



CANADIAN OILSEED PROCESSORS ASSOCIATION

Growing Demand for Low Carbon Fuels in North America: *Opportunities for the Canola Value Chain*

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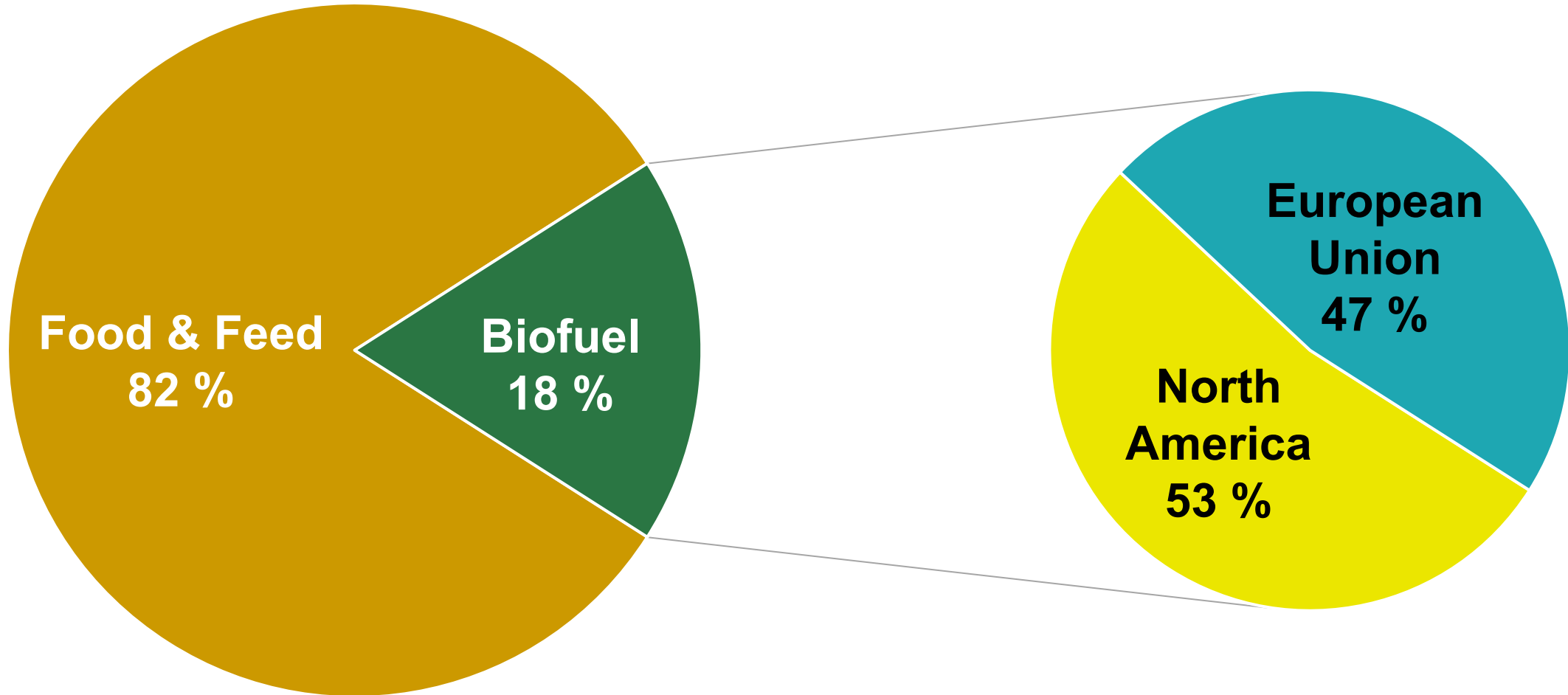


The canola value chain

- **Canola Council of Canada** - an industry association that combines the interests of the entire supply chain.



