

March 3, 2021

Paola Mellow, Executive Director
Low Carbon Fuels Division
Carbon Markets Bureau
Department of the Environment and Climate Change
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Via email: ec.cfsncp.ec@canada.ca

Dear Ms. Mellow,

RE: Dec 19, 2020 - Canada Gazette, Part I, Volume 154, Number 51: Clean Fuel Regulations

The Ontario Federation of Agriculture (OFA) represents more than 38,000 farm family members across the province, supporting our members and the agri-food industry on all levels of government legislation and regulations and issues that impact the sector. These farm businesses form the backbone of a robust food system with the potential to drive our economy forward.

We are the leading agricultural advocate for Ontario farmers, their businesses and their communities. OFA works to ensure the agri-food sector and our rural communities are included, consulted and considered in any new and changing legislation that impacts the sustainability of our farm businesses. OFA welcomes this opportunity to provide comments and an agricultural perspective on the proposed Clean Fuel Regulations.

We support the proposed Clean Fuel Standard (CFS) and the development and use of renewable fuel options, aligned with climate change mitigation and adaptation policies.

The CFS will increase demand for grain and oilseed crops and crop residues, drive economic development, create and sustain jobs and drive rural economies.

Attaining carbon sequestration targets means transitioning from fossil to renewable fuels. And meeting the demands the CFS will place on Canadian farms requires reliable energy sources. To make renewable fuel crop production viable during this transition, farmers need access to natural gas and compressed natural gas, as lower-carbon-intense alternatives to propane and diesel.

Natural gas expansion to farm and rural communities should be a top priority for infrastructure investment. OFA recommends governments continue to support the expansion of rural energy infrastructure focused on a transition towards lower carbon emitting fuels. This includes access

to compressed and natural gas. OFA believes hydrogen and RNG injection strategies will ensure new natural gas assets are not stranded.

OFA believes that the highest and best use of our arable land is agriculture. Land capable of supporting agricultural activity is a strategic non-renewable resource for producing food, fibre and fuel for Ontario, Canada and the world. Managing urban boundaries and protecting farmland from development is now more important than ever.

While we support the CFS net national land use expansion model, unique provincial and sub-provincial conditions should be considered. OFA recommends all levels of government work to ensure policies are in place to support acreage expansion needed for renewable fuel feedstock production.

To clearly understand the impact of renewable fuel feedstock on land use, OFA recommends federal and provincial Ministries of Environment and Ministries of Energy actively engage Ministries of Agriculture and farm sector expertise.

It is important for decisionmakers to understand existing best management practices on the farm, land and riparian zone stewardship, unique regional farmland characteristics and agriculture's contributions to soil and watershed health.

This will ensure we are well positioned to validate controlled expansion of farmland while remaining CFS compliant, as we continue working to offset farmland loss to development and urban encroachment.

These collaborative steps will also ensure farm biosecurity protocols, implemented by farmers to reduce the risks of diseases, pathogens, or pest transfers, are understood and respected should CFS compliance verification processes require farm visits.

OFA recommends ECCC consult further with farm organizations before finalizing *CFS Section 38 Crops*, which excludes eligible feedstock production, within a CFS defined riparian buffer zone, on land that was never harvested prior to July 1, 2020.

Looking ahead, the loss of production land in potential buffer areas to any degree under a voluntary system is concerning to farmers. The prospect of a nominal premium that may materialize for the supply of CFS eligible crop and crop residues is not analogous to removing land from production.

At some point, production in these areas may not comply with CFS restrictions but farmers should always be allowed to produce crops in these areas to be sold into a feed trade or export market. We recommend ECCC clarify this continued eligibility for other crop production, to reduce the risk of conservation, land use, right-of-way, or other regulation, expanding buffers zones, that would take farmland out of production.

OFA recommends the federal government compensate farmers for any lost production in these expanded buffer areas, and fund programming to improve these buffer areas for the purposes of enhancing environmental protections. If environmental enhancements need to be made to help meet the CFS criteria, the federal government must be prepared to fund these initiatives in addition to regulating CFS compliance buffer zones.

Ontario's bioeconomy drives markets for sustainably grown crops to supplant fossil fuel based carbon with plant based carbon in bio-products and plastics. OFA supports the scaling-up of our bioeconomy and investment in research to make lignocellulosic ethanol a more viable renewable fuel option using crop residues.

Over the past 10 years, Canada's growth in ethanol demand was met mostly by imports from the United States, while domestic production capacity remained steady. The most conservative new-demand scenarios show the CFS will drive increases in both imports and domestic production.

OFA supports ECCC actions to ensure CFS requirements do not hinder the Canada-U.S. cross-border movement of renewable fuels and agricultural feedstocks used for renewable fuel production compliance under the CFS.

OFA supports the rationale that compliance with US Renewable Fuel Standards (RFS) be recognized under the CFS for production and harvest of agricultural feedstocks, and we must ensure Canada remains compliant with U.S. RFS. This will ensure continued cross-border movement of renewable fuels and feedstocks. OFA supports CFS *Section 39 Deemed compliance — feedstock approved by EPA* to enable Ontario farmers to cultivate and harvest CFS compliant feedstock without undue burden.

Regarding regulations surrounding, validations and verifications, OFA supports simplified processes to audit CFS eligible feedstocks along the supply chain. Many farmers remain concerned about verifying their cultivation and harvest regulations, including added paperwork, time and costs to continue harvesting biofuel crops.

OFA supports a process to use farm producer declarations for audits. We also support a process whereby agricultural feedstock aggregators, such as grain elevators, can use simple ratios to declare the amount of inventory at any time that is eligible for CFS credits.

Ontario farmers remain concerned about uncertain embedded or additional costs of certification, aggregation and declaration. OFA recommends the Ministry develop and share cost projection analysis with stakeholders to better inform cultivators, harvesters and aggregators of additional time and expense related to the supply of CFS feedstocks.

Recommendations:

- Expand rural energy infrastructure, with priority on Natural Gas access to farms and rural communities.
- Improve collaboration between federal and provincial ministries, ensuring that Agriculture and Agri-Food Canada (AAFC) and the Ontario Ministry of Agriculture and Rural Affairs (OMAFRA) are actively engaged by federal and provincial ministries of the environment and energy along with agricultural stakeholders.
- Invest in research to make lignocellulosic ethanol a more viable renewable fuel option using crop residues.
- Preserve Canada-U.S. cross-border movement of renewable fuels and agricultural feedstocks used for renewable fuel production compliance under the CFS.
- Develop and share analysis of the added time and expense for the declaration, certification, verification and audit of CFS eligible feedstock production.

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The Ontario Federation of Agriculture supports government commitments to collaborate with Indigenous, provincial governments, and other public and private sector partners to deliver the Clean Fuel Standard. We look forward to providing an agricultural perspective to these and any new and changing Ministry of Environment and Climate Change proposals.

Sincerely,



Peggy Brekvel
President

PB/in

cc: The Honourable Jonathan Wilkinson, Minister of Environment and Climate Change
The Honourable Seamus O'Regan, Minister of Natural Resources Canada
The Honourable Marie-Claude Bibeau, Minister Agriculture and Agri-Food Canada
The Honourable Jeff Yurek, Ontario Minister of Environment, Conservation and Parks
The Honourable Greg Rickford, Ontario Minister of Energy
The Honourable Ernie Hardeman, Ontario Minister of Agriculture, Food and Rural Affairs
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