CANADIAN OILSEED PROCESSORS ASSOCIATION

Growing Demand for Low Carbon Fuels in North America:

Opportunities for the Canola Value Chain

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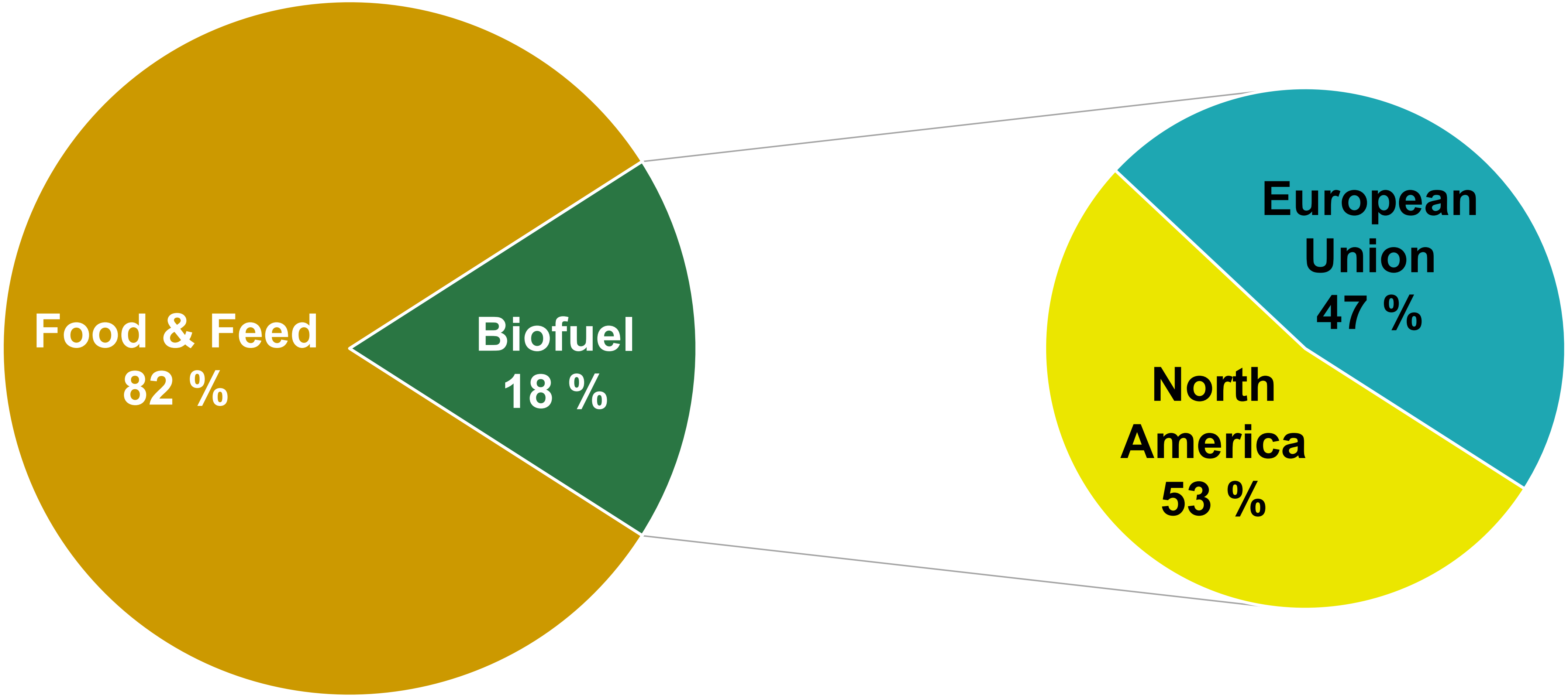
The canola value chain

