

Advanced Biofuels Canada Association Welcomes Federal Biofuels Production Incentive Coming into Force

VANCOUVER, CANADA, January 1, 2026 /EINPresswire.com/ -- "The Biofuels Production Incentive takes effect today, providing immediate support to protect Canadian biofuel production capacity and strengthen Canada's energy security," said Fred Ghatala, President of Advanced Biofuels Canada Association.

"The Biofuels Production Incentive was announced by Prime Minister Carney on September 5, 2025, and today marks the shift from policy intent to delivery.

"Canadian producers have been operating at a competitive disadvantage since the introduction of the United States' Inflation Reduction Act and the Clean Fuel Production Credit, which significantly lowered U.S. production costs and reshaped North American capital flows.

"The Biofuels Production Incentive supports Canadian jobs, Canadian feedstocks, and Canadian fuel supply, helping keep clean fuel investment and production anchored in Canada amid ongoing trade and policy uncertainty. Biofuels are an immediately deployable solution that reduces emissions while supporting rural economies, well-paying jobs, domestic feedstocks like canola, and greater energy security.

"Advanced Biofuels Canada Association represents producers of biodiesel, ethanol, renewable diesel, renewable gasoline, and sustainable aviation fuel, which are blended into the transportation fuels Canadians rely on every day.

"While the Biofuels Production Incentive is a positive short-term measure for 2026 and 2027, it does not fully close the gap with U.S. production subsidies. Long-term competitiveness will require complementary, structural measures that provide certainty for investment in Canadian renewable fuel production and feedstock supply chains.

"The federal-provincial-territorial table on low-carbon fuels is already established, and it is the next critical step to align long-term policies that keep Canadian biofuel production stable, thriving, and anchored in Canada, rather than leaving Canada's supply and competitiveness exposed to foreign policy decisions.

"Provinces have a central role to play in ensuring Canada remains attractive for capital

investments in biofuel production, feedstock processing, and renewable fuel infrastructure, while ensuring that farmers and rural communities capture the long-term jobs, revenues, and value-added benefits these supply chains generate.

"Advanced Biofuels Canada Association encourages provinces and territories to engage actively at the federal-provincial-territorial table to deliver durable, long-term investment-ready solutions. Coordinated policy action will protect existing facilities, attract new capital, and keep biofuel investment and production in Canada.

"Today's implementation is important groundwork, and the focus now must be on durable policy frameworks that allow the sector to grow."

Advanced Biofuels Canada is the national industry voice for producers, distributors, and technology providers of non-fossil, low carbon, and sustainable fuel replacements to gasoline, diesel, jet, and marine fuels. Our members operate over 45 billion litres of low carbon fuel production capacity globally and are significant suppliers to renewable and low carbon fuel in Canada and worldwide. For more information, visit www.advancedbiofuels.ca.

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