



RFD REGARDING RESOLUTION FOR THE NORTHWEST REGIONAL ASB CONFERENCE

EXEMPTION OF NATURAL GAS AND PROPANE FOR AGRICULTURE UNDER THE GREENHOUSE
GAS POLLUTION PRICING ACT

PARKLAND COUNTY CONTEXT

- The *Agricultural Service Board Act* Section 2 indicates the duties of the Agricultural Service Board include but are not limited to:
 - to act as an advisory body and to assist the council and the Minister of matters of mutual concern.
 - to promoting, enhancing and protecting viable and sustainable agriculture with a view to improve the economic viability of the agricultural producers.



Province of Alberta

AGRICULTURAL SERVICE BOARD ACT

Revised Statutes of Alberta 2000
Chapter A-10

Current as of November 1, 2010

Office Consolidation

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PARKLAND COUNTY CONTEXT

- Council supports for the agricultural industry in the Strategic Plan

Pillar 2: Strategic Economic Diversification: Recognizing and championing the importance of agriculture for its economic, environmental and community contributions and the commitment to ensuring its long-term viability in Parkland County.

As well as supporting the local economy including agricultural, tourism, entrepreneurial and industrial sectors.

- The Agricultural Service Board's Work Plan for 2021 identified advocacy to the Federal and Provincial governments on the impacts of the carbon tax on the economic viability of farms in Parkland County through preparing a resolution for the 2022 Provincial Agricultural Service Board Conference.

RESOLUTION BACKGROUND

- The *Greenhouse Gas Pollution Act*, adopted June 21, 2018 by the government of Canada places fuel charges on fossil fuels like gasoline and natural gas.
- As a result of the repeal of the Alberta carbon levy in May 2019, the Federal fuel charge commenced January 1, 2020.
- The *Greenhouse Gas Pollution Act* exempts fuel used in tractors, trucks and other farm machinery from the fuel charge.
- The issue is that natural gas used for other necessities for farm production such as natural gas for grain dryers and heating barns are not exempt.



BACKGROUND INFORMATION

- Bill C-206, was a private members bill, An Act to Amend the Greenhouse Gas Pollution Pricing Act, which would exempt fuel charges on natural gas and propane for grain drying and other farm practices.
- Bill C-206 passed third reading in the House of Commons June 23, 2021 and first reading in the Senate but died when the federal election was called.



BACKGROUND INFORMATION CONTINUED

- The federal government indicated in the 2021 budget a portion of the proceeds from the carbon tax will be returned to the farmers in Alberta, Saskatchewan, Manitoba and Ontario. However no program details have been announced.
- Budget 2021 committed \$50 million for the purchase of more efficient grain dryers under the Agricultural Clean Technology program. No programs were enacted to assist with other uses. However program applications are not being taken until spring 2022.

ESTIMATED IMPACT FOR FARMERS

The federal government is estimated to be collecting fuel charges on natural gas and propane used in the Agricultural sector in Alberta, Saskatchewan, Manitoba and Ontario at the following rates:

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
\$9 Million	\$47 Million	\$59 Million	\$60 Million	\$60 Million

Total cost to farmers from 2020-2024 will be \$235 Million dollars.

RESOLUTION INFORMATION

Exemption of Natural Gas and Propane For Agriculture Under the *Greenhouse Gas Pollution Pricing Act*

WHEREAS The *Greenhouse Gas Pollution Pricing Act* (GGPPA) applies fuel charges to natural gas and propane used in agriculture operations, with the exception of greenhouses; and

WHEREAS The cost to Canadian farmers of the fuel charges for natural gas and propane are estimated to be \$235 million dollars by 2025; and

WHEREAS The Private Members Bill C-206 *An Act to Amend the Greenhouse Gas Pollution Pricing Act* to provide relief for the fuel charge passed the House of Commons and did not receive third reading in the Senate to pass into law prior to the 2021 Federal Election; and

WHEREAS Federal programs such as the Agricultural Clean Technology Program were to provide relief to farmers from the fuel surcharges for natural gas and propane, however, these programs are currently closed to new applications until Spring 2022; and

WHEREAS The fuel charges to natural gas and propane put Canadian farmers at a competitive disadvantage to international competitors that are not subject to fuel charges:

THEREFORE BE IT RESOLVED THAT ALBERTA'S AGRICULTURAL SERVICE BOARDS REQUEST

That the Government of Canada Minister of Finance with support from Agriculture and Agri-Food Canada, amend the *Greenhouse Gas Pollution Pricing Act* to include natural gas and propane as exempted fuels for agriculture production.

QUESTIONS?

