

Canola Oil Market Projected to Reach USD 62.15 Billion by 2035, Driven by Expanding Food Industry Applications

Canola Oil Market is gaining momentum as demand rises for healthier cooking oils, sustainable food ingredients & versatile applications across food processing.

NEW YORK, NY, UNITED STATES, August 21, 2026 /EINPresswire.com/ -- Market Overview:

The global [Canola Oil Market Size](#) is entering a period of steady transformation as consumers, food manufacturers, restaurants, and oil processors increasingly seek cooking oils that combine functional performance, nutritional appeal, and supply-chain reliability. Canola oil has established a strong position across household cooking, food manufacturing, bakery production, frying, sauces, packaged foods, and commercial foodservice because of its neutral flavor, versatile cooking performance, and broad formulation compatibility.

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Canola oil demand is rising as consumers seek healthier cooking options, sustainable ingredients, and versatile oils for modern food applications.”

*Market Research Future
(MRFR)*

According to the latest market assessment, the industry is expected to increase from USD 42.60 billion in 2025 to USD 44.10 billion in 2026, before reaching approximately USD 62.15 billion by 2035. The market is anticipated to expand at a 3.55% CAGR from 2026 to 2035. The study covers the historical period from 2021 to 2024, uses 2025 as the base year, and evaluates the forecast period from 2026 through 2035.



Rising Demand for Versatile Cooking Oils Supports Industry Development:

One of the fundamental factors supporting canola oil consumption is its adaptability across a broad range of culinary and industrial applications. Food manufacturers use the oil in bakery products, dressings, sauces, prepared meals, snacks, and other formulations where a relatively neutral taste is advantageous. Restaurants and commercial kitchens also value canola oil for frying and general cooking applications.

Household consumers are simultaneously becoming more attentive to the composition and functionality of edible oils. This shift is encouraging manufacturers to communicate attributes such as fatty-acid composition, processing methods, sourcing practices, and certification more clearly. As consumers compare different edible oils, products positioned around balanced nutrition, versatility, and everyday usability can gain greater visibility.

The expansion of packaged and convenience foods is another important demand contributor. Food processors require oils that can integrate consistently into standardized production systems while maintaining desirable sensory and processing characteristics. Canola oil's compatibility with numerous recipes allows it to remain relevant as manufacturers diversify their product portfolios.

Health and Nutritional Positioning Creates New Consumption Opportunities:

Nutritional considerations are becoming increasingly influential in edible-oil purchasing decisions. Consumers are paying closer attention to saturated-fat levels, ingredient transparency, and the overall nutritional profile of cooking oils. This environment provides canola oil producers with opportunities to strengthen the category's health-oriented positioning.

Canola oil contains a relatively low proportion of saturated fat and provides unsaturated fatty acids, making its nutritional profile attractive for consumers looking for alternatives to certain traditional cooking fats. Its neutral sensory characteristics also make it easier for consumers to incorporate into everyday meals without significantly changing the flavor of food.

The health-conscious trend is particularly relevant in developed markets, where label awareness and nutritional literacy are influencing grocery purchases. At the same time, urbanization and changing dietary habits in emerging economies are expanding the addressable consumer base for packaged edible oils.

High-Oleic Refined Canola Oil Emerges as a Key Specialty Segment:

Product innovation is becoming one of the most important developments within the industry. While refined, bleached, and deodorized canola oil remains widely used because of its scalability and broad application range, high-oleic refined canola oil is attracting increasing attention from commercial food operators.

High-oleic formulations are designed to provide improved oxidative stability and better performance under repeated high-temperature cooking conditions. These characteristics make them particularly relevant to restaurants, quick-service food operators, snack manufacturers, frozen-food producers, and other businesses where frying performance directly affects operational efficiency.

The growing interest in high-oleic canola oil reflects a shift in purchasing decisions from simply comparing the initial price of cooking oil to evaluating its overall operating value. Longer usable frying cycles, reduced frequency of oil replacement, and consistent cooking performance can contribute to better resource management for foodservice operators.

As commercial kitchens become more sophisticated in managing food costs, waste, and kitchen productivity, specialty frying oils can gain an advantage over conventional products. This is expected to support high-oleic refined canola oil as one of the fastest-developing product categories during the forecast period.

Organic Canola Oil Gains Momentum Through Premiumization:

The organic segment is expected to be one of the fastest-growing categories by nature, supported by increasing interest in clean-label products, certified ingredients, responsible agriculture, and traceable supply chains.

Organic canola oil appeals particularly to consumers who prioritize certified agricultural practices and seek products positioned around natural and transparent sourcing. Premium grocery channels, specialty retailers, health-oriented brands, and online food platforms are creating additional opportunities for organic oil producers.

