

# Sustainability

For farmers, annual productivity is subject to weather and climate pressures including the number of growing degree days before frost, hail, flooding, drought, and insect or disease pests. Being environmentally sustainable; good stewards of the land, water and air; and reducing inputs of energy, fuel, and fertilizer have always been part of the equation for farmers' viability and long-term investment.

Growers and packers are price-takers, so indirect costs associated with carbon pricing and increased production costs (packaging, fertilizers, transportation, etc.) are not passed on easily to consumers. This reality impacts the price of domestically-grown food in the marketplace.

The up-front relief for farmers and (partial relief of 80%) for greenhouse growers in the provinces covered by the Greenhouse Gas Pollution Pricing Act (GGPPA) are a big step in the right direction to level the playing field for Canadian farmers and greenhouse growers.

***We are asking each party to commit to implementing policy to:***

- ***Include the full suite of fuels that farmers use, as well as the full range of farming activities and machinery used in modern Canadian primary agriculture to be acknowledged and eligible for relief:***
  - ***Specifically, the exclusion of "property that is used for the purpose of providing heating or cooling to a building or similar structure..." was meant for housing but needs further amendments/interpretation guidance so that heating or cooling for farming activities are also considered eligible farming machinery;***
  - ***Heating and cooling are essential for the primary production of perishable fruit and vegetables, immediately post-harvest, during storage/handling/packaging, and for the reduction of food waste at the start of the value chain.***
  - ***Add natural gas and propane to the definition of Qualifying Farming Fuel.***
- ***Ensure federal, provincial and territorial governments examine how to harmonize the fuel charge relief across Canada, so that no growers are at a competitive disadvantage.***
- ***Recognize the efforts made by farmers to reduce their greenhouse gas emissions and ensure a range of on-farm stewardship activities are incentivized.***
- ***Return proceeds collected from the sector to directly support the development and adoption of new technology and energy options required by the greenhouse sector, as indicated in the 2021 federal budget.***
- ***Support Canada's National Index on Agri-Food Performance, which demonstrates the leadership of our members as safe, sustainable, and responsible food producers. This project is a strategic priority for the sector, and will be an essential tool to benchmark Canada's food production against environmental, social, and health priorities as domestic and global marketplaces become more demanding.***

Greenhouse growers are still significantly trade-exposed and the imposition of a 20% fuel charge will continue to impact their global competitiveness. The federal carbon price is slated to increase over time, therefore the 20% will grow in absolute value and has implications in the medium to long-term.

***We are asking each party to commit to implementing policy to:***

- ***Extend the fuel exemption to Greenhouse Growers to 100%; or***
- ***Examine mechanisms to offset the greenhouse sector 20% fuel charge, stabilize the cost to growers over time, and incentivize the development of technology needed to transition to low/zero-carbon greenhouse production. This must be achievable for small, medium, and large operations.***
- ***Leverage CAP priorities to establish both farm-level incentives and research programming that encourage 12-month production capacity through the installation of supplemental lighting, the expansion of new commercial scale greenhouse crops, and the development of automation tools for the sector.***
- ***Support existing greenhouse hubs located across Canada by providing funding for infrastructure that would allow for expansion of greenhouse production and domestic supply capacity.***