



**BILL
C-234**

An Act to amend Greenhouse Gas
and Pollution Pricing Act

Saskatchewan Association of Rural Municipalities

SUPPORT IS NEEDED FOR THIS BILL TO PASS

As representatives of rural municipalities, we believe it is important to remove the federal carbon tax from grain drying and barn heating.

This exemption is needed to reflect the realities of the Canadian agriculture industry and the undue financial burden the carbon tax places on all the necessary practices undertaken by farmers and ranchers like drying grain, irrigating crops, or heating and cooling livestock barns.

Bill C-234 (the “Bill”) is currently with the Senate for consideration and has been referred to the Senate committees for review as of June 13, 2023.

The Bill aims to expand the definition of eligible farming machinery and extend the exemption for qualifying farming fuel to marketable natural gas and propane. Currently, carbon charge exemptions for these fuels apply only to greenhouse operations. The exemption applies only to provinces and territories that are subject to federal carbon pricing because they do not have climate pricing plans that meet federal standards.

As of late, the committee amended the Bill to include a sunset clause that will end the exemption eight years after it comes into force, though there will be the option to extend the exemption if comparable alternative technologies are not available.

The Voice of Rural Saskatchewan



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Some of the factors that should be examined as the Bill is being reviewed:

- To ensure that Canada remains a leader in creating and improving global food security, Saskatchewan farmers need governments support and investment. There have been substantive increases in natural gas, fertilizer and herbicides prices which greatly impact what a farmer is able to invest and produce within their operation. Rural Canada needs our federal government to act swiftly with a policy that is practical and collaborative in considering what our rural municipalities and Ag producers need to get the job done.
- Rebates alone will never be enough to restore the balance of what farmers must expense due to the carbon tax versus the rebate returns they get back.
- Due to restraints in global technology, rural Saskatchewan is heavily dependent on natural gas fuels to produce energy, food, fertilizer, products, and commodities, not only throughout Saskatchewan, but around the world. While we do wholeheartedly support efforts to reduce greenhouse gases, those efforts must be effective and not disadvantage one region of Canada over another.
- While implementing an exemption to the carbon charge will aid farmers, the recent focus on the federal government's fertilizer emissions reduction goal and national carbon release reduction policies are becoming more and more concerning to Canadian farmers, especially when the initiative farmers are already implementing are not being recognized by the federal government. Currently the carbon charge is adding to the costs of producers. With the passage of Bill C-234, producers can continue to invest in their operations while focusing on the reduction of emissions.

