

**50
YEARS
OF
FIRSTS**

2017 ANNUAL REPORT



2017 WAS ANOTHER
YEAR OF HISTORIC
FIRSTS IN AN
INDUSTRY THAT
HAS SET THE PACE
FOR INNOVATION
FOR MORE THAN
FIVE DECADES.

IN 2017:

Canadian growers produced **a record crop** of canola.

Exports and processing volume reached new highs.

Canada entered a **new era of trade cooperation** with leading canola markets.



2017

AT A GLANCE

	2017 RESULTS	2025 TARGET
Exported Seed	11.3 MMT ¹	12 MMT
Domestic Processing	9.2 MMT	14 MMT
Acres	22.9 million	22 million
Yield	41.0 bu/acre	52 bu/acre
Production	21.3 MMT	26 MMT
High Oleic and Specialty Oil	10% of canola acres ²	33% of canola acres
Oil Content (average of No. 1 Grade)	45.0% ³	Maintain global competitiveness in oil content (10 yr average = 44.3%)
Saturated Fat Content	6.53% ³	Global leadership position in oil saturated fat content
Meal Crude Protein Content (oil-free, 12% moisture basis)	38.0% ³	Increase protein availability by target species (10 yr average = 38.0%)

MMT= Million Metric Tonnes
All statistics are for 2017 calendar year.

¹ Based on preliminary Canadian Grain Commission data

² Industry estimate

³ Canadian Grain Commission preliminary quality report

STRATEGIC PRIORITIES

The Canola Council of Canada is guided by **Keep it Coming 2025**, the strategic plan for the industry. **Keep it Coming** is focused on three priorities:

- 1 SUSTAINABLE, RELIABLE SUPPLY
- 2 DIFFERENTIATED VALUE
- 3 STABLE AND OPEN TRADE



MESSAGE FROM THE CHAIR

Our 50-year anniversary in 2017 was a time to reflect on how far our industry has come in five short decades. It's been 50 years of firsts in so many different ways, and we're just hitting our stride.

In this report, we highlight some of the many ways the Canola Council continued building on this progress in 2017. I say "some of the ways" because the activities of this organization are too extensive to fit within this one report. We can only provide a taste of the how the Canola Council is working on your behalf to grow supply, increase demand and enhance market access.

It was a busy and dynamic year in all of these priority areas, and for trade relations in particular. In some of our biggest markets, the future of important multilateral trade agreements was uncertain. In other markets, like China, we saw the emergence of encouraging trade opportunities that could be game-changers for our industry.

As these developments unfolded, the Canola Council was fully engaged, making the industry's voice heard. Government is now looking at agriculture as a growth industry, creating the opportunity for the canola industry to be recognized as a driver of economic growth for Canada. To realize this will require the leadership of the Canola Council, working across the value chain and with our stakeholders.

Thank you to all of the members who make this progress possible. I look forward to your continued support as we discover what new firsts for the canola industry are on the horizon.

David Dzisiak
Chair



MESSAGE FROM THE PRESIDENT

In 2017, I was honoured to become the president of the Canola Council, an organization that had achieved so much under the strong leadership of Patti Miller and all of the presidents who preceded her.

I could not have chosen a more exciting and impactful year to rejoin the team. In an industry that has been at the forefront of innovation since its earliest days, it is remarkable to see the continuing enthusiasm for positive change that drives this industry forward.

The challenges faced by the Canadian canola industry are always evolving, but one thing that remains constant is the power of a full value chain working toward common goals. This spirit of collaboration was the driving force behind the creation of the Canola Council in 1967, and the many firsts achieved by our industry since then. It is the strength that served us so well in 2017 as we faced challenges, new and old, in agronomy, market development, public policy and trade relations.

Thank you for being the strength behind our success, over the past 50 years and beyond.

Jim Everson
President

2017 BOARD OF DIRECTORS (from left to right)



Aaron Anderson
Richardson International Limited

Neil Arbuckle
Monsanto Canada

Jarrett Beatty
Parrish & Heimbecker

Charlene Bradley
SaskCanola

Brett Caplice
Bunge Canada



Brian Chorney
Manitoba Canola Growers

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Archer Daniels Midland Company

Jennifer Marchand
Cargill Ltd.

Dean McQueen
Viterra

Jeff Pleskach
Cargill Ltd.

Kevin Serfas
Alberta Canola

OUR 2017 CORE FUNDERS



1

PRIORITY:
SUSTAINABLE, RELIABLE SUPPLY

MORE FIRSTS TO HELP GROWERS SUCCEED

For the first time ever, canola production in 2017 topped 21 million tonnes, and more farmland was seeded to canola than any other crop in Canada. Our first priority is to see every one of those canola acres farmed as productively, profitably and sustainably as possible.

The Canola Council is the mechanism for the industry-wide teamwork that makes these advances happen, just as it was 50 years ago. Together, we have transformed a once-new specialty crop into a mainstay of the Canadian agricultural economy, and many more firsts are on the horizon.



LOOKING BACK AT INDUSTRY FIRSTS

1936



FIRST TIME RAPESEED IS GROWN IN CANADA

After emigrating from Poland, the Solvoniuk family starts growing a *Brassica rapa* rapeseed in the garden of their Shellbrook, Saskatchewan home.

2017 MILESTONES

SETTING THE PACE FOR SUSTAINABILITY

Our industry is aiming for 26 million tonnes of production by 2025 – and the more we grow, the more essential it is to ensure canola remains a viable and valued crop, long into the future.

An important step forward in 2017 was the **pan-Canadian water monitoring program led by the Environmental Monitoring Working Group**, which is co-chaired by the Canola Council and Agriculture and Agri-Food Canada. This massive effort by provincial governments, Ducks Unlimited and other stakeholders provided the Pest Management Regulatory Agency with a robust dataset for re-evaluating the impact of neonicotinoids – a class of insecticides used in seed treatments that protect canola from flea beetles in a more pollinator-friendly way than other control methods. This monitoring program for flowing and wetland water sites is the foundation for ongoing data collection involving other crop protection products.

