

October 7, 2020

MP Philip Lawrence
House of Commons
Ottawa, Ontario,
Canada
K1A 0A6

Dear Mr. Lawrence

RE: Bill 206 – An Act to amend the *Greenhouse Gas Pollution Pricing Act* (qualifying farming fuel)

On behalf of the Ontario Federation of Agriculture (OFA), I would like to express our support for Bill C-206 – An Act to amend the *Greenhouse Gas Pollution Pricing Act* (qualifying farming fuel). 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 consulted and considered in any new and changing legislation that impacts the sustainability and growth of our farm businesses.

OFA has long argued that the nature of agricultural production and marketing, and the fact that demand for fuels by farmers tends to be unaffected by price, makes the fuel charge an ineffective policy tool to drive emissions reductions in the agricultural sector. Our farmers have limited ability to substitute alternative energy sources, nor can they easily transfer an added cost to consumers. Viewed in this context, we believe the fuel charge as it is currently applied is punitive and only serves to tax our farm businesses with little or no benefit to the environment.

While we acknowledge and appreciate the existing farm use exemption on gasoline and light fuel oil, we strongly support expanding the list of qualifying farming fuels that are exempt from the fuel charge as outlined in Bill C-206 to include marketable natural gas and propane. Exempting all fuels used in agricultural production recognizes the significant financial burden the fuel charge places on farmers who must use these fuels to heat livestock barns or dry grain for proper storage.

Under Subsection C, 36(1)(b)(viii) of the *Greenhouse Gas Pollution Pricing Act*, the farm use exemption to the fuel charge is conditional upon the fuel being used “exclusively in the operation of eligible farming machinery or of an auxiliary component of eligible farming machinery and that all or substantially all of the fuel is for use in the course of eligible farming activities”. The Act further defines *eligible farming machinery* to include a farm truck or tractor, industrial machines and portable engines, but excludes “property that is used for the purpose of providing heating or cooling to a building or similar structure”.

Though Bill C-206 makes changes to the definition of *qualifying farm fuel*, we believe that it must also call for a change to the definition of *eligible farming machinery* to explicitly allow for natural gas and propane to be used to generate heat for livestock barns and in grain drying. The combination of these two changes will have an immediate impact on the livelihoods of Ontario farmers and the ability of Canada's agri-food sector to compete in a global marketplace.

We suggest that the wording of **Bill S-215 – An Act to amend the *Greenhouse Gas Pollution Pricing Act* (farming exemptions)** may be more effective than the current wording of Bill C-206. In addition to amending the definition of *qualifying farming fuel*, Bill S-215 also proposes to amend the definition of *eligible farming machinery*.

We appreciate the first steps taken by Bill C-206 to improve the *Greenhouse Gas Pollution Pricing Act* and ensure it is effective legislation.

Sincerely,



Keith Currie
President

cc: Honourable Senator Diane Griffin, Senate of Canada
Honourable Senator Robert Black, Senate of Canada
Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance
Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food
Mary Robinson, President of the Canadian Federation of Agriculture
Alistair MacGregor, NDP Agriculture & Agri-Food Critic
John Barlow, Conservative Agriculture & Agri-Food Critic
Perron, Yves, Bloc Québécois Agriculture & Agri-Food Critic
Kate Storey, Green Party Agriculture Critic
OFA Board of Directors