Organic production, however, involves more complex supply-chain requirements. Farmers and processors must maintain certification standards, preserve product identity, and prevent contamination between organic and conventional supply streams. These requirements can increase production and handling costs, but they can also create opportunities for premium pricing.

The growth of organic canola oil is therefore expected to be closely connected with the development of reliable certified acreage, specialized processing infrastructure, improved traceability systems, and consumer willingness to pay for differentiated products.

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Foodservice and HoReCa Segment Creates a Strong Commercial Growth Path:

The Foodservice/HoReCa segment is projected to be among the fastest-growing end-user categories. Restaurants, hotels, catering businesses, institutional kitchens, quick-service chains, and other hospitality establishments are increasing their focus on cooking-oil performance as food preparation volumes rise.

Foodservice operators need oils that can handle large cooking volumes while maintaining consistent taste and operational performance. Canola oil's neutral flavor makes it suitable for a wide range of dishes, while refined and high-oleic variants can provide additional functionality for frying applications.

The expansion of restaurants and organized foodservice infrastructure in emerging economies is contributing to this opportunity. Urban consumers are increasingly spending on prepared meals, takeaway food, delivery services, and dining experiences. At the same time, hotel and hospitality development is expanding the number of professional kitchens requiring commercial-grade edible oils.

For suppliers, this segment offers opportunities beyond simple product sales. Bulk packaging, customized formulations, long-term supply agreements, distributor partnerships, and specialized foodservice products can help companies build stronger relationships with commercial customers.

Industrial Applications Continue to Provide a Stable Demand Base:

Industrial users remain central to the overall canola oil ecosystem. Food processors purchase substantial volumes for bakery goods, snacks, sauces, prepared foods, dressings, and other manufactured products. The consistency of refined canola oil makes it useful in large-scale formulations where predictable performance is important.

The growth of convenience foods is supporting this application base. Consumers are increasingly purchasing ready-to-cook and ready-to-eat products, which encourages manufacturers to expand production capacity and develop new product formats.

Canola oil can also participate in broader industrial value chains beyond conventional food applications. Growing interest in renewable fuels has increased competition for vegetable oil feedstocks in some regions. This development introduces both opportunities and challenges for processors because demand from energy-related applications can influence availability and pricing for food-oriented buyers.

As food and energy markets increasingly intersect, producers and processors will need to manage supply allocation carefully. Investments in crushing capacity, storage, refining, logistics,

and diversified sourcing can help companies respond to changing demand patterns.

Sustainability Becomes Increasingly Important Across the Value Chain:

Sustainability is emerging as a strategic consideration throughout canola oil production and processing. Food manufacturers and retailers are increasingly examining the environmental characteristics of agricultural commodities, while consumers are becoming more interested in responsible sourcing.

Canola producers and processors are therefore exploring practices related to soil management, fertilizer efficiency, reduced tillage, crop rotation, traceability, and resource optimization. These initiatives can contribute to improved agricultural resilience while supporting sustainability claims further down the supply chain.

Digital traceability is another area with growing importance. Modern tracking systems can connect oil products with information about their origin, production practices, transportation, and processing. For premium and certified products, such information can strengthen credibility and provide greater transparency to buyers.

Sustainability is also becoming relevant to industrial customers evaluating the carbon intensity of feedstocks. As environmental standards develop across different markets, producers capable of documenting the characteristics of their supply chains may have opportunities to differentiate their products.

Supply Chain and Agricultural Conditions Remain Critical Considerations:

Despite favorable demand fundamentals, the canola oil industry remains exposed to agricultural and supply-chain risks. Canola production depends heavily on weather conditions, soil quality, water availability, crop health, and farm input costs. Extreme heat, drought, excessive rainfall, and other climatic disruptions can affect crop yields and subsequently influence seed availability for crushing and refining.

The concentration of production in major growing regions also makes international trade conditions important. Changes in tariffs, import requirements, phytosanitary rules, transportation costs, or bilateral trade relationships can influence the movement of canola seed and oil between producing and consuming countries.

These factors encourage processors and buyers to diversify sourcing arrangements. Long-term grower relationships, regional processing infrastructure, inventory planning, and improved forecasting can help reduce exposure to sudden supply disruptions.

The industry is also investing in agricultural innovation. Crop breeding programs focused on improved resilience, productivity, and adaptation to changing climatic conditions could support the long-term stability of canola supply.

Canola Oil Market Segmentation:

By Product Type:

RBD canola oil remains the dominant segment due to its affordability, neutral flavor, and high smoke point. High-oleic grades are gaining traction in foodservice for their frying stability, while cold-pressed and specialty oils support premium demand.

By Nature:

Conventional canola oil leads the market because of its broad availability and cost efficiency. Organic canola is expanding steadily, supported by clean-label preferences and premium retail demand.

