

# Canola: Canadian Roots, Global Impact



Canola, a made-in-Canada crop, is a powerful driver of the Canadian economy, creating jobs and adding value.

- **40,000 farmers** produce on average **19 million tonnes of canola** annually; over half is processed in Canada as value-added oil and meal
- Canola is the **#1 source of farm revenue** from crops, earning **\$12.9 billion** in 2024 farm cash receipts
- Canola contributes **\$43.7 billion per year** to the economy
- Canola industry supports **over 200,000 jobs**
- Canola exports were valued at **\$14.5 billion** in 2024



SCIENCE & INNOVATION

SUSTAINABILITY

TRANSPORTATION

FARM BUSINESS MANAGEMENT

TRADE & MARKET DIVERSIFICATION

## GROWTH OPPORTUNITIES:

Enable farmers' access to innovation through funding research, supporting effective extension, and delivering a regulatory framework that facilitates the commercialization of new products.

Modernize the *Canada Grain Act* to align farmer protections and Canada's grain quality assurance system with today's practices and position Canada as a leading supplier of high-quality grain.



# Science & Innovation

Farmers prosper when regulations, policies, and programs support innovations that enhance on-farm efficiencies, increase production, and drive Canadian agriculture's global competitiveness.

Developed by Canadian scientists in the 1970s, canola has evolved through science, public-private partnerships, and innovation to become a leading revenue source for Canadian farmers and an important contributor to the national economy.

A modernized *Canada Grain Act* and Canadian Grain Commission are needed to better align with the needs of farmers now and into the future,

as farming practices, markets, and demand have changed and continue to evolve – the last comprehensive amendment occurred in 1971.

For Canada to remain the world's leading supplier of canola, regulators, such as the Pest Management Regulatory Agency and the Canadian Food Inspection Agency, must refocus resources and have the capacity to make timely decisions based





## DID YOU KNOW?

Gene editing holds immense opportunity to create more resilient crops that require less inputs, enhance yield, lessen production risk, improve nutrition, and better respond to evolving consumer needs.



on the best available science within a clear, predictable, and rules-based regulatory environment. This enables companies to invest in research and development and commercialize new products that farmers need. Competitiveness, along with health and safety, should become an important consideration in regulatory decisions that affect farmers' access to innovative tools.



An aerial photograph of a field with distinct, curved white lines, likely furrows or rows of crops. A single, vibrant red maple leaf is positioned near the bottom left of the dark blue text box. In the top right corner, a portion of a green agricultural machine is visible.

### **GROWTH OPPORTUNITIES:**

Recognize farmers for their contributions to the environment and prioritize support for continued advancements in plant breeding, crop protection products, and agronomic practices that promote sustainable intensification and competitiveness.

# **Sustainability & Canadian Canola**

For decades, Canadian canola farmers have demonstrated efforts toward sustainability while continuing to feed and fuel the world. They understand that the health of their land is linked to the success of their farm, so their farming practices continually evolve.





The transition to reduced tillage, a farming practice which involves little to no digging up of the soil, is a clear example of farmers and agriculture becoming more productive, avoiding additional greenhouse gas emissions, and maintaining healthy soils. A practice that was previously occurring on 7% of Western Canadian seeded acres in 1991 improved to 60% of seeded acres by 2021.<sup>1</sup> Soil organic carbon has increased in the prairies, seeing significant improvements from 1981-2016, mainly due to reduced-tillage practices and reduced summer fallow.<sup>2</sup> Environmental contributions associated with soil organic

carbon and carbon sequestration on agricultural lands should be recognized through Canada's carbon offset credit system.

In addition, payment for the ecosystem goods and services provided by agricultural fields and surrounding areas, such as wetlands and riparian areas, is key in recognizing farmers for their efforts while helping them remain profitable, competitive, and able to adopt beneficial management practices.

Future environmental and production benefits of canola will depend on sustained innovation in plant breeding, crop protection products, and agronomic practices that support sustainable intensification. Increased investments in these areas will help canola farmers mitigate and adapt to the effects of climate change while remaining competitive.



<sup>1</sup> Statistics Canada. Table 32-10-0367-01 Tillage and seeding practices, Census of Agriculture, 2021

<sup>2</sup> Agriculture and Agri Food Canada. Figure 4. Cumulative soil organic carbon change (kg/ha) from 1981 to 2016 due to changes in tillage and summerfallow, Soil Organic Matter Indicator

## GROWTH OPPORTUNITIES:

Make extended rail interswitching permanent and build adaptable and resilient trade infrastructure.



# From Farm to Port to Customer

Farmers prosper when there is a reliable transportation network to ship their product.

Over 90% of canola grown in Canada is exported to customers all over the world. Bulk rail shipping is the only practical means to move canola seed, oil, and meal from the areas of production to export position.

Rail system failures impact farmers financially and competitively.

- When railways can't deliver on service, or transportation is halted due to weather or labour disruptions, grain and process elevators quickly fill to capacity. Even if a contract is in place, farmers are unable to sell canola, constraining their farm cash flow.

