

VISION 2035

Australian Canola

nature's finest



Message from AOF



The Australian canola industry stands at a pivotal juncture, with a range of factors supporting optimism and opportunities but these are not without challenges. The landscape is evolving, influenced by geopolitics, changing consumer expectations, global economic trends, and the impacts of climate change. Amidst these dynamic forces, our industry must remain agile, flexible, and forward-looking to prosper and take advantage of opportunities.

The global oilseed complex is potentially experiencing structural shifts, with the growing demand for renewable fuels in the US and EU, along with a steady rise in the food sector for healthy and sustainable products, and the emerging new possibilities associated with vegetable proteins.

Vision 2035 is a shared vision and a framework for future investment and collaboration to support the continued growth of the Australian canola industry.

Australian oilseed production has risen in value, driven by price and volume to reach \$8.5 billion in 2022/23, delivering \$6.4bln in export value, across all oilseeds. Canola is the backbone of the Australian oilseed sector's accounting for more than 90% of the sectors volume and value.

Vegetable oils play an important role in feeding the world. The food industry has and will continue to underpin demand for canola oil, while protein meals will continue to make a valuable contribution to livestock sectors. Canola is a valuable resource for the renewable energy and fuels sector; and there are emerging opportunities for canola protein in the food sector with rapid growth in the alternative protein market.

Community expectations around how food, feed and fuel are produced have escalated in recent years and continue to significantly shape the way the industry operates. Our industry knows that these opportunities need to be pursued in a sustainable manner. We are committed to growth pathways that look after the products we produce, the planet, and our people. The Australian canola industry has been supplying certified sustainable grain for over a decade and the collaborative approach through Sustainable Grain Australia (SGA) has driven significant process and cost improvements in sustainability accreditation for growers and the supply chain.



Vision 2035 builds on the industry's strengths and outlines a path to future growth. It has sought to challenge the industry about what's possible and develop a shared Vision for the canola sector that aligns views around maintaining industry momentum and generating future growth. Vision 2035 articulates key areas of focus in the context of the broader industries it supports. The Vision clarifies how the canola industry, in its broadest sense, will capitalise on our competitive advantages and realise opportunities for growth.

While the Vision acknowledges the role of a continued focus on doing the basics better and adding value to current activities across the value chain, it is strongly oriented to the steps we need to take to generate future growth. Realising the opportunities will take significant effort and collaborative action across the industry, supported by public and private sector partners and stakeholders.

Our industry has been and continues to be supported by world-leading research, development and extension (RD&E). The industry needs to adapt to embrace future growth opportunities and address changing market requirements. Renowned for high-quality, safe, and trusted products, the industry's innovative approach will be further invigorated by Vision 2035, embracing new technologies and tools for sustained success.

This Vision has not been developed in isolation and recognises the cross-sector challenges and opportunities in the Australian grain industry. As such, it works in alignment with the Grains Research & Development Corporation (GRDC) Research, Development & Extension (RD&E) plan and those of other public and private sector industry participants.

Vision 2035 has been developed through an extensive consultation process and we thank all those who participated in its development. The Australian Oilseeds Federation (AOF) looks forward to working with you in fostering a resilient, sustainable, and globally competitive Australian canola industry.

We encourage you to be part of implementing Vision 2035 and help shape the future of the Australian canola industry.



Background to Vision 2035

The Australian canola industry has undergone significant growth since its inception in the 1980s, with considerable technological and practice advances that have driven step-changes including recognition as a break crop in winter cropping systems, increased blackleg resistance, breeding advances and application of new breeding technologies, and more recently a greater focus on addressing changing market drivers for novel food and fuel applications.

The canola industry is now at a new benchmark of 5+ million tonnes per annum. Vision 2035 is focussed on ensuring the industry can maintain this growth and put in place the requirements to generate future growth.

The Australian canola industry has always been a globally focused sector. Canola is recognised as a high-quality healthy oil and has increased its share of the vegetable oil market as consumers globally have sought healthier oils. More recently, there has been growth in demand from the EU biodiesel sector, and increasingly the demand for renewable fuels in North America. The demand for sustainably sourced food and renewable fuels continues to grow and underpin future demand for canola oil.

