

The Business of Bio Diesel

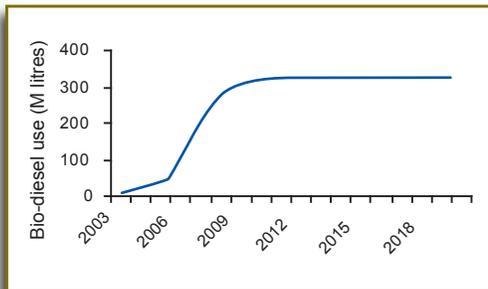
SOY20/20

A renewable solution for fuel energy

Rising oil prices and government policies to reduce greenhouse gas emissions are leveling the playing field between renewable and petroleum based fuels.

Biodiesel - fuel made from animal and vegetable oils

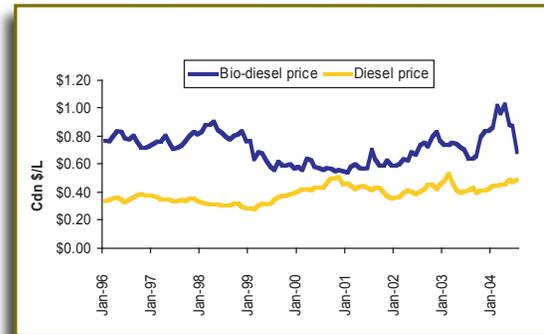
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Technical challenges have been overcome

The cost of vegetable oil as a feedstock has limited investment in biodiesel manufacturing in Canada. Technological breakthroughs have enabled efficient creation of biodiesel from lower cost feedstocks such as used restaurant grease and tallow. Biodiesel made from these sources can consistently satisfy the American Society for Testing and Materials (ASTM) standards. This



ingenious development has reduced the cost of manufacturing to a point where a bio-based technology has become economically feasible.

What can be done to encourage a biodiesel industry?

Industry partners need to work together to develop industrial opportunities that are self-sustainable without artificial support. The development of the Canadian industry will benefit all commodities, either through direct demand as a feedstock, or indirectly through market displacement of other feedstocks. Progress has been made such as the implementation of both federal and provincial tax exemptions on biodiesel fuel, but more support is required to encourage investment in domestic production capacity. There are a number of groups in Canada committed to this issue. (for more information contact Biodiesel Canada at (www.biodieselcanadainc.com)).

Environmental Benefits:

- Reduced sulfur
- Reduced unburned hydrocarbons, carbon monoxide and particulate matter
- Reduction in carbon dioxide emissions
- Complimentary to ethanol (corn based gasoline) production

Where is it?

- To date, commercial biodiesel production in Canada exists only on a small scale (2.5 -5 M litres/year).
- Total production capacity by 2006 could reach 100 million litres in 4 plants.
- Governments have committed to reducing market barriers.

Biodiesel companies:

- Topia Energy Inc.
- Milligan Bio-Tech
- Ocean Nutrition
- BIOX Corporation
- Rothsay Recycling

What you can do:

- Purchase biodiesel at existing Topia retail outlets.
- Encourage your local government to consider bio-diesel use.

Benefits for agriculture:

Soy 20/20 has estimated that the demand for soybeans for biodiesel could surpass 360,000 acres. This shows that biodiesel and other renewable fuels can benefit agriculture and simultaneously help Canada meet international goals for the reduction of greenhouse gases-if strategies are properly enacted. Although animal fat and grease will be the main feedstocks for biodiesel for economic reasons, there is room and need for vegetable feedstocks as well. Soy 20/20 will need to continue to work with the developing domestic biodiesel manufacturing industry to understand and grow the opportunities for soybean.