Canola utilization today



Source: Statistics Canada, USDA and internal estimates

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Policies driving demand: Canada

Federal Mandates

Diesel Pool RFS **2%**

Gasoline Pool RFS **5%**

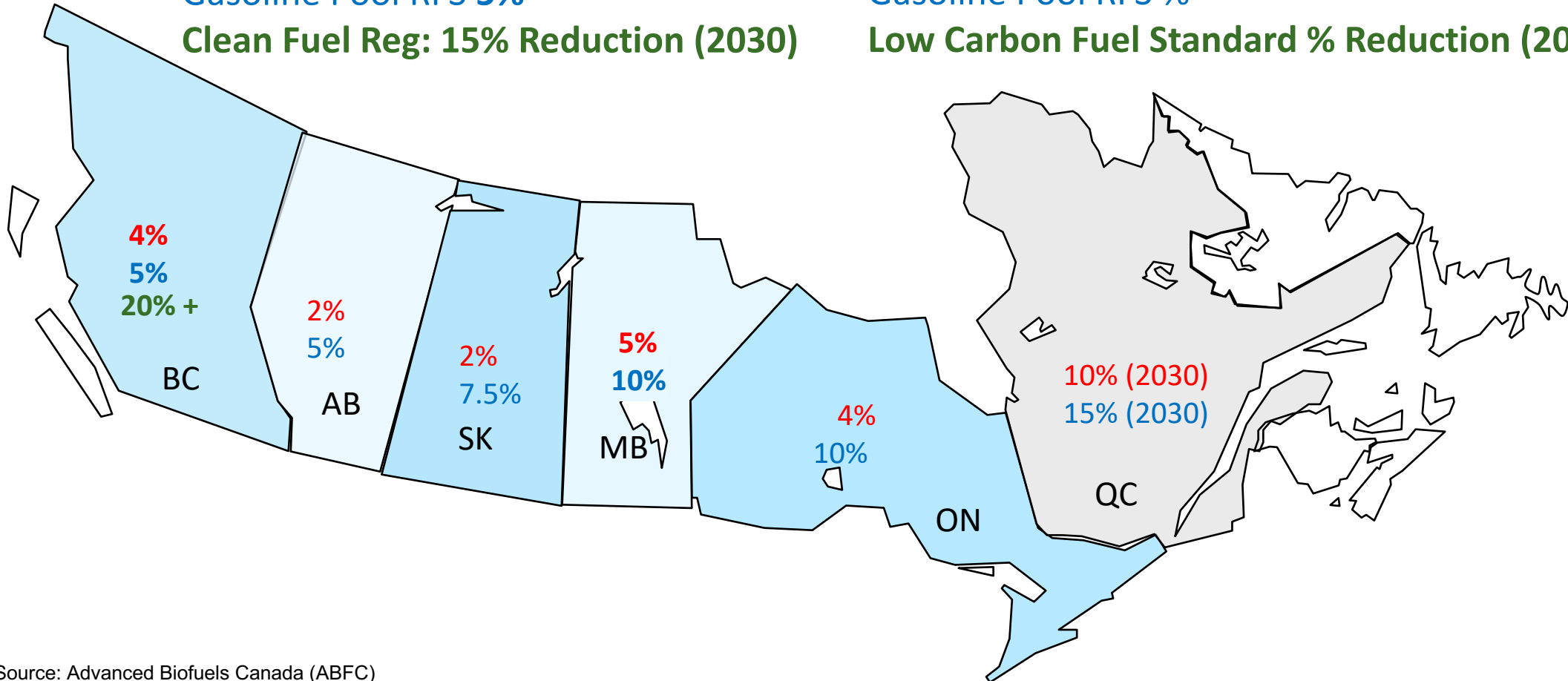
Clean Fuel Reg: **15% Reduction (2030)**

Provincial Mandates

Diesel Pool RFS %

Gasoline Pool RFS %

Low Carbon Fuel Standard % Reduction (2030)

