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December 19, 2019

Hon. Jonathan Wilkinson
Minister of Environment and Climate Change
House of Commons
Ottawa, ON K1A 0A6 email: Jonathan.Wilkinson@parl.gc.ca

Dear Minister Wilkinson

Re: Need for pollution pricing rebate for fuel used for on-farm grain drying

In line with the Paris Agreement's goals regarding food security and food production, the federal *Greenhouse Gas Pollution Pricing Act* exempts farmers' gasoline and diesel fuel purchases used for running farm machinery on their farms for the purposes of farming and for driving machinery from one location to another at a farm, but does not exempt fuel such as propane or natural gas used on farms for grain drying. At the recent National Farmers Union national convention members passed a resolution to ask the federal government to correct this oversight by providing a rebate to farmers for farm-used fuel used for grain drying operations.

In 2015, Canada signed on to the Paris Agreement, which recognizes the particular vulnerabilities of food production systems to the adverse impacts of climate change and the need to safeguard food security. The Agreement aims to increase countries' ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production. In accordance with the Paris Agreement, Canada enacted the *Greenhouse Gas Pollution Pricing Act* in 2018, which requires all provinces to establish a carbon pricing mechanism as a market-based incentive to reduce greenhouse gas emissions (GHGs). Residents of provinces that have not yet established their own carbon pricing system, or have repealed their former systems, are covered by the federal Act. This includes Alberta, Saskatchewan, Manitoba and Ontario.

Grain drying is necessary when weather makes it impossible to harvest grain dry enough for safe storage. If farmers do not dry damp or tough grain, it will decompose in storage bins. Spoiled, heated, or rotten grain is cannot be sold, it can in some cases spontaneously combust and cause fires that destroy farm buildings, and spoiled grain is not only wasted food, but is difficult and costly for farmers to get rid of.

In 2019, growing conditions in many parts of Canada resulted in a later than normal harvest, followed by cold and wet harvest conditions. Much of this year's crop had to be harvested at high moisture levels. Many farmers were unable to complete their harvest before the snow and will have to finish in the spring before they can plant next year's crop. It is likely this grain will also need to be dried. Under these circumstances, farmer must dry the grain to preserve their crop and hope to have an income. As the climate changes, poor harvest

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conditions are more probable, and grain drying an increasingly necessary adaptation to safeguard food production in Canada.

On-farm grain drying requires fuels such as propane or natural gas, which are not exempt from the federal carbon pricing regime. While gasoline and diesel used for operating machinery are exempt, it seems that when the Act was written, the need for propane or natural for grain drying in order to prevent catastrophic post-harvest crop loss was not understood. Furthermore, without a rebate on propane or natural gas, some farmers may resort to using diesel for grain drying, which produces 14 to 28% more GHG emissions per unit of heat produced.

Therefore, the NFU requests that the federal government provide a rebate of the carbon levy on farm-used propane or natural gas used for grain drying operations. We look forward to seeing this amendment introduced and passed early in the current session of Parliament.

Sincerely,

A handwritten signature in cursive script that reads "Katie M. Ward".

Katie Ward
NFU President

CC Hon. Marie-Claude Bibeau, Minister of Agriculture and Agri-Food Marie-Claude.Bibeau@parl.gc.ca