

Global Biodiesel Market

Oilseeds WA

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Agribusiness Opportunities – DAWA.

Format

- General Overview
- By Country
 - Commercial production
 - Government Policy
- What the future holds...



General Overview

- Main commercial biodiesel producers
 - The EU and the US
- World production estimated at 3 billion litres in 2004/05
- Estimated 3.8 billion litres in 2005/06



World Production Biodiesel

	Billion Litres*	Billion Litres*
Country	2004/05	2005/06
Germany	1.7	2.0
France	0.4	0.5
Italy	0.4	0.2
UK	0.0	0.2
US	0.4	0.8
Other	0.1	0.1
Total	3.0	3.8

* Estimated, rounded.

Market Drivers

- Reduction in emissions
 - Green House Gases (GHG).
 - Localised visible pollution
- Increase employment in the rural sectors
- Reduce the reliance on imported mineral fuels – ‘a tax on the American Dream’



The European Union

- European production exceeded 1.4 billion litres in 2003/04
- Kyoto signatories, 2% and 5.75% of fuels placed in the market to be biofuel
- Production has increased 35% per annum since 2002

EU continued...

- EU standards are built on canola (rapeseed)
- Effect of set aside – Common Agricultural Policy
- Major concern is not ability to grow, but capacity to crush
- Three main contributors are Germany, France and Italy

Germany

- Has exceeded target of 2% by 2005
- Estimate 1.7 billion litres in 2004/05
- 10 plants, ranging from 14 to 540 million litre capacity 3 over 320 million litre
- January 2004 government allowed B5.

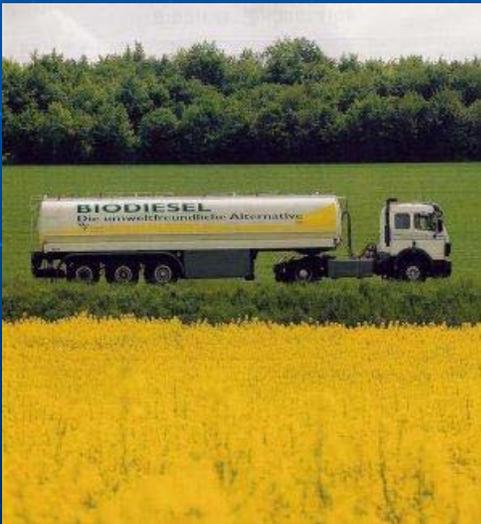
Germany continued...

- Sold in 1,900 filling stations
- Government wants to implement tax
- Union for the Promotion of Oil and Protein Plants (UFOP)



France

- Four plants, totaling 450 million litres in 03/04



- Limits for use –
 - B5 for private passenger
 - B20 for fleet and transport vehicles
- EUR 0.35/litre exemption from excise tax since 2000

Italy

- Production had reached 355 million litres in 2003/04
- Government slashed tax relief, and channeled into ethanol
- Ethanol is a better fit for Italy's resources

EU Honourable Mentions

- Austria –
 - First commercial production, 1988.
 - Small by world standards, 115 million litres
- UK
 - Slow up take of technology
 - Recently began construction of 286 million litre plant – will use waste vegetable oil

United States

- Dedicated production estimated at 415 million litres
- Potential to double in 12 months, with at least 380 million litres growth by 2005/06
- 30 companies involved in production and marketing



US Government influence

- Congress passes Energy Bill – federal excise tax credit until 2008 on biodiesel
- State and Alternative Fuel Provider Program
 - Mandates the use of 50% biofuels in government fleets
 - To meet this the Department of Energy have begun construction of fuelling stations so as to corner the market.

Australia

- Australian production – 10 million litres.
- Planned plant capacity 300+ million litres, on stream in near future
- Excise to be applied incrementally from 2011 until 2015 when 50% of full rate will apply
- No protection of an oilseed biodiesel industry, no barriers to trade.

What the future holds - Opportunity

Mustard – identified for further R&D

- Potential because -

- Suits wide growing region
- Fits farming practise
- No other market for oil
- Meal use



What the future holds -

- Palm Oil – Malaysia and Indonesia
 - Cheapest available renewable oil

- Brazil -
a new focus on biofuel
 - Launch of the 'pro biodiesel program'
 - Many crop types available e.g. soybean



In Summary

- The EU and the US governments play a major role, so too will Brazil's
- Lobby groups, popular opinion play major role
- Mustard deserves research as a potential feedstock for Western Australian biodiesel

Thank you for your
attention

Any questions please...?