

ALBERTA CANOLA

Impacts of Tariff Uncertainty on the Canadian Canola Industry



Presentation Outline

What is Alberta Canola?

History of Canola

Canola Supply and Disposition

Timeline of Trade Related Events

Economic Impacts

Industry's Response

Industry's Wishlist



ALBERTA CANOLA



Board of Directors



Christi Friesen
Brownvale
Region 1



Andre Harpe
Valhalla Centre
Region 2



Charles Simoneau
Guy
Region 3



**Jeannette
Andrashewski**
Two Hills
Region 4



Justin Nanninga
Neelandia
Region 5



Jeff Lenz
Stony Plain
Region 6



Paula Law
Lacombe
Region 7



Jeff Frost
Olds
Region 8



Christine McKee
Stirling
Region 9



Cheryl Westman
Vermilion
Region 10



Roger Chevraux
Killam
Region 11



Alan Hampton
Rowley
Region 12

Alberta Canola's Mandate

- **Fund Research and Development**
- **Fund Market Development Initiatives**
- **Engage Growers**
- **Advise Governments**

What is Canola?



CANOLA

Canola meaning

The name canola is a contraction of Canada, where canola was developed, and ola, referring to oil.

To earn the name canola, products must meet this internationally regulated standard:

“Seeds of the genus Brassica (Brassica napus, Brassica rapa or Brassica juncea) from which the oil shall contain less than 2% erucic acid in its fatty acid profile and the solid component shall contain less than 30 micromoles of any one or any mixture of 3-butenyl glucosinolate, 4-pentenyl glucosinolate, 2-hydroxy-3 butenyl glucosinolate, and 2-hydroxy- 4-pentenyl glucosinolate per gram of air-dry, oil-free solid.”

