

***Letter sent by e-mail.***

February 10, 2021

Standing Committee on Environment and Sustainable Development  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6  
Canada

**Subject: Supporting Bill C-206, *An Act to amend the Greenhouse Gas Pollution Pricing Act (qualifying farming fuel)***

Dear Members of the Standing Committee on Environment and Sustainable Development,

As you may know, the Canadian Federation of Independent Business (CFIB) is a non-profit, non-partisan business advocacy organization that brings the views of small business owners to all levels of government across Canada. CFIB represents over 110,000 small- and medium-sized enterprises (SMEs), including 7,200 farm and agri-business owners. As such, we are writing to encourage you to support Bill C-206, *An Act to amend the Greenhouse Gas Pollution Pricing Act (qualifying farming fuel)*, a Private Members' Bill put forward by MP Philip Lawrence (Northumberland-Peterborough South).

COVID-19 has been difficult for small businesses across the country, including many in the agriculture sector. Remarkably, our food supply chain adapted fairly well during this very difficult time and Canadians have recognized the importance of our safe and reliable food supply. Agriculture can play a key role in Canada's economic recovery, but the right policy environment must be in place so the industry can perform to its potential.

Bill C-206 is a very important bill because it provides a real and meaningful way to help farmers and protect our food supply. While the federal carbon tax currently exempts most gasoline and diesel fuels for on-farm use, we know farmers are facing huge cost increases on natural gas and propane to dry grain and heat barns. Certain exemptions already apply to greenhouses, but we believe that fully exempting all farms just makes sense. Bill C-206 would extend the exemption for qualifying farming fuel to include natural gas and propane.

As you know, the federal carbon tax is scheduled to rise to \$170 per tonne CO<sub>2</sub> by 2030 – an increase of more than 467 per cent in nine years. Last year, CFIB surveyed our farm members and on average, farmers estimated they will pay almost \$14,000 in federal carbon taxes in the first year it applied to them (April 1<sup>st</sup>, 2019 to March 31, 2020).

Dr. Sylvain Charlebois, Professor in Food Distribution and Policy at Dalhousie University recently wrote in the January 21, 2021 issue of The Western Producer, *“For some farmers, a tax of \$170 per tonne is a game-changer. By 2030, a typical 5,000-acre farm would have to shell out more than \$150,000 in new tax, based on some estimates, without any compensation. That’s enough to compromise any farm’s ability to make a profit.”*

CFIB farm members have told us they can not pass these additional costs on to their customers. We know farmers care about the environment – their livelihood depends on it. However, given most farmers are price takers, the magnitude of these increases in federal carbon taxes will hamstring farmers’ ability to compete and invest in their business and new technology.

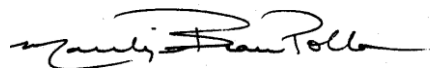
The bill’s next reading is currently scheduled for February 23, 2021 and we hope it will be moved swiftly to the committee stage for further review and study by you and your colleagues. At a time when food security is so important to Canadians, we urge you to support Bill C-206 and help farmers do what they do best: provide safe and nutritious food to Canadians for the long term. These are important exemptions and by passing this bill you will be contributing to the health and growth of the agriculture sector and help it be a leader in the economic recovery of our country.

In the meantime, if you have questions or would like to schedule a meeting with CFIB, please feel free to contact us at [Jasmin.Guenette@cfib.ca](mailto:Jasmin.Guenette@cfib.ca) or [Marilyn.Braun-Pollon@cfib.ca](mailto:Marilyn.Braun-Pollon@cfib.ca) or call our office at 613-235-2373 ext. 1201.

Sincerely,



Jasmin Guénette  
Vice-President, National Affairs



Marilyn Braun-Pollon  
Vice President, Western Canada & Agri-Business