In the years ahead, the Canola Council plans to encourage data-driven decision making in many other aspects of canola production. In 2017, we initiated development of a comprehensive Environmental Action Strategy that will involve a wide range of stakeholders.

FIRSTS ON THE HORIZON

THE CANOLA COUNCIL IS LEADING THE DEVELOPMENT OF A CANOLA ENVIRONMENTAL ACTION STRATEGY FEATURING CLEAR SUSTAINABILITY TARGETS AND MEASURES FOR THE INDUSTRY.

DIGGING DEEPER INTO DISCOVERY AND INNOVATION

For the first time, agronomists, growers, researchers and industry came together in Saskatoon for **CanolaWeek**, an intensive three-day experience combining three annual events. The second day was devoted to our fifth annual **Canola Discovery Forum**, which attracted a capacity crowd of 375 growers, researchers and agronomists.

An important goal of Discovery Forum is to build consensus on research and development priorities. These annual discussions guided the development of the **Canola Science Cluster submission** for the new Canadian Agricultural Partnership, scheduled to begin in 2018. The Canola Council took the lead in outlining the most important themes for research, as it did for projects funded through Growing Forward 2.

As research investments yield new knowledge, the Canola Council continues to share results through the **Canola Research Hub**. The Hub was expanded once again in 2017 with more research summaries and video interviews.

Research results are also shared at events like **CanoLAB**, a series of hands-on agronomy workshops co-hosted by the Canola Council and the three provincial grower groups, and through the annual science edition of *Canola Digest*.

More than 60,000 growers, industry members, media and other interested stakeholders were reached through these and other extension activities in 2017.



The Canola Council is often the face of the farming community on behalf of Bees Matter, a multi-stakeholder organization focused on pollinator health. In 2017, Bees Matter distributed more than 117,000 Buzzing Gardens seed kits – enough to plant 86,000 square metres of pollinator habitat.

OPENING OF FIRST PRAIRIE CRUSHING FACILITY

The number of acres devoted to rapeseed grows, prompting construction of the Prairie Vegetable Oils crushing facility in Moose Jaw, Saskatchewan.



1945



"FATHERS OF CANOLA" MOVE INTO OILSEED RESEARCH

The rapeseed breeding program in Saskatoon is taken over by Dr. Keith Downey, a young alfalfa breeder. A year later, Dr. Baldur Stefansson joins the University of Manitoba's plant science department.

1957

EXPANDING THE TOOLBOX FOR AGRONOMIC DECISION-MAKING

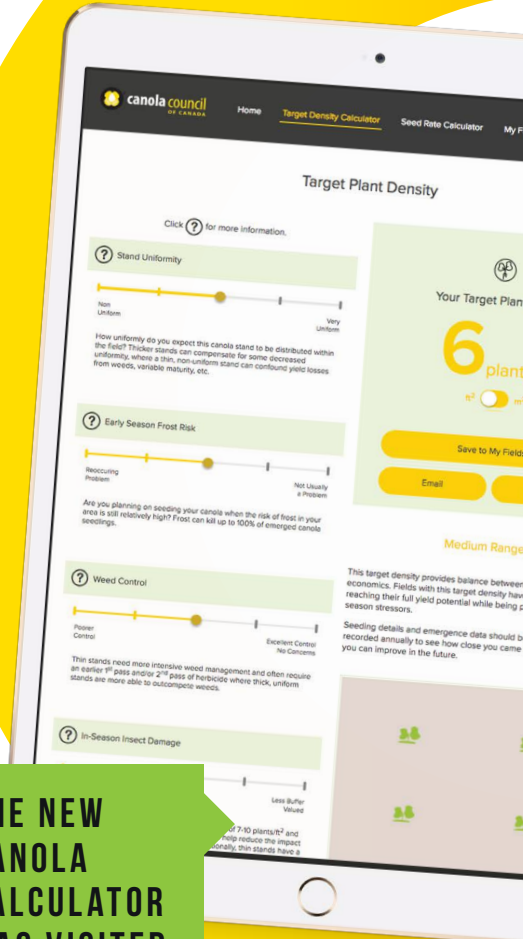
Good crop management choices have the potential to add 10 bu/acre to average annual canola yields, but these decisions aren't always easy to make. It can be challenging to keep up with the latest agronomic findings and how they should be applied to individual field conditions and varieties.

Our new tool to assist with these decisions is canolacalculator.ca, introduced in 2017. This online resource is designed to help growers improve plant establishment and profits by choosing appropriate targets for plant density and seeding rate based on seed size, field conditions and risk tolerance.

When planning for 2018, growers will also be able to consult the first edition of the **Canola Variety Selection Guide**. The new guide includes six years of quality data from small-plot and field-scale **Canola Performance Trials**, which are funded by provincial grower groups and delivered by the Canola Council on their behalf. The selection guide and performance trial results are available online at canolaperformancetrials.ca.

Other online tools launched in 2017 included blackleg.ca, a comprehensive resource for blackleg management, and canoladigest.ca, a new website that allows quick and easy reading, linking, sharing and searching of articles from *Canola Digest* magazine. The Canola Council also produced **new videos and information tools** focused on topics like blackleg, swede midge, clubroot resistant varieties and harvest management. Visits to the **Canola Encyclopedia**, the Canola Council's most popular online resource, grew by 34% to reach an average of over 11,000 visits per month. In 2017, this resource was also made fully mobile-responsive for greater accessibility anytime and anywhere.

As growers dealt with the aftermath of 2016's difficult harvest, the Canola Council's timely **Canola Watch** service once again proved its worth. The agronomy team used this digital tool to answer questions and send targeted alerts about high-moisture seed, post-winter harvesting and late seeding, in addition to pest and disease concerns.