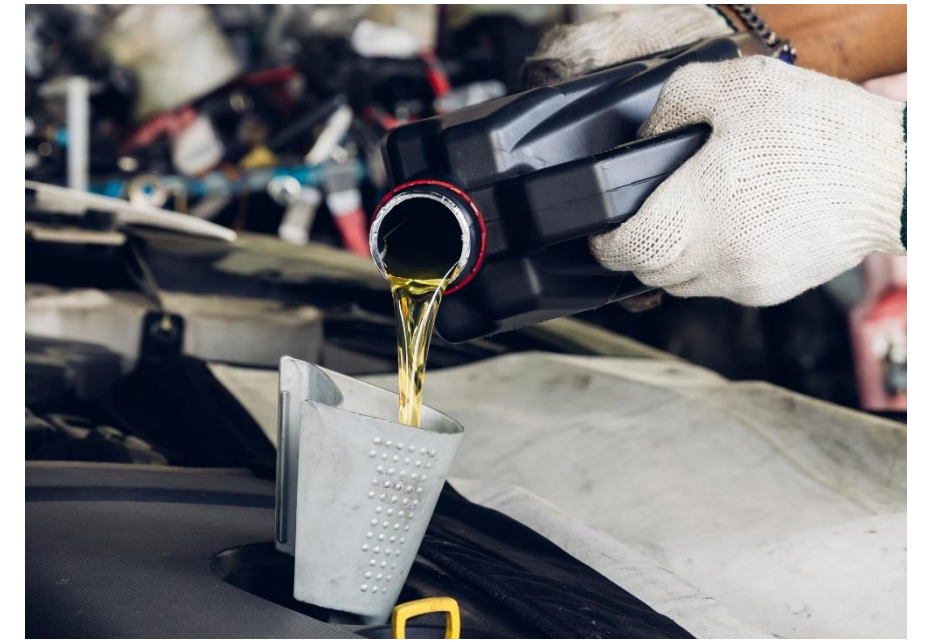


Source: Canola Council of Canada

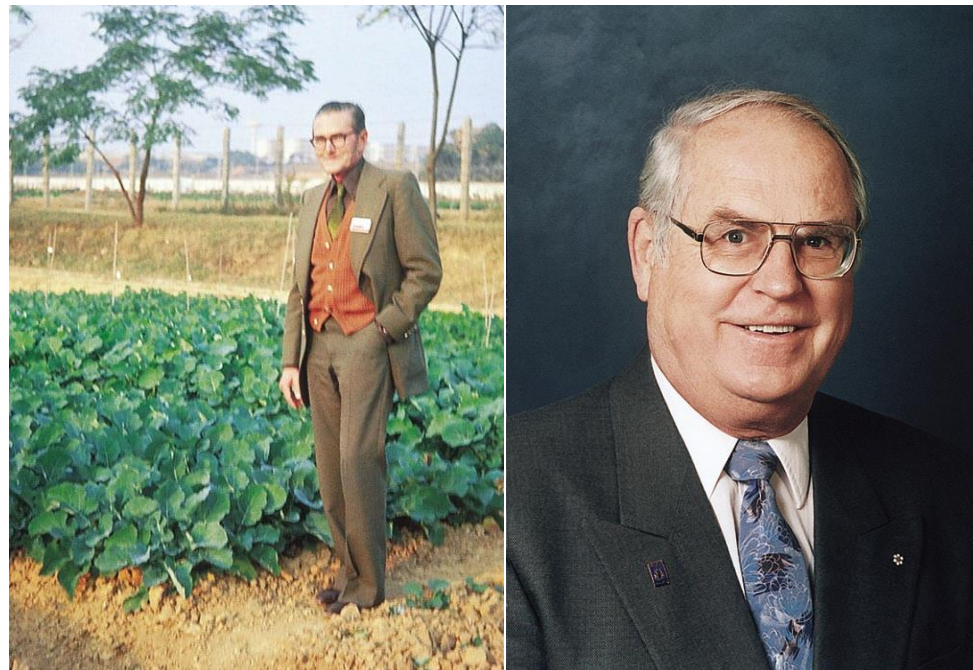
1930's



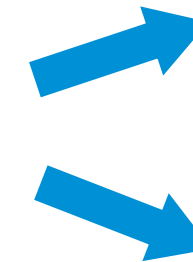
1930's-1940's



1970's

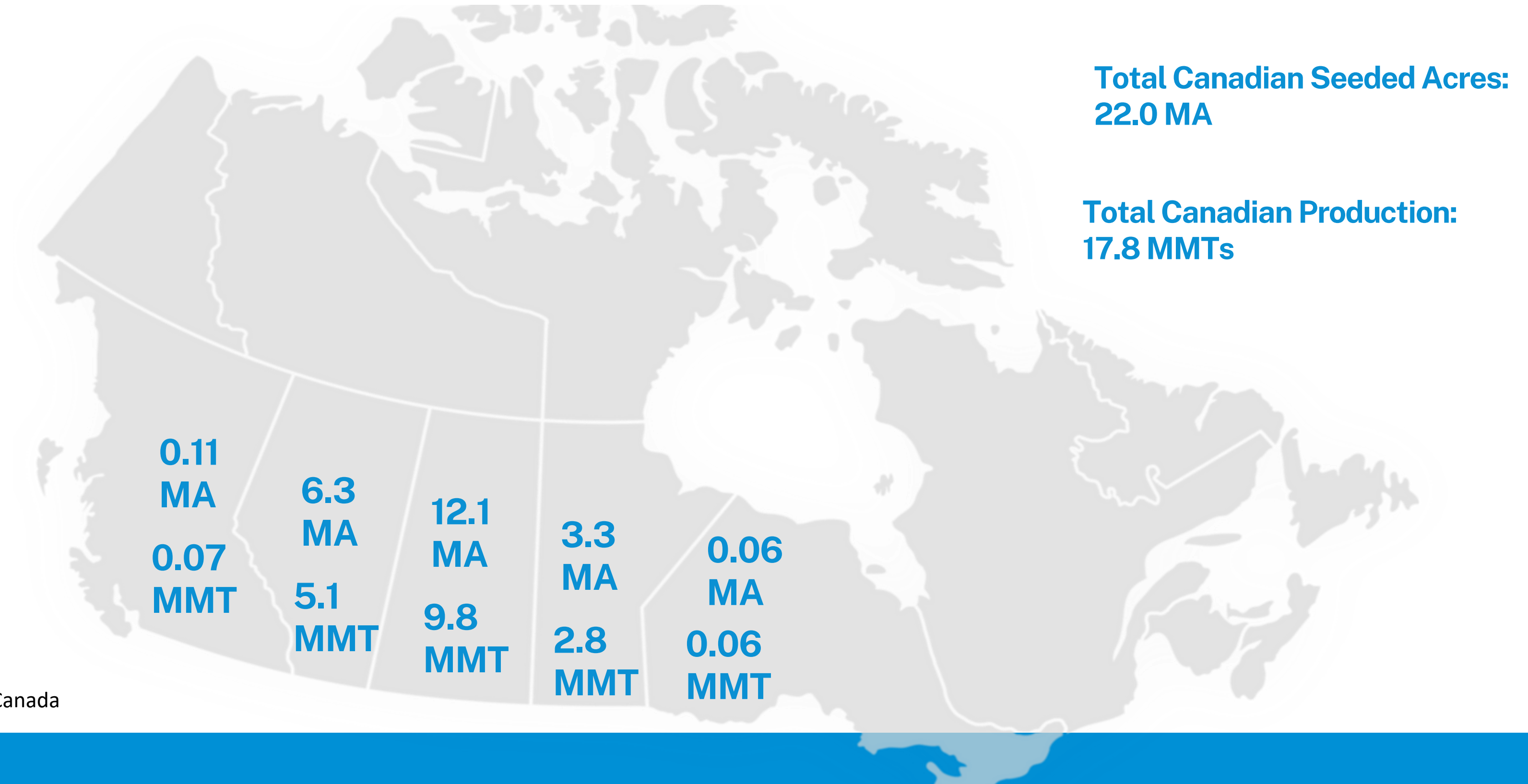


Present Day



Source: Canola Council of Canada

2024 Canola Acres & Production



Source: Canola Council of Canada

Canola Economic Impact

Total impact on the Canadian economy

206

THOUSAND

JOBS



\$16.3