- **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

Policies driving demand: Canada

Federal Mandates

Diesel Pool RFS **2%**

Gasoline Pool RFS **5%**

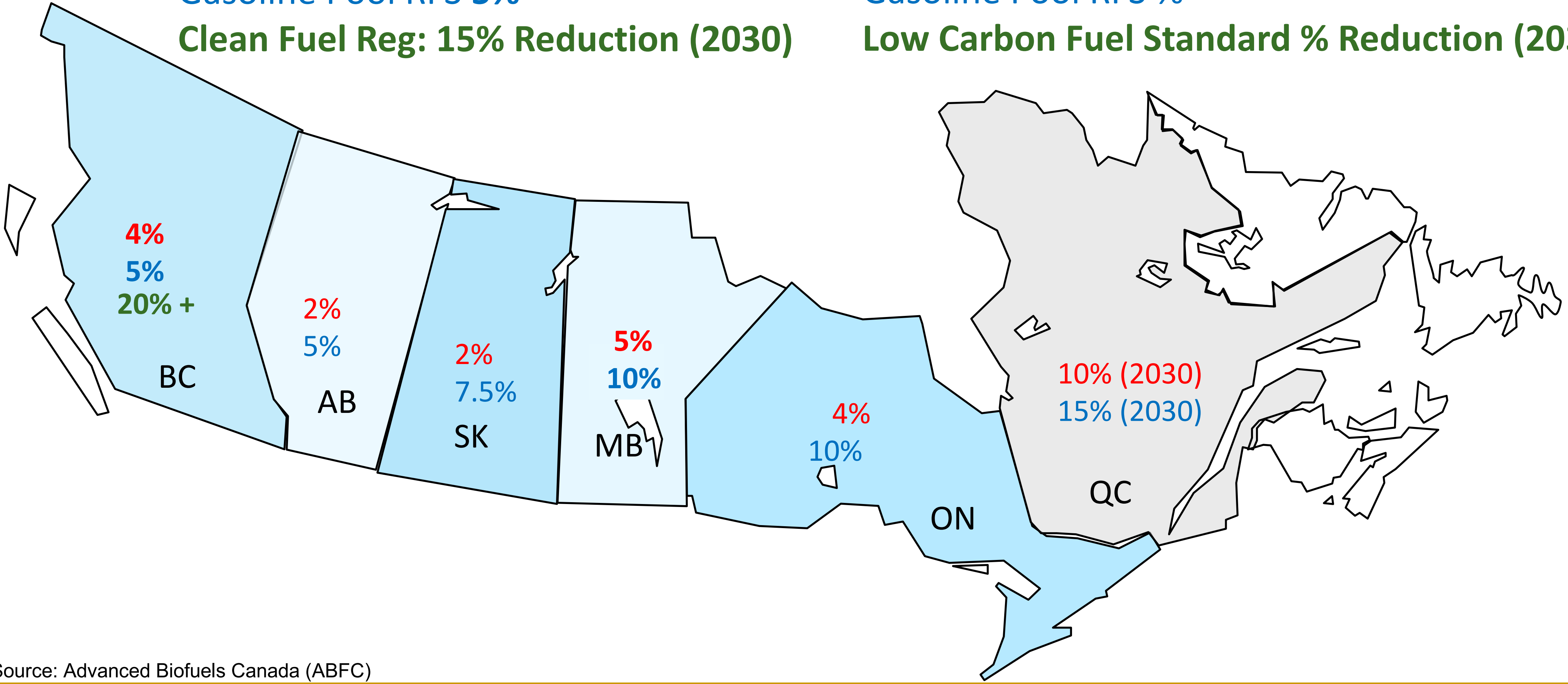
Clean Fuel Reg: 15% Reduction (2030)

