Low-Carbon Rapeseed: Structuring the Market to Unlock Opportunities

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IRICC (The French RED III) : A Turning Point in Biofuel Pricing in France

In the past, biofuel buyers did not focus on the carbon footprint of the solutions they purchased. The implementation of the European RED III directive, translated in France through the IRICC scheme, is set to fundamentally transform the dynamics of the biofuel market. From now on, buyers of biofuels—and participants across the upstream supply chain—will need to meet strengthened CO_2 reduction targets, prompting them to pay much closer attention to the carbon performance of the biofuels they use.

This is particularly relevant for rapeseed-based biofuels, which have the lowest greenhouse gas (GHG) reduction potential. Between a biofuel with a default GHG reduction of around 60% and a more efficient product achieving 80%, the value differential can already approach €100 per tonne. For performance levels above 90%, this premium can reach up to €220 per tonne, based on March 2026 prices.

The stakes are significant. Europe produces approximately 5.7 million tonnes of rapeseed biodiesel, requiring nearly 12.6 million tonnes of rapeseed. By 2027, demand for low-carbon rapeseed could reach at least 6 million tonnes.

In a market where Europe produces close to 20 million tonnes of rapeseed and imports around 7 million tonnes, a strategic question arises: who will capture this new value? Will European agriculture be able to compete with Canadian or Ukrainian producers, especially in a context where transport contributes relatively little to the overall carbon footprint?

The Rapeseed Market Must Evolve to Meet New Constraints

Improving GHG performance in crops, which represents the main source of emissions, becomes a key strategic lever. The European rapeseed sector has strong potential in this regard, given that current practices are far from optimal. Its contribution to emission reductions relies on the evolution of agricultural practices and better traceability of data. Examples of potential improvements include optimized fertilization, reduced input use, changes in soil management, or the integration of organic amendments. Each of these measures can significantly improve carbon performance and generate a premium for farmers.

These changes could translate into an additional valuation of rapeseed of 10–20% compared to standard grain. This premium is attractive, provided it compensates the efforts made in terms of costs, audits, and traceability.

Visibility Is Key to Driving the Low-Carbon Market

As competition intensifies in Europe and globally, driven by increasing availability of low-carbon feedstocks, the premium associated with low-GHG biofuels is becoming less certain. In this context, the economic incentive for French farmers to adopt these practices could weaken, particularly when additional costs—such as purchasing compost or modifying technical practices—are offset by only a limited premium of a few dozen euros per tonne.

Securing value thus becomes a critical issue, requiring partnerships with actors capable of guaranteeing multi-year pricing. The market shows a potential gain of around €100 per tonne of rapeseed, which should be shared among the various stakeholders in the supply chain.

International Competition Looms

Australia, Ukraine, and Canada are also players in the market. Surprisingly, even when delivered to Europe, Australian and Canadian rapeseed currently achieve better GHG performance than European rapeseed, reaching up to 70% reduction—still below the expected 80% standard for the next five years.

This discrepancy is largely due to differences in regional carbon benchmarks (known as NUTS values). As a result, a Canadian grain imported into France can today present a better carbon footprint, transport included.

The Short-Term Opportunity: Move to Real-World Values

To remain competitive, the French sector will need to evolve. Moving from regional reference values (NUTS) to real emissions measured at the farm level is a key lever to quickly achieve 70% reductions compared to the current 60%. This approach requires enhanced traceability and more precise carbon accounting tools.

From a market perspective, the trend is clear: demand for low-carbon rapeseed will grow sharply, as it is the only feedstock capable of meeting future decarbonization targets. The challenge for France will be to structure this sector sustainably, ensuring meaningful revenues for stakeholders and a balanced value-sharing system. This is essential to place low-carbon rapeseed on a long-term trajectory and guarantee the volumes needed to meet market demand over the next decade.

Note: IRICC – Incentive for the Reduction of Carbon Intensity of Fuels – is a French policy mechanism designed to accelerate transport decarbonization by strengthening renewable fuel incorporation requirements.

GREENEA Awarded at the Energy Risk Commodity Rankings 2026: International Recognition of Its Expertise
Founded nearly 20 years ago, brokerage company GREENEA has once again distinguished itself on the international stage by being recognized at the Energy Risk Commodity Rankings.

In 2026, GREENEA was ranked in several key categories within the biofuels and environmental markets sector:

- #1 Broker in second-generation (advanced) biofuels
- #1 Broker in renewable energy certificates
- #1 Advisory in biofuels
- #1 Research in biofuels

TRACIFIC: A Carbon Software Solution for Traceability and Sustainability

TRACIFIC is a digital platform dedicated to carbon management and traceability across alternative fuel supply chains. Designed to support and enhance low-carbon initiatives, this software enables stakeholders across the value chain—producers, distributors, transport operators, and clients—to track, secure, and certify their environmental data.

A true regulatory compliance tool, TRACIFIC includes a carbon calculator that meets the requirements of the European RED II and RED III directives. In particular, it allows users to demonstrate that the biomass used in biofuel production is sustainable, taking into account both greenhouse gas (GHG) emissions and carbon sequestration in soils.
Beyond simple calculations, TRACIFIC positions itself as a comprehensive traceability solution.

The platform ensures full tracking of raw material and energy flows, from origin to end user, in compliance with certification standards such as ISCC or 2BSvs. It also facilitates RED audits and guarantees full transparency of data throughout the supply chain.