BILLION

IN WAGES



\$43.7

BILLION

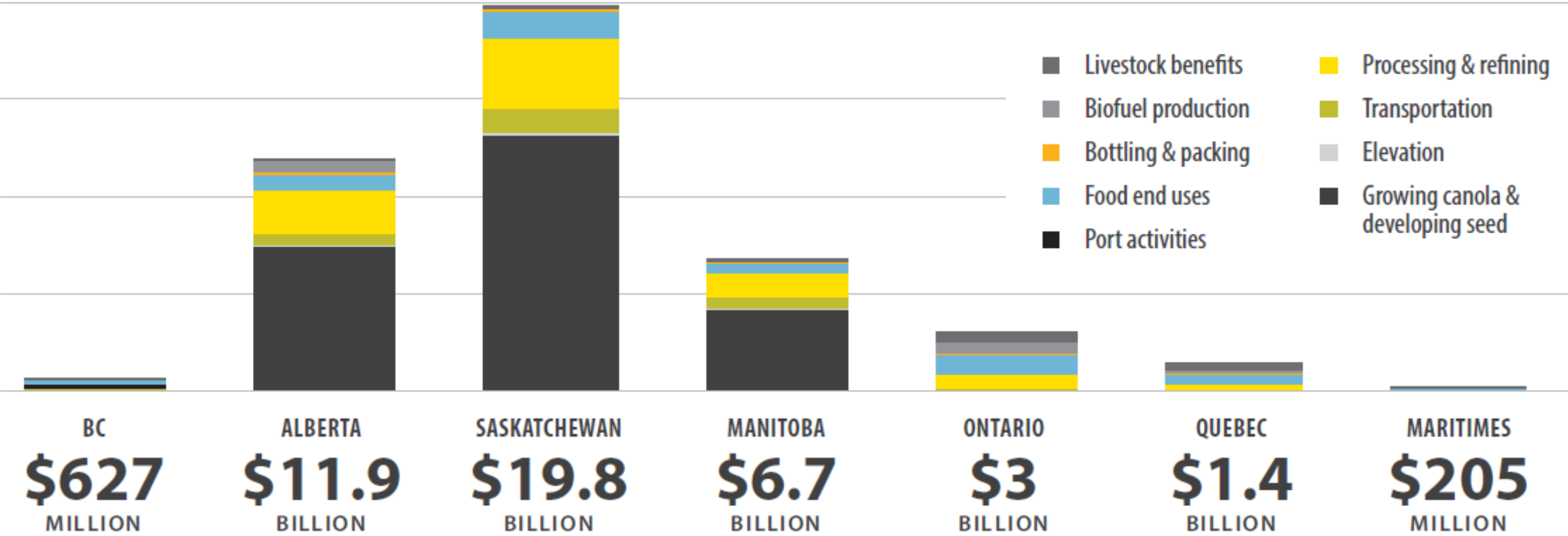
IN ECONOMIC ACTIVITY

Annual averages for the period 2020/21-2022/23, including direct, indirect and induced impacts

Source: Canola Council of Canada

Economic benefits across the country

TOTAL ECONOMIC IMPACT



TOTAL IMPACT (JOBS)

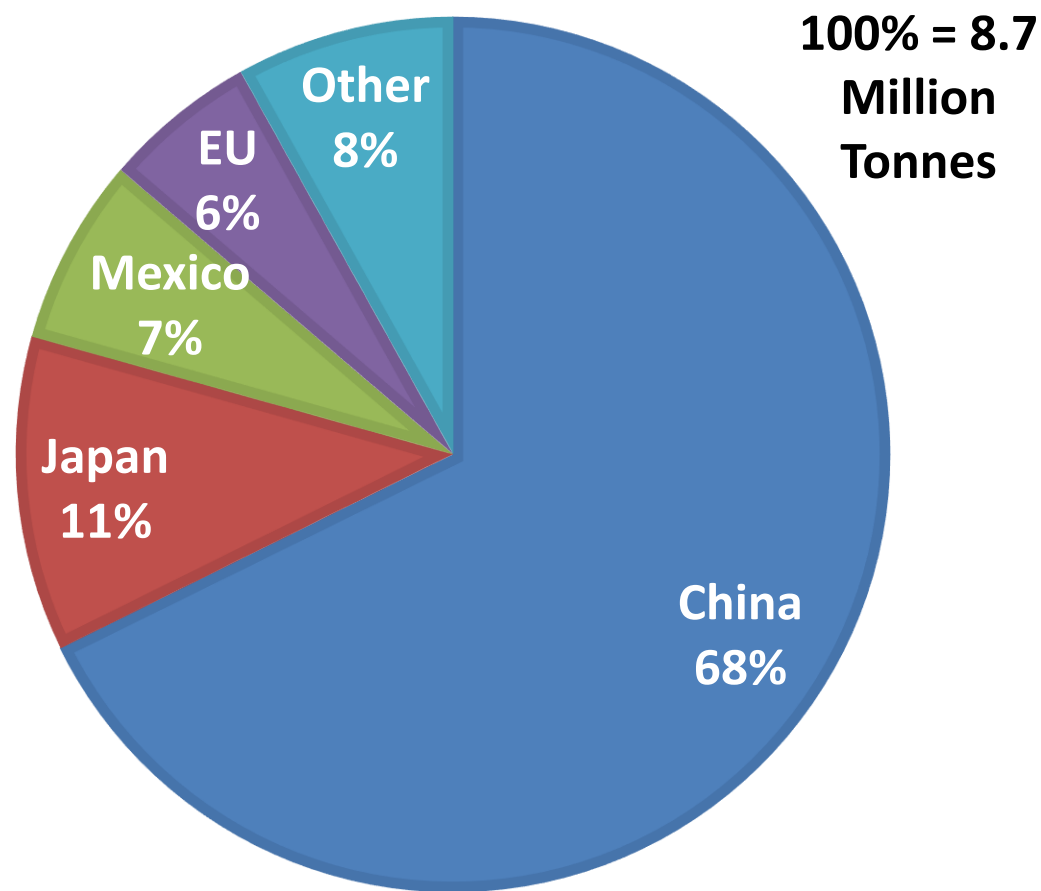


Annual averages for the period 2020/21-2022/23, including direct, indirect and induced impacts