Provincial Mandates

Diesel Pool RFS %

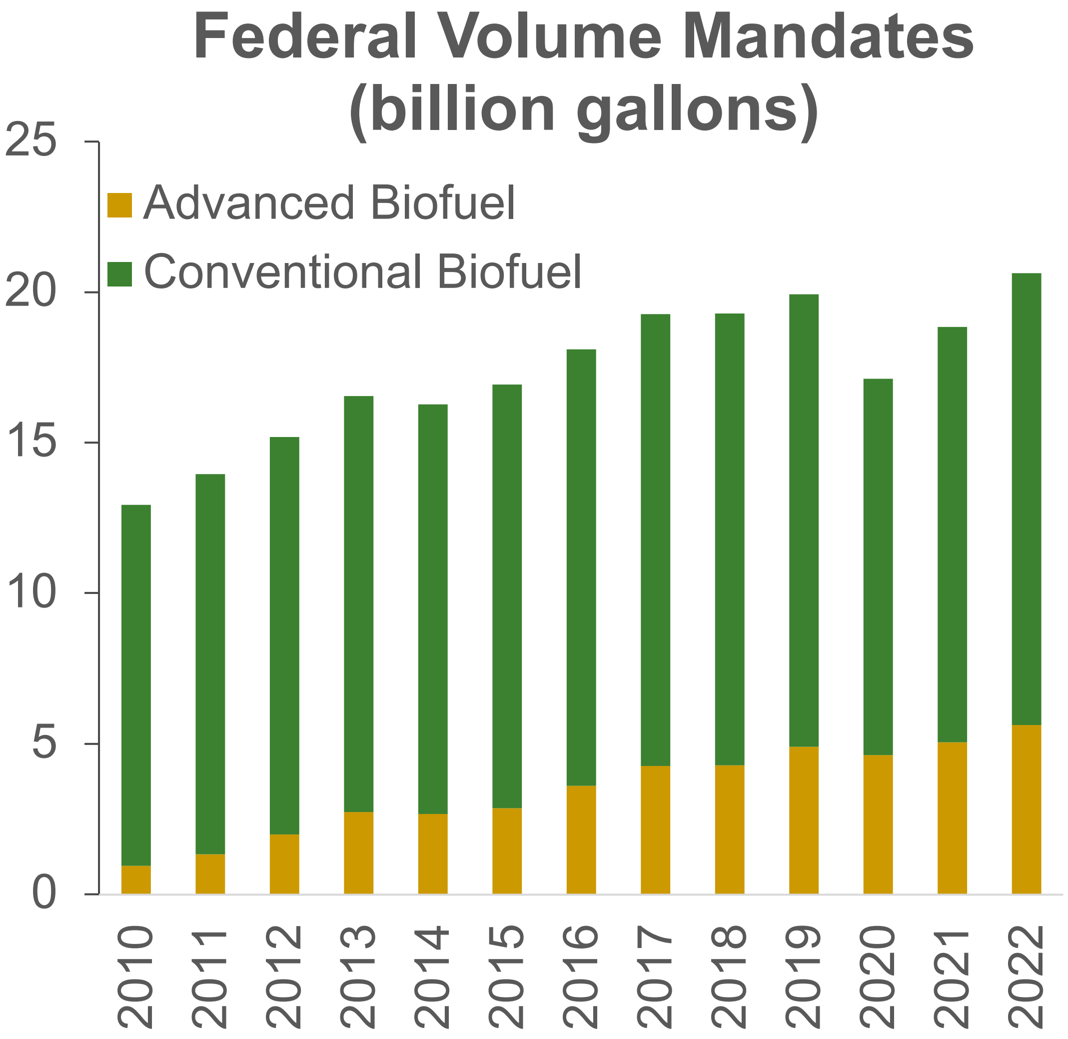
Gasoline Pool RFS %

Low Carbon Fuel Standard % Reduction (2030)