THE NEW CANOLA CALCULATOR WAS VISITED MORE THAN 8,000 TIMES AFTER ITS LAUNCH IN FEBRUARY 2017.



1960

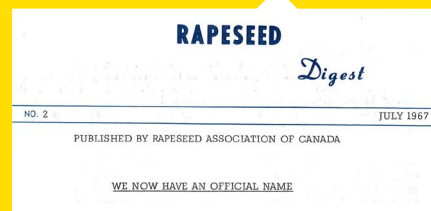
FIRST IDENTIFICATION OF LOW-ERUCIC ACID TRAIT AND TRANSFER TO *B. NAPUS*

Cooperation between Dr. Stefansson and Dr. Downey leads to the development of the first low-erucic *B. napus* variety Oro, introduced in 1968.

RAPESEED ASSOCIATION OF CANADA ESTABLISHED

This forerunner of the Canola Council of Canada is the first industry association in the country to encompass all links of the value chain.

1967

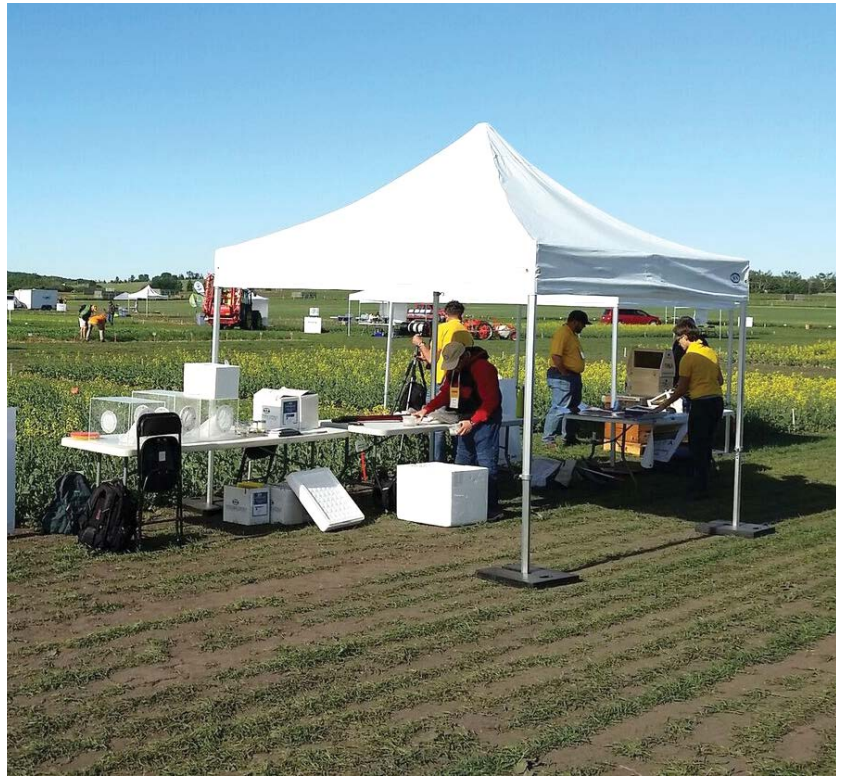


LEVERAGING PROTEIN TO INCREASE PROFITABILITY

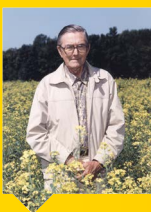
The world's growing interest in plant-based protein for human food could be canola's next great opportunity to increase value for everyone with a stake in the industry. Over the past decade, the Canola Council has been exploring the potential to develop canola-sourced protein for humans, and has been the driving force in encouraging more research and development investment to act on these opportunities.

In 2017, these efforts culminated in **Protein Industries Canada**, an application to make plant-based protein one of the five "supercluster" hubs that are being nurtured by the Canadian government to foster innovation and job growth.

Canola is one of several plant-based protein sources involved with Proteins Industries Canada. The Canola Council plays a leading role in developing the key projects across the value chain, including genomics and breeding for functional proteins, data-managed production systems to optimize protein production in the plant, and novel manufacturing, processing and food formulation.



One of the newer events for growers is CanolaPALOOZA, which provides an opportunity to learn from top researchers and extension specialists within a move-at-your-own-pace, carnival-type atmosphere. Total attendance at CanolaPALOOZAs in Saskatchewan, Manitoba and Alberta grew to more than 1,200 in 2017.



FIRST DOUBLE-LOW B. RAPA VARIETY

The registration of Candle, developed by Dr. Downey's team, provides access to a faster-maturing variety that is suitable for northern growing areas.

1974

FIRST DOUBLE-LOW B. NAPUS VARIETY

Tower, the first rapeseed with zero erucic acid and low glucosinolates, is registered. The plant we know today as "canola" has arrived.

1977



1978

CANOLA OFFICIALLY GETS ITS NAME

The term "canola" is trademarked for double-low varieties (those with low erucic acid and low glucosinolate levels).

2

PRIORITY:
DIFFERENTIATED VALUE

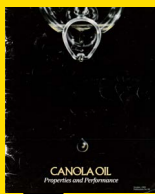
FIRST AND FOREMOST IN THE GLOBAL MARKET

Canola was introduced to the world by Canada, and we are still the source of nearly 70% of the world's canola imports. This year exports of Canadian canola reached record levels, surpassing \$11 billion for the first time.

We're building on this success by promoting canola's superior value in the most high-potential markets. Going forward, these awareness programs are strengthening the industry's ability to make the most of new trade agreements now taking shape.



In 2017, the Canola Council hosted the 20th annual Canola Camp, attended by 16 food, nutrition and media professionals from the U.S. and Mexico. Over the last two decades, this annual field-to-fork event has educated more than 200 influential food experts about canola.



1978

FIRST MAJOR BOOKLET ON OIL QUALITY PUBLISHED

As part of the industry's global marketing strategy, Professors Marion Vaisey-Genser and Dr. Michael Eskin of the University of Manitoba collaborate on the first booklet on canola oil for dietitians and health professionals.