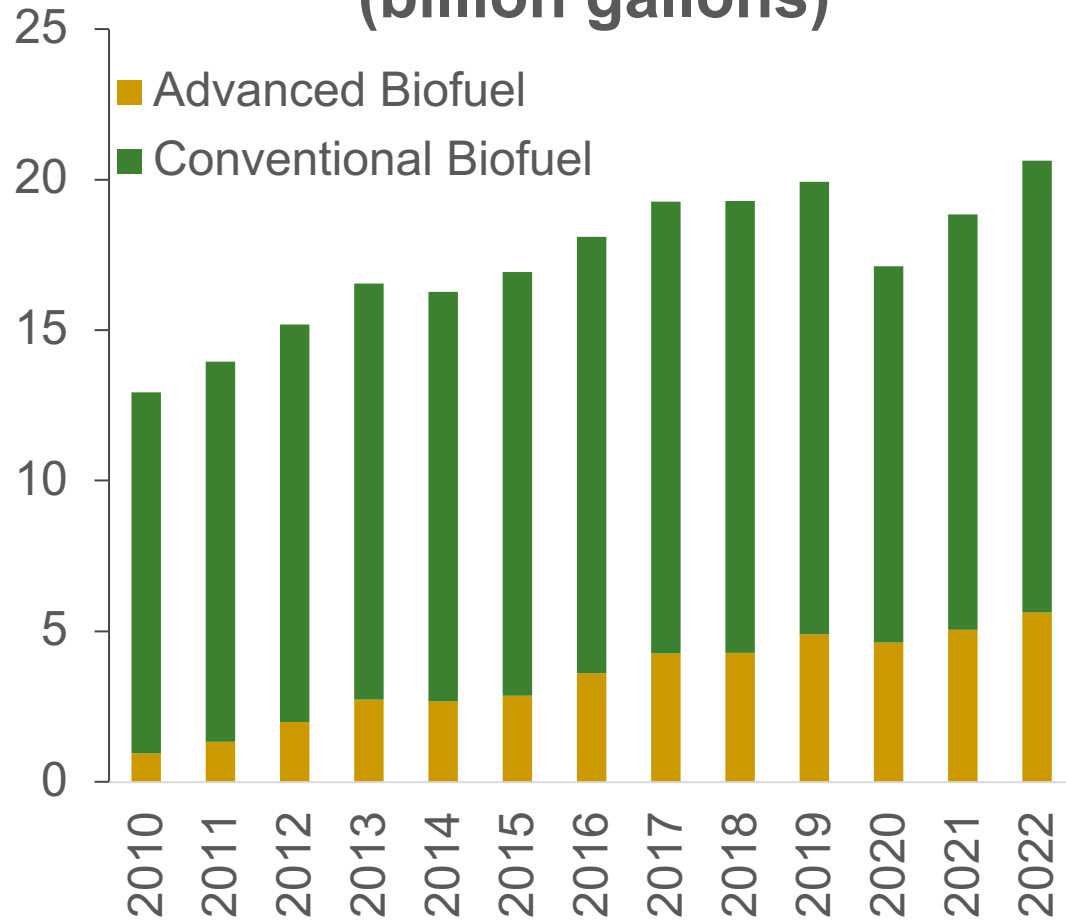


Source: Advanced Biofuels Canada (ABFC)