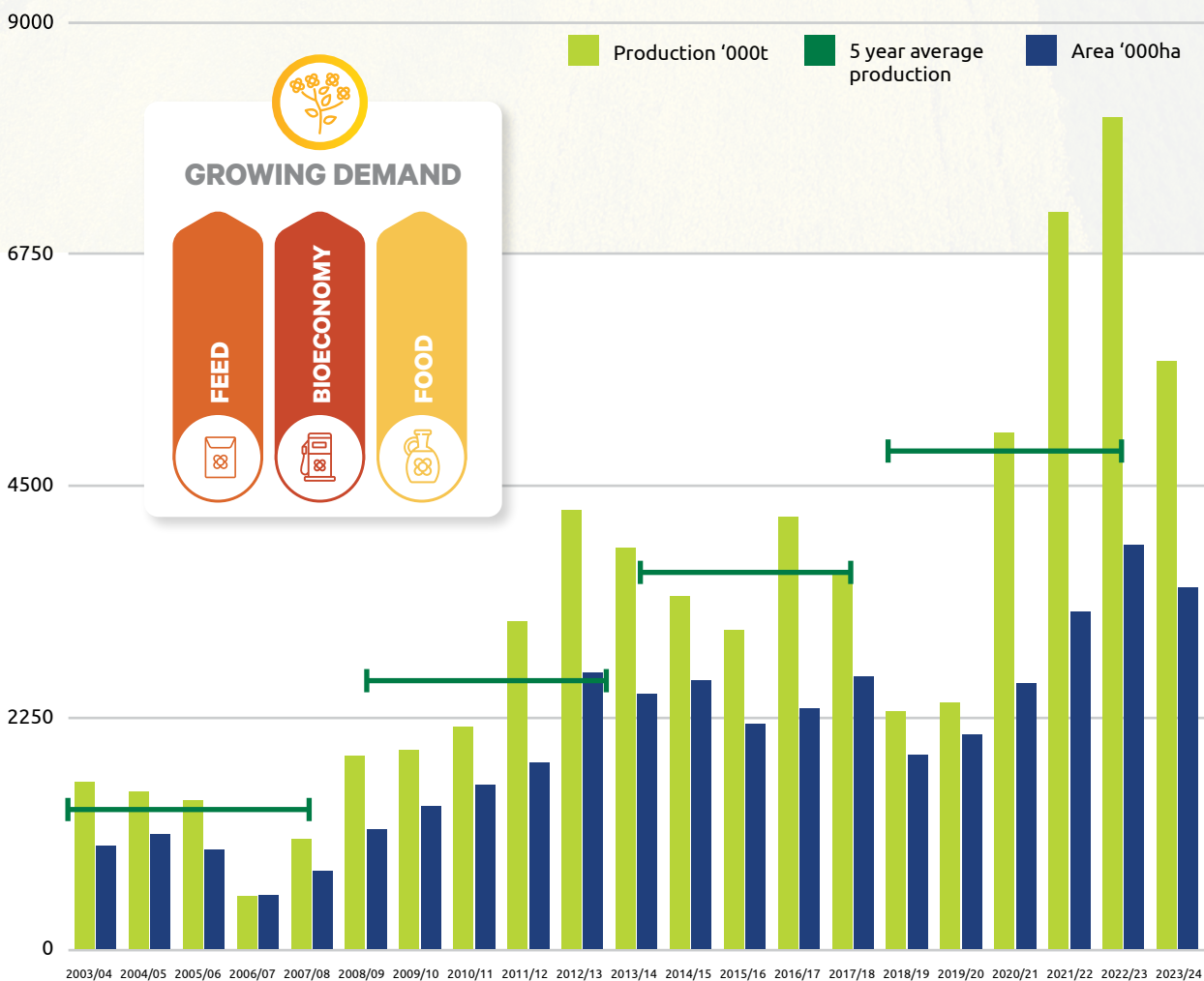
There are also emerging growth opportunities for canola protein meal. Traditionally meal has been used by the livestock sector, particularly dairy. However, into the future the growth of alternative protein sources for food applications may be an opportunity for canola protein.

These future growth opportunities will require continued investment in innovation. The Australian canola industry is recognised for its innovation, leadership, and collaboration and these values will remain critical to support future growth. Vision 2035 is a shared vision, owned by the Australian canola industry to bring about a common focus to investment, collaboration and coordination in the industry to support future growth platforms.

Vision 2035 is not prescriptive but rather provides guidance to the pillars and key focus area that the industry believes will ensure it maintains its position in farming systems and markets and facilitates future growth. It is focused on canola specific areas of focus but recognises that a number of challenges and opportunities are cross sector and thus, is aligned with the GRDC's RD&E plan and other public and private sector canola industry stakeholder plans.



Canola production and area



Snapshot of the canola industry

The Australian canola industry is a major contributor to the Australian and regional economies through revenue, employment and investments from canola production, processing and exports. The industry creates value at all points across the value chain.

