



CANOLA

Advancing a Sustainable Future

Canola is a **major driver of the Canadian economy**, creating jobs and adding value.

- ✓ **43,000 farmers** produce on average 19 million tonnes of canola; half is processed in Canada as value-added oil and meal
- ✓ Canola is the **#1 source of farm revenue** for Canadian farmers, earning **\$13.7 billion** in farm cash receipts in 2022

- ✓ Canola contributes **\$29.9 billion per year** to the Canadian economy
- ✓ Canola industry supports **207,000 Canadian jobs**
- ✓ Canola exports were valued at **\$14.4 billion** in 2022



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i CANADIAN CANOLA IS PROVEN, SUSTAINABLE, AND AVAILABLE TO TAKE ON INCREASED DEMAND

Canadian Biofuels



Farmers prosper when they can meet growing demand for their product.



GROWTH OPPORTUNITY: Enable a sustainable source for food and fuel.

As Canada and other jurisdictions around the world need lower-carbon fuels (such as biodiesel, renewable diesel, and sustainable aviation fuel) to meet their environmental goals and policies, the Canadian canola industry has a big opportunity to meet this demand.

Canola is used as a high-quality, domestically sourced, sustainable biofuel feedstock that can play a key role in reducing greenhouse gas (GHG) emissions in transportation fuel. Canola biofuels have excellent GHG reduction characteristics, emitting up to 90% less GHG emissions than conventional diesel fuel. This reduction is calculated on a lifecycle basis, which includes growing, processing, and transportation.

The significant announcements in the canola processing sector in 2021, and now beginning to come online, demonstrates

the entire industry is mobilizing, investing, and building to domestically produce and process increased volumes of canola—to meet the growing global demand for food and fuel continentally and abroad. Today, approximately 1.8 million tonnes of seed are used in biofuel manufacturing in North America. With the current regulatory landscape, estimates suggest that this could increase to approximately 6.5 million tonnes annually by 2030.

In Canada, the Clean Fuel Regulations (CFR) came into effect on July 1, 2023. Government must continue to work with industry to ensure these regulations enable meeting this increased demand without undue burden on Canadian farmers and the biofuel supply chain. Canadian canola is ready to meet the demand for food, feed, and fuel and contribute to efforts to decarbonize transportation fuels.



“The CFR creates opportunities for canola farmers to be feedstock providers for lower emission transportation fuel. That’s a benefit to the environment and a benefit to our farms by creating new, stable domestic demand for our canola and more economic growth and jobs for our rural communities.”

ROGER CHEVRAUX | Farmer from Killam, Alberta, and Chair of CCGA



Canola is a Sustainable Crop

Farmers prosper when they have access to the latest innovative products and practices to grow an abundant, sustainable crop. Their practices should be recognized and rewarded for contributing to a thriving agriculture sector.



GROWTH OPPORTUNITIES: Provide improved financial recognition for on-farm activities that benefit Canadians as a whole, such as nature-based climate solutions. Support research and innovation for agronomic practices, crop protection, and plant breeding innovation.

As stewards of the land, canola farmers have a long history of adopting innovative practices that improve the sustainability of their operations. Widely adopted conservation tillage, for example, keeps carbon in the soil, lowers GHG emissions, and builds healthy soils. Environmental sustainability also plays a critical role in preserving the competitiveness and viability of Canada's agriculture sector to meet growing consumer demand. Recognizing this responsibility, the Canadian canola industry set bold sustainability targets for 2025. These targets aim to enhance energy and land efficiency, increase carbon sequestration, maximize nutrient-use efficiency, improve soil and water health, and protect biodiversity. Efforts are underway to update and refine these targets to drive continuous improvement in the industry's sustainability practices.

As a 'Made in Canada' success story, born from innovation and collaboration between industry and government, future environmental and production benefits of canola will depend on sustained innovation in plant breeding, variety development, crop protection products, and agronomic practices that support sustainable intensification. These initiatives will create seed varieties, chemistries, and beneficial management practices to help canola farmers adapt to the effects of climate change while minimizing inputs that will benefit their operations and the environment.



The canola industry's sustainability targets for 2025



40% decrease in the amount of land required to produce one tonne of canola.



Utilize 4R nutrient stewardship practices on **90%** of canola acres.



