



Media Release

For Immediate Release: June 27, 2008

Wheat Growers Welcome Federal Biofuels Legislation

The Western Canadian Wheat Growers Association is pleased to see federal legislation enacted yesterday that will provide higher returns for prairie farmers and greater investment certainty for the biofuels industry in Canada. The legislation provides for the introduction of national standards of 5% renewable content for gasoline and 2% renewable content for diesel fuel and heating oil.

“The biofuel market gives farmers another important marketing option,” says Cherilyn Jolly-Nagel, President of the Wheat Growers. “It also means more of our production will be processed locally rather than shipped offshore.” In addition to improving returns for farmers, the Wheat Growers see a number of benefits of a biofuel industry, including: reducing our dependency on foreign markets; reducing our dependency on shipping grain long distances by rail; lowering congestion at ports and on rail lines; and providing an alternative market for grain that doesn’t meet food quality standards due to weather or other causes.

The federal renewable content standards are modest. Existing mandates in several provinces meet or exceed the new national levels. For example, ethanol mandates are currently 8.5% in Manitoba, 7.5% in Saskatchewan, and 5% in Ontario.

The Wheat Growers note there has been a tremendous amount of misinformation regarding the impact of biofuel industry on food prices. In recent months, critics have suggested that biofuels production has decreased the amount of land devoted to food production. This is not the case in western Canada.

According to Statistics Canada, summerfallow acreage (i.e. land left idle each year) on the prairies has decreased by almost two million acres in this year alone, from 7.7 to 5.8 million acres. The Wheat Growers estimate the amount of land currently needed to meet the entire biofuel production capacity on the prairies is approximately one million acres.

“The production of grain and oilseeds from the decrease in summerfallow acreage should more than offset the prairie biofuel demand,” says Matt Sawyer, Director and chair of the Wheat Growers biofuels committee.

The Wheat Growers note too that farmers have been growing crops for industrial purposes for decades.

Flax, for example is used primarily for industrial and consumer products including varnish, paints and linoleum flooring. In 2008, prairie farmers are estimated to have planted 1.5 million acres of flax.

“No one is suggesting we should stop growing flax, so why should there be this huge concern over devoting acreage to biofuels?” asks Jolly-Nagel. “The bottom line is that a biofuel industry is a good news story for western grain farmers and the prairie economy.”

While the Wheat Growers support the biofuel mandates in the short-term, our long-term objective is to see this industry thrive without the need for any government intervention. Improved processing technologies, strong energy prices and new crop varieties specifically geared for the biofuel market should help ensure this objective becomes the reality.

For further comment, please contact:

Cherilyn Jolly-Nagel
President
Home: (306) 354-2517
Cell: (306) 354-7368

Matt Sawyer
Director
Home: (403) 546-2259
Cell: (403) 369-5071