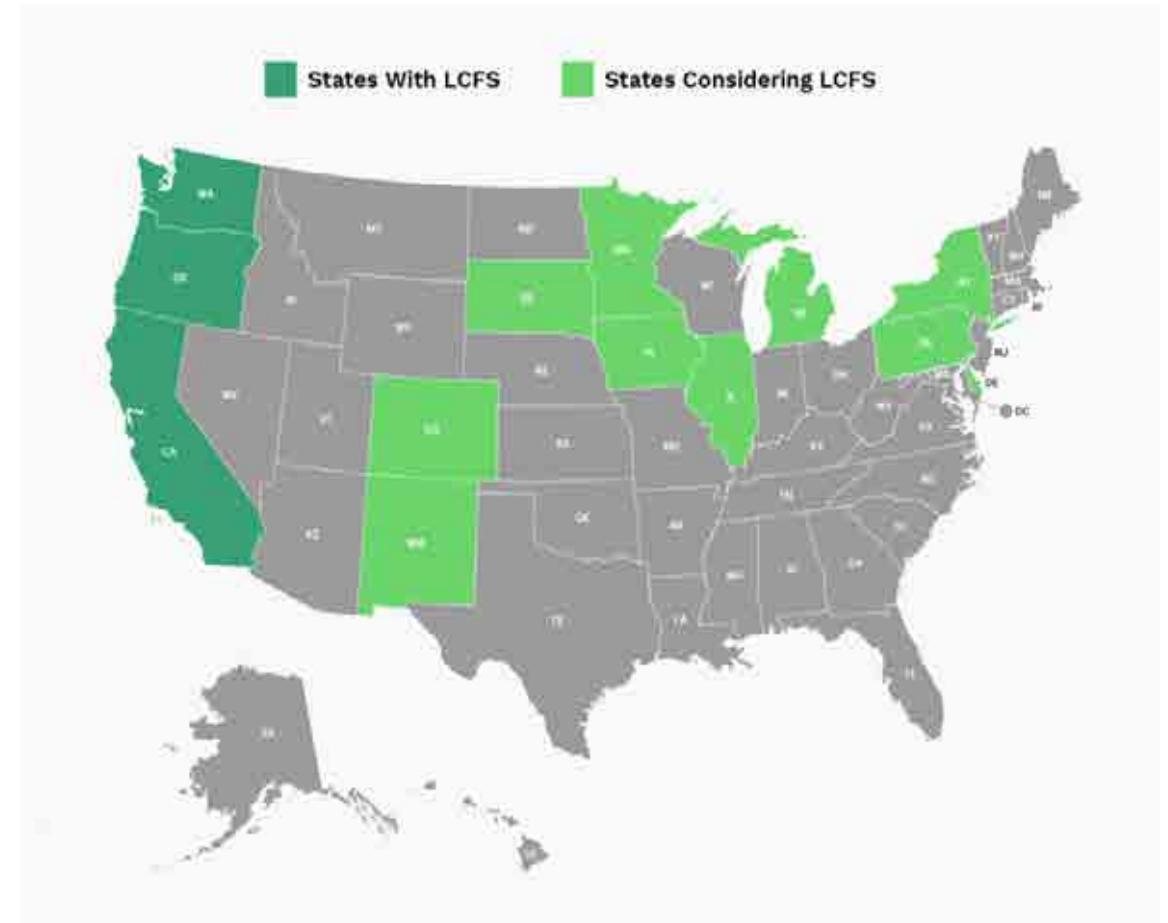
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Policies driving demand: United States

Federal Volume Mandates (billion gallons)



