

# CANOLA BIODIESEL

May 2014

## **1. Canola Biodiesel – Reducing Greenhouse Gas (GHG) Emissions**

**Canola-based biodiesel can help governments (Federal and Provincial) meet their public policy goals of emissions reduction in the transportation sector, while advancing progress in the bioeconomy sector.**

- Canola is a high-quality domestically sourced, sustainable biodiesel feedstock that can play a key role in reducing GHGs in transportation fuel.
- Canola biodiesel is produced from renewable biomass; life-cycle (farm to fuel) GHGs are 94% lower than fossil diesel fuel. Emissions of other air contaminants (including carcinogens and causes of urban smog) are also significantly reduced by biodiesel use.
- A Renewable Fuel Standard (RFS) is a prudent, market-based and practical way for governments to capture the extremely positive environmental, health and economic development aspects of renewable fuels without direct financial incentives, cumbersome and complicated programs and oversight regimes.
- Setting a RFS provides a stable demand signal to the market to plan and mobilize private investment. A RFS, with defined carbon reduction performance requirements, provides environmental benefits as a public policy tool of government, while creating a level of certainty in demand for the marketplace (for feedstock producers, biodiesel producers, fuel blenders and other value chain participants).
- For the cold-weather climate of Canada, there are no barriers or operational issues associated with modest blends of biodiesel in winter (e.g. 5% and under). It can be used in any diesel engine in seasonal blends up to 20% with no modification, and is a cleaner fuel for the trucks and heavy machinery that underpin the Canadian economy.

## **2. Strengthening Regulatory Frameworks to Drive Results**

Strengthening the regulatory framework around biodiesel can offer significant benefits to Canada. To ensure that intended GHG reductions and environmental outcomes are achieved, an effective biodiesel RFS requires three new elements:

### ***(i) Incrementally increase mandates to 5% by 2020***

- Currently, five biodiesel mandates are at 2% (Federal, ON, MB, SK, AB) and one at 4% (BC).

- Incrementally increasing mandates to 5% by 2020 (at 0.5% per year) will significantly lessen tailpipe and GHG emissions from the transportation sector and spur significant private regional investment to meet the demand.

**(ii) *Adopt carbon performance thresholds of at least 50%***

- The 50% carbon intensity reduction threshold, measured against standard diesel fuels, needs to be applied on each litre of biodiesel to assure GHG reductions are achieved.
- To ensure consistency across the country, full life-cycle carbon intensity should be determined by use of GHGenius (v4.03a, or most current), an internationally recognized lifecycle assessment (LCA) model, overseen by Canadian federal agencies.

**(iii) *Require supply-chain accountability***

- The RFS should adopt ‘renewable biomass’ requirements to ensure biofuel feedstocks are sustainably produced (i.e. not destroying rain forests, etc.). This position is aligned with the EPA (Environmental Protection Agency) in the USA.
- Canadian canola is certified for biodiesel use in the United States of America under the Environmental Protection Agency’s (EPA) Renewable Fuel Standard (RFS2) and in Europe under the European Union’s Renewable Energy Directive (RED).

### **3. Broader Policy Benefits**

- In the agricultural sector, a RFS presents an opportunity for governments to indirectly catalyze increased levels of value-added regional economic development and a market-driven way to utilize increasing domestic crop stocks.
- Significant increases in canola yields mean Canada is producing more canola on each acre of land; meeting growing demand for food, feed and biofuel uses. It is currently estimated that approximately 3% of total canola production is used for fuel in Canada (90% of the annual Canadian canola production is exported as seed, oil and meal).
- A modest biodiesel RFS will use domestic feedstocks, employ regional biodiesel producers and support our country’s broader environmental, social and economic goals. Canola biodiesel is *low-carbon* and *renewable* – and made from crops *grown by Canadian farmers*.
- Canadian canola biodiesel is good for our environment, good for our farms and good for our economy.

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*The Canadian Canola Growers Association (CCGA) represents 43,000 canola growers in Canada.*

*The Canola Council of Canada (CCC) is a value chain organization representing the canola sector in Canada including growers, seed developers, processors, and exporters.*

*Canada’s canola industry annually contributes over \$19 billion to the Canadian economy and supports 249,000 Canadian jobs.*