Sequester an additional **5 million tonnes** of greenhouse gas emissions in Canadian soils every year.



18% reduction in fuel use per bushel.



Safeguard over **2,000 beneficial insects** that call canola fields and surrounding habitat home.



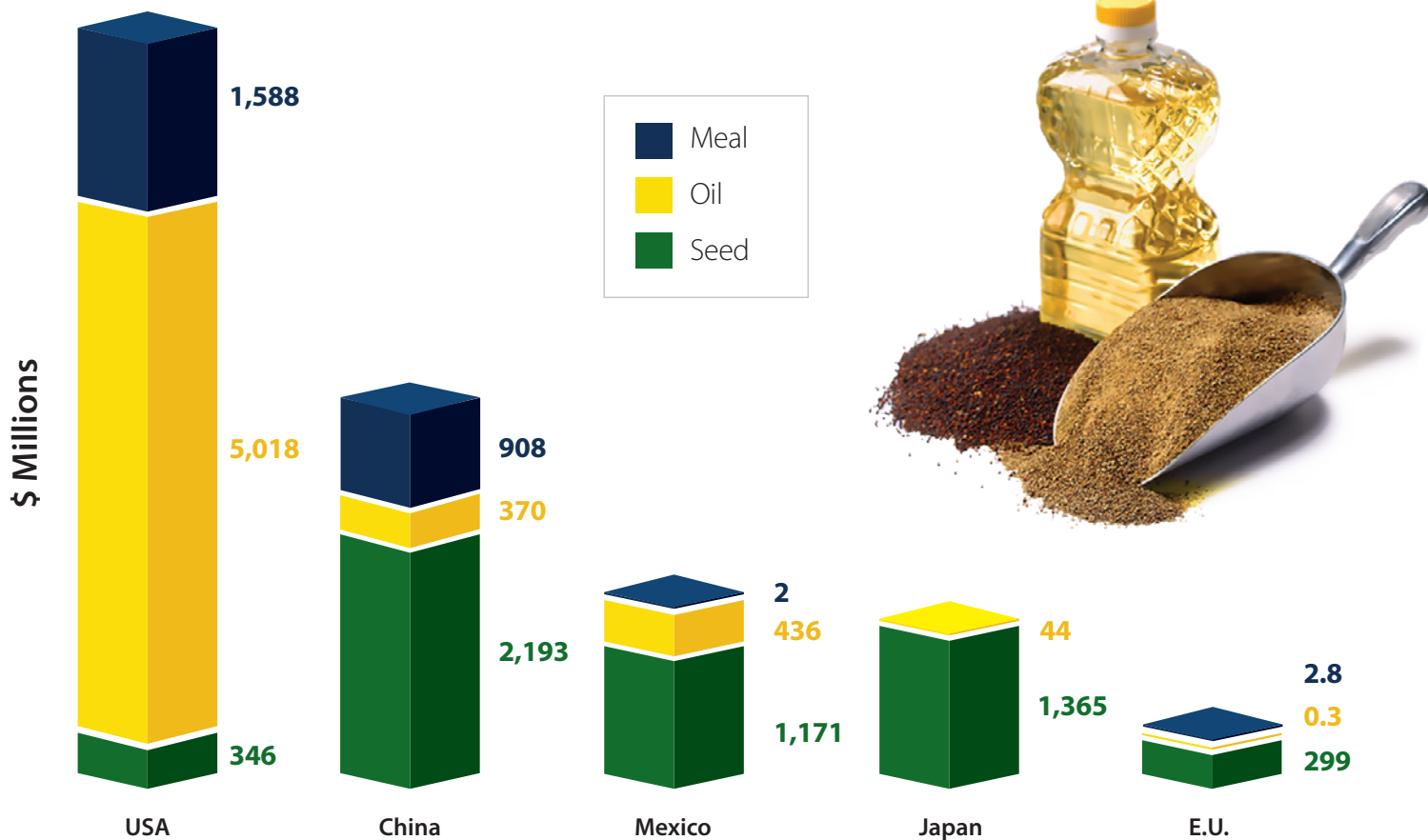
Canola is also able to efficiently sequester large amounts of carbon due to its high yields and deep roots. This environmental contribution must be recognized through Canada's carbon offset credit system. To allow farmers to continue to make significant investments required for new sustainable technologies and practices, carbon pricing exemptions must be made when an alternative fuel source is not viable. Payment for ecosystem goods and services programming is also key in recognizing farmers for sustainable practices to help them remain profitable and encourage the adoption of new practices that benefit their farms and the environment.

