

Topic: RMA Resolution – Exemption on Natural Gas and Propane for Agriculture under the *Greenhouse Gas Pollution Pricing Act*

Introduction:

The Parkland County Agricultural Service Board (ASB) is requesting Council to advocate through the Rural Municipalities of Alberta (RMA) resolutions process to exempt natural gas and propane for agriculture under the *Greenhouse Gas Pollution Pricing Act*.

Facts (Background Information):

- ASB brought forward a resolution to the 2021 North West Region ASB to advocate for the exemption of natural gas and propane for agriculture operations from the federal carbon tax. Council supported the resolution at that time.
- Other fuels used in agriculture operations are exempt from the carbon tax. However, farmers who use natural gas and propane for grain drying or heating barns must pay the carbon tax on those fuels. This tax is affecting profitability of farmers and the agriculture industry in Parkland County. The resolution, endorsed at the 2021 North West Region ASB, passed at the regional conference and received near unanimous support at the 2022 Provincial ASB conference.
- The Provincial ASB Committee forwarded the resolution to the federal Minister of Finance and the Minister of Agriculture and Agri-Food Canada. The response from the federal government was insufficient to alleviate the cost of the carbon tax.
- The federal government has provided a tax rebate to cover the cost of the carbon tax paid by farmers, however, this rebate does not cover the actual cost of carbon tax paid by farmers. The federal government also responded that they have provided funding through incentive programs to adopt new technologies. However, there are limited options available to farmers for adoption of new technology. In addition, funding from these programs is oversubscribed.
- A private members bill was introduced in the House of Commons in 2021 to exempt propane and natural gas for grain drying and heating barns. This bill passed third reading in the House of Commons, however, did not pass the Senate, which would have passed the bill into law, due to the election being called. The Liberal Members of Parliament voted against the bill.
- A second private members bill, Bill C-234 *An Act to Amend the Greenhouse Gas Pollution Pricing Act*, was introduced in the Spring 2022 Parliament and has passed second reading. This bill would again exempt natural gas and propane for from the carbon tax. Again, the Liberal Members of Parliament again voted against the bill.
- As of July 2022, Bill C-234 is at the House Standing Committee for Agriculture for review. If the Bill passes Committee, it would return to the House of Commons for third reading. If passed by the House of Commons, Senate approval is required for the bill to become law and for farmers to get financial relief from the carbon tax.

- Given the number of steps still required for the bill to pass into law, Parkland County ASB and the Provincial ASB Committee would like to continue advocating at the federal level for relief for farmers from the carbon tax which is affecting competitiveness and profitability.

Analysis:

The ASB is requesting Parkland County Council bring forward a resolution to the fall RMA convention to continue advocating to the Government of Canada for relief from the carbon tax. Prior to convention, the resolution would be submitted to the RMA Pembina Zone for consideration and endorsement.

Elevating this issue from the ASB through to the RMA, an organization representing and advocating on behalf of rural municipalities, will reinforce the importance of the issue to farmers and the agriculture industry.

Alternatives:

1. Council may choose not to endorse the resolution.

Conclusion/Summary:

In conclusion, Administration supports the ASB request for Council to endorse the recommended resolution regarding the exemption on natural gas and propane for agriculture under the *Greenhouse Gas Pollution Pricing Act* and refer it to the July 25, 2022 RMA Pembina River Zone Meeting for consideration.

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