Global Biodiesel Market

Oilseeds WA

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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

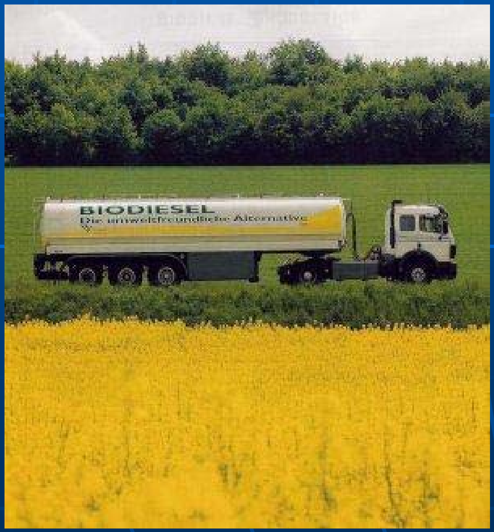
- Has exceeded target of 2% by 2005
- Estimate 1.7 billion litres in 2004/05
- 10 plants, ranging from 14 to 540 million litre capacity 3 over 320 million litre
- January 2004 government allowed B5.

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…?