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Program to fuel Sask. biofuel industry growth

Funds totalling \$80 million will be provided by SaskBIO

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The StarPhoenix

Wednesday, June 13, 2007

A provincial ethanol and biodiesel development program announced Tuesday in Tisdale will help rural investors benefit from Saskatchewan's growing biofuel industry, said Premier Lorne Calvert.

The Saskatchewan Biofuels Investment Opportunity (SaskBIO) program will see \$80 million in repayable contributions given to eligible corporations, individuals or partnerships for the construction or expansion of biofuel production facilities in the province. Applicants to the four-year program must have a minimum of five per cent farmer-community investment -- money from farmers as well as businesses or individuals with an address within 100 kilometres of the applicant.

Calvert said the farmer-community investment gives the people closest to the agricultural roots of biofuels a chance to help build the industry, one that has an eager market waiting for the product to be produced.

"Saskatchewan has 45 per cent of all the arable land in Canada, so our ability to actually grow fuel is of huge potential," he said. "There's just oodles of markets (for biofuels) opening up here and we are the province best suited to serve it."

In addition to a minimum investment from farmers and communities, parties who are eligible for the SaskBIO program must have a minimum production capacity of two million litres per year. A maximum of \$10 million will be given to each project, and an additional \$2 million will be provided through the program for the research and development of biofuels and bioproducts.

"This can be a major engine for economic development in rural Saskatoon. (And) it contributes on a much bigger basis to the work that we have to do as part of a local, provincial and worldwide community to make a change to global warming," Calvert said. "This is a very tangible way the people of Saskatchewan can contribute to the work against climate change."

Farmer-community investors are limited to a maximum investment of \$1 million per individual or group. The repayment of funds will be determined based on profits from the fuels.

The expansion of production facilities won't come without some challenges, such as finding workers to build the plants, said Calvert, but the province is still committed to expanding the biofuels industry in Saskatchewan.

SaskBIO is being supported by the Canadian Renewable Fuels Association, which commended Calvert from its Ottawa office after the announcement was made Tuesday afternoon.

"Renewable fuels such as ethanol and biodiesel are sparking a renaissance in agriculture around the world," said Kory Teneycke, executive director of the association. "We are proud to endorse SaskBIO, as it will help farmers invest directly in biofuels facilities, not just supplying them with grain."

Judie Dyck, executive director of the Saskatchewan Biofuels Development Council, said the program is a reflection of the hard work that has gone into getting the industry started in Saskatchewan.

"It gives us a leg up, it gives us access to capital and investors, but there is still a lot of work to be done to get this industry up and running," Dyck said from Tisdale, where she was attending the North East Saskatchewan Ethanol Forum. She said the program was received warmly by forum attendees.

"This is kind of the piece that completes the first stage of work that we've done. When I worked at the (biodiesel development) task force the goal was to get funding federally and also provincially," she said. "I can't stress enough how many people have been involved in moving this industry forward."

The program will start in 2008.

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