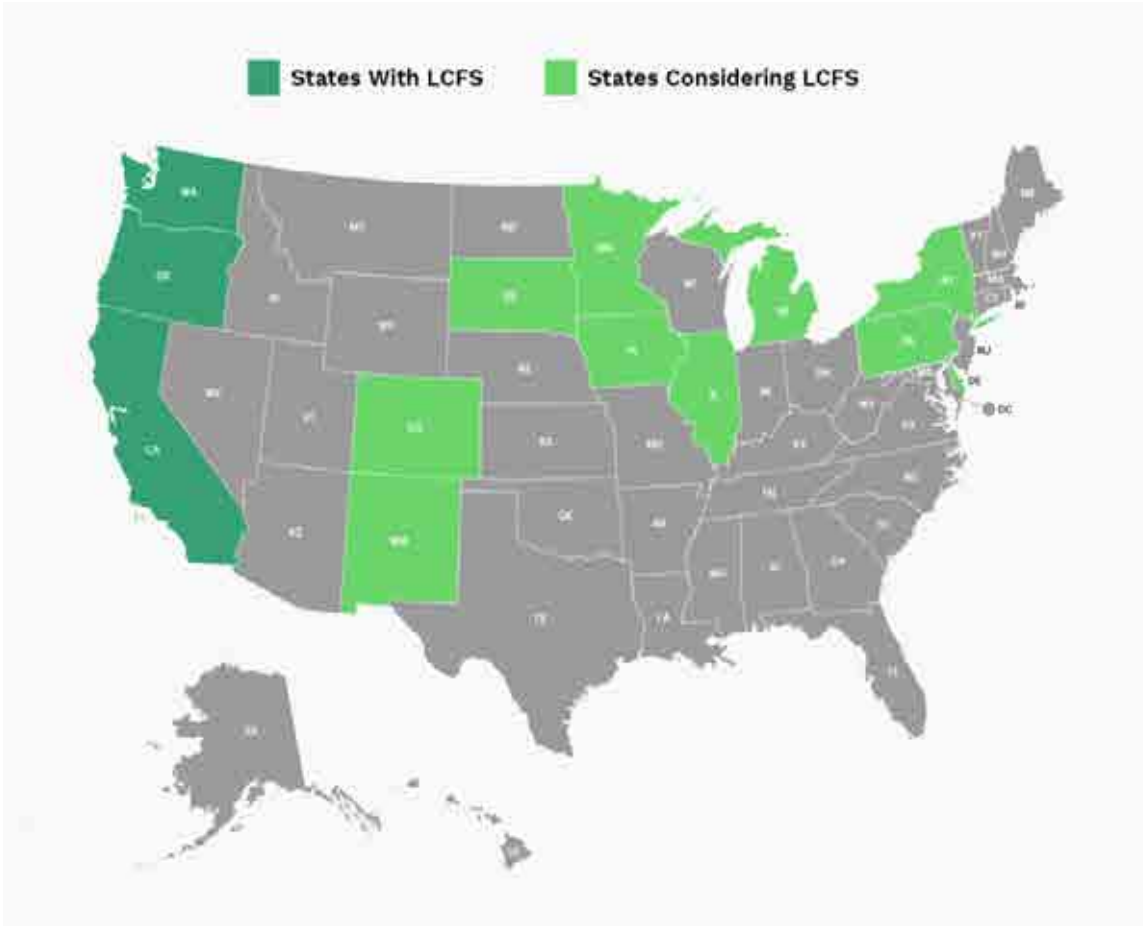
Source: Advanced Biofuels Canada (ABFC)