THE CANOLA COUNCIL OF CANADA ARRIVES

The Rapeseed Association of Canada becomes the Canola Council of Canada to acknowledge the development and acceptance of canola varieties.

1980

"CANOLA" STATUS

"Canola is a fact of life", RAC vice-president Jack Smythe told the Association's Board of Directors some weeks ago in speaking to a resolution requesting that the RAC move quickly toward a change of name.

"International and domestic markets accept the word 'canola' and are demanding the products of our 'canola' varieties," he said. He urged the RAC to show aggressive leadership in telling the world that Canada has a significantly altered, vastly superior oilseed for sale.

As part of that leadership responsibility the Board of Directors responded by approving the resolution:

2017 MILESTONES

FIRST CHOICE OF MORE HEALTH-MINDED CONSUMERS

Research completed in 2017 confirmed that the health benefits of canola oil remain its most powerful advantage in the consumer marketplace. Even in markets where canola oil dominates, there is still plenty of potential to grow and retain customers by creating deeper awareness of canola oil's positive impact on heart health, diabetes and obesity.

The Canola Council continues to promote these qualities through **CanolaInfo**, the main source of information about canola oil for consumers, health professionals, chefs, media and educators. In 2017, CanolaInfo conducted **media outreach and promotion** in North America, China, India and South Korea, in partnership with trusted, health-focused organizations and food experts.

These activities included six media releases and **nine new recipe collections** using canola oil, including 10 recipes that were accredited by the American Heart Association. CanolaInfo also hosted the 20th annual **Canola Camp**, a three-day, by-invitation-only experience that educates food professionals about canola.

Special promotions for the Mexico market included the development of a **Spanish-language health book** featuring canola oil and **24 videos** for social networks. The Canola Council also continued to work with nutritionists and culinary experts to position canola oil as a healthy solution to Mexico's growing concerns with health and obesity. At the Universidad Panamericana, a **recipe contest** was sponsored by the Canola Council to encourage use of canola oil by students studying to work in the hospitality industry.

The combined impact of these and other CanolaInfo promotions was over 150,000 visits to the **canolainfo.org** website and 1.5 billion media impressions worldwide.

MORE EVIDENCE OF SUPERIOR PROTEIN QUALITY

The foundation of canola meal promotion is our substantial investment in **research** through the Canola Agri-Science Cluster, which has yielded compelling findings about canola's value as a protein source for feed, particularly in the dairy industry. While it's well proven that canola meal can increase milk production by 1 litre per cow per day, **findings released in 2017** by Wisconsin researchers showed that the increase among early lactation cows is much higher – an average of 4.45 more litres of milk per day. Additional research on the role of canola meal in early lactation cows is currently being planned.

FIRSTS ON THE HORIZON

CANOLA PROTEIN FOR HUMAN FOOD COULD BE THE NEXT MAJOR MARKET OPPORTUNITY FOR CANOLA MEAL. THE INDUSTRY TOOK A BIG STEP TOWARD THIS GOAL IN 2017 WHEN PROTEIN INDUSTRIES CANADA WAS SHORTLISTED FOR THE CANADIAN GOVERNMENT'S "SUPERCLUSTER" PROGRAM.

GRAS STATUS ACHIEVED IN U.S.

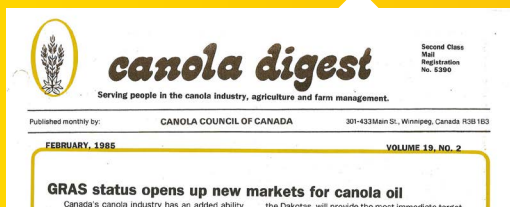
Nutritional and functional research on canola leads to Generally Recognized as Safe (GRAS) status in the U.S., opening the door to one of the world's biggest markets.

GROWING RECOGNITION AS A HEALTHIER CULINARY OIL

Puritan canola oil receives the American Health Foundation's Health Product of the Year award.

1985

1987



FIRST HIGH-STABILITY CANOLA

Stellar, developed at the University of Manitoba, is the first canola variety bred for a "specialty" fatty acid profile that improves shelf stability.

FIRSTS ON THE HORIZON

TO PROVIDE INFORMATION ABOUT DIETARY FATS FOR FOOD INDUSTRY PROFESSIONALS, THE CANOLA COUNCIL IS DEVELOPING WEBINARS IN PARTNERSHIP WITH THE INSTITUTE OF FOOD TECHNOLOGISTS.



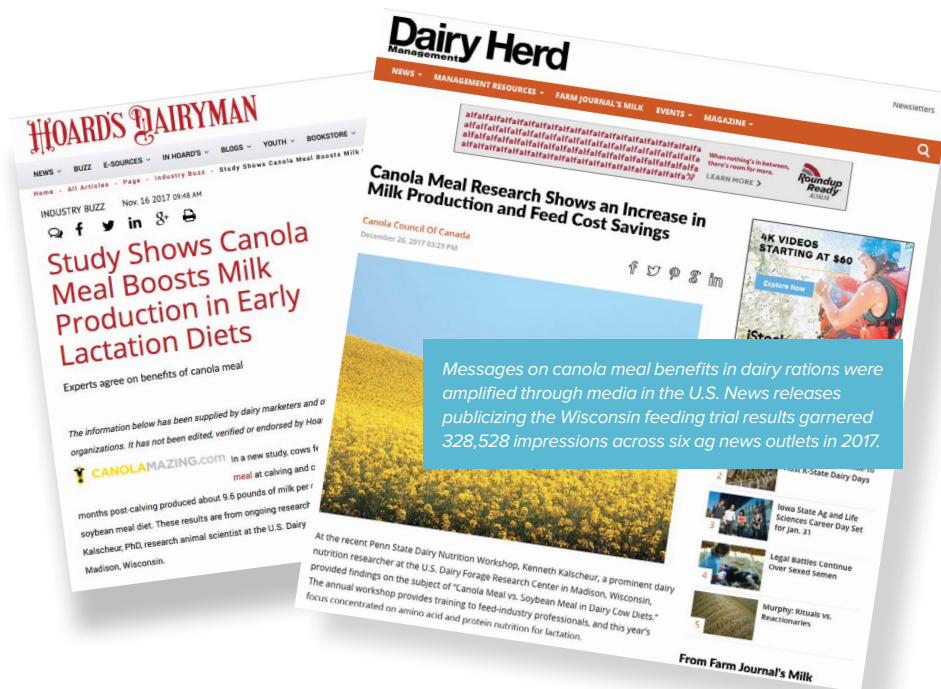
The Canola Council is a long-time supporter of the annual Diabetes Canada Healthy Living calendar. Another important Canadian partner is Heart & Stroke.

