

March 26, 2021

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The Honourable Raj Saini, M.P.,
Chairman of The Economic Relationship between Canada and
the United States Committee

Via email
Erica Pereira, Committee Clerk
CAAM@parl.gc.ca

Dear Chairman Saini,

Re: Status of Enbridge Line 5 Crude Petroleum Oils Pipeline, and What The Prospect of Line 5 Closure Means to Food Production and Security

The Ontario Federation of Agriculture (OFA) is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members across the province. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations governed by all levels of government. We are passionate and dedicated to ensuring the agri-food sector and our rural communities are included, consulted, and considered in any new and changing legislation that impacts the sustainability and growth of our farm businesses.

Ontario's diverse and innovative agri-food sector is a powerhouse for the province – growing and producing more than 200 farm and food products, fuelling our rural communities and driving the provincial economy by generating more than 860,000 jobs and contributing over \$47 billion to Ontario's annual GDPⁱ. We are the leading agricultural advocate for Ontario farmers, their businesses and their communities.

We are facing a tremendous challenge impacting the supply of vital fuels into Ontario and Quebec. Without access to the petroleum crude oils and natural gas liquids transported through Enbridge Line 5, many livestock, perishable crop and commercial greenhouse producers would be unable to access propane to heat, ventilate and air condition their facilities. Any Line 5 interruption would affect Canada's energy security, Western province oil production and market access, and be felt throughout the agri-food supply chain — threatening Canada's food security and sovereignty.

On behalf of Ontario's 70,000 farm operators, the Ontario Federation of Agriculture urges the Federal Government to resolve this issue. Ontario's farm operators contribute more than \$8.2 billion to the GDP through \$14.7 billion in sales of primary agriculture products in Ontarioⁱⁱ. The agriculture and agri-food sector generates more than 860,000 jobs and contributes over \$47 billion to Ontario's annual GDPⁱⁱⁱ. These agriculture and agri-food dollars drive our economy.

While spending dollars drives the economy, it is important to note that sales do not represent profits. While some operations turn a profit, others struggle to make ends meet. But all farmers strive to make a sustainable living for their families, and pass that opportunity on to their children.

Any Line 5 interruption would impede key agricultural production and agricultural supply chains with both the Western and Eastern provinces. Agriculture is an interconnected industry; for example, Alberta feeder cattle are finished in Ontario, and swine are shipped between Quebec, Ontario and neighbouring states throughout their production cycle. OFA is confident the Committee has access to economists to expand on these implications, but with Ontario agri-food exports at more than \$16.6 billion^{iv}, any Line 5 interruption will also impact neighbouring jurisdictions. Propane is an integral energy source fueling those farm exports.

Farmers struggle to secure reliable clean energy sources. We rely on Line 5 for propane to fuel grain drying, to power irrigation systems and for HVAC systems to maintain perishable crops and to maintain livestock facilities, including barns and brooding pens.

Farmers want to grow crops as renewable energy feedstocks, and we want to use green fuels as we transition to meet greenhouse gas emission goals. But it is a transition, and farmers need access to the cleanest fuels available now, while we contribute to that transition.

If we lose access to the crude petroleum and natural gas liquids coming in from Line 5, it will have a devastating effect for not only the production of our crops but also for our ability to market that production. If, during Mackinac tunnel construction, Governor Witmer can stop the flow of oil through the existing pipeline, the pressure on marine, rail and truck transport will be overwhelming.

Farm production and farm inputs compete for space on Great Lakes ships. We compete for rail line space and our food supply chain relies heavily on trucking through the busiest highway corridor in North America. Available rail and trucking would be overloaded with hundreds of rail cars and trucks needed to ship interrupted Line 5 crude to refineries. The risk to marine life, water and land environments, and to citizens and residents living from Mackinac to Montreal are high.

These alternate forms of oil transport are more dangerous. OFA is confident you will hear first hand the heartfelt impacts to our neighbours in Quebec during the 2013 Lac Megantic rail disaster. The derailment, explosion and death toll should well inform government that any interruption serviced by these other means of transport is out of the question.

Beyond the transport of oil, the prospect of maintaining a food supply network with additional truck traffic is unsettling. A reduction in the amount of gasoline refined in Windsor and Sarnia and supplied to our neighbouring states and in Ontario would mean gas shortages and price spikes.

