

Climate and Carbon



November Monthly Update



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Key Watchpoints

- Science Based Targets initiative (SBTi) validation: GrainCorp achieved SBTi validation (Oct 2025) with 2050 net-zero pathway; CBH has 2030/2050 targets without SBTi validation; Bunge (formerly Viterro) validated in 2021
- Emissions data gap: Less than 10% of growers currently measure farm emissions; food/beverage customers (Nestle, Mars, Heineken) require low-carbon supply chains where grower emissions represent 74-96.5% of customer footprint

Australian grain handlers: Climate initiatives and grower impacts

Businesses set emission reduction targets that are validated by the SBTi to ensure they are aligned with what climate science deems necessary. Australia's export-dominated grains and oilseeds supply chain runs through three main bulk handlers—CBH Group, GrainCorp, and Bunge (formally Viterro)—and each is now pursuing a distinct climate strategy with direct grower implications. GrainCorp leads on Science Based Targets validation (\$250M government funding for GrainCorp Next initiative targeting 40 per cent emissions reductions); CBH leads operationally with maritime decarbonization protecting EU access; Bunge brings validated targets (19.7 per cent Scope 1&2, 6.7 per cent Scope 3 reductions achieved) but limited Australia-specific reporting post-Viterro merger.

Policy Setting

2035 Nationally Determined Contribution (NDC): In September 2025, the Prime Minister locked in a national target to cut emissions 62–70% below 2005 levels by 2035 and released the Net Zero Plan with five decarbonisation priorities spanning clean electricity, electrification, clean fuels, new technologies and scaled carbon removals.

Mandatory Climate Reporting: Climate-related financial disclosure requirements commenced phased implementation from January 1, 2025, requiring large entities to report emissions and climate risks. While CBH (co-operative structure) may face different thresholds than listed companies, GrainCorp and Bunge fall squarely within mandatory reporting scope, increasing transparency requirements. If you are in the value chain of these companies included in the Australian Sustainability Reporting Standards, it's important to ensure you can calculate their emissions – as these companies will require this information eventually.

Cleaner Fuels Program & Sector Support: The federal government's \$1.1 billion Cleaner Fuels Program and Future Made in Australia Fund (\$250M to GrainCorp, March 2025) signal substantial policy backing for supply chain decarbonization.

EU Regulatory Pressure: FuelEU Maritime regulations (mandatory January 1, 2025, vessels >5,000 gross tonnes) directly impact Australian grain exports to Europe. Only CBH has disclosed comprehensive compliance strategy to date, creating potential competitive dynamics for EU market access.

GrainCorp

GrainCorp Next (launched October 2024) targets Victorian and New South Wales canola growers initially, expanding to wheat/barley, delivering 40% emissions reductions versus global defaults to position growers as preferred suppliers for customers managing Scope 3 targets. Science Based Targets initiative validated GrainCorp's pathway in October 2025: 42% Scope 1&2 reduction by 2030, 35% Scope 3 Forestry, Land and Agriculture (FLAG) reduction by 2034, 90% reduction by 2050 (FY22 baseline). Renewable fuels strategy leverages Australia's largest canola crushing capacity (Numurkah, Pinjarra) with Memorandum of Understanding (MOU) partnership exploring Sustainable Aviation Fuel (SAF) facility at Ampol's Lytton refinery.

Implications for growers:

- **Nutrien partnership:** Farm Emissions Profile service provides net farm emissions calculation for participating growers—critical infrastructure given <10% of growers currently measure emissions.
- **Geographic rollout:** Victoria/NSW canola focus initially; WA timeline uncertain for participation in emissions reduction program.

CBH Group

CBH leads operationally through WA-specific maritime decarbonization: Blue Visby platform (commercial deployment December 2024, first global customer) achieved 17.3% average CO₂ reduction across trials, and August 2025 biofuels insetting program (NORDEN, Oldendorff) completed eight Europe voyages using waste-based biofuel at zero grower cost. ISCC certification program upgraded to LoadNet online platform (early 2024); FY2024 saw 20% of shipments (1.6M tonnes) ISCC-certified. Committed to 50% Scope 1&2 reduction by 2030 (2021 baseline, 2% achieved FY2024) and net-zero site-to-customer by 2050, driven by customer demand where supply chain emissions represent 74-96.5% of food/beverage buyer footprints.

Implications for growers:

- **EU market protection:** Maritime programs directly address FuelEU Maritime regulations at no additional grower cost—competitive advantage for WA growers accessing European markets.
- **ISCC premiums established:** \$5-25/t for EU-destined canola; approximately \$4,800 grower time investment for audit preparation.
- **Farm emissions benchmark:** Research shows barley at 233 kg CO₂-e/tonne with fertiliser representing 32.7% of farm total—primary reduction opportunity identified.

Bunge (formerly Viterra)

Bunge completed its Viterra acquisition July 2025, combining Australian grain handling with a global oilseed platform. Analysis relies on global Bunge reporting which brings validated Science Based Targets (25% Scope 1&2, 12% Scope 3 reduction by 2030 from 2020 baseline); 2024 global performance: 19.7% and 6.7% achieved respectively.

Implications for growers:

- **ISCC canola opportunity:** \$5-25/t premiums for EU market access; \$4,800 audit preparation time investment matches CBH program.
- **Viterra integration:** Merger adds extensive receival network (Bunbury, Kukerin, Arthur River in WA; southern Australia, east coast) but grower service program details limited in transition period.

Next Steps for Growers

Emissions measurement: With mandatory climate reporting expanding and bulk handler programs requiring farm-level data, growers should evaluate emissions calculation tools (Nutrien Farm Emissions Profile for GrainCorp participants, ISCC self-assessment platforms, third-party consultants). Fertiliser management represents the primary reduction opportunity (32.7% of farm emissions).

ISCC certification assessment: For growers targeting EU canola markets, weigh \$5-25/t premiums against \$4,800 audit preparation investment and ongoing compliance requirements. LoadNet online platform (CBH) reduces administrative friction versus paper-based systems.

Program monitoring: Track transparency developments on GrainCorp Next participation costs/premiums, Bunge-Viterra integration impacts on grower services, and WA timeline for GrainCorp program expansion. Government funding (\$250M GrainCorp, \$1.1B Cleaner Fuels) may flow through to grower support mechanisms.

Policy preparedness: Monitor 2035 NDC target setting and sectoral policy developments. While direct mandatory reporting obligations affect larger enterprises first, supply chain disclosure requirements will cascade to grower operations as handlers meet customer Scope 3 reduction commitments.

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