oils or animal fat for biodiesel), and there are potential opportunities using straw or other biomass containing cellulose as inputs. Funding could be used to develop the best possible business proposal or feasibility study using wood, residues from processing plants or other residues or wastes as inputs for biofuel production only if part of a broader project that includes the direct involvement of content eligible under the Department's jurisdiction in the *Agriculture and Agri-Food Act*.

Proposal Deadlines

A call for proposals and application forms will be posted on the BOPI website. The deadline date for submission of applications is Friday, June 22, 2007 for September 5, 2007 review. For more information, please contact:

Saskatchewan Council for Community Development Inc. (SCCD)

Telephone: 306-975-6847

Toll Free: 1-800-641-8256

Fax: 306-975-6850

Website: www.sccd.sk.ca/bopi

E-mail: info@sccd.sk.ca

Return completed applications to:

Saskatchewan Council for Community Development Inc. (SCCD)

207-116 Research Drive

Saskatoon SK S7N 3R3



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



ACAAF Objectives, Principles and Criteria

ACAAF Program Objectives

The ACAA Program will be guided by the following objectives:

- Expand the sector's capacity to respond to current and emerging issues.
- Position the sector to capture market opportunities.
- Actively and continuously engage the sector to contribute to future agriculture and agri-food policy directions.
- Integrate sector-led projects tested and piloted under ACAA into future government or industry initiatives.

ACAAF Program Principles

Initiatives funded under ACAA must adhere to the following basic principles on which the Program is based:

- Consistent with Government of Canada policy directions, such as sustainable development, innovation and reporting results to Canadians.
- Within the mandate of Agriculture and Agri-Food Canada, as defined under the *Agriculture and Agri-Food Act*.
- Maximize benefits to Canada's agriculture and agri-food sector through collaborative efforts.
- Consistent with international trade commitments and minimizing the exposure to countervail.
- Respect the need for equity among regions and stakeholders.
- Respect those areas that are solely within provincial and territorial jurisdiction.
- Avoid duplicating, overlapping or replacing federal, provincial/territorial programs and delivery mechanisms.

General ACAA Program Criteria

In addition to respecting the overall principles for the Program noted at the beginning of this document, all ACAA projects must meet the following general criteria:

- Projects must fall within the parameters of the Program's three pillars.
- Priority will be given to projects where the proposal demonstrates direct industry financial support and partnerships/alliances with others.
- Funding is not to be considered ongoing, but should be provided for a limited period to help the sector resolve an issue or capture opportunities.
- Applicants must be able to demonstrate the economic viability and longer-term self-sufficiency of their proposal, where the nature of the project warrants.
- Applicants should demonstrate how their proposed project will contribute to the public good, including but not limited to, economic benefits for Canada.
- Funds will not be used as direct income support.



- Funding is not to support ongoing activities or normal commercial expansion.
- Funds may be used for projects that benefit the sector as a whole, as well as those aimed at specific provincial/territorial needs.
- Eligible applicants include Canadian entities (this requirement refers only to the legal jurisdiction of the entities), Canadian citizens and permanent residents.
- Funding will not be provided for basic research.
- Funding is conditional on recipients meeting all Program requirements, including adherence to the Federal Identity Program, *Official Languages Act*, and ACAA performance management and audit requirements.