

March 16, 2022

The Hon. Marie-Claude Bibeau
Minister of Agriculture and Agri-Food Canada
1341 Baseline Road
Ottawa, ON K1A 0C5

The Honourable Steven Guilbeault
Minister of Environment and Climate Change
House of Commons
Ottawa, ON K1A 0C6

The Honourable Chrystia Freeland
Minister of Finance & Deputy Prime Minister
90 Elgin Street
Ottawa, ON K1A 0G5

Dear Ministers,

I am writing to you on behalf of Ontario's 38,000 farm family members across the province to **urge your government to pause the planned carbon price increase scheduled for April 1, 2022.**

Meeting ambitious targets to reduce emissions will take government, the public and private sectors working together. However, an increase in the federal carbon price now, will be at the expense of Ontario farmers staying competitive and sustaining their businesses. This means Ontario farmers will see a steep increase in their energy costs, at a time when cost of living is a major concern for Canadians.

We appreciate the urgency from your government to tackle climate change and lower carbon emissions. **We also want to highlight that Ontario's agricultural sector is part of the solution to tackling climate change.** However, with recent world events causing supply chain disruptions, coupled with the challenges already created by the pandemic, we are seeing record high energy prices. Ontario's farmers are increasingly concerned about the impact of a 25% increase in the carbon price on top of these challenges.

Ontario farmers are on the front line of knowing what climate change looks like. Extreme weather events have become more common. Machinery used for grain drying, livestock heating, and cooling and irrigation, mitigate the impacts of these extreme weather events. Unfortunately, these mitigation tools also require more energy, and the ability to shift to other sources or to change behavior is limited or impossible in some circumstances.

Since there are currently no replacements for fossil fuels for agricultural production, the current carbon pricing system cannot drive conservation efforts on farms, it serves only to reduce already thin farm margins.

The reality is that high energy prices are already having similar behavioural effects that are intended to be achieved by an increase in the carbon price. Due to high energy prices, farmers are already looking at efficiencies and seeking technologies that lower their energy needs. **A pause in the carbon price increase scheduled for April 1, 2022, will provide much-needed relief to farm businesses and Ontario's farm families.**

Current carbon pricing policies are intended to provide economic disincentives to carbon emitters to encourage a reduction in their emissions, but little is being done to compensate those who already follow practices to sequester carbon and reduce emissions. **Ontario farmers have invested significantly in environmental stewardship initiatives to mitigate the impact of climate change, which provides positive long-term benefits to our water, soil and air quality.** The farming community has embraced conservation tillage, a practice using cover crops in rotations and planting wind breaks. Farmers manage grasslands, woodlots, pastures and field crops, all part of a healthy, sustainable carbon cycle. Managing these landscapes benefits all Canadians and puts quality, locally produced food on our tables.

Today's farming is modern and moving forward, and we want to see this continue. The future of farming must include continued research, innovation and adaptation of the best information, knowledge, and emerging technologies.

The OFA and Ontario's agricultural sector, welcomes the opportunity to work with your government and find solutions that help mitigate the impact of the increased costs on farm businesses.

There are tremendous pressures on the agriculture sector going into Spring, 2022 and we urge you to take this immediate step to pause the carbon price increase in coming weeks, in order to ensure the Ontario agriculture sector.

Thank you for your urgent attention to this matter. Should you have any questions or wish to discuss this further, please don't hesitate to contact me.

Sincerely,



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cc: Francis Drouin, Parliamentary Secretary to the Minister of Agriculture and Agri-Food
Hon. Lisa Thompson, Minister of Agriculture, Food and Rural Affairs
Hon. David Piccini, Minister of Environment, Conservation and Parks
OFA Board of Directors