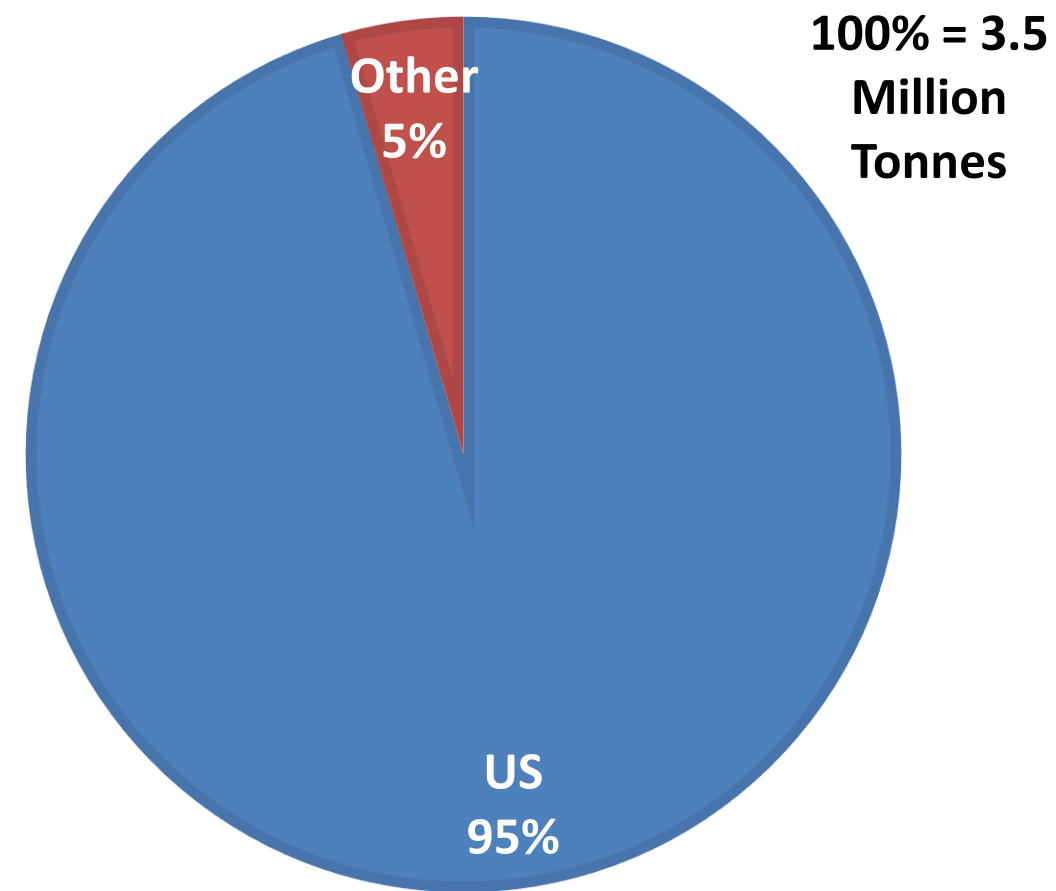
Source: Canola Council of Canada

2024 Canola Exports by Destination

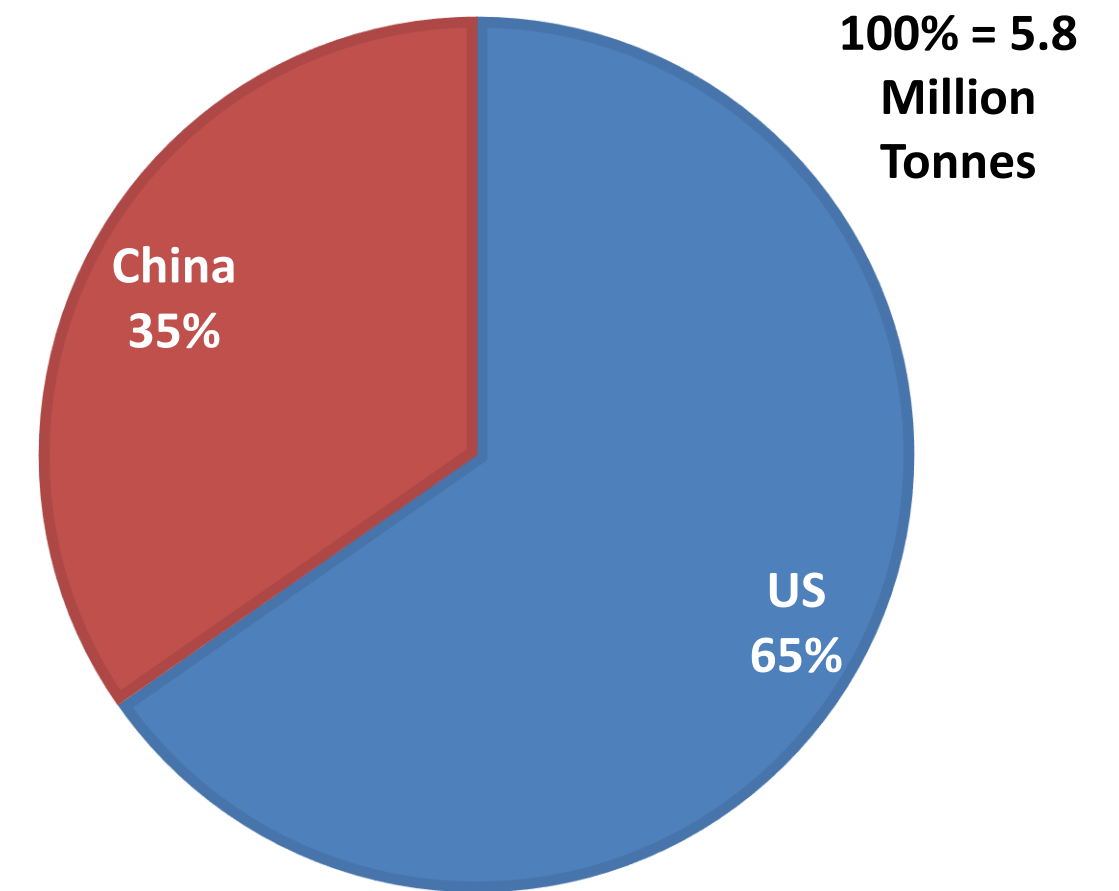
2024 CANOLA SEED EXPORTS BY
DESTINATION



2024 CANOLA OIL EXPORTS BY
DESTINATION



2024 CANOLA MEAL EXPORTS BY
DESTINATION



Source: Canola Council of Canada

The evolution of trade frictions

Canola: target of Chinese retaliation

Dec-2018

Meng Wanzhou, Huawei executive, was arrested in Vancouver, Canada, at the request of the United States for extradition.

Early March 2019

Chinese customs authorities began increasing inspections and blocking canola shipments from Canada, citing the alleged detection of "hazardous organisms" or pests in the seed.

March 5, 2019

Richardson International Ltd., one of Canada's largest grain processors, was notified that China had revoked its export permit for canola seed.

March 22, 2019

The Canola Council of Canada announced that Chinese importers were unwilling to purchase Canadian canola seed, effectively stopping all trade of the seed.

May-2022

China trade restrictions on the company were lifted

Source: Canola Council of Canada

Timeline of trade related events

Mid-2024

Canada's public consultation process in mid-2024 regarding potential policy responses to address unfair trade practices by China in the electric vehicle (EV) sector.

Aug-2024

Government of Canada announces 100% surtax on EVs, 25% surtax on steel and Aluminum products.

Sep-2024

China announces and launches anti-dumping and anti-discriminatory investigations into Canadian canola seed and oil and meal, respectively.

Mar-2025

China announces a 100% tariff on Canadian canola oil and meal imports from Canada.

Sep-2025

China extends the investigation deadline to March 9, 2026

Aug-2025

China announces a 75.8% tariff on Canadian seed imports from Canada.

Jul-2025

Government of Canada announces 100% surtax 25% surtax on steel and Aluminum products smelted in China.

- **Combined with existing tariffs on canola seed, oil and meal have effectively closed the Chinese market to Canadian canola.**