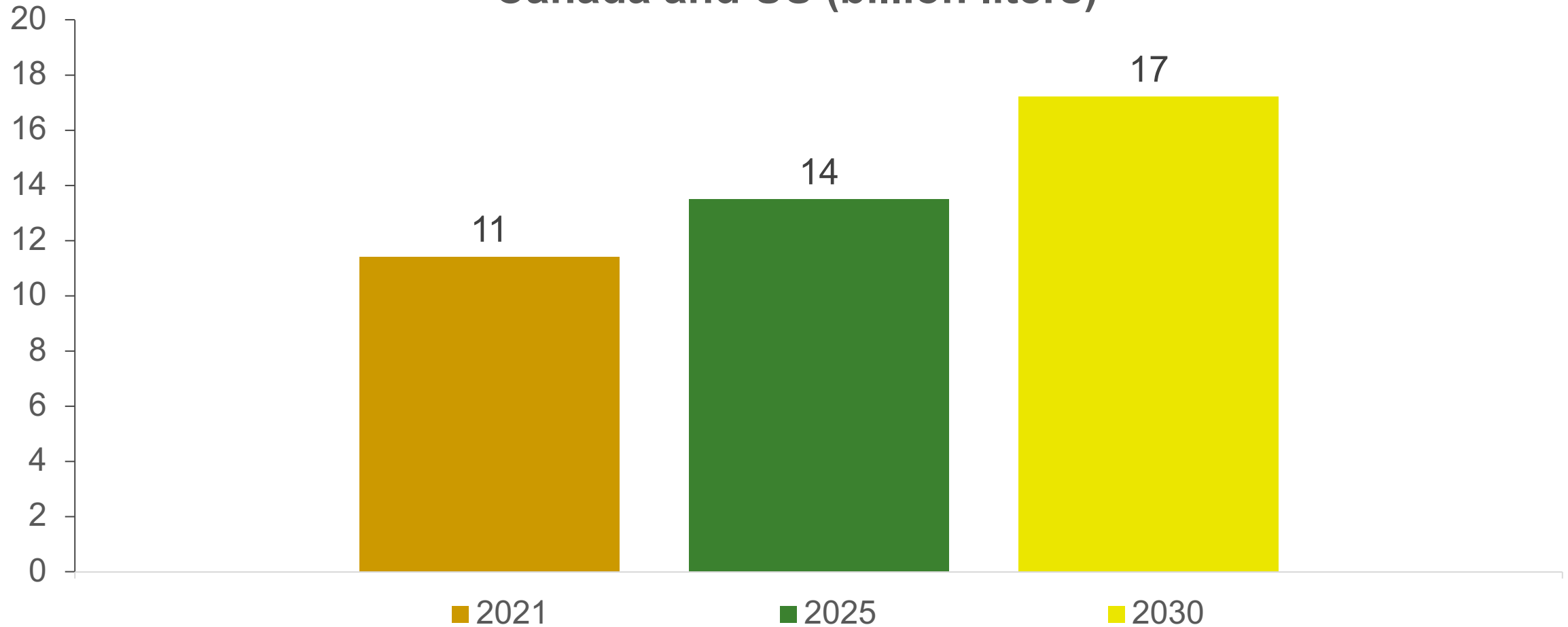
State Low Carbon Fuel Standards



Source: EPA

Demand scenario

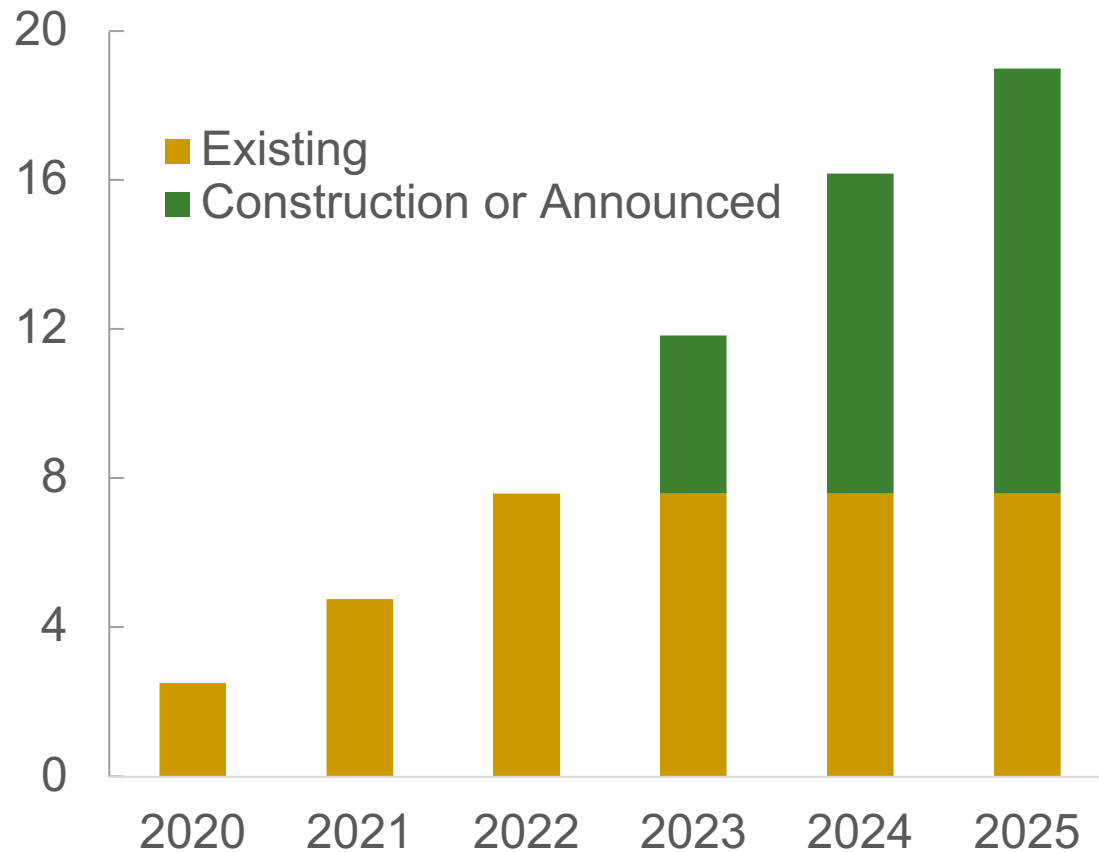
RD and BD Projected Demand Scenario Canada and US (billion liters)



