

Sustainability in the Canadian Canola Sector

ISCC Regional Stakeholder Dialogue North America
Implementation of Sustainable Supply Chains
September 29, 2016



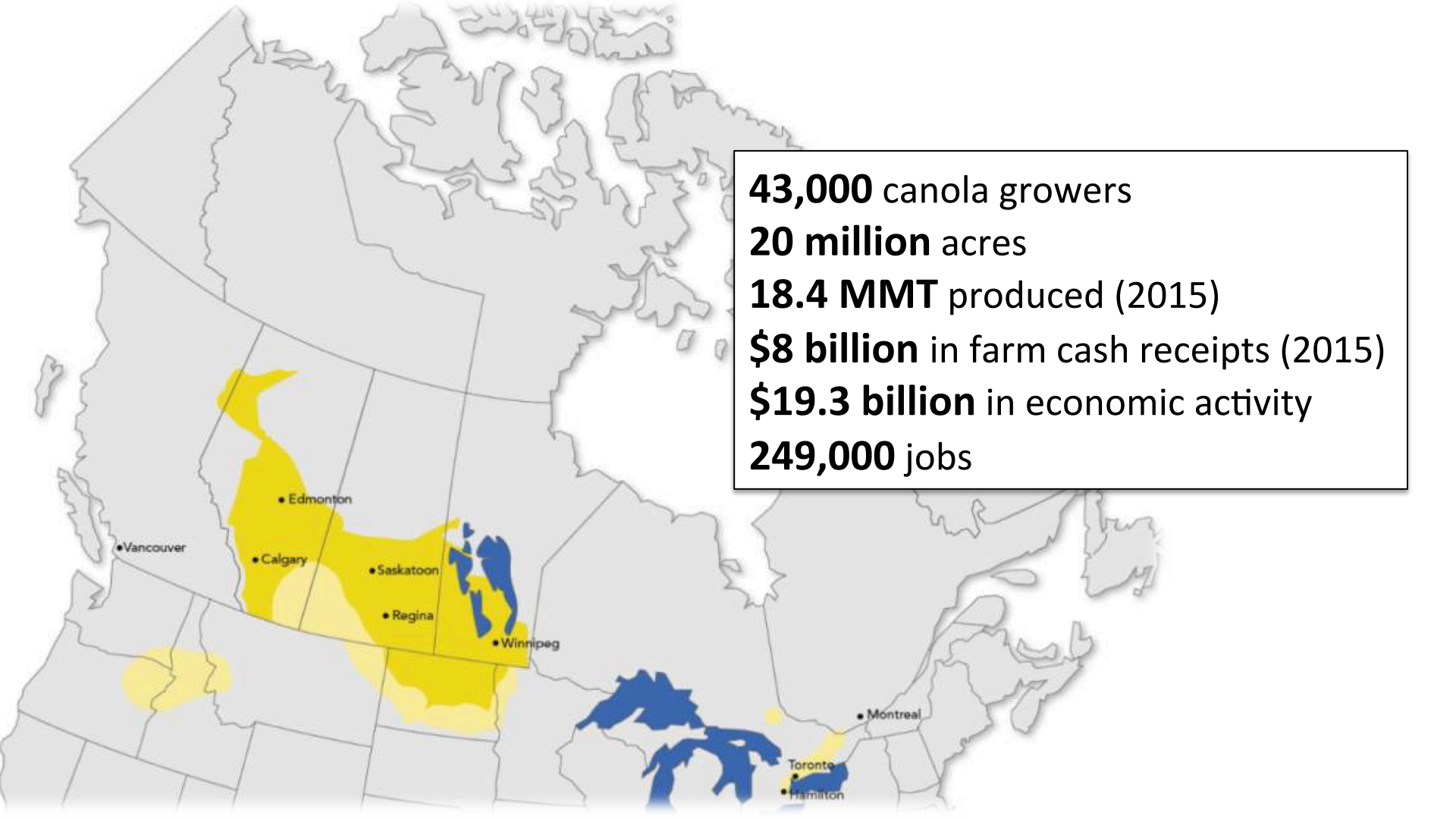
Presentation Overview

1. Overview of the Canadian canola industry
2. The Canola Council of Canada
3. Sustainability in the canola industry



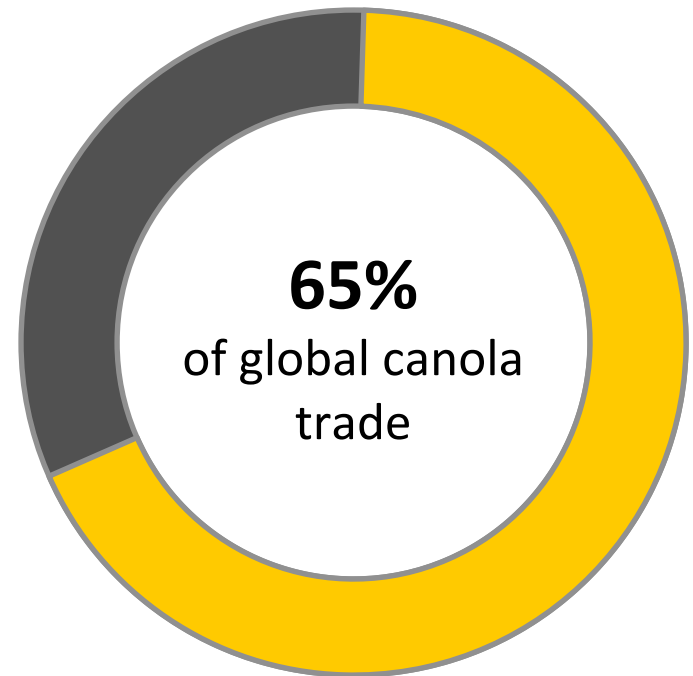
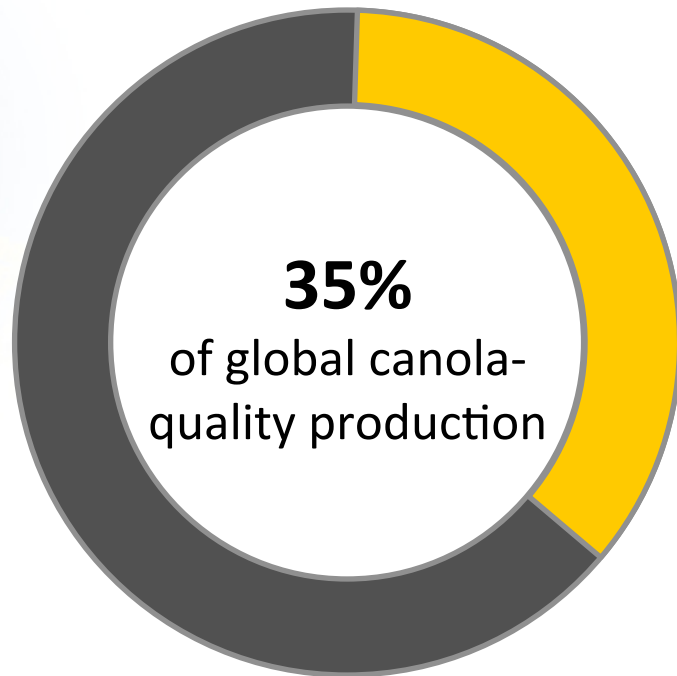
The Canadian Canola Industry

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43,000 canola growers
20 million acres
18.4 MMT produced (2015)
\$8 billion in farm cash receipts (2015)
\$19.3 billion in economic activity
249,000 jobs

Canadian Canola accounts for...



Export markets are critical for the industry

More than **90%** of Canadian canola is exported in seed, oil or meal form



The Canola Council & Sustainability

The Canola Council of Canada

The Canola Council is the first industry association in Canada to represent all links in the value chain.

Our members include canola growers, crop input suppliers, grain handling companies, exporters, processors, and food and feed manufacturers.

Our mission is to advance the growth and profitability of the canola industry based on innovation, sustainability, resilience and the creation of superior value for a healthier world.

Keep it Coming 2025

Sustainable, Reliable Supply

Sustainably and profitably increase canola production to meet global demand for 26 MMT

Differentiated Value

Meet 26 MMT of demand by differentiating and demonstrating the quality characteristics of canola products

Stable, Open Trade

Create a competitive, stable, and open trade environment that allows the industry to attain the maximum value for canola

Goals:



26 MMT of production and demand by 2025



52 bushels/acre



Sustainability in the Canola Industry

Meeting Market Needs



Regulated Sustainability Markets