Source: Canola Council of Canada

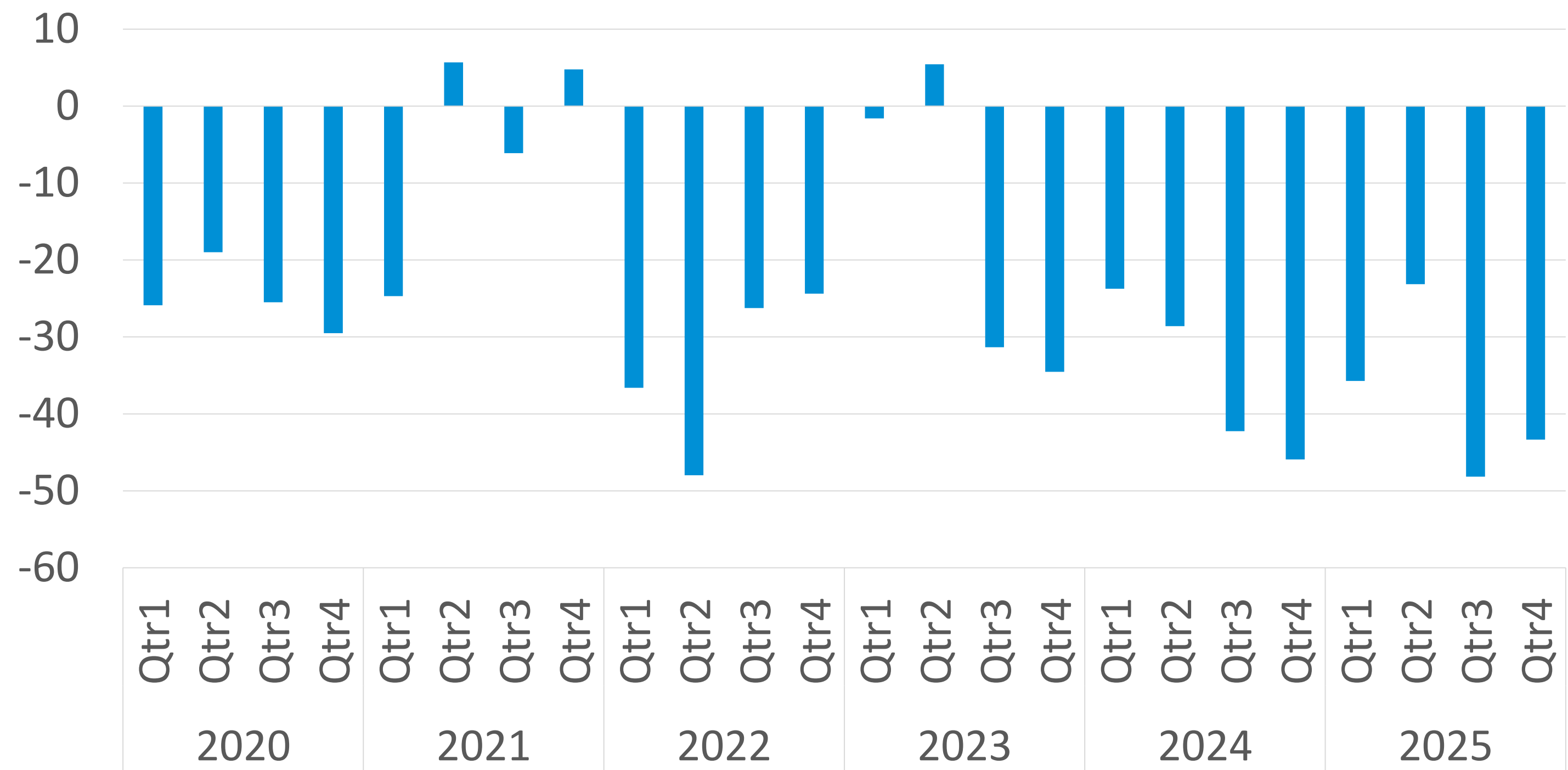
Decoupling of crop correlations

Canola | Soybeans



source: tradingeconomics.com

Widening AB basis: adequate stocks



Source: pdqinfo.ca

Canola Industry Response: Expand Market Access

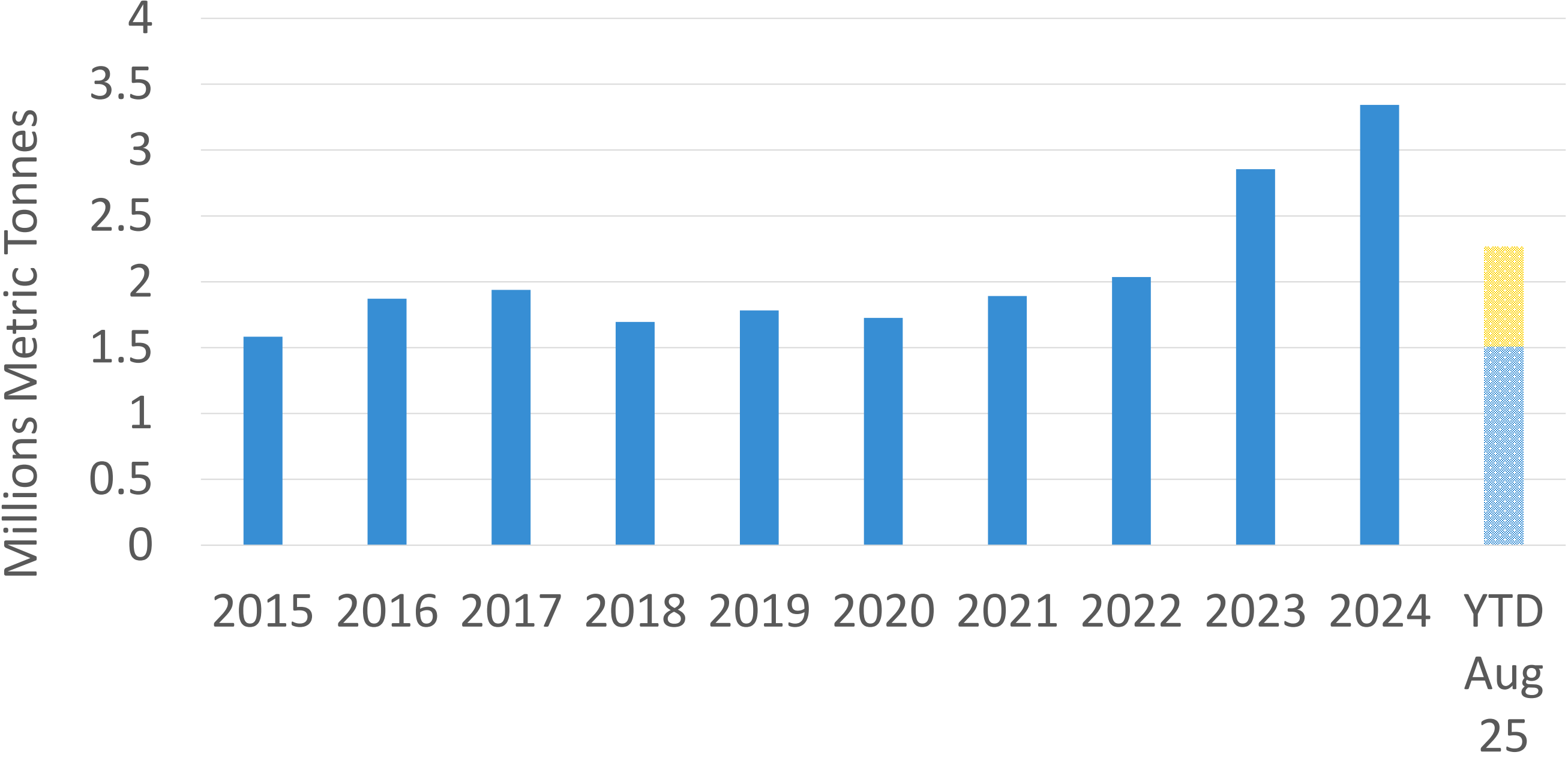
Expanding trade with existing markets

- Canola seed exports to EU to increase 158%
- Canola seed exports to Japan to increase 60%
- Canola seed exports to Mexico to increase 40%
- Canola seed exports to Bangladesh to increase by almost threefold



