



March 13, 2013

Mr. Chad MacPherson
General Manager
Saskatchewan Stock Growers Association
Box 4752
REGINA SK S4P 3Y4

Dear Mr. MacPherson:

Thank you for your letter concerning the January 14, 2013, resolutions of the Saskatchewan Stock Growers Association. In particular, the matter relating to the ethanol industry and subsidies, which has been forwarded to me for review from the Honourable Ken Cheveldayoff, Minister of Environment and the Honourable Lyle Stewart, Minister of Agriculture.

The Ministry of the Economy is responsible for the *Saskatchewan Ethanol Act* and regulations as well as the related incentive program. Ethanol programming consists of two components. Firstly, the mandated requirement to include 7.5 per cent ethanol in gasoline sold in Saskatchewan and secondly, a 15 cents per litre incentive paid to marketers and distributors of ethanol who have purchased at least 30 per cent of that ethanol from 'small producers' (less than 25 million litres annual capacity).

A review of the regulations for the Ethanol Fuel Grant Program, as required under The Ethanol Fuel (Grants) Regulations, commenced in October, 2012. The intent of the review is to provide an overview of the current state of the industry, examine the criteria and stated objectives of the program and to make recommendations.

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The committee's report has been shared with stakeholders in the industry. Although, to date, no final decision has been made concerning the program or any possible changes.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Boyd".

Bill Boyd
Minister of the Economy

cc: Honourable Ken Cheveldayoff, Minister of Environment
Honourable Lyle Stewart, Minister of Agriculture