



News Release

For immediate release

MINISTER STRAHL ANNOUNCES CASH FOR BIOFUELS FARMING OPPORTUNITIES

Calgary, Alberta, July 17, 2006 - The Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board today announced \$11 million in funding initiatives designed to ensure farmers and rural communities have opportunities to participate in and benefit from increased Canadian biofuels production.

The Biofuels Opportunities for Producers Initiative (BOPI) provides \$10 million dollars, this fiscal year, to help agricultural producers develop sound business proposals, as well as undertake feasibility or other studies to support the creation and expansion of the biofuel production capacity. The industry councils in each province and territory that administer AAFC's Advancing Canadian Agriculture and Agri-Food (ACAAF) will be invited to deliver this new federal funding.

"Canada's new government wants to ensure that farmers and rural communities are ready to take advantage of the opportunities that will be created by our biofuels strategy," said Minister Strahl. "These initiatives will not only help provide new opportunities to farmers, they will also help lay the foundation for Canada's biofuels strategy. We expect to be announcing decisions on this biofuels strategy this fall."

The new government is also supporting biofuels opportunities through a one-time \$1 million dollar addition to the existing Co-operative Development Initiative (CDI). This funding will provide support to individuals, groups and communities wishing to develop co-operatives as a way to take advantage of opportunities associated with biofuels and other value-added activities.

These initiatives flow from the 2006 Budget, where the Government of Canada invested an additional \$1.5 billion to ensure prosperity and growth in Canada's agriculture sector, which tripled original commitments to the agriculture sector.

-30-

For more information, media can contact:

Media Relations
Agriculture and Agri-Food Canada
613-759-7972
1-866-345-7972

Jeff Howard
Press Secretary
Minister Strahl's Office
613-759-1059



BACKGROUND

BIOFUELS OPPORTUNITIES FOR PRODUCERS INITIATIVE

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). AAFC 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. 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;
2. undertaking feasibility and other studies to support the creation and expansion of biofuels production capacity with significant ownership by agricultural producers;
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 the industry applicant.

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 Council Delivery of the Biofuels Opportunities for Producers Initiative

The industry councils in each province/territory administering AAFC's Advancing Canadian Agriculture and Agri-Food (ACAAF) Program will be invited to deliver this new funding for projects under the Biofuels Opportunities for Producers Initiative. The councils are suited for this expanded role as it is consistent with their mandate to position the sector at the leading edge to seize new opportunities.

Further details on how to apply for assistance under Biofuels Opportunities for Producers Initiative will be available shortly. For more information on the Biofuels Opportunities for Producers Initiative, the ACAAF program and the councils, please visit the ACAAF website at <http://www.agr.gc.ca/acaaf/>.



Co-operative Development Initiative

The Biofuels Opportunities for Producers Initiative is complemented by an additional \$1 million investment to the existing Co-operative Development Initiative (CDI) for 2006-2007, to support biofuels capacity, as well as other value-added opportunities in the agricultural sector.

The CDI is designed to help Canadians develop co-ops, conduct research and test innovative ways of using the co-operative model to take advantage of opportunities and challenges facing their communities. The Government of Canada believes the co-operative model is a useful tool that can empower farmers to participate in value-added initiatives such as biofuels. Some biofuels projects in Canada are already being developed as co-operatives, while a majority number of U.S. biofuel facilities are farmer-owned co-operatives.

This additional funding will allow the Co-operatives Secretariat within AAFC to partner with the co-operative sector to provide specialized and expert assistance to farmers, groups and communities that wish to explore using the co-operative model as a way to participate in value-added opportunities such as biofuels.

Co-operatives are jointly owned enterprises formed by people coming together to meet their needs. They are based on ethical values and principles including self-help, democracy, equality, and concern for community. The 9,200 co-operatives in Canada engage 70,000 volunteers and employ 155,000 people. They empower individuals, and encourage healthier and stronger communities by enabling people to pool their resources, share risks and achieve common goals.