Source: ABFC, Stillwater, The Jacobsen

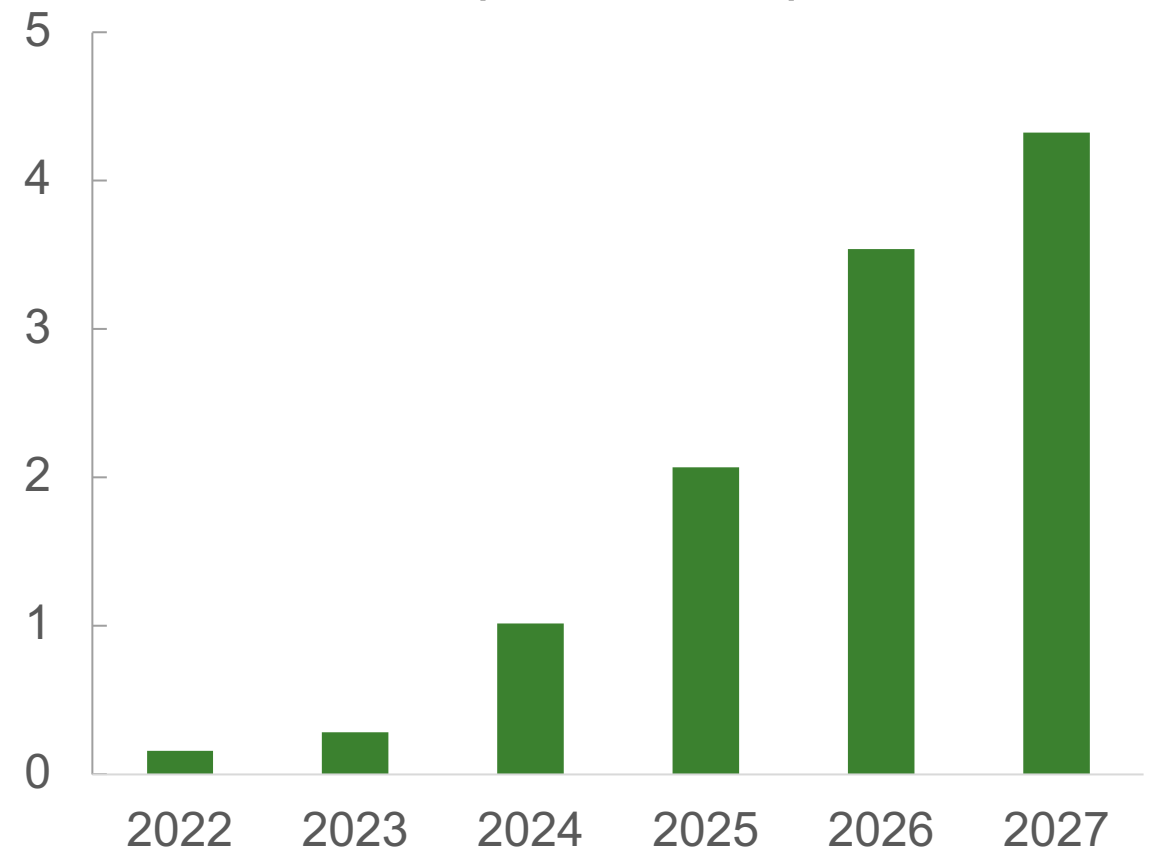
Growing supplies: United States

US RD Production Capacity (billion liters)