- Rail transportation delays slow the loading of canola at port, resulting in extra costs such as demurrage fees. These costs can be passed down to farmers through lower commodity prices at the delivery point.

When global customers do not receive their products on time, Canada's reputation as a reliable supplier is eroded. Extended interswitching can help alleviate transportation problems by keeping supply chains flowing and supporting competition between Class 1 railways. With this tool, shippers physically located on a single rail line can seek competing service from the next closest railway within a specified distance.





**Prince Rupert**  
0.70 million tonnes

Heavy canola  
growing region

Light canola  
growing region

\*Five-Year Average



**Vancouver**  
6.48 million tonnes

**Thunder Bay**  
0.59 million tonnes



North Bay  
Ottawa  
Toronto

The Prairie-based extended interswitching pilot that expired in March 2025 should be extended, with a path to permanency that includes all Class 1 carriers, an expanded distance to 500 km, and incorporates the grain-growing regions of British Columbia.

For the long term, transportation corridors must be upgraded to handle future increases in shipping volumes as Canada invests in diversified trade flows. Only one rail line, tunnel, and lift bridge service the north shore terminals at the Port of Vancouver. This is insufficient, with no alternative route when there's an obstruction. The federal government must prioritize infrastructure improvements that will help facilitate exports, especially through the Western corridor to supply growing Asian markets.



## DID YOU KNOW?

The average tonne of Canadian-grown canola travels 1,520 km to reach a Canadian port.

## GROWTH OPPORTUNITIES:

Work with farmers and their organizations to ensure the Business Risk Management (BRM) suite is predictable, timely, and responsive to their needs. Create tax policies that enable investment and support intergenerational farms.



# Managing Risk on Farm

Farmers prosper when there are pragmatic, adequately funded risk management programs and enabling tax policies that provide farmers with the confidence to invest in their operations and transition their farm to the next generation.

Farmers face uncontrollable risks that impact the production, price, and payment of their crops. These risks are on the rise, including weather events affecting production, international trade restrictions blocking market access, and rail disruptions impacting supply chains. Under the Sustainable Canadian Agriculture Partnership (Sustainable-CAP), the federal, provincial, and territorial governments support farmers through a suite of tools that include AgriInsurance, AgriStability, AgriInvest, and AgriRecovery. These programs must remain

exclusively focused on protecting farmers against income and production losses. Consideration of improvements and further options is needed.

Farming is a highly capital-intensive industry. Simplifying our complex tax system to predictable, low tax policies can support farmers' ability to invest in their operations and remain successful for the next generation, which helps keep Canada food secure and remain globally competitive in agriculture.





## The Cost of Farming is on the Rise

**\$78.4B****Gross Farm Expenses**

Gross farm expenses increased 40% to \$78.4 B since 2020<sup>1</sup>. **Farm operating expenses continue to hit all-time highs.**

**39%****Farm Input Costs**

From 2020 to 2024, farm input costs index jumped **39%**.<sup>2</sup> For canola farmers, the cost of production is 36% more in 2025 than in 2020. Prices have not kept pace with the increase.

**23%****Farm Machinery**

Farm machinery costs index increased by **23%** from 2020-2024. Today, the approximate cost of a new tractor is **\$725,000**<sup>3</sup>. The ability to keep up with new machinery and technology continues to be a challenge for farmers.

**2X****Farmland Values**

Farmland values have more than doubled since 2012, creating a barrier for young farmers to enter and making the intergenerational transfer of land more difficult at a time when **40%** of farm operators are set to retire by 2033.<sup>4</sup>

1 Statistics Canada. Table 32-10-0049-01 Farm Operating Expenses and Depreciation Charges (x 1,000)

2 Statistics Canada. Table 18-10-0258-01 Farm input price index, quarterly

3 2024/2025 Cost of Production Farm Machinery Manitoba Custom and rental guide

4 Royal Bank of Canada. Farmers wanted: The labour renewal Canada needs to build the Next Green Revolution. <https://thoughtleadership.rbc.com/farmers-wanted-the-labour-renewal-canadaneeds-to-build-the-next-green-revolution/>



## GROWTH OPPORTUNITIES:

Pursue policies and trade agendas that position Canada as a top supplier of canola for food, fuel, and feed.



# Trade & Market Diversification

Farmers prosper from free trade, clear and predictable rules, and diverse markets.

Trade is key to the competitiveness and growth of the canola sector. Canadian farmers provide high-quality canola to the world, but they need science-based trade rules to supply, expand, and diversify markets. Continuing to focus on rebuilding reliable and mutually beneficial trade relations with canola's biggest trading partners is a key priority for farmers.

Canola is facing unprecedented trade challenges with China, the second most important export market. All canola products, seed, oil and meal are facing tariff obstructions. A swift resolution is required to resolve these tariff issues that sever access to a critical market. Farmers are deeply concerned about how this will impact the value of their crop.