By End User:

Industrial applications account for a major share, driven by bakery, snacks, sauces, and biofuel production. Foodservice demand is supported by restaurant expansion and frying applications, while retail remains important for household cooking and premium branded products.

Regional Analysis:

Asia-Pacific Strengthens Global Demand

Asia-Pacific is an important growth region for canola oil, driven by population growth, urbanization, expanding food processing, and rising edible-oil consumption. China and India are key consumption centers, while organized retail and e-commerce are improving access to packaged, premium, organic, and specialty products.

Europe Focuses on Sustainability and Differentiation

Europe presents strong opportunities for sustainable, traceable, organic, and non-GMO-oriented canola oil products. Growing interest in transparency and environmental responsibility supports premium offerings, although strict regulatory, certification, and labeling requirements can create market-entry challenges.

North America Remains a Key Production Hub

North America plays a central role in canola oil production and processing due to its strong agricultural base, established infrastructure, and export capabilities. Growing food and renewable-fuel demand is supporting processing investments and creating opportunities for high-oleic, specialty, sustainable, and value-added canola oil products.

Opportunities for Market Participants:

The industry's long-term outlook creates several opportunities for producers, refiners, distributors, and food manufacturers. High-oleic formulations provide an avenue for premiumization, particularly in commercial frying. Organic products offer access to consumers seeking certified and traceable ingredients. Foodservice expansion creates opportunities for bulk supply and specialized commercial products.

There is also potential in co-product utilization. Canola meal generated during oil extraction has applications in animal feed, while emerging research and processing technologies are creating opportunities to extract higher-value proteins and functional ingredients from canola-based streams.

Another promising area is local refining in regions that currently depend heavily on imported refined edible oils. Investment in regional processing and bottling can shorten supply chains, create employment, retain more value locally, and improve responsiveness to consumer demand.

Competitive Landscape and Strategic Direction:

The Canola Oil Market includes a mix of global and regional participants involved in cultivation, seed processing, crushing, refining, bottling, distribution, and branded food products. The competitive environment is influenced by production scale, access to agricultural feedstock, refining capabilities, logistics networks, product innovation, and relationships with food manufacturers and retailers.

Leading Companies Are:

- Cargill, Incorporated
- Archer-Daniels-Midland Company
- Bunge Global SA
- Louis Dreyfus Company
- Richardson International
- Viterra Limited
- Wilmar International
- CHS Inc.
- AGT Food and Ingredients
- Ceres Global Ag Corp.

Over the forecast period, companies are expected to focus increasingly on specialty products rather than competing solely through commodity volumes. High-oleic technology, organic certification, sustainable sourcing, traceability, and customized foodservice offerings can provide additional differentiation.

Strategic partnerships between growers, crushers, refiners, distributors, restaurant chains, and food manufacturers may also become more important. Such collaborations can provide greater supply certainty while enabling businesses to respond faster to changing consumer and regulatory expectations.

Future Outlook:

The Canola Oil Market is positioned for measured and sustainable expansion through 2035. The projected rise from USD 42.60 billion in 2025 to USD 62.15 billion by 2035, combined with a 3.55% CAGR during 2026–2035, reflects a market supported by multiple demand streams rather than a single growth driver.

Conventional refined oil is expected to remain the industry's volume foundation, while high-oleic refined and organic products create faster-growing specialty opportunities. Foodservice and HoReCa demand should benefit from restaurant expansion, commercial frying requirements, and the increasing professionalization of food preparation.

At the same time, producers will need to manage climate-related agricultural risks, supply-chain disruptions, trade uncertainty, input costs, and competition from other vegetable oils. Businesses that invest in resilient sourcing, efficient processing, differentiated products, sustainability credentials, and digital traceability will be better positioned to capture emerging opportunities.

The next decade is therefore likely to be defined by a balance between scale and specialization. Large-volume refined canola oil will continue serving mainstream food applications, while premium and performance-focused products expand into higher-value niches. This combination should help the industry maintain its relevance across household, industrial, foodservice, and emerging applications.

Frequently Asked Questions?

What is the projected size of the Canola Oil Market by 2035?

The Canola Oil Market is projected to reach approximately USD 62.15 billion by 2035, increasing from USD 42.60 billion in 2025.

What is the expected CAGR of the Canola Oil Market?

The market is expected to register a 3.55% CAGR between 2026 and 2035, reflecting steady

expansion across food, foodservice, retail, and industrial applications.

Which Canola Oil segment is expected to grow the fastest?

Among the highlighted segments, Organic by nature, High-Oleic Refined by product type, and Foodservice/HoReCa by end user are identified as key fast-growing areas during the forecast period.

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