SHIFTING OUR FOCUS TO THE MIDWEST DAIRY INDUSTRY

On the strength of such findings, canola meal has become a popular feed ingredient in California, the leading U.S. dairy state. As that market matures, our marketing focus is moving to the **Upper Midwest dairy industry**, particularly Wisconsin, which has the potential to become a large consumer of canola meal.

In 2017, promotions to this dairy-producing region included a **mail-out** to more than 2,600 Wisconsin producers and **magazine articles** on feed protein research in influential dairy publications. These activities encouraged producers to use the **Canola Meal Feed Guide** and **canolamazing.com**, which features a **dairy feed protein calculator**.

The Canola Council is also **connecting with key influencers** in the dairy nutrition industry to ensure that they have up-to-date, accurate information on the nutritional value of canola meal. **An on-farm feed trial** is planned in Wisconsin to provide a practical demonstration of how this protein source can make dairy herds more profitable.

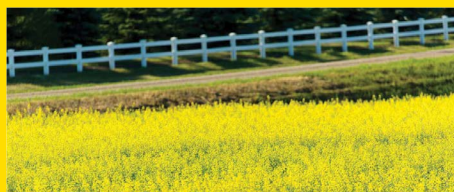


Messages on canola meal benefits in dairy rations were amplified through media in the U.S. News releases publicizing the Wisconsin feeding trial results garnered 328,528 impressions across six ag news outlets in 2017.

FIRST HYBRID VARIETY

Hyola 40, the first hybrid canola variety, is registered for commercial production in Canada. It is quickly followed by the very popular hybrid Hyola 401 in 1991

1989



FIRST HIGH ERUCIC ACID (HEAR)/ LOW GLUCOSINOLATE CULTIVAR

Dr. Peter McVetty releases HERO, the first canola cultivar with high erucic acid (HEAR) and low glucosinolates – an ideal composition for use as biodegradable lubricants and slip agents in industrial and household products.



Canada's Minister of Agriculture and Agri-Food Lawrence MacAulay (centre) helped extol the benefits of canola oil during a successful media event in Guangzhou, China.



The Canola Council met with representatives of Yili, China's largest milk processor, to share research demonstrating that feeding canola meal to dairy cows can improve milk production and quality. The research and dialogue resulted in Yili accepting canola meal as a feed ingredient for the half-million cows supplying its operations.

DIFFERENTIATING CANOLA IN CHINA

As our trade relationship with China evolves, the Canola Council is stepping up its efforts to make that country's processors and end-users more aware of canola's superior qualities. Although China is by far the biggest importer of Canadian canola seed, there is still low awareness of how canola differs from traditional rapeseed.

One of the ways we're differentiating canola in China is through more intense promotion of canola's advantages as a superior protein source for livestock feed. Canola meal exports to China continue to grow.

Outreach activities ramped up in 2017 with distribution of an **e-newsletter** about canola meal to a targeted list of dairy producers, academia, government officials and canola processors. This set the stage for further promotion at the **China Dairy Expo** in Nanjing and **media coverage** in animal industry magazines. The Canola Council also initiated a **demonstration trial with a large swine producer**.

To promote canola's benefits for human health, the Canola Council secured a spot on the agenda at the **China Nutrition Science Congress**, one of the most important events in the Chinese nutritional industry. The presentation was an opportunity to explain how our product aligns with the association's

new Chinese Nutrition Guidelines, which recommend that oils high in saturated fat be replaced with oils like canola.

The Annual Leaders' Dialogue between Canada and China is providing additional opportunities to deepen understanding among influencers in China, including feed mills and media. A November 2017 trade mission featured the first ever Canola Dialogue in Beijing and two special events presented by the Canola Council in Guangzhou: a **research seminar** on use of canola meal in all stages of grower/finisher pig production, and a **media event** focused on canola oil's health benefits and excellent fit with Cantonese cuisine. Within two weeks, the resulting media stories had been viewed 139 million times.

FIRST CANOLA OPTIONS TRADED

The world's first options trading market opens, creating the major price discovery mechanism for worldwide canola trade.

1991

Canola options to begin trading

The Winnipeg Commodity Exchange has announced that trading in options on canola futures contracts will commence at 12 noon on September 4, 1991.

Exchange President Bob

1995

FIRST BLACKLEG-RESISTANT VARIETY

Innovative plant breeding by Dr. Gary Stringam at the University of Alberta results in Quantum, Canada's first canola variety with high blackleg resistance and outstanding yields.



EXPORT MARKET PRIORITIES

NORTH AMERICA

NORTH AMERICA

The U.S. and Mexico consume more Canadian-grown canola products than any other trading region in the world. We keep a close watch on new laws and regulations to ensure there are no new barriers to trade with these important customers.

In addition to the renegotiation of the **North American Free Trade Agreement (NAFTA)**, we are focused on **aligning food and feed safety requirements** as well as **improving biofuel access** in the U.S.

In Mexico, we are helping local processors **counter misconceptions** about canola, particularly canola meal as a livestock feed.

Here at home, we encourage the Canadian government to **align domestic regulations** with these key canola markets.

