



*For Immediate Release*

*December 21, 2006*

### **Wheat Growers Welcome Federal Biofuels and Bioproduct Initiatives**

The Western Canadian Wheat Growers Association welcomes the biofuel mandates and the two new federal programs announced yesterday that will help promote a biofuels industry in Canada.

“The biofuels and bioproduct market represents a potentially great source of new demand for grain and fibre,” says Cherilyn Jolly-Nagel, President of the Wheat Growers. “As we have seen in the United States, the market for grain-based fuels has strengthened grain prices and improved farm profitability.”

The legislated renewable content mandates of 5% for gasoline and 2% for diesel and heating oil will contribute to stronger grain prices in Canada.

The \$200 million Capital Formation Assistance Program will give farmers and other investors an opportunity to capitalize on opportunities in the biofuel sector. The \$145 million Agricultural BioProducts Innovation Program (ABIP) will support research into the development and commercialization of new agricultural products, including biofuels.

“Creating more value-added opportunities will give us more marketing options,” says Jolly-Nagel. “Reducing our dependency on offshore bulk grain markets means we will have a greater opportunity to improve our profitability and the prosperity of our local communities.”

Details of the capital assistance program are not yet known, although the Wheat Growers are seeking to ensure the program is designed in a way that encourages investments by farmers and non-farmers alike.

“Providing incentives for farmers to invest in biofuels is fine as long as it doesn’t act as a disincentive for others,” says Jolly-Nagel. “New demand is good for grain prices, regardless of who makes the investment.”

The Wheat Growers note the growing demand for ethanol will require the development of wheat varieties specifically designed for this market. The current kernel visual distinguishability (KVD) requirement should be removed as soon as possible on all classes of wheat so this is no longer a constraint for wheat breeders. Removing the KVD requirement was also a recommendation of a recent report on the Canadian Grain Commission by the House of Commons Standing Committee on Agriculture and Agri-Food.

---

***Innovative, farmer-driven solutions.***

The Wheat Growers believe the ABIP initiative could lead to the development of several new products for industrial, energy, biomaterials, health, or pharmaceutical uses.

“We’re excited about the potential opportunities for new products from wheat and other crops,” says Jolly-Nagel. “The growth potential in the bio-economy points to a bright future for all of prairie agriculture.”

- 30 -

For further comment, please contact:

Cherilyn Jolly-Nagel, President  
Western Canadian Wheat Growers Association  
(306) 354-2517