



# Keystone Agricultural Producers (KAP) Submission

Environment and Climate Change Canada

Carbon Pollution Pricing: Options for a  
Federal GHG Offset System

August 30, 2019

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, representing and promoting the interests of agricultural producers in Manitoba. KAP works for farmers by advocating for policies that will keep Manitoba's agriculture industry profitable, sustainable, and globally competitive. KAP policy is developed by farmers and commodity group members representing all agricultural commodities and all regions of Manitoba.

Manitoba's farmers have a considerable interest in ensuring that they are using sustainable farming practices. Farmers adapt and utilize modern techniques and systems aimed at reducing their carbon footprint, and they are invested in increasing the health of the soil within which they grow their crops, as well as increasing the health of the land and water they require to care for their livestock. Farmers are price takers and they are confined by the cost of inputs, land prices, and fluctuating markets where commodity prices are set. From this perspective, below are some comments regarding Environment and Climate Change Canada's (ECCC) discussion paper for a Federal GHG Offset System.

Agriculture is considered a trade-exposed sector and there is an expectation that as government continues to develop policies and regulations under Canada's climate plan, it will also work to mitigate the impact of the costs associated with carbon pollution pricing. Providing farmers with the opportunity to participate in an offset system by generating offset credits for remittance is essential, in that it acknowledges the important role farmers have in sequestering critical amounts of carbon, and it also provides an incentive for farmers to adopt new practices and farming techniques in order to qualify for credits.

KAP supports ECCC's system design consideration principle of administrative simplicity. A cost-effective system should work to ensure that money generated through the remittance of credits will be returned to those people with the greatest capacity to reduce emissions, like farmers. Farmers will be much more likely to actively participate in an offset system if the administrative elements are straight-forward, not overly time consuming, and considerate of time constraints for farmers particularly around seeding and harvest.

As members of the Canadian Federation of Agriculture, KAP supports their policies related to the proposed federal offset system. As well, KAP encourages ECCC to include agricultural representatives on the proposed Technical Advisory Teams. This will provide an opportunity for farmers to be involved as federal offset protocols are developed. Farmers will want to provide input into the protocol considerations of:

- 1) **Additionality** – there are many good practices currently being utilized on the landscape. It would be an oversight to not find a way to include those farmers who are early adopters of beneficial management practices and modern farming techniques focused on carbon emission reductions.
- 2) **Permanence** – farmers will have valuable insights into the way their land evolves over time, whether its through cultivation, weather, or erosion. These insights can help develop performance policies that are evidence based and indicative of the realities of land management practices.

KAP is supportive of the concept of developing a system of credit stacking. As described in the discussion paper, credit stacking refers to the recognition and generation of more than one type of ecosystem service credit from the same activity – so acknowledgement, through credit incentives, that some practices may provide multiple positive environmental outcomes. Many on-farm projects related to carbon sequestration will inherently involve ecological co-benefits such as flood mitigation, improved soil health, habitat diversity, and erosion control.

The discussion paper notes that credit stacking could pose challenges related to project complexity. The agriculture industry has a long history of working on projects that provide ecological goods and services and could be integral in the development of a credit stacking system, based on past experiences and broad support for ecological goods and services from farmers across Manitoba and Canada.

Thank you for the opportunity to provide comment on the options for a federal greenhouse gas offset system. We encourage ECCC to continue to consult with stakeholders, including the agriculture sector, given the direct impact carbon pollution pricing will have on farmers and in turn, farmers' capacity to provide solutions.