CENTRAL AMERICA

In 2017, Canada was invited to become an associate member of the **Pacific Alliance**, which is exploring the potential of a free trade agreement involving Chile, Colombia, Mexico and Peru.

Our ongoing priority is to seek an end to **high tariffs** applied to canola oil in promising Latin American markets – particularly **Colombia**, which is a net importer of vegetable oils.



The amount of canola exported in 2017 would fill a train stretching from Vancouver to Winnipeg.

EUROPE

The European Union is the world's second largest economy and a growing importer of biodiesel and biofuel feedstock. The outlook for further inroads grew stronger in 2017 as partners began implementing the **Canada-Europe Comprehensive Economic and Trade Agreement (CETA)**, which has eliminated tariffs on Canadian canola oil and biodiesel entering the EU.

We secured access to the biodiesel market at the end of 2017, when the EU confirmed that the life cycle analysis for Canadian canola met requirements for **sustainability certification**. We are also working closely with the Canadian Agri-Food Trade Alliance to overcome remaining barriers to imports, including concerns with **biotechnology approvals** and **pesticide MRLs**.

FIRST GM VARIETIES

The first transgenic herbicide-tolerant varieties – Quest, Innovator and Independence – enter the marketplace.

1995

WCCRRRC okays transgenics but

Transgenic canola varieties that enter commercial production this year must adhere to a strict set of guidelines in order to protect the integrity of the Canadian canola crop. The guidelines were tied to the recommendation for registration of three transgenic herbicide-tolerant canola lines by the Western Canada Canola and Rapeseed Recommending Committee (WCCRRRC).

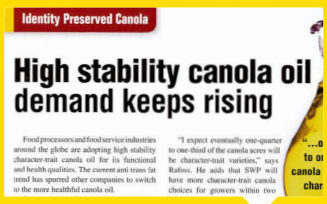
- The primary guidelines set out by the WCCRRRC are:
- That the strain(s)/cultivar(s) be grown only under limited conditions.

FIRST INDUSTRY STRATEGIC PLAN, 7 BY 7

The industry sets a goal of 7 million tonnes of supply and demand by 2007.

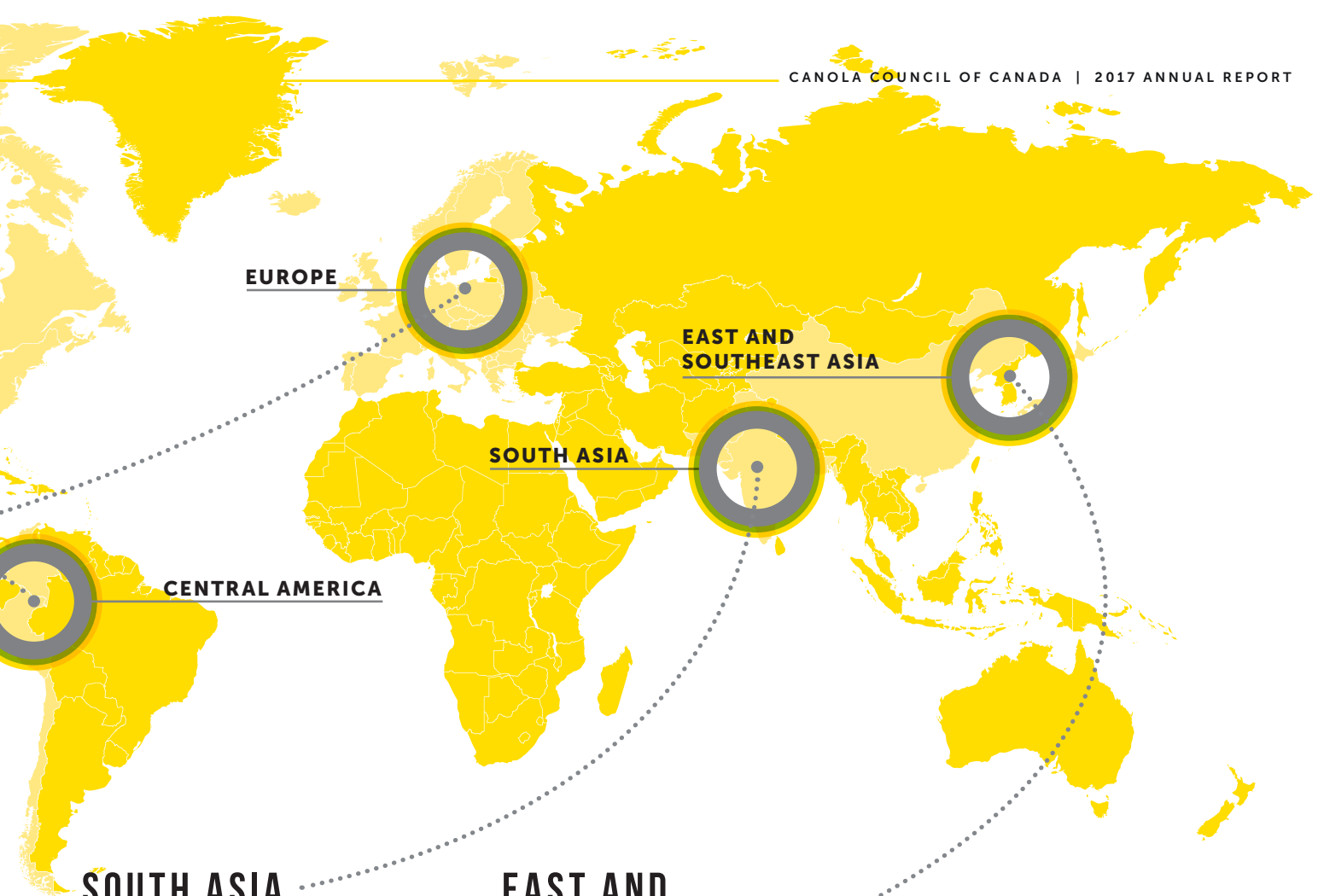
2003

2004



FIRST HIGH-STABILITY, HIGH-OLEIC VARIETIES

With long shelf life and abundant omega-9 fatty acids, these varieties provide new marketing opportunities.