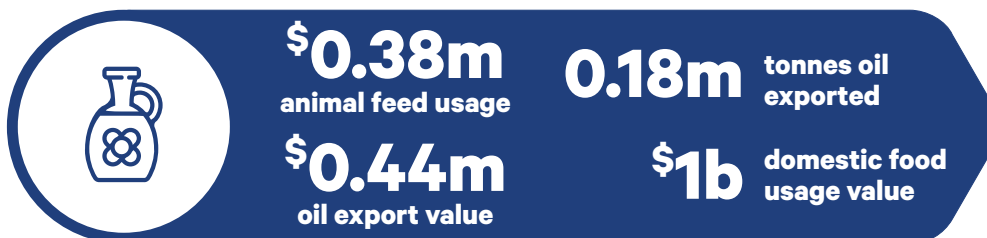
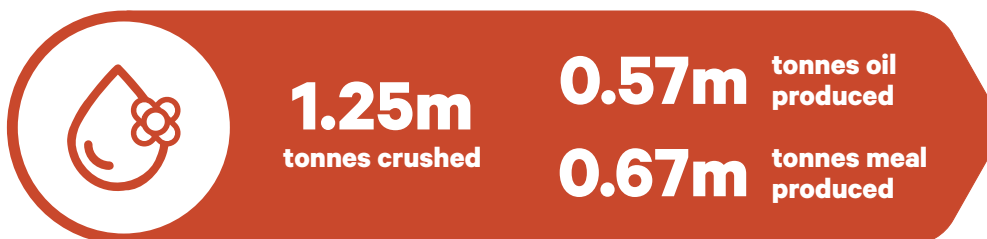
A strength of the industry is its large value adding footprint. Over the past decade, processors have invested substantially in new and upgraded facilities, bolstering the canola processing industry and helping it set a new record for domestic processing in 2023. The announcements in 2022/23 relating to the new and expanded canola crush facilities demonstrate the industry's commitment to even further investment.





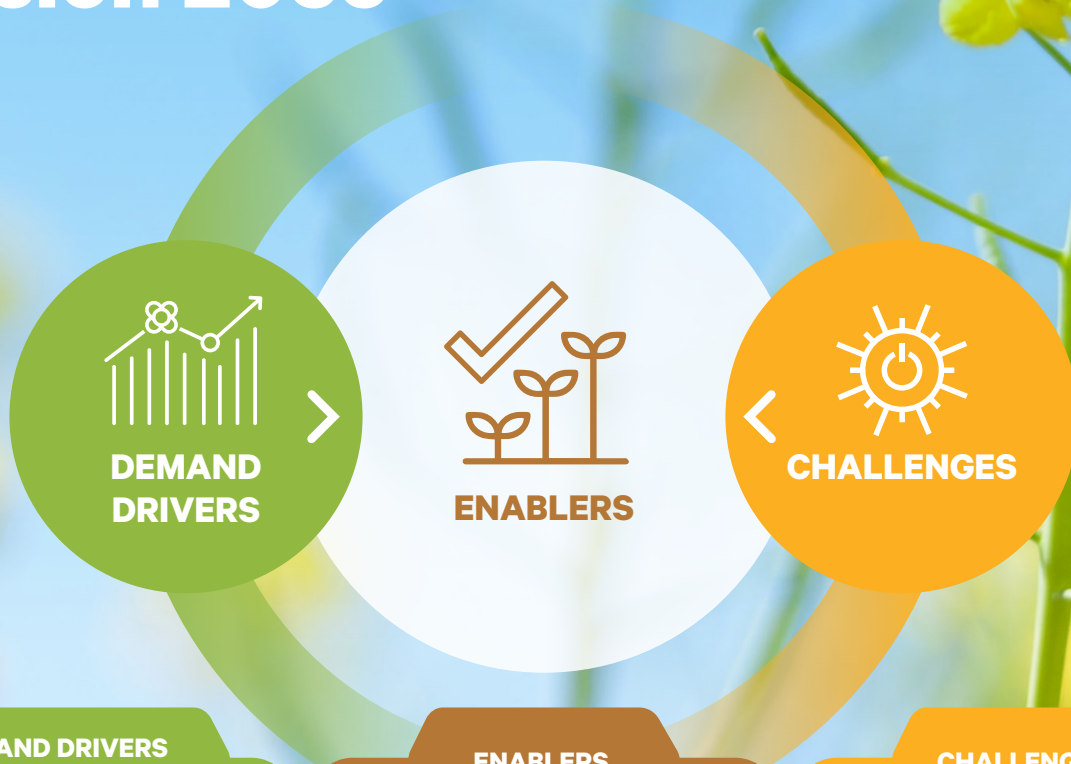
The Australian canola industry

Well-positioned for growth by 2035



All statistics relate to 2022/23 year.

