

JOINT MEDIA RELEASE



Australian canola farmers nearing the end of their 2017 harvest have reason to celebrate, with news their crop will be eligible to enter the valuable EU market as an environmentally-friendly biodiesel feedstock.

Following the submission of a [CSIRO](#) report funded by the [Australian Oilseed Federation](#) (AOF) members and the [Australian Export Grains Innovation Centre](#) (AEGIC), the European Commission has confirmed Australian canola meets strict new feedstock requirements for EU biodiesel.

To meet its own greenhouse gas (GHG) reduction targets, Europe would have shut its doors to Australian canola from 1 January 2018 unless Australian farmers demonstrated that they grow low-emission canola.

AOF Chief Executive Officer, Nick Goddard, said growers will feel relief over the decision, with the EU being Australian canola's largest export market, and the majority of it finding use in biodiesel production.

"The EU market is too valuable to lose for Australian canola growers. In 2016/17, Australian canola exports to the EU were typically worth over \$1.0 billion, with nearly all those exports being used for biodiesel production," Mr Goddard said.

AEGIC Chief Economist Professor Ross Kingwell said the decision will have positive impacts for the Australian canola industry, as Australia is a major supplier of imported canola for EU biodiesel production.

"Many Australian farmers rely on canola production, and securing access to lucrative markets like the EU is crucial to underpin the security and general profitability of cropping in many farm regions across Australia," Professor Kingwell said.

The vast majority of Australian canola is non-GM, which attracts a price premium of approximately \$20-\$40 per tonne in the EU. This earned the Australian industry around an additional \$100M in 2016/17. Australia's non-GM canola offers more options for the European supply chain, as residues can be used for animal feed and surplus for human consumption.

CSIRO Principal Research Scientist Dr Sandra Eady led the life cycle assessment report in partnership with Tim Grant from Lifecycles. They tracked the GHG emissions of all facets of canola farming in each Australian state where the oilseed crop grows.

“Australian industries are increasingly finding they need to track their emissions to meet international requirements, as well as to demonstrate their social license as good corporate citizens,” Dr Eady said.

“We used a team of experts and a range of reviewers to ensure we accurately described emissions from canola production, and are able to assist other Australian industries as they increasingly face similar requirements.”

The report found that greatest emissions came from the manufacture of fertiliser, the breakdown of crop residues, and emissions from soil. Emission variation between the States was largely driven by climate differences.

Until the end of 2017 the EU’s Renewable Energy Directive requires feedstocks to deliver GHG savings of at least 35 percent compared to fossil fuels. In January 2018, this target increases to 50 percent for biofuel refineries built before 5 October 2015, and 60 percent for installations commissioned since 5 October 2015.

Any country selling feedstock for use in EU biodiesel must demonstrate it meets these higher levels of emission savings to comply with EU targets. With an average carbon footprint at the farm gate of 468 kg CO₂-eq/tonne of seed, Australian canola will be very competitive in this important market. Australia was one of the first non-EU Member States to submit a Country Report to the European Commission outlining its emission profile of canola.

The industry collaboration between AEGIC, AOF and CSIRO was crucial to the successful outcome announced by the European Commission. The Australian Government also played an important role in facilitating the review of the Country Report by the European Commission.

Further comment

AEGIC

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