EUROPE

EAST AND SOUTHEAST ASIA

SOUTH ASIA

CENTRAL AMERICA

SOUTH ASIA

Countries like India, Pakistan and Bangladesh import most of their edible oils and are becoming more concerned with healthy eating. These factors increase the potential for South Asia to become an **important “second wave” market** for canola products.

In the past year, Pakistan’s import requirements were problematic for the Canadian grain and oilseed industry. The Canola Council is working with government and agri-business allies to find mutually agreeable, science-based solutions.

EAST AND SOUTHEAST ASIA

China is the top importer of Canadian canola seed and Japan is our longest-standing customer. In addition to growing these markets, there are opportunities to increase exports to other East Asia countries like South Korea, Malaysia and Thailand.

In China, we are continuing to address questions about **blackleg** while providing input into the viability of a **potential free trade agreement**.

We are also ensuring the Canadian industry is prepared for China’s **new food safety standards and grain law**.

In Japan and South Korea, we are focused on potential changes to **labelling regulations**, as well as the future of the **Comprehensive and Progressive Trans-Pacific Partnership** and elimination of **high tariffs on canola oil imports**.



FIRST EXPORT-READY AWARENESS PROGRAM

The Canola Council launches the Export Ready campaign (now called Keep it Clean) to raise grower awareness of best management practices to produce export-quality canola.

2006

QUALIFIED HEALTH CLAIM IN U.S.

Canola’s healthy attributes receive an important validation when a qualified health claim is authorized by the U.S. Food and Drug Administration (FDA).



Are you ready to export?

If you have canola seed from any of the varieties listed below, please contact your grain company before you deliver.

canola
COUNCIL OF CANADA

Don't forget to use the **Canola** logo.

3

PRIORITY:
STABLE AND OPEN TRADE

FIRST RESPONDER TO INDUSTRY CONCERNS

The Canola Council is continually monitoring the public policy landscape, addressing many emerging issues that could impact our industry's future. As canola's importance to Canada grows, we are often at the forefront of concerns affecting the entire agri-business sector.

Our biggest issues in 2017 were linked to the shifting forces of international trade. The Canola Council worked intensively with customers and government partners to keep our relationships strong and productive amid these changes.



INDUSTRY AND GOVERNMENT EMBARK ON MARKET ACCESS PARTNERSHIP

The industry launches the Canola Market Access Plan (CMAP) to avoid trade disruptions in important export markets.

2009

RENEWED COMMITMENT TO RESEARCH AND INNOVATION

In a single year, three major seed companies open, announce or break ground on new canola R&D centres. The same year, the first sclerotinia-tolerant canola variety is commercialized and the first clubroot-resistant canola varieties hit the market.

2010



FIRSTS ON THE HORIZON

IF EXPLORATORY TALKS LEAD TO FORMAL NEGOTIATIONS, CANADA COULD BECOME THE FIRST G7 NATION TO ENTER INTO A FREE TRADE AGREEMENT WITH CHINA. BY 2020, CHINA IS EXPECTED TO BECOME THE WORLD'S BIGGEST AGRI-FOOD IMPORTER.



The signing of a memorandum of understanding in Beijing solidified a commitment to communicate on regulations affecting canola trade.

2017 MILESTONES

AT THE TABLE DURING A PIVOTAL YEAR FOR CHINA TRADE RELATIONS

The most encouraging trade developments of the year occurred with China, the second largest buyer of all Canadian canola products.

In 2017, our industry moved past the difficult trade uncertainty that continued through most of 2016, and toward a future of more stable and predictable trade. As these developments unfolded, the Canola Council was often called upon to ensure Canadian government officials understood what was needed for stable and open trade. We were also on the ground in China to build trust with government officials and industry partners.

Throughout the year, the Canola Council worked with the Canadian government and Chinese officials to implement a joint work plan for **blackleg**, advancing research and implementing management efforts.

In November, the Canola Council traveled to Beijing as part of a government-led trade mission that included a landmark event – the first official **Canola Dialogue**. During the mission, a **memorandum of understanding** was signed by the Canola Council of Canada and the China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products (CFNA). The MOU signalled the beginning of a new relationship with Chinese importers, based on cooperation to support mutually beneficial trade.

Throughout the year, **exploratory talks** for a free trade agreement with China unfolded. It's an exciting prospect for our industry because an additional \$1.2 billion worth of annual canola sales could be triggered by the elimination of tariffs on canola exported to China. The Canola Council worked closely with allies through the Canadian Agri-Food Trade Alliance to ensure the benefits of negotiating a free trade agreement to Canada were understood. As discussions move forward, the Canola Council will continue to lead the conversation on the benefits of eliminating tariffs.



LAUNCH OF CANOLA/FLAX SCIENCE CLUSTER

The industry and federal government launch an ambitious program that directs more than \$20 million of funding into canola research projects.

2012



CONTINUED IMPROVEMENTS IN OIL PROFILE

Seed developers launch a high-oleic canola oil with natural antioxidants and a new type of canola with high levels of omega-9s.

SEIZING OPPORTUNITIES TO MODERNIZE NAFTA

It was also an important year for trade relations with the U.S., as its new federal administration initiated renegotiation of **NAFTA**. The Canola Council ensured Canadian negotiators had a thorough understanding of the industry's goals for the talks, including keeping the best aspects of NAFTA and modernizing where it makes sense.

We are encouraging Canadian negotiators to seek improvements that would allow canola-based margarine and shortening to be **traded without having tariffs applied**. We are also seeking **better alignment of regulations** for crop protection product approvals, maximum residue limits (MRLs) for pesticides, and food and feed safety, as well as policies that accommodate a low-level presence of biotech crops.