Agriculture & Agri-Food Canada's Sustainable Agriculture Strategy (SAS) must align with and support these priorities

to maximize environmental and production gains. As key contributors to Canada's sustainable future, canola farmers must actively participate in the development of sustainability strategies, policies, programs, and targets to realize the full potential of agriculture's contribution and achieve outcomes that support sustainable land management and farm profitability.



Value of Top Export Markets



*2022 data sourced from Statistics Canada, July 2023

i CANADIAN CANOLA SEED IS CRUSHED INTO OIL, WHICH CAN BE FOUND IN CONSUMER PRODUCTS WORLDWIDE

Trade & Market Diversification

Farmers prosper from free trade, clear and predictable rules, and diverse markets.



GROWTH OPPORTUNITIES: Pursue a Canadian trade strategy that positions Canada as a top supplier of sustainable food globally, expands agriculture exports, and prioritizes timely solutions to market access barriers. Leverage the Indo-Pacific Strategy and the first-ever Indo-Pacific Agriculture and Agri-Food Office to expand market opportunities in this fast growing, dynamic region.

Trade is key to the competitiveness of the canola sector. Modernization of the World Trade Organization and full implementation of Canada's bilateral agreements ensure open borders and resilient supply chains. Farmers are well-positioned to provide safe, reliable canola to the world but require science-based trade rules to grow and diversify markets. In 2022, over 90% of canola seed was exported to only five markets. The fast growing, Indo-Pacific region presents exciting opportunities for market diversification; commercially meaningful free trade

agreements (FTAs) with Indonesia and the Association of South-East Asian Nations (ASEAN) and investments in market access activities should be core to Canada's Indo-Pacific strategy. Successful FTA conclusions will create new opportunities, and the on-the-ground technical expertise provided through the Indo-Pacific Agriculture and Agri-Food Office will help our sector manage evolving regulatory requirements and generate market access solutions.



United States:
\$7 billion



China:
\$3.5 billion



Mexico:
\$1.6 billion



Japan:
\$1.4 billion



European Union:
\$302 million

- ✓ Canada is the **#1 exporter** of canola in the world.
- ✓ **90% of canola is exported** as seed, oil, and meal to more than 50 markets each year.

Regulatory Modernization

Farmers prosper when there are enabling regulations, policies and programs that encourage innovation and advance sustainable agriculture to boost competitiveness at home and abroad.

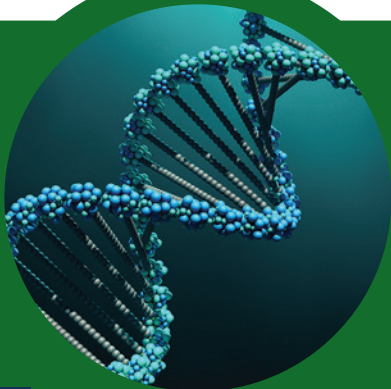


GROWTH OPPORTUNITIES: Modernize the *Canada Grain Act* to align farmer protections and Canada's grain quality assurance system with today's practices and position Canada as a leading supplier of high-quality, safe grain. Empower farmers to use innovation and to further their sustainability practices through robust research and timely, science-based regulatory decisions for crop protection, nutrients, and seed varieties.

Developed by Canadian scientists in the 1970s, canola has evolved through science, public-private partnerships, and innovation to become the leading revenue source for Canadian farmers and a significant contributor to the national economy.

To meet our growing food security and climate change challenges, enabling regulations, policies, and programs are needed to empower and increase the tools available to farmers, ranging from right to repair and machine interoperability to plant breeding innovation, and to ensure a competitive environment.

Regulations and government-led initiatives, such as those managed by the Pest Management Regulatory Agency (PMRA) or in the sustainability space, must be grounded in science and real-world data and be designed to enable innovation and beneficial management practices. Additionally, farmers need a modernized *Canada Grain Act* and Canadian Grain Commission that better align with the needs of farmers now and into the future as farming practices, markets, and demand have changed and continue to evolve since the last comprehensive amendment in 1971.



i Did you know?

