

Member Update

UPDATE 23 of 2017 • 12 October 2017

TOPIC: Greenhouse Gas Emissions (GHG) for Australian Canola exports to European Union for use as feedstock for biodiesel

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1. Issue: Risk to Australian Canola Exports to EU

- Under the EU Renewable Energy Directive (EU RED) there is a requirement for actual GHG emissions for biodiesel to be calculated and reported to the EU by biodiesel suppliers, effective 1st January 2018.
- This has required GHG emission values to be determined at all steps through the supply chain, including the GHG emissions relating to the cultivation of canola.
- Australian Oilseeds Federation (AOF) supported with funding from key exporters (ADM, Bunge Cargill, CBH, Glencore,) and AEGIC commissioned CSIRO to prepare an Australian Country Report on GHG emissions from Australian canola production. The Report was presented to the Australian Government who in turn submitted the report to the appropriate agency within the EU Commission in August 2016.
- The EU approval process for all Country Reports has been delayed and may not be formally adopted before 1 January 2018. This has meant there has been a **high potential to severely restrict or potentially stop the export of Australian Canola** to the EU from 1st January 2018. The EU accounted for over 85% of Australian canola exports last financial year, valued at over \$1.1 billion.
- The Australian Government have made active representation on behalf of the Australian oilseeds Industry to the EU Commission (Director General Energy) seeking to minimise any potential impact on exports of Australian canola to the EU.

2. Status Update

- The Australian Government and the EU have identified an approach that should allow the **continuation of Australian canola exports** to the EU from 1st January 2018.
- This approach notes that to meet certification sustainability requirements (recording of actual GHG values for the cultivation of canola) required by the 1st January 2018, that countries *may calculate and submit actual values*. These actual values may be certified by the voluntary schemes operating in Australia.
- The EU have advised Australia it can use regionalised (state based) actual data as calculated in Australia's Country Report ahead of formal adoption of that report, noting the level of confidence with the methodology that has been used to calculate the values.
- This outcome should enable the continuation of canola exports to the EU for use in biodiesel and is a very positive outcome for the Australian canola industry and in particular, Australian canola growers.

- The inclusion of this regionalised actual value data prior to the 1 January 2018 start is a demonstration of Australia's confidence in its Country Report and a commitment to comply with the future requirements of the RED.
- The Australian Oilseeds Federation, on behalf of the industry, acknowledges the support and hard work of the Australian Government (particularly the embassy staff in Brussels) in achieving the progress so far on this important Industry issue.
- *This Member Update has been prepared in consultation with Australian Oilseeds Federation (AOF).*