Farming is an industry of price takers; we do not dictate retail or wholesale prices or commodity exchange prices. We cannot pass on increased costs and we compete directly with food imports from neighbouring jurisdictions and from around the world. Yes, Ontario exports from the

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agriculture and agri-food sectors total \$16.6 billion, but Ontario imports are more than \$29 billion each year^v. Ontario farm operators compete with many of those imports for market share.

Any Line 5 supply interruption would negatively impact grain and crop drying capabilities, and increase feed costs which would have a domino effect on Ontario's feedstock exports, add cost to Ontario's food producers, risk layoff for thousands of skilled workers and increase grocery bills for consumers.

The closure of Line 5 would not just affect the agriculture industry; this is a national issue that could have large implications for our economy. If we cannot ensure stable sources of energy during Line 5 tunnel construction and after, the impact to Ontario farm operators and food consumers throughout the Greater Toronto Area, and the area spanning Boston, New York City, Montreal, Toronto, Detroit and Chicago will be devastating.

The Line 5 pipeline is critical, not only for the agriculture industry, but to ensure a decent cost of living and a robust economy from the continued production of thousands of Canadian products that we rely on daily. It is a vital piece of energy infrastructure, whose importance extends beyond the borders of our country.

Line 5 is an existing pipeline infrastructure project, and not predicated upon increasing fuel extraction. Line 5 is also tantamount to Canadian value-added work, a rarity these days, with significant reductions in Canadian refining and upgrading over the past three decades.

Line 5 delivers over half of Ontario's crude oil and is a critical source of supply for about two-thirds of Quebec's crude consumption. Line 5 feeds Canadian refineries, ensuring a safe, affordable and reliable supply of gasoline, propane, diesel, jet fuel and other products. Operating the line supports the employment of thousands of skilled trades across Canada, and supplies more than 50 per cent of Michigan's propane needs.

The closure of Line 5 would impact Michigan, Ohio, Pennsylvania, Ontario and Quebec, where refineries would receive 45 per cent less crude from Enbridge than their current demand. Each day, these regions would see a 14.7 million US gallon supply shortage of gas, diesel and jet fuel^{vi}.

While Enbridge construction of a tunnel to house Line 5 deep under the Straits of Mackinac unfolds, Line 5 must stay open. It is a critical piece of North American energy infrastructure that benefits both Canada and the U.S.

Recommendations

- OFA is asking the federal government to work alongside the Michigan State and American Federal administrations to maintain the operation of Line 5. OFA believes this is a resolvable issue demanding a constructive dialogue between Prime Minister Trudeau and the Biden-Harris Administration.

- We also recommend that the federal government support Enbridge in the U.S. Federal Court (Western District of Michigan) process by filing an amicus brief laying out the negative impacts a Line 5 closure would have on Canada, while raising the existence and application of the 1977 Transit Pipelines Treaty.

OFA will continue to work with the government, Enbridge and industry stakeholders to ensure that Line 5 remains open and operational throughout and after any tunnel construction that may proceed. It is a critical piece of North American energy infrastructure that benefits both Canada and the U.S.

Sincerely,



Peggy Brekveld,
President

PB/in

CC The Honourable Raj Saini, M.P., Chairman of the Economic Relationship between Canada and the United States Committee
OFA Board of Directors

ⁱ Ontario Gross Domestic Product (GDP) for Agri-Food Sector, 2009-2019 (\$ million) Adapted from Statistics Canada, OMAFRA for additional calculations.

Statistics Canada, Labour Force Survey (for primary agriculture and total employed labour force), Survey of Employment, Payrolls and Hours (all other industries). Employment 860,000 with an annual compound growth rate of 1.9% 2019. NAICS 111-112 Crop and Animal Production, 1151-1152 Support Activities for Crop and Animal Production

ⁱⁱ Ibid. Crop and Animal Production (primary agriculture) (NAICS 111-112, 1151-1152). Including Cannabis production (111412, 111995) the 2019 Ontario GDP totalled \$10.18 billion.

ⁱⁱⁱ Ibid.

^{iv} OMAFRA Trade Policy and Market Access, Ontario, GDP, Sales and Employment for Selected Industries 2009-2019. <http://www.omafr.gov.on.ca/english/stats/trade/agrifood.xls>.

^v Ibid.

^{vi} Enbridge Inc. <https://www.enbridge.com/projects-and-infrastructure/public-awareness/line-5-michigan/does-michigan-really-need-line-5>