Gene editing holds immense opportunity to create more resilient crops that produce more with less inputs on the same land, improve nutrition, and better respond to evolving consumer needs. Clear commercial pathways from government help make these benefits a reality.



Managing Risk on Farm

Farmers prosper when there are pragmatic and adequately funded programs to help manage uncontrollable risks, giving them the confidence to invest in their operations.



GROWTH OPPORTUNITIES: Invest further in Business Risk Management (BRM) programs and enhance industry collaboration to ensure the suite is predictable, timely, and responsive to farmers' needs.

Farmers face numerous risks beyond their control that impact the production, price, or payment of their crop. These risks include extreme weather affecting production, international trade restrictions blocking access, and rail disruptions impacting supply chains. Under the Sustainable Canadian Agriculture Partnership (Sustainable-CAP), the federal, provincial, and territorial governments continue to provide support to farmers through a suite of tools that include: AgriInsurance, AgriStability, AgriInvest, and AgriRecovery.

BRM programs need to remain exclusively a tool to help protect farmers against income and production losses. Adding environmental linkages could act as a barrier to participation, particularly for new farmers. It is critical to the success of

the industry that not only are the integrity of BRM programs protected, but that improvements and investments are made to ensure they provide farmers with the confidence required to make new, sustainable investments in their operations.

Under Sustainable-CAP, Agriculture and Agri-Food Canada has an opportunity to further engage farmers and farm organizations beyond the existing advisory committee that has not changed since the early 2000s. This will ensure these critical tools remain relevant and effective for farmers as changes are made under Sustainable-CAP and in the next policy framework.

① THE AVERAGE TONNE OF CANADIAN-GROWN CANOLA TRAVELS 1,520 KM TO REACH A CANADIAN PORT

From Farm to Port to Customer



Farmers prosper when there is a reliable transportation network to ship their product.



GROWTH OPPORTUNITIES: Make extended interswitching for rail permanent and invest further in adaptable and resilient transportation infrastructure.

Over 90% of canola grown in Canada is exported to customers all over the world, and rail is the only practical means to move from the areas of production to port. Canola seed and processed oil and meal products are all grain commodities that require transportation in bulk volumes—there are no other practical options.

The industry relies on efficient, predictable, and timely rail service, as do export customers who need to know that they can trust Canadian canola to arrive as expected. When railways can't deliver on service or transportation is otherwise halted, farmers and customers are directly affected. The grain supply chain is a complex system that requires the right grain, in the right place, at the right time to ensure timely loading of vessels at port and contracts with global customers are fulfilled.

Budget 2023 authorized 'extended interswitching' for an 18-month duration in the Prairie provinces. This is a policy that is long-supported by the grain industry and other shippers and is a proven way to encourage competition between railways in a

duopoly environment. It also allows the potential opportunity for shippers to access new routes for their products and to develop new continental markets at competitive freight rates. This was a direct recommendation from the Minister of Transport's National Supply Chain Task Force Report (October 2022). The pilot should be made permanent, extended to 500km, and applied nationally.

For the long-term, transportation corridors need considerable investment to be upgraded to handle not simply the goods of today, but increased volumes of the future as Canada works to diversify its trade flows. The federal government must make further, long-term commitments to infrastructure improvements that will help facilitate exports, especially through the Western corridor to supply growing Asian markets. Infrastructure investments are key to ensuring Canada's competitiveness and resiliency to natural disasters that impact the supply chain.





Approximate 5-year average of seed exports from port (2017-2022 Crop Years)

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Helping Farmers SUCCEED

Since 1984, Canadian Canola Growers Association has been at the forefront of driving change for canola farmers, representing their interests on national and international agricultural issues, programs and policies.

The association has been an administrator of the Advance Payments Program for nearly 40 years, providing cash advances to help thousands of farmers better market their crops and finance their operations. The Advance Payments Program is a federal loan program administered by CCGA. It offers Canadian farmers marketing flexibility through interest-free and low-interest cash advances.

CCGA is governed by 10 farmer directors who represent Canada's provincial canola associations from British Columbia to Ontario.



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