- Biofuels in the EU and US
- \$700 million/year market opportunity



Demand Driven Sustainability Markets

- Food and feed markets
- Pre competitive / Differentiated demand
- Variety of sustainability initiatives, schemes, tools, metrics

Renewable Energy Directive (RED) - EU

- Established to meet GHG reductions
- Sustainability certification required for all biofuel feedstocks
- **Opted into ISCC** (International Sustainability and Carbon Certification) **voluntary scheme**
- Supply chains exporting to the EU RED are fully certified sustainable



Potential exports to the EU

~ 500,000 tonnes of seed / year

ISCC Adoption

- Opted into most advanced, well organized, ready for the market, fully approved by EU RED
- Growers can supply any crop they grow as ISCC certified
 - But, the grower must be part of an ISCC certified supply chain
- 1,000 growers in western Canada are certified
- 5 companies have obtained ISCC certificates for Canadian canola in recent years¹



Renewable Fuel Standard (RFS2) - USA

- Carbon Metric – set by US EPA
- Non-Carbon Sustainability Metrics
- **CCC worked with Canadian government**
 - EPA approved Canada – same basis as US agriculture
 - All Canadian feedstocks now have same open access
- Entire canola supply chain meets US EPA sustainability requirements for the biofuels market (RFS 2)



Exports to the US under this approval:
~ 800,000 tonnes of seed / year

Readiness

- Growers committed to sustainability
- Strong research basis for sustainability story
- Advanced modern agriculture systems and practices
- Large array of legislation governing labour, land use, water, biodiversity, pesticides, forests, parks, etc.
- Rule of law prevails, and is enforced
- Full certification across entire supply chains under ISCC
- Regulators in US and EU have confirmed that their sustainability criteria are being met
- Well positioned for discussions with other markets

Thank you.