Canola Industry Response: Domestic Diversification

2024 Canola Exports to the US



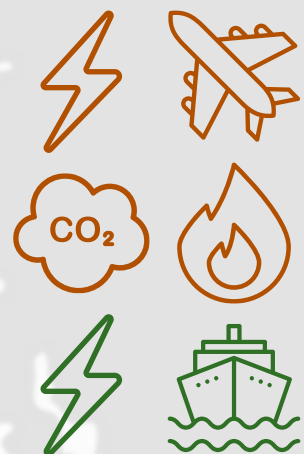
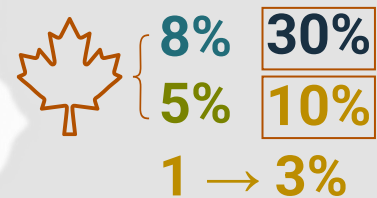
Source: Canola Council of Canada

Canada's Clean Fuels Policies: 2025 → 2030: Room for growth

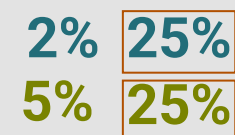
Federal 15%



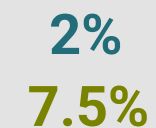
BC



AB



SK



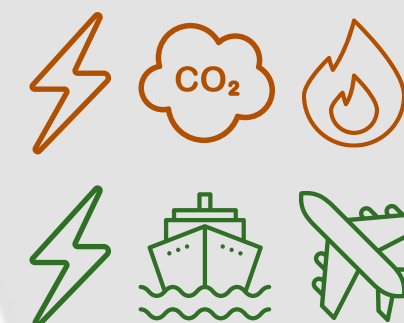
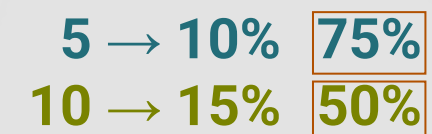
MB