Factors shaping Vision 2035



DEMAND DRIVERS FOOD • FEED • FUEL

- Population and income growth driving increased demand for food and protein
- Evolving dietary preferences, in particular, healthier oils and protein-rich diets
- Rapidly growing bioeconomy and demand for sustainable replacements to fossil fuel e.g. for bioplastics and renewable fuels including aviation
- Capture of CO2 and sequestration
- Value adding locally with opportunities to replace soymeal imports, grow canola oil exports and new protein markets.

ENABLERS

- Innovative technologies in areas of breeding, digital transformation, processing e.g. proteins for food, novel approaches/tools in crop protection
- Development of new breeding technologies have potential to enhance crop resistance to diseases, pests, and environmental stressors, improving overall yields and developing new or enhanced quality profiles
- Society expectations are driving increasing interest in sustainable and ethical production and inputs leading to systems that reduce the carbon and environmental footprint, a focus on sustainability credentials and traceability
- Growth in the bioeconomy will require policy action and national co-ordination to balance emerging tensions and policy responses around food versus fuel crops
- Access to a skilled workforce and a focus on maintaining and enhancing capacity in key disciplines
- Digital technology which is transforming the industry across farming practices, productivity and the supply chain
- Australian growers are recognised as among the best and most sustainable in the world - this underpins Australia's competitive advantage

CHALLENGES

- Climate change challenges for crop productivity driving need for adaptation strategies and resilient crop varieties and practices,
- Increased community and regulatory demand for reduced environmental impact
- Consumer acceptance and confidence in innovation and technology
- Geo-political shifts and tensions impacting on rules-based trade system combined with increasing market access complexities
- Consumer expectations for safe and high-quality food products are increasing leading to tighter MRLs and a greater focus on traceability
- Productivity growth as global demand for food production is projected to increase by more than 50% by 2050, thus driving the need for productivity growth and more efficient supply chains
- Emergence of low-cost competitor regions

The canola opportunity



FUTURE

- Oil - biobase/bioenergy
- Crop - GHG capture/sequestration/regenerative agriculture/biodiversity



EMERGING

- Oil - renewable diesel, sustainable aviation fuel (SAF) and sustainable marine fuel (SMF)
- Oil - specialty food applications
- Oil - oleochemical
- Protein - feed (new), food
- Protein - GHG mitigation
- Crops - system integration



EXISTING

- Oil - food (premium products/markets, sustainable)
- Oil - biofuel (EU)
- Protein - feed
- Whole seed - feed
- Crop - farming system



INCREASING CONTRIBUTION

growers (profit/system)
value chain / economy



Vision 2035

Australian canola industry's shared vision for the industry's future

Purpose

Vision 2035 outlines the Australian canola industry's consolidated and collaborative focus for the industry's future. It aligns the industry's strategic focus and positions it positively for the future.

Vision 2035 is a shared industry vision targeted to generating growth and securing a sustainable future for the Australian canola industry.

This will deliver a vibrant industry that continues to contribute significantly to Australia's economy and community, and generates growth by building on strong foundations and accessing new growth opportunities.



**VISION 2035 SHOULD BE READ
IN CONJUNCTION WITH:**

- ✓ AOF Strategic Plan 2020-2025
- ✓ GRDC RD&E Plan 2023-2028
- ✓ Industry participant corporate plans



Outcomes

By 2035, the canola industry will be:

1.

Larger and more diversified

- Building on the industry's consumer facing focus, the industry will participate across more markets with more products and access to premium segments

2.

Recognised as a leading supplier of sustainable premium products

- Building on the industry's sustainability credentials the industry will be recognised as a leading supplier of sustainable products to the food, feed and fuel industries, and as socially responsible by the community

3.

Vibrant and resilient industry delivering value across the value chain - industry will be better positioned to

- Be more resilient and adapt to climate change and sustainability agendas
- Maintain and generate growth underpinned by a high level of performance across all parts of the value chain
- Retain, attract and develop highly capable people
- Deliver high performing varieties that meet grower and market requirements
- Leverage digital transformation and application of digital technologies across the value chain

4.

Profitable, connected and adaptable value chain

- Enhanced focus on value added product through an expanded processing sector for existing markets and new product opportunities
- A respected industry with a reputation for high quality and sustainable activities
- AOF leadership recognised

5.