Policies driving demand: United States

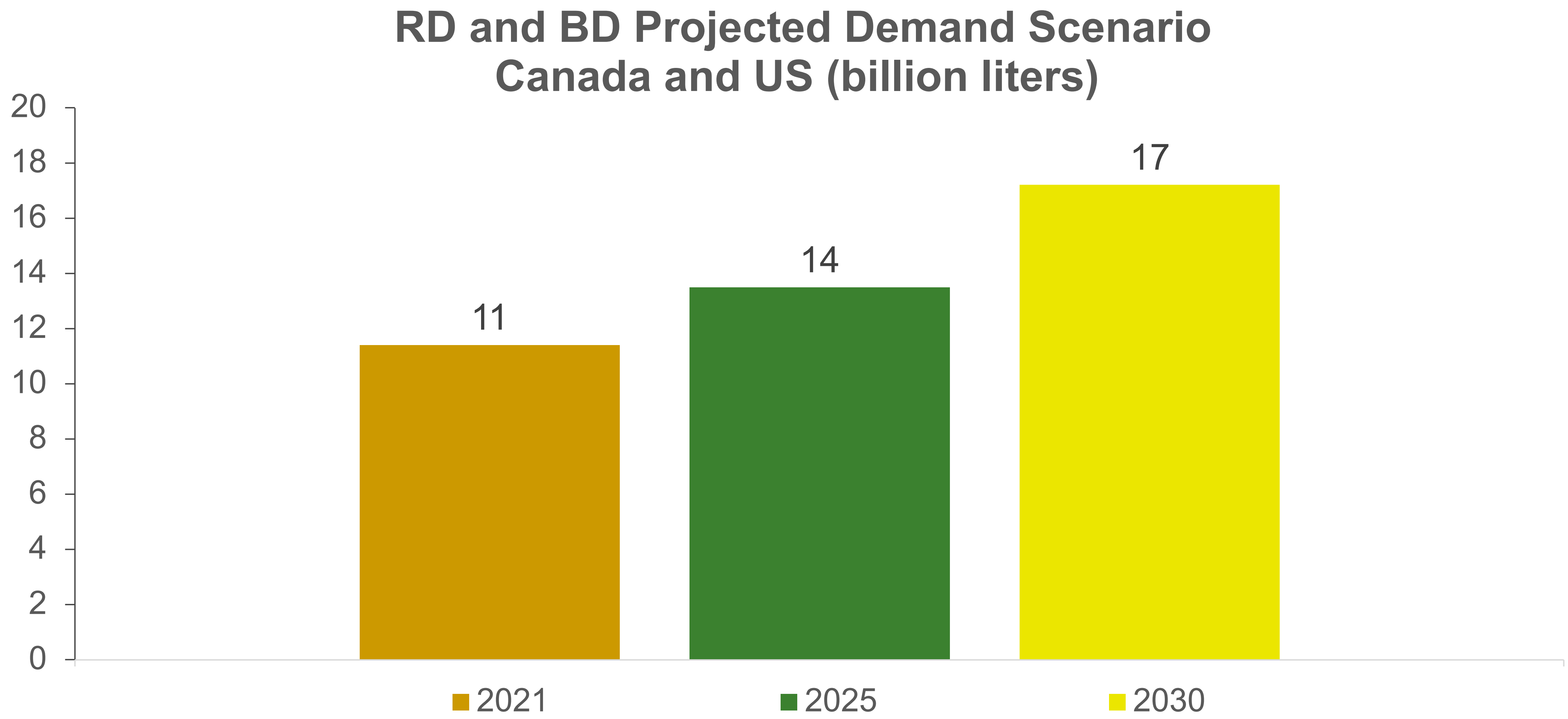


Source: EPA

State Low Carbon Fuel Standards

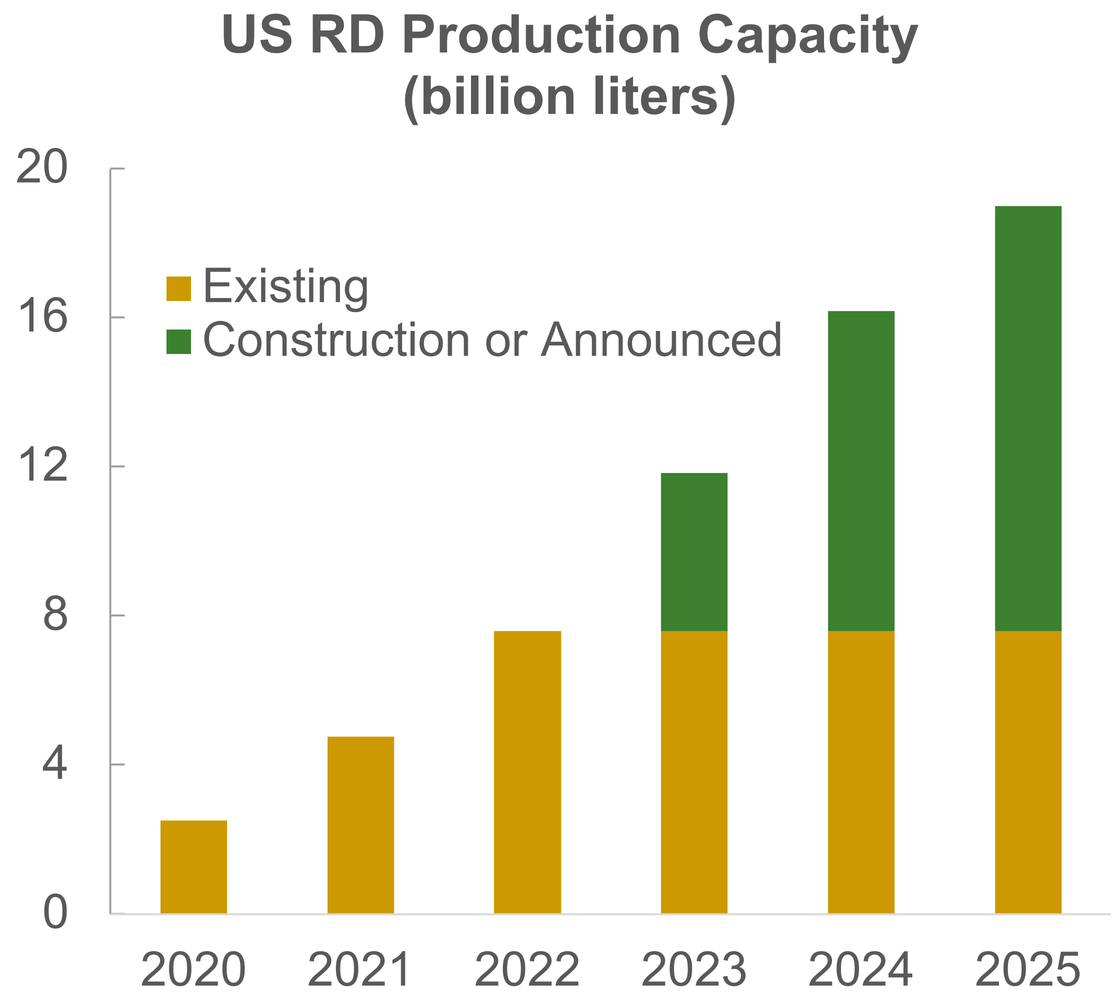


Demand scenario

