



News Release

For immediate release

CANADA'S NEW GOVERNMENT LAUNCHES ECOAGRICULTURE BIOFUELS CAPITAL INITIATIVE

CALGARY, Alberta, April 23, 2007 – Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, today officially launched the ecoAgriculture Biofuels Capital initiative (ecoABC) at the site of a new biodiesel facility under construction. The \$200 million initiative will increase renewable fuel capacity by helping agricultural producers construct or expand transportation biofuel production facilities.

To help to lower emissions and reduce greenhouse gases, Canada's New Government has committed to ensuring all gasoline in Canada contain an average of 5 percent renewable fuel content by 2010, and diesel fuel and heating oil in Canada contain an average of 2 percent by 2012.

"The ecoAgriculture Biofuels Capital Initiative is a significant boost for farmer participation in biofuels production. This is the first program to give farmers capital assistance to construct or expand biofuels facilities," said Minister Strahl. "With this initiative, we expect a potential increase in renewable fuel capacity of 1.5 billion litres."

ecoABC is a new federal four-year initiative to provide repayable contributions of up to \$25 million per project to help farmers overcome the challenges of raising the capital necessary for the construction or expansion of biofuel production facilities.

Speaking concurrently at an ethanol-blend gas station in Quebec, the Honourable Christian Paradis, Secretary of State (Agriculture) stated: "The ecoAgriculture Biofuels Capital initiative is another important step that Canada's New Government is taking to create new economic opportunities for our farmers and the agricultural sector."

"Renewable fuels such as ethanol and biodiesel are sparking a renaissance in agriculture around the world," said Kory Teneycke, Executive Director, Canadian Renewable Fuels Association. "We are proud to support the ecoABC program, as it will help farmers invest directly in biofuels facilities, not just supplying them with grain."

Funding for the ecoABC Initiative was initially announced on December 20, 2006, under the name Capital Assistance Formation Program (CFAP). Budget 2007 will allocate another \$2 billion over seven years to support the production of renewable fuels in Canada.

ecoABC will be delivered nationally by Agriculture and Agri-Food Canada. For more information on this initiative, or to access a program Letter of Interest form and instructions please visit www.agr.gc.ca/ecoabc, call 1-866-367-8506, or e-mail: ecoABC@agr.gc.ca



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BACKGROUND

ASSISTING FARMERS TO PARTICIPATE IN BIOFUELS PRODUCTION

In December 2006, Canada's New Government announced an investment of \$345 million to help producers capture new opportunities in biofuels, and that regulations will be introduced on renewable fuel content. These announcements included:

- An investment of \$200 million for a Capital Formation Assistance Program (now renamed the ecoAgriculture Biofuels Capital Initiative);
- An investment of \$145 million over five years in the Agricultural Bioproducts Innovation Program, which will link Canada's research talent in academia, in the private and public sectors, and apply this collective knowledge towards commercially viable applications.
- The Government of Canada will regulate an annual average renewable content of five per cent in gasoline by 2010, and will intend to regulate a two per cent requirement for renewable content in diesel fuel and heating oil by 2012;

In addition, Budget 2007 has allocated \$2 billion over seven years to support the production of renewable fuels.

The ecoAgriculture Biofuels Capital (ecoABC) Initiative

The ecoABC Initiative is a federal \$200 million multi-year program ending on March 31, 2011 that provides repayable contributions for the construction or expansion of transportation biofuel production facilities.

Funding is provided for projects that use agricultural feedstock to produce biofuels and that have new agricultural producer equity investments in the projects equal to, at minimum, five percent (5%) of the total eligible project costs. The funding contributed increases as the level of producer equity investment increases.

Corporations (including co-operatives), individuals and partnerships are eligible to apply for ecoABC funding. Eligible applicants cannot be subject to controlling interest by a federal, provincial or municipal government.

The ecoABC Initiative is delivered nationally by Agriculture and Agri-Food Canada. It is designed to provide an opportunity for agricultural producers to diversify their economic base and participate in the biofuel industry through equity investment/ ownership in biofuel production facilities. As well, ecoABC will help achieve the federal government's goal of reaching an average of 5% renewable content in gasoline by 2010 and 2% renewable content in diesel fuel by 2012.

Contact Information

For more information on the ecoABC Initiative, or to access a program Letter of Interest form and instructions, please visit www.agr.gc.ca/ecoABC , call 1-866-367-8506, or e-mail: ecoABC@agr.gc.ca.