ON



QC



%

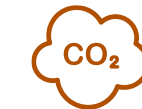
Blend Requirement

%

CI Reduction Requirement



SAF Requirement



GHG Requirement



ZEV Sales Obligation



Domestic Origin Requirement



SAF Eligibility



Marine Eligibility



ZEV Eligibility

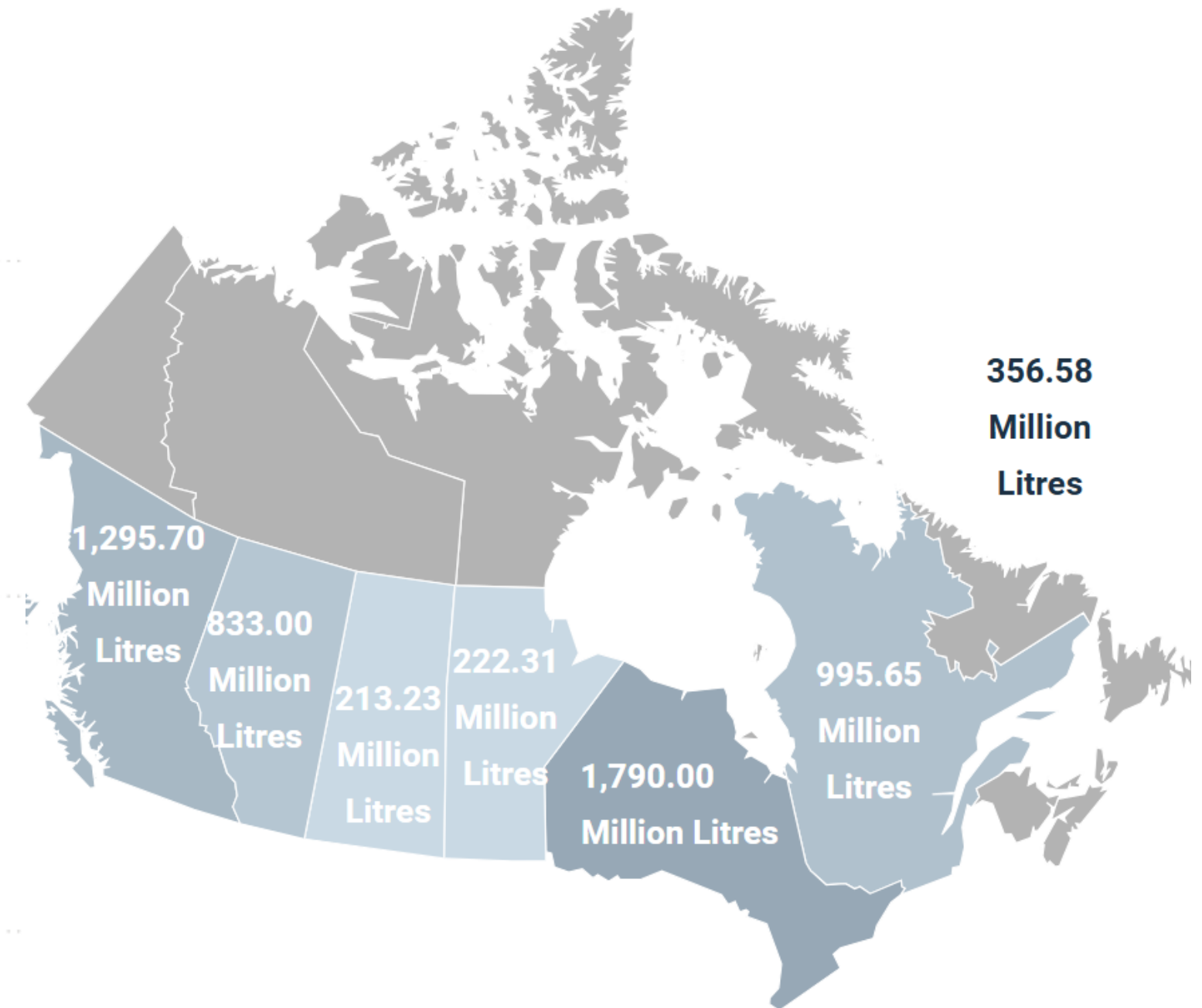
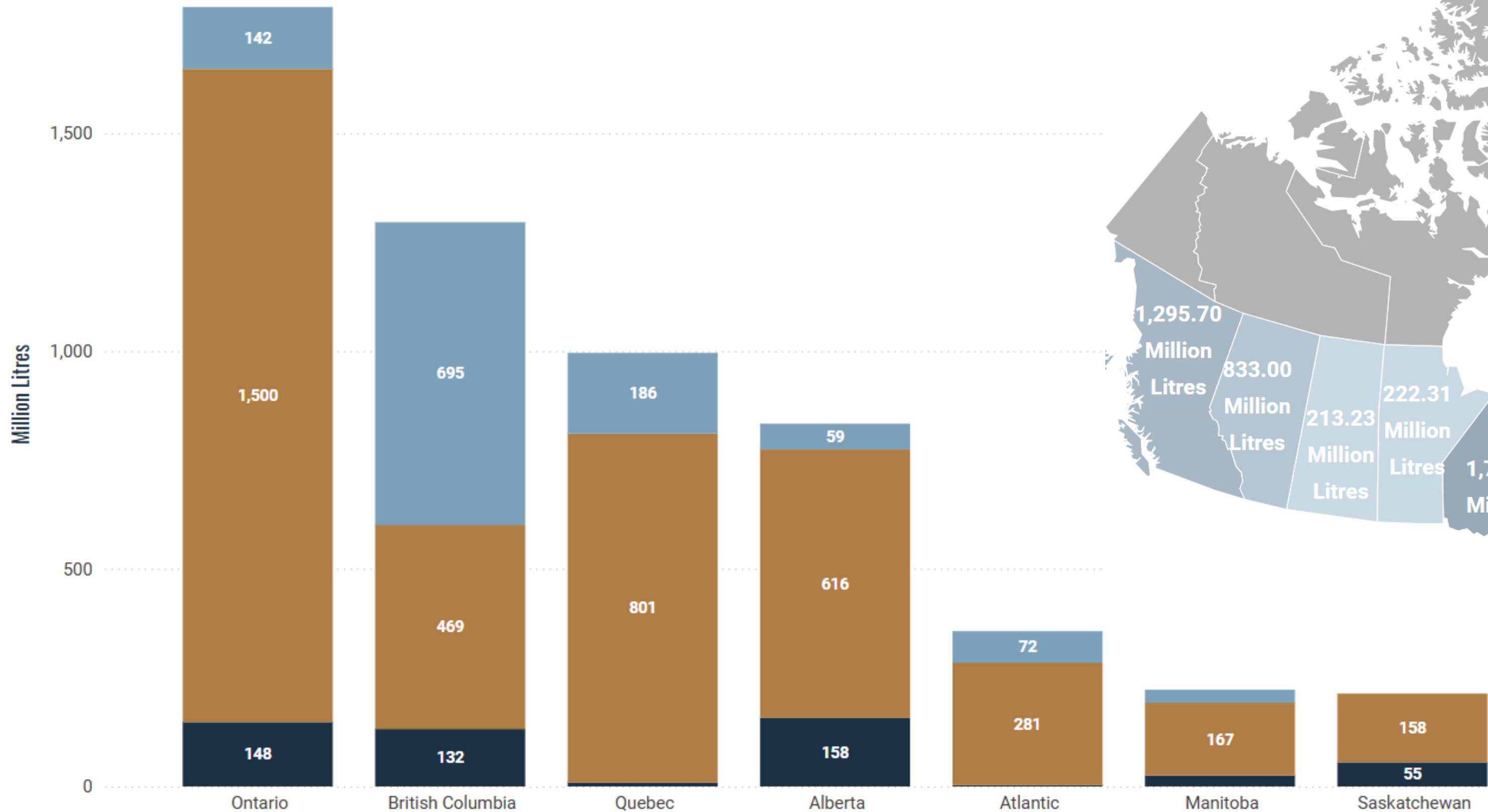


RNG Mandate

All Fuels
Diesel
Gasoline
Jet

Biofuels Consumption by Province in 2023

● Biodiesel ● Ethanol ● HDRD



AB to be a net producer of biofuels

- **Alberta will have approximately 1.5 billion litres/year of renewable alternative diesel**
 - Imperial Oil Limited Strathcona (Renewable diesel)- 1.16 BL/year
 - ADM Lloydminster (Biodiesel)- 0.322 BL/year
- **Co-processing (at 5%) in Alberta's existing refineries could add an additional 1.3 billion litres/year,**
- **Alberta's installed capacity will provide \$8.4 billion per year of economic impact.¹**
- **It will create approximately 3 million tonnes of canola seed domestic demand.**

Canola Industry Wishlist

- **Regain access to the Chinese market**
- **Continued expansion of demand in other international markets**
- **Significant demand coming from the domestic biofuel industry**

Recap

- **Canola is mark of Canadian ingenuity and Innovation**
- **Canola is a clear target for trade disputes with China**
- **In response to being shut out of China:**
 - **Expand international markets**
 - **Expand domestic utilization**
- **The prospects for domestic biofuel utilization are bright, given consistent political support**

Wishlist include:

- **Regain Chinese market access in a timely manner**
- **Continued demand in other international markets**
- **Significant demand coming from the domestic biofuel industry**

CONTACT



albertacanola.com



bijon@albertacanola.com



780-243-0862



**14560 116 Avenue NW
Edmonton, AB T5M 3E9**