Source: US Energy Information Agency and Public Announcements

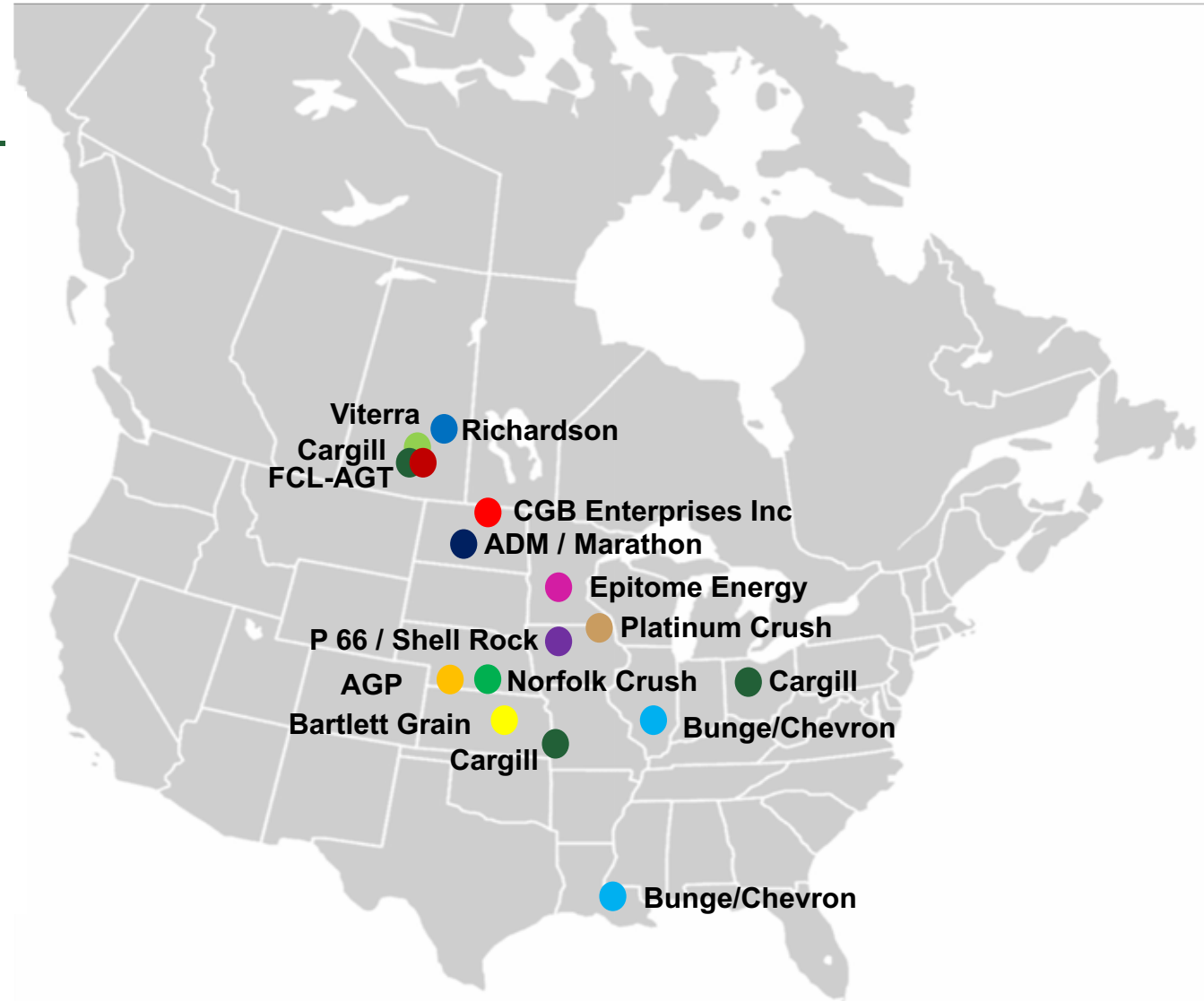
Announced RD Capacity in Canada (billion liters)



