

BRIEF TO THE HOUSE OF COMMONS STANDING COMMITTEE ON AGRICULTURE  
AND AGRI-FOOD REGARDING BILL C-206: AN ACT TO AMEND THE GREENHOUSE  
GAS POLLUTION PRICING ACT (QUALIFYING FARMING FUEL)

SUBMITTED BY RICHARD REESOR

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Submitted via E-mail to:  
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I am writing to comment on bill C-206: “An Act to amend the Greenhouse Gas Pollution Pricing Act (qualifying farming fuel)” being consider by the Standing Committee on Agriculture and Agri-Food.

I am writing as a private citizen and as a farmer. The farming operation I am part of is primarily engaged in the production of fresh market vegetables. We also produce grains and oilseeds. We are based in Ontario, but have extensive operations in both Canada and the US. Our products cross the border in both directions.

I am also writing as a farmer with relevant experience with pricing carbon emissions related to farming. My farm business voluntarily engaged with an environmental consultancy to conduct a life-cycle analysis (LCA) accounting for greenhouse gas emissions (GHG) associated with my farming operations. Further, the farm voluntarily self-administered a form of carbon pricing by purchasing carbon offsets to make the farm certified net zero. This was 15 years ago and continued for a number of years. The farm has given up the net zero certification, but continues to self-tax in a less formalized manner.

I will share a few observations based on my experience.

Firstly, the LCA audit revealed which agricultural emissions are significant and which emissions are largely immaterial. The burning of fuel and release of nitrous oxide related to nitrogen based fertilizers were the most significant GHG emissions for my farm.

Secondly, the LCA identified the aspects of my farming operations which contributed to carbon capture and emission mitigation. Most notably, adopting minimum tillage practises and adding cover crops to my crop rotations led to significant carbon capture. On the mitigation side, paying close attention to nitrogen based fertilizer management by placing fertilizers in the soil rather than on the surface and by utilizing controlled release fertilizers, largely eliminated GHG’s related to nitrous oxide from my operations. These practises allow for less fertilizer needing to be applied to achieve equal yields.

Thirdly, putting a price on my emissions was a powerful incentive to reduce emissions. I changed my practises as a result of this exercise.

Lastly, I believe the combination of conducting a LCA and then pricing my emissions made my farm more productive, more efficient and more profitable. Adopting cover crops, reducing tillage and becoming a more efficient user of nitrogen based fertilizers led to reduced costs and increased yields. On the marketing side, going through the process made me more knowledgeable about GHG management related to farming. This allows me to communicate with my customers from an informed position; improving my credibility as a supplier to large retailers who increasingly are more concerned with sustainability.

### **Proposed Amendments to Bill C-206**

As a farmer involved extensively with cross border food trade, I understand the need for Canadian farmers to operate on a level playing field. In this regard, I appreciate the member's motivation to table Bill C-206. On the other hand, I recognize that Canadian agriculture is a significant source of GHG emissions, and as farmers, we need to do our part to meet the 2050 net zero national goal. For this reason, I do not support the bill as written. I would propose the Bill be amended and encourage all parties to consider the following policy path forward:

1. Continue to apply a price on carbon for all non-renewable fuels used for grain drying and remove the exemption on dyed fuels used for other farming operations.
2. Treat Canadian agriculture like other Emission-Intensive and Trade-Exposed (EITE) sectors of the economy which receive Output-Based credits untied to carbon levies paid on purchases of inputs. In the farming context, a carbon price would be applied to fuel purchases, but credits would be paid based on average fuel usage in the production of various crops.
3. Rebates would be calculated on a per bushel basis using aggregate data of farm fuel usage reported through AgriStability. This data could be used to determine regional averages for fuel usage (and carbon levy) per unit of crop output.<sup>i</sup>

### **Rationale:**

1. This policy choice would reward farms which are already operating with improved grain drying efficiency.<sup>ii</sup> It would also reward the farmers who have adopted minimum tillage practises resulting in lower dyed fuel usage. Further, it would provide a market based incentive for other farmers to adopt practises which minimize their carbon emissions associated with grain drying and fuel use.
2. Over time, carbon emissions associated with fuel consumption on Canadian farms would drop as would rebates and carbon levies collected. As Bill C-206 is written, it is more likely that fuel consumption would remain unchanged, all things being equal.
3. With either policy choice, Canadian farms would continue to enjoy a level playing field in the trade sensitive agricultural sectors. By adopting my recommended amendments, Canadian farms would become more efficient in their input use, improving their longer-term competitiveness.

### **Summary Statement**

Thank you for the opportunity to share my views. I appreciate the work you do and your commitment to public service. I am pleased to note that all Federal parties now recognize the value and importance of pricing carbon emissions. I encourage you to work collaboratively to develop GHG related agricultural policies required to face the challenges of the coming years.

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<sup>i</sup> For an explanation of EITI sectors of the economy and Output-Based credits, follow this link to Canada's Ecofiscal Commission: <https://ecofiscal.ca/2017/05/24/explaining-output-based-allocations-obas/>

<sup>ii</sup> Contrary to the view that farmers are limited in their options to lower energy use in grain drying, I can say through personal experience, energy usage can be reduced by using high efficiency dryers, lengthening crop rotations to include fewer crops requiring post-harvest drying, choosing shorter day maturity hybrids and leaving crops in the field longer to allow for natural air drying. These choices involve the trade-off risk of crop loss. However, putting a price on the carbon pollution resulting from drying will ensure a decision is made which includes all economic costs.