

Sustainable Canola

A new marketing opportunity

As our world reserves of fossil fuels become depleted, we are looking to utilise renewable sources of biomass (crops) to produce environmentally friendly biofuels.

It is however important to ensure that the sources of the biomass used for the production of biofuels are produced in a sustainable manner and that there is a positive carbon benefit from using renewable biomass.

What is RED?

In 2009 the European Union released DIRECTIVE 2009/28/EC OF THE EUROPEAN PARLIAMENT on the promotion of the use of energy from renewable sources – the Renewable Energy Directive (RED).

Critical aspects of the RED are the sustainability requirements for biomass used for the production of biofuels and the setting of minimum emission savings targets. It also specifies conditions for the traceability of sustainable biofuel feedstock and certification of supply chains.

Key production requirements of the RED are;

1. Biofuels shall not be made from raw material obtained from land with high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:
 - a. primary forest and other wooded land,
 - b. areas designated:
 - (i) by law or by the relevant competent authority for nature protection purposes; or
 - (ii) for the protection of rare, threatened or endangered ecosystems or species
 - c. highly biodiverse grassland.
2. Biofuels shall not be made from raw material obtained from land with high carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:
 - a. wetlands,
 - b. continuously forested areas,
 - c. land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10% and 30%.
4. Biofuels shall not be made from raw material obtained from land that was peatland in January 2008.

These requirements are essentially designed to ensure that the land on which the canola was grown was not recently cleared and was arable land in January 2008.

How to access European Markets?

To access these European Biofuel Markets, Cargill must be independently certified to a sustainable biomass scheme that is approved by the European Commission.

The 2BSvs scheme is such an approved sustainable biomass scheme that is audited by the international certification body, Bureau Veritas. There are a number of criteria that Cargill and our suppliers must comply with to ensure we are able to access this market.

A major requirement of the 2BSvs scheme is that Cargill must ensure that canola exported to Europe for biofuels complies with the sustainability requirements of the Renewable Energy Directive.

This means we need to know that the land on which the canola was produced was arable land in January 2008. We must verify this through grower declarations, and either on-site visits to farms or through other means, such as satellite imaging.

What do growers need to do?

Growers wanting to sell canola to Cargill will be asked to sign a Sustainability Declaration in which the grower declares;

5. that the land was arable in January 2008, and
6. that the farmland is not part of an area affected by legal requirements regarding nature protection, or the protection of ecosystems or rare species.

To assist Cargill in verifying the declarations, we ask that you provide us with the name and location of your property. This will enable us to use satellite imaging to verify the arable status of your property.

There may also be a need for Cargill, or even the independent certification body, to visit your property so that we can see evidence that the land on which the canola was grown was arable in January 2008. This may be previous cropping records or aerial photographs of the property.

It is therefore important that growers advise us if any of your cropping land has been cleared since January 2008.

What if I don't provide a declaration?

While growers are not required to provide a declaration, we cannot include growers who do not provide a declaration and they will therefore be excluded from this market opportunity. Cargill will of course continue to buy canola under our standard marketing arrangements.

