How a Vancouver company is helping export Canada's canola to the world

West Coast Reduction operates one of Canada's largest canola oil storage hubs out of the Port of Vancouver

Canada wants to sell more canola oil to the world — billions of dollars more per year — and West Coast Reduction Ltd. is helping the country meet that goal.

Roughly 20 million metric tonnes of canola is grown by Canadian farmers each year, according to the Canola Council of Canada, with 90 per cent of that production destined for export. By 2025, the goal is to be producing 26 million metric tonnes annually.

"We are very confident of the increasing global demand," says Jim Everson, the Canola Council's president.

The challenge is transportation and storage, given that producing 26 million metric tonnes per year would mean increasing exports by about $3.5-billion per year between now and 2025.

That's where West Coast Reduction comes in: The Vancouver-based company operates one of Canada's largest canola oil storage hubs out of the Port of Vancouver. The company has 83,000 metric tonnes of alternative-liquid storage at its Port of Vancouver facility, representing about 20 per cent of Canada's canola oil export capacity and 50 per cent of exports to markets in the Asia-Pacific region.

"We use it to supply a service to the canola industry, so they can export canola oils to Asian-Pacific markets," says Jared Girman, West Coast Reduction's director of government relations and strategic initiatives.

Capacity to both store canola in oil form and export it directly across the Pacific Ocean is particularly helpful for Canada's canola industry, Mr. Everson of the Canola Council says. Asian economies are expected to account for much of the increase in canola oil demand over the coming years, he says.

"Canola oil exports are particularly important because that is the key to the plan that we have," Mr. Everson says. "We have come very close to meeting our canola seed export targets already. We want to be doing more value-added processing in Canada and exporting more

TOP: A West Coast Reduction employee inspects pipes used to transport fats and canola oils from rail cars for processing;

ABOVE: A West Coast Reduction employee inspects rail cars containing fats and canola oils arriving at the Port of Vancouver from the Prairies.

value-added products in addition to seed."

Mr. Everson says canola crushing capacity — a measure for how much canola can be processed into oils and meals — has nearly doubled in Canada over the past decade. There are 14 facilities across the country "and they are currently right up against capacity," he adds.

"We had brand new plants open over the last 10 years so a big buildout of value-added processing [and] we are looking forward to being able to increase our capacity in Canada and being able to export our oil," Mr. Everson says.

West Coast Reduction has also been broadening its canola storage and export capacity to try to keep up with the increase in demand. In 2014 and 2015, the company completed a $9.5-million expansion of its shipping terminal, increasing canola oil handling capacity by 25 per cent via upgrades to its rail lines and a piping system that transfers canola oil to ships in dock.

West Coast Reduction paid for most of the expansion itself, though the total price tag included a $2.8-million contribution from the federal government's Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund. An even more substantial expansion is in the planning stages now, Mr. Girman says, which would add another 72,000 metric tonnes of liquid storage capacity at the terminal.

"A good portion of that storage would also be going towards additional biofuel feedstock production and storage," he says. Part of West Coast Reduction's business involves processing fats and oils, to produce specific blends, which can then be refined alongside fossil fuels to make gasoline with a lower carbon footprint.

Mr. Girman says the company is unable to make the necessary investments right now because the Port of Vancouver hasn't extended its lease.

"We have a real big urgency on our Port of Vancouver site to expand our capabilities," he says.

West Coast Reduction has been leasing the land beneath its facility since 1964. The company usually renews its 25-year lease roughly 10 years before expiry, but the Port is unwilling to provide certainty from 2026 to 2031 because it wants the land as a contingency for additional shipping container storage, Mr. Girman says. West Coast Reduction is fighting to keep its location and remains hopeful for a positive resolution, he adds.

Mr. Everson says the prospect of losing access to any capacity on the West Coast Reduction would be a major concern to the national canola industry.

"It's critical to our industry that we have reliable transportation hubs and particularly the capacity for oil storage because we see growth in that segment of our industry going forward."

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