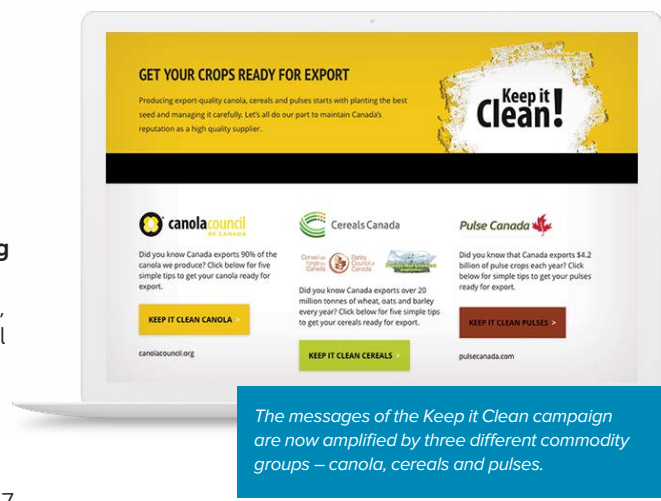
SEEKING AN END TO DIFFERENTIAL TARIFFS IN JAPAN

Our hopes for lower tariffs in the Asia-Pacific rode the roller coaster in 2017. In February, the U.S. decided to withdraw from the **Trans-Pacific Partnership**, but in November an **Agreement on Core Elements** for the Comprehensive and Progressive Trans-Pacific Partnership was reached among the remaining 11 countries. The Canola Council is among the sectors continuing to push for the implementation of the agreement as soon as possible.

There is a lot at stake for the Canadian canola industry – particularly in Japan, one of our most stable and high-value markets. Imports of Canadian canola seed into Japan are strong and consistent; however, a tariff of approximately 16% has prevented imports of Canadian canola oil. Once implemented, the agreement will eliminate this tariff, increasing exports of Canadian canola oil and meal by up to \$780 million per year while also creating more value-added activity at Canadian processing plants.



The Canola Council's annual lobby day in Ottawa is an opportunity to build understanding of the industry's benefits and challenges among senior policymakers.



The messages of the Keep it Clean campaign are now amplified by three different commodity groups – canola, cereals and pulses.

BUILDING BROAD SUPPORT FOR EXPORT-FRIENDLY PRACTICES

In 2006, the Canola Council launched the **Keep it Clean campaign** (formerly known as Export Ready) to encourage on-farm decisions that are aligned with market requirements. After 11 years, the campaign has expanded to include two more commodity groups, thanks to the involvement of Cereals Canada, which became a partner in 2016, and Pulse Canada, which joined in 2017.

With three organizations collaborating to amplify and streamline messages, growers are making greater use of **keepingitclean.ca**, which links to crop-specific information about pesticide use, disease control, storage and acceptable varieties. In 2017, visits to the Canola Council's Keep it Clean website were 50% higher than the previous year.

GROWING ABOVE OUR 2015 TARGETS

ELEMENT	2015 RESULTS	2015 TARGET
Production	18 million MT	15 million MT
Oil Content	45.1% average	45% average
Classic to Designer	84/16*	75/25

2013

PRODUCTION SURPASSES 18 MMT FOR FIRST TIME
The industry surpasses its target of 15 million metric tonnes (MMT) three years ahead of schedule.

2014

INDUSTRY LAUNCHES KEEP IT COMING 2025

Keep it Coming 2025 is the strategic plan to achieve an average yield of 52 bu/acre to meet global market demand of 26 MMT by the year 2025.



NURTURING NATIONAL PRIDE IN A CANADIAN FIRST

While international markets have a great impact on the industry, our success is also impacted by public policy here at home. It's important to maintain Canadians' appreciation of our canola industry so that our interests are considered when these decisions are made.

In 2017, the Canola Council's 50th birthday coincided with Canada's 150th, providing unique opportunities to build esteem for this made-in-Canada success story. These programs included *Canola! Seeds of Innovation*, a new canola exhibit at the Canadian Agriculture and Food Museum in Ottawa and a travelling component that helps visitors discover the scientific, economic and social benefits of the plant that now provides most of the cooking oil used by Canadians every day. The Canola Council and canola grower groups were proud partners of these two exhibits.

The Canola Council also produced a **special canolahistory.ca website** featuring an interactive timeline and videos celebrating the industry's accomplishments during its first 50 years.

To illustrate the value of the industry to all Canadians, the Canola Council released a new **economic impact report** that showed canola now makes a \$26.7 billion contribution to the Canadian economy every year.



From March to December, about 200,000 people visited two new exhibits celebrating canola's many achievements. The *Canola! Seeds of Innovation* exhibit is on display at the Canadian Agriculture and Food Museum, and the travelling version is now on tour across the country.

PUBLIC POLICY FOCUS IN 2017

Market Access

- Approval of biotech traits
- Sustainability standards for canola biofuels in the EU
- Import requirements for Pakistan
- Documentation requirements for China and Taiwan
- Tariff elimination for canola exports to China, Japan, Vietnam and Colombia
- Meeting market requirements for pesticide residues
- Food/feed safety certifications and registrations
- Tolerances for a low-level presence of unapproved varieties
- GM labelling

Domestic Policy

- Federal clean fuel standard
- Standardized environmental monitoring for pesticides
- Approvals and phase-outs of pesticides
- Pollinator health
- Proposed Plant and Animal Health Strategy
- Federal Healthy Eating Strategy and Canada Food Guide
- Proposed Safe Food for Canadians Regulations
- Importance of canola innovation and investment for economic growth
- CFIA user fees
- Alignment of regulatory definitions with canola export markets

NEW INNOVATION STRATEGY DEFINES RESEARCH PRIORITIES

The industry's new Innovation Strategy presents a united vision for canola innovation and identifies gaps and opportunities in all aspects of canola research.

2015



2016

YIELDS REACH A RECORD HIGH

Despite disease and moisture challenges and a very difficult harvest, average yields surpass 42 bu/acre for the first time.

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