Source: Public announcements and press

North American crush expansion

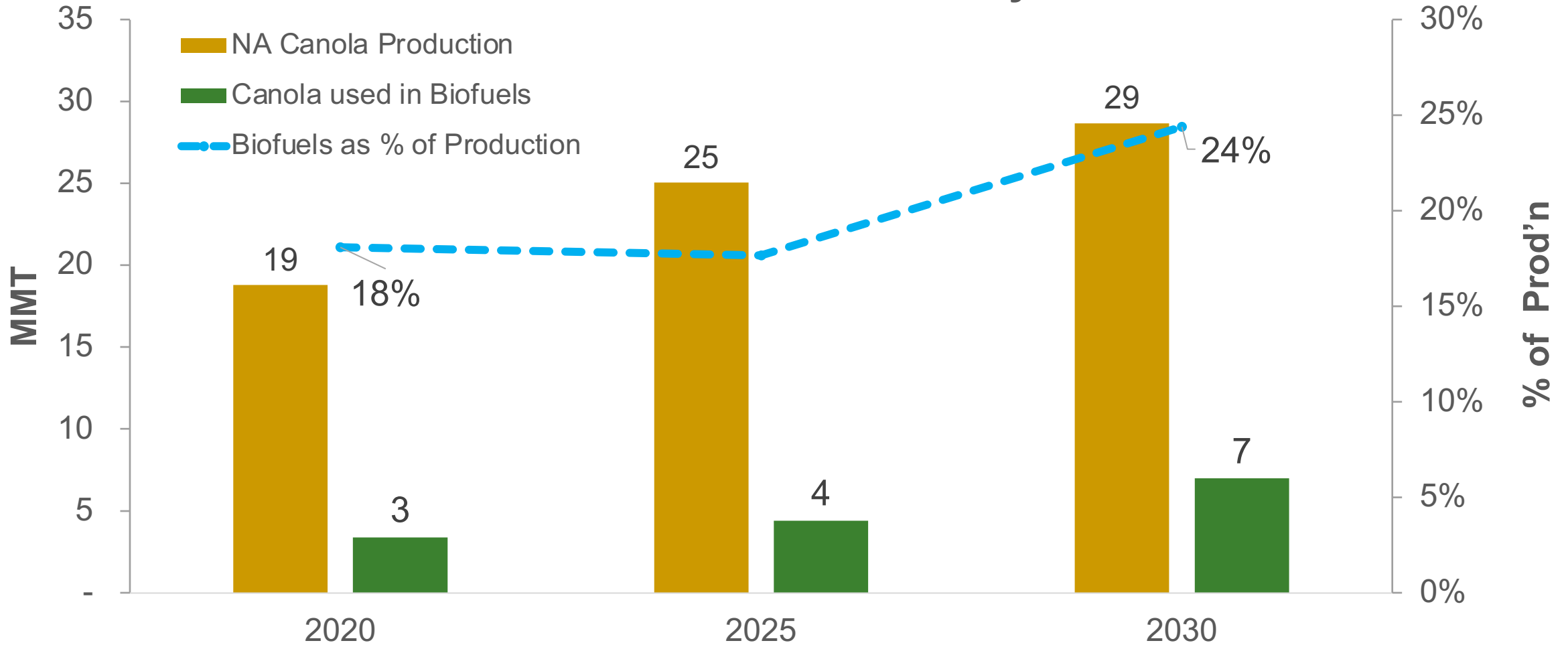
- Crush expansion linked to RD expansion.
- Energy companies (P66, Marathon, Chevron, FCL) partnering with grain companies.
- Canola crush capacity in Canada could grow 5.7 MMT reaching 16.8 MMT by 2025/2026, a 50 % increase.
- US soy crush capacity could grow 15+ MMT by 2025/2026, a 25 % increase.



Source: Public announcements, news media, internal analysis

Canola utilization by 2030

Canola Utilization Scenario by 2030



Source: LMC International, The Jacobsen Renewable Fuel Outlook, ABFC WAESS modelling

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Opportunities for the canola value chain

- Biofuel demand is expected to grow in NA.
- Growing biofuel demand is a catalyst for:
 - New crush investments.
 - Higher canola demand.
 - GHG emissions reductions.
- Biofuel policies need to create the right demand signal to capitalize.
 - Implementation of Canada's Clean Fuel Regulation.
 - Approval of canola pathway for US RD and SAF production.
 - Future of US RFS beyond 2022.
 - Evolution of LCFS programs in Canada and US.
- Food and Feed markets remain the foundation for canola demand.



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Thank You

