

Canola Oil Market to Hit \$49.55 Bn by 2031 as Renewable Diesel & Premium Products Drive Growth - Mordor Intelligence

Canola oil market set to grow at a 3.84% CAGR during the forecast period (2026-2031), with Asia-Pacific leading the market at a 37.17% share in 2025.

HYDERABAD, TELANGANA, INDIA, August 28, 2026 /EINPresswire.com/ -- According to Mordor Intelligence, the [global canola oil market](#) is projected to grow from USD 41.04 billion in 2026 to USD 49.55 billion by 2031, registering a CAGR of 3.84% during the forecast period (2026-2031). The market is being supported by growing demand for neutral-flavored cooking oils across packaged snacks, quick-service restaurant frying, and plant-based foods, alongside technology-driven improvements in oil extraction and processing. Renewable diesel has emerged as a significant source of additional demand, particularly in North America, while processors in Asia-Pacific are increasingly selecting refined, bleached, and deodorized (RBD) canola oil for its oxidative stability. At the premium end, high-oleic and organic variants are helping manufacturers protect margins, while expanding processing capacity and vertical integration are strengthening supply resilience amid weather-related price volatility and tightening sustainability requirements.

Canola Oil Market Key Growth Factors

Renewable Diesel Demand Creates a New Outlet for Canola Oil

The expansion of renewable diesel production is reshaping demand dynamics within the canola oil market. Regulatory developments in the United States have encouraged greater use of renewable feedstocks, creating a substantial additional outlet for canola oil beyond traditional food applications.

Following EPA approval, U.S. imports of canola oil increased significantly, with the U.S. share of Canadian canola oil exports rising from approximately 50-60% to 91% in 2024. This shift demonstrates the growing influence of biofuel demand on international canola oil trade flows and is encouraging producers and processors to reassess capacity allocation between food and fuel markets.

Neutral-Flavored Oils Gain Ground Across Food Applications

Canola oil's neutral flavor and versatile cooking characteristics continue to support its adoption across packaged foods, snacks, foodservice, and plant-based products. Manufacturers value the oil's ability to support frying and food preparation without substantially altering the flavor profile of finished products.

Growing consumption of convenience foods and expansion of quick-service restaurants are creating additional demand for oils that can perform consistently across high-volume cooking applications. Plant-based food manufacturers are also incorporating canola oil into formulations where a neutral sensory profile is important, providing another source of structural demand.

Asia-Pacific Processors Favor RBD Canola Oil for Processing Performance

Canola oil is gaining traction among processors in China and India as manufacturers increasingly select RBD canola oil over soybean and palm oils for applications where oxidative stability and processing performance are important. Expanding food processing industries and rising demand for packaged foods are supporting this shift.

The region's growing population, urbanization, and modernization of food manufacturing are creating opportunities for canola oil suppliers. As processors increasingly focus on consistency, shelf stability, and formulation performance, refined canola oil is positioned to capture demand across a broader range of industrial food applications.

Canola Oil Market Recent Industry Developments

2024 – U.S. demand for Canadian canola oil strengthened significantly following regulatory developments supporting renewable diesel production, increasing the U.S. share of Canadian canola oil exports to 91%.

2026 – The FDA's revised definition of a "healthy" food continues to support the positioning of canola oil within healthier dietary formulations, providing an important counterpoint to consumer concerns surrounding seed oils.

Canola Oil Market Segment Insights

By Product Type

RBD

High-Oleic Refined

Others

By Nature

Organic

Conventional

By End User

Industrial

Foodservice / HoReCa

Retail

Canola Oil Market Regional Insights

North America remains a strategically important region for the canola oil market, supported by Canada's large production and processing base and strong integration with the U.S. market. Renewable diesel demand has significantly increased the importance of canola oil within North American feedstock markets, while capacity expansion is helping processors respond to changing demand and stabilize supply.

Asia-Pacific represents a major growth opportunity as food processing industries expand across China and India. Increasing urbanization, packaged food consumption, and processor preference for RBD canola oil are supporting regional demand. Modernization of processing infrastructure is also improving the ability of manufacturers to incorporate refined canola oil into a broader range of food applications.

The canola oil market report is also available in the following languages:

Japanese: https://www.mordorintelligence.com/ja/industry-reports/canola-oil-market?utm_source=einpr

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Competitive Landscape

The global canola oil market remains moderately competitive, with major processors and integrated agricultural companies competing through production scale, sourcing capabilities, processing efficiency, and distribution networks. The growing overlap between food and renewable fuel demand is increasing the strategic importance of feedstock access and processing capacity.

Leading companies are increasingly pursuing vertical integration and capacity expansion to secure seed supplies and reduce exposure to commodity price volatility. Sustainability requirements are also encouraging greater traceability across agricultural supply chains, making control over sourcing and processing increasingly important to competitive positioning.

Product differentiation is emerging as another avenue for value creation, particularly through high-oleic, organic, and specialty formulations. As competition from soybean and palm oils remains strong, canola oil suppliers are increasingly emphasizing processing performance, nutritional positioning, and application-specific characteristics.

Key Companies in the Canola Oil Market

Archer Daniels Midland Company

Cargill, Incorporated

Bunge

Wilmar International Ltd

Richardson International Ltd

Discover the latest trends, growth opportunities, and competitive developments in the Canola Oil Market: https://www.mordorintelligence.com/industry-reports/canola-oil-market?utm_source=einpr

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Mustard Oil Market: The global mustard oil market is projected to reach USD 38.45 billion by 2031, growing at a 3.45% CAGR from its 2026 valuation of USD 32.45 billion. Demand is underpinned by rising consumer preferences for traditional, cold-pressed (Kachi Ghani) cooking oils with natural pungency and favorable monounsaturated fatty acid profiles. To broaden market penetration beyond South Asian strongholds, producers are expanding single-origin organic variants, lightweight packaging formats, and targeted distribution across ethnic retail

and mainstream foodservice networks.

Grapeseed Oil Market Size: The global grapeseed oil market is estimated to expand from USD 0.72 billion in 2026 to USD 0.98 billion by 2031, advancing at a 6.36% CAGR. Market growth is propelled by multi-sector demand across culinary processing, nutraceutical formulations, and premium personal care products valuing high linoleic acid content. Food processors and cosmetic brands are increasingly leveraging cold-pressed, upcycled grapeseed oil to satisfy clean-label standards, benefit from its neutral flavor profile, and capitalize on high smoke-point culinary applications.

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Fortified Edible Oil Market Share: The global fortified edible oil market is set to expand from USD 14.01 billion in 2026 to USD 17.44 billion by 2031, tracking a steady 4.49% CAGR. Growth is heavily anchored by government-mandated vitamin A and D enrichment programs across high-volume emerging markets such as India and Indonesia, supported by WHO micro-fortification directives. To manage feedstock price volatility across palm and sunflower supplies, large edible oil refiners are optimizing microencapsulation technologies and lightweight flexible pouch packaging to maintain stable retail pricing.

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For media inquiries or further information, please contact:

media@mordorintelligence.com

Mordor Intelligence Private Limited

<https://www.mordorintelligence.com/>

Jignesh Thakkar

Mordor Intelligence Private Limited

+ +1 617-765-2493

[email us here](#)

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