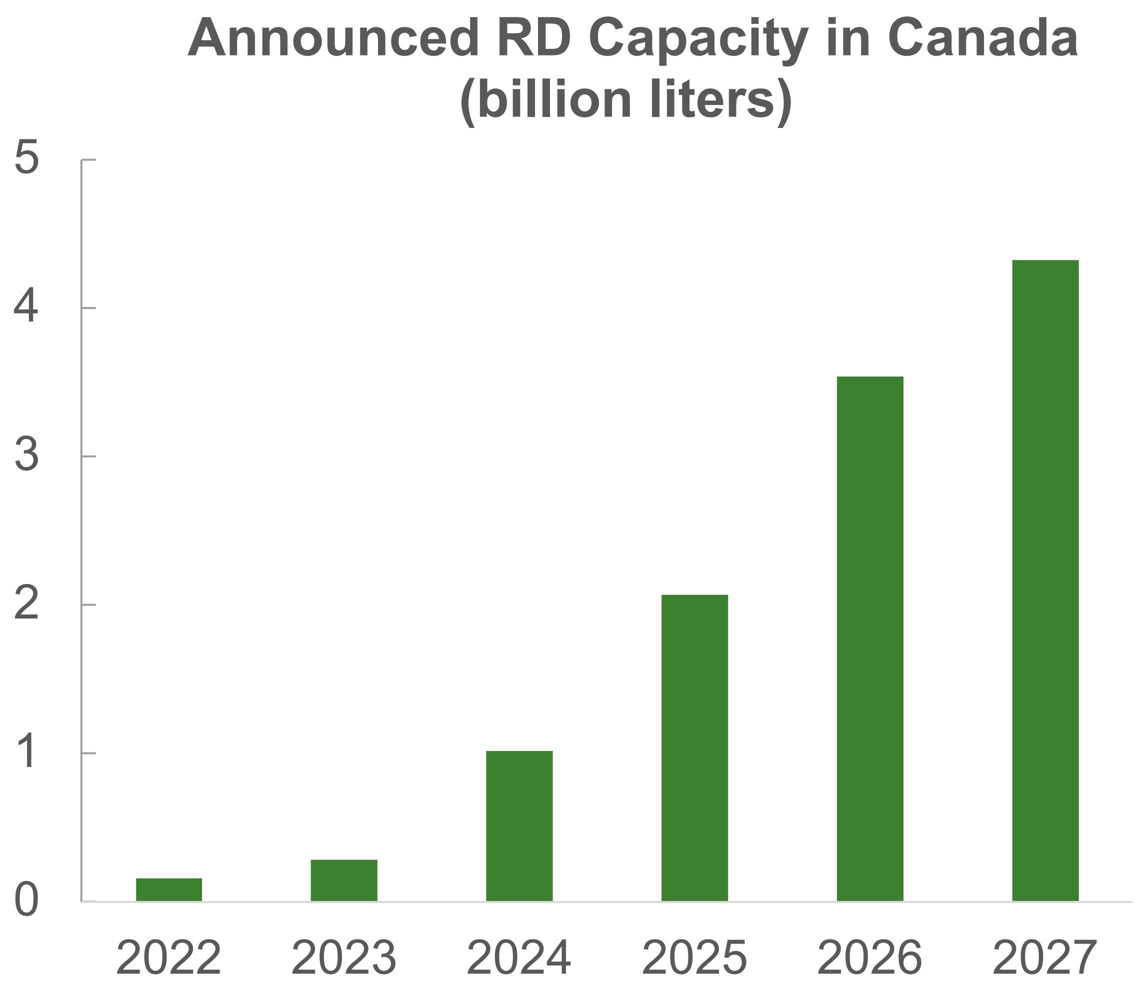


Source: ABFC, Stillwater, The Jacobsen

Growing supplies: United States



Source: US Energy Information Agency and Public Announcements



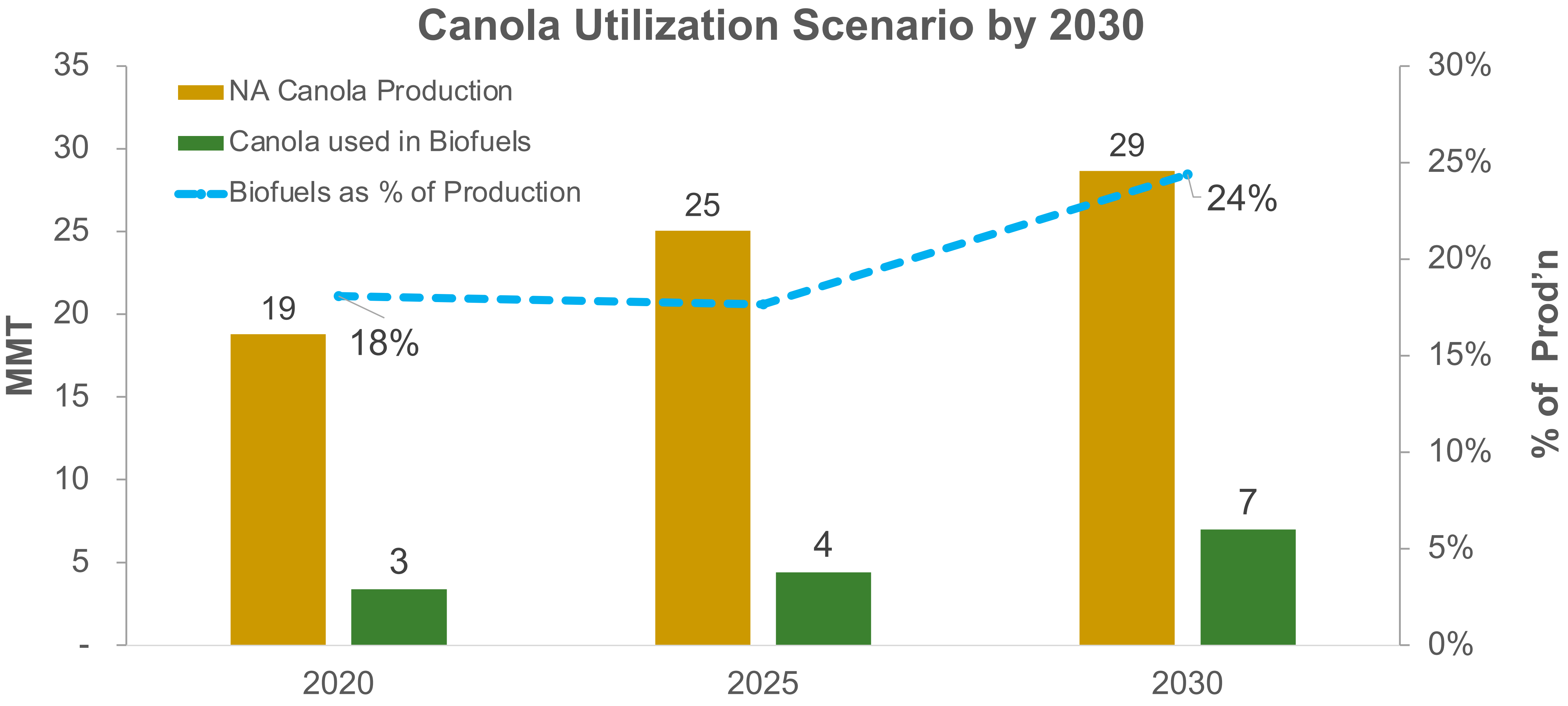
Source: Public announcements and press

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



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

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