



**Alberta Federation of Agriculture Oral Comments on
Bill C-74, Part 5, in regards to the *Greenhouse Gas Pollution Pricing Act*
Senate Committee on Agriculture and Forestry – May 22, 5:00 pm ET**

Good evening Mr. Chairman and Committee members, thank you for giving me the opportunity to appear before you and offer feedback in regards to the *Greenhouse Gas Pollution Pricing Act* on behalf of the Alberta Federation of Agriculture.

My name is Lynn Jacobson and my family and I have been farming in southern Alberta since 1905. As President of AFA, Alberta's largest producer-funded general farm organization, we give farmers the opportunity to make their voices heard on the issues that affect their operations. Carbon pricing is one of them.

Alberta is home to one-third of Canada's agricultural land, with a total farm area of 50.3 million acres. Most farmers are champion stewards, working to ensure the sustainability of farming and food production for future generations.

However, our industry faces significant challenges as we look forward, with world population expected to increase by more than a third over the next 30 years.

Farmers are tasked with doubling food production by 2050, while further

reducing agriculture greenhouse gas emissions, which account for approximately 24 percent of total global emissions.

In Canada, primary agriculture accounts for approximately 10.2% of our nation's emissions from animals, crops and fuel. However, across the country, we have soil sinks that drop our net total to 8.6%. While Alberta farmers continue to strive to meet emission reduction demands through the use of conservation cropping practices that increase carbon storage in soils and lower emissions from fuels and fertilizers, increased production still means increased inputs. Unfortunately, we can't have one without the other. We must acknowledge the limitations in reducing net Canadian agricultural greenhouse gas emissions while also asking farmers to increase production.

Alberta's Carbon Market

In Alberta, we are fortunate to have a carbon offset system that has been part of our province's pioneering strategy to reduce greenhouse gas emissions for over a decade. We've shown Canada how things can be done, and learned valuable lessons along the way. By voluntarily adopting agricultural practice improvements, our farmers have earned extra income while creating carbon credits for trade within the carbon market.

Since 2002, nearly 13 million tonnes of CO₂ have been voluntarily removed from the atmosphere in Alberta. To put that into perspective, it can be compared to removing approximately two and a half million cars from the road. These

emission offsets allow Alberta to generate as much as 35% of the emission reduction targets Canada has put forward, and are estimated to have generated about \$170 million for farmers and aggregators to date. This further makes the case that agriculture can be a big part of the solution when it comes to decreasing carbon.

The Impacts of Carbon Pricing

Alberta's carbon levy was introduced in January 2017 and while agriculture is the only economic sector with a levy exemption applied to dyed diesel or gasoline used in farming operations, it does not extend to the use of natural gas and propane, both of which play a big role in agriculture production practices like grain drying and irrigation.

According to data recently released by Statistics Canada, Alberta currently has the most farming acres under irrigation in the country. In 2016, Alberta producers irrigated 1.21 million acres of farmland, representing 71 percent of the total irrigated land in Canada. It's important to note that nationally, the percentage of irrigated land increased 18 percent between 2014-2016.

It's logical to anticipate that with the predicted effects of climate change being the alteration of weather patterns and growing seasons, irrigation will become more important than ever before. Further, as the price of unavoidable input costs along the supply chain continue to increase, like trucking, fertilizer, rail

transportation and electricity, farmers profits decrease without the ability to pass on additional costs to customers.

AFA would like to see all farm fuels exempt from carbon pricing. While there may not be a desire to exempt these fuels across the board, perhaps there is a way to mitigate some of that usage with a tax credit for the fuels used by farmers in the production of food.

As agriculture continues to change and evolve, clearly defining what agriculture is, along with the activities that fall under its umbrella, becomes ever more important. Under the proposed definition of *eligible farming activity* found within Bill C-74, it states “a prescribed activity”. Yet there is no further explanation as to what this means. Engaging in discussion to clarify that is something that AFA would be open to taking part in.

Additionally, it’s important we not downplay the importance of our industry to Canada’s economic health. Currently, Alberta is the third largest exporter of agri-food products in the country with exports totaling \$10 billion. Yet we are now competing against countries with no price on carbon. Steps must be taken to ensure that carbon pricing does not affect our competitiveness on the global stage.

Within our own country, farmers are already being affected differently by carbon pricing due to the approaches taken by each province. This has created

disadvantages for some producers. A federal, standardized approach to the carbon offset system would help to level the playing field for farmers across Canada and allow for trading of carbon credits across provinces.

Reinvestment of the Carbon Levy

In December 2017, the Alberta government announced \$1.4 billion in provincial Climate Leadership Plan funding. This funding for continued research and further transition to a diversified, low-carbon economy is absolutely critical for the agriculture sector. Investment in these programs improves both environmental stewardship and energy management practices, speeding up the transition to green energy options by farmers. AFA cannot stress enough the importance of carbon levy reinvestment by both federal and provincial governments.

Conclusion

Looking forward, agriculture will continue to be a big part of the solution when it comes to the reduction of carbon. However, we cannot forget that it is only one cog in a very big wheel. Reducing emissions is not just an agriculture issue, it's one for all of us. In order to see truly significant reduction in carbon, we all must work toward decreasing our carbon footprint. The bigger question is how....how do we spur citizens across the globe to be part of the solution and do their part?

Once again, thank you for your time. I look forward to answering any further questions you might have.