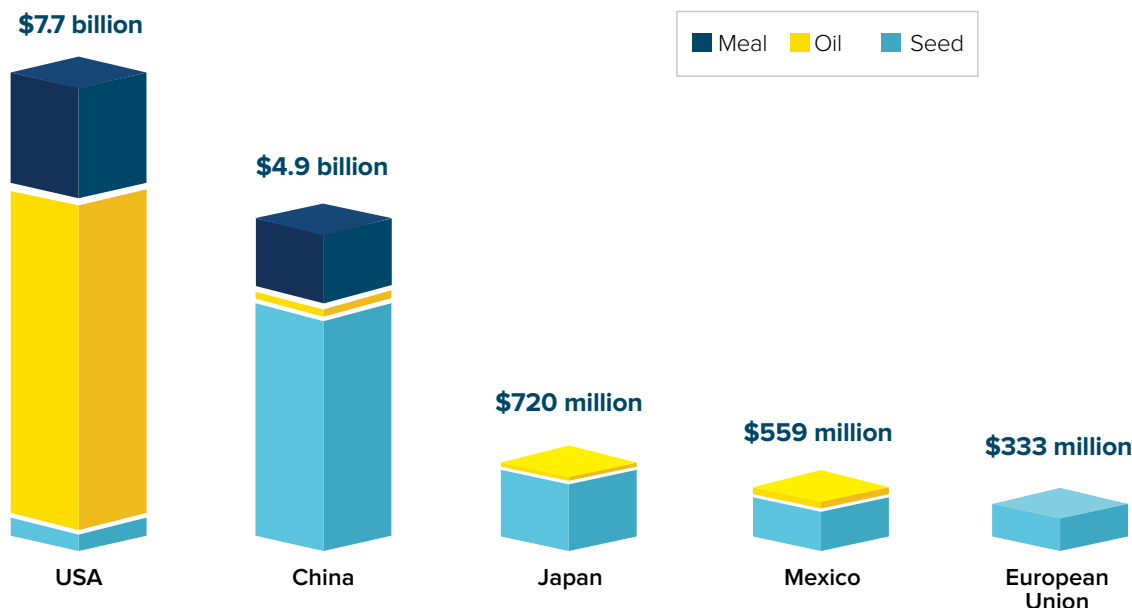
In 2024, over 90% of canola seed was exported to five markets, including the U.S. and Mexico. Canola exports to the United States were valued at \$7.7 billion, 53% of the total canola trade value. The scheduled review of the Canada-United States-Mexico Agreement in 2026 presents a critical opportunity to maintain canola's position in the market. Now is the time to secure relations with canola's two most important markets.

In other markets, commercially meaningful free trade agreements with Indonesia and the Association of Southeast Asian Nations, investments in market access activities, and the continuation of on-the-ground technical expertise from the Indo-Pacific Agriculture and Agri-Food Office will help the canola industry manage evolving regulatory requirements and help generate market access solutions and opportunities in the region.





## Canola's Top 5 Export Markets in 2024



Source: Statistics Canada, Canadian International Merchandise Trade Database, March 10, 2025

## Biofuels: Driving Demand and Market Diversification for Canola

Demand for biofuels is growing, and so is the opportunity for Canadian canola. Canola oil is an ideal feedstock for biofuels, and it is anticipated that demand for canola from a single biofuel producer would be nearly 2.5 million metric tonnes. This volume is greater than the 2024 seed exports to Japan and Mexico combined.

A Canadian and North American biofuel market matters to farmers due to the strong demand signal and protection it offers from other market access issues, such as tariffs and non-tariff trade barriers, that canola faces in exports.

Canola oil exports to the U.S. were strong following its 2022 approval for renewable fuel use. Canola oil exports rose significantly, reaching 3.3 million metric tonnes (MMT) in 2024 compared to 2.0 MMT in 2022.

Changes to U.S. biofuel credit policies have reduced canola feedstock demand for U.S. biofuels in 2025; however, other anticipated policy signals may improve canola oil's position in 2026.

The canola sector is mobilizing to process more canola domestically, with canola processing announcements made in 2021 beginning to come online. These investments support growth for Canada by creating stable domestic demand for canola farmers, bringing well-paid jobs to rural communities, increasing value-added exports resulting in economic growth, and helping to reduce GHG emissions.

# Helping farmers succeed since 1984

Canadian Canola Growers Association (CCGA) exists for farmers. We are farmer-founded and farmer-led, representing approximately 40,000 canola farmers across Canada. CCGA works to advocate for canola farmers and bring their interests to the forefront of national policy discussions that impact their competitiveness and profitability. CCGA is governed by 10 farmer directors who represent Canada's provincial canola associations from British Columbia to Ontario.

CCGA is a leading administrator of the Advance Payments Program, providing cash advances to help over 10,000 Western Canadian farmers better market crops and finance their operations. The Advance Payments Program is a federal loan program administered by CCGA. It offers Canadian farmers marketing flexibility through interest-free and low-interest cash advances.



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