Innovative

- Continually adapting and progressing new ideas, technologies and science

The image features a vibrant field of yellow rapeseed flowers in the foreground and middle ground, extending to a horizon line. The sky is a clear, bright blue. Overlaid on the upper half of the image is a complex white geometric pattern consisting of concentric circles and intersecting lines, resembling a stylized architectural or technical drawing. The text 'Vision 2035' is centered within this pattern in a bold, yellow, sans-serif font.

Vision 2035

Vision 2035



Pillars for Success

1.

Market diversification

Australian canola industry meets current customer requirements and changing market demands for oil, protein and fuel.

2.

Sustainability

The Australian oilseed industry is globally recognised as environmentally, socially and economically sustainable.

3.

Productivity and Performance

Canola continues to deliver value to farming businesses and farming systems, by meeting current and future customer needs for oil and protein, while remaining a preferred crop for growers with enhanced sustainability credentials.

4.

Value chain

Continued investment in value adding and technologies to support industry growth.

5.

Innovation

Innovation culture across the value chain with access to all new innovation tools that deliver value for the industry.

6.

Influence

AOF provides effective leadership and communication to facilitate Industry collaboration within the canola sector and broader grains industry organisations to drive and support Vision 2035.

Supported by enabling activities such as capacity, people, data and partnerships.



PILLAR 1 Market Diversification

Australian canola industry meets current customer requirements and changing market demands for oil, protein and fuel.

Protect and improve access to existing markets building on suitability of current products to current markets, promoting benefits and supporting market access activities.

Develop and deliver new products and market opportunities across new fatty acid profiles, increased protein and reduced fibre.

Develop a **market-oriented classification system** to communicate quality and support industry standards.

Develop collaborative partnerships in relation to sustainable fuels including sustainable aviation fuel (SAF) and sustainable marine fuel (SMF)



PILLAR 2 Sustainability

The Australian oilseed industry is globally recognised as environmentally, socially and economically sustainable.

Maintain and improve market access and ensure industry meets emerging sustainability requirements.

Leverage Sustainable Grain Australia to meet emerging sustainability requirements and support access into new markets

Build the industry's **sustainability credentials** and communicate progress and impact to stakeholders.

Develop **value models** for canola to contribute to **carbon neutrality**



PILLAR 3 Productivity/ Performance

Canola continues to deliver value to farming businesses and farming systems, by meeting current and future customer needs for oil and protein, while remaining a preferred crop for growers with enhanced sustainability credentials.

Continually enhance varieties with better pest and disease resistance (especially for blackleg and sclerotinia), higher yield potential and stability, targeted quality characteristics, and other traits such as herbicide tolerance and shattering tolerance.

Promote expanded **quality profiles** to meet new markets and products.

Monitor emerging issues and support utilisation of **new and emerging technologies** and new resistance genes to ensure growers have the tools to manage pests and diseases.

Protect the crop from pests and other threats to productivity, while also protecting markets (meet changing regulatory and customer requirements).

Encourage the **application of digital tools and technologies** to increase productivity, reduce the environmental footprint of canola and deliver supply cost savings and increased efficiency.

Support **adoption of new and improved agronomic practices** that deliver high levels of attainable yield in risk constrained production environments and ensure growers have tools to manage crops and systems to maximise returns and production.



PILLAR 4 Value chain

Continued investment in value adding and technologies to support industry growth.

Supply chain continues to invest in **processing technologies and methods** to improve efficiency, maintain food and feed safety, and access new product/market opportunities.

Promote and facilitate the industry's participation in **digital transformation**



PILLAR 5 Innovation

Innovation culture across the value chain with access to all new innovation tools that deliver value for the industry.

Support market access and develop path to market for products derived from new technologies.

Support innovation adoption through investment in agronomy, grower education and market acceptance.



PILLAR 6 Influence

AOF provides effective leadership and communication to facilitate Industry collaboration within the canola sector and broader grains industry organisations to drive and support Vision 2035.

Develop and implement **industry strategic plans** and priorities, and advocacy.

Influence global landscape by identifying and communicating **market access and trade priorities** for the oilseed sector.

Promote and deliver **good stewardship** throughout the supply chain.

Develop, communicate and facilitate alignment of industry R&D and ancillary investment with industry needs.

Maintain relationships and build stronger engagement with key bodies such as regulators, government, industry organisations (Australian and global).

Work with other grains industry sectors and industry bodies to ensure an open and competitive trade environment.

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