



## 2023 Federal Pre-Budget Consultation Submission

October 2022

**Recommendation 1:** That the government ensure inclusion of primary agriculture producers' perspective and knowledge when developing policies in pursuit of the path to net-zero, in recognition of primary agriculture's contributions to the Canadian economy, sustainability, and global food security and, additionally, with appropriate recognition of Saskatchewan producers' singular contributions.

**Recommendation 2:** That the government ensure it always considers the potential impacts on the domestic and international competitiveness of Canadian agriculture when seeking ways to reduce greenhouse gas emissions in agriculture.

**Recommendation 3:** That the government continue to invest in, and encourage, agricultural innovation and research that enables primary agricultural producers to both lower their carbon footprint and increase their capacity to economically meet Canadian and global demand for their products.

**Recommendation 4:** That the government recognize and further build on earlier innovation and investments by primary agricultural producers, including actions taken by them to date contributing to progress in emissions reduction.

**Recommendation 5:** That the government develop and fund policies and mechanisms to achieve its environmental/sustainability objectives and requirements separately from the Business Risk Management Programs (BRMs) for primary producers.

### About Saskatchewan Crop Commissions

The Saskatchewan Crop Commissions, consisting of SaskBarley, SaskCanola, SaskFlax, SaskOats, Saskatchewan Pulse Growers, and Sask Wheat, represent the vast majority of grain and oilseed producers in Saskatchewan.

Saskatchewan plays a vital role in Canada's primary agriculture sector, accounting for 47% of Canada's cropland and, in 2021, producing 40% of Canada's total field crop production including 41% of Canada's barley, 56% of Canada's canola, 78% of Canada's flaxseed, 50% of Canada's oats, 65% of Canada's pulse crops, 79% of Canada's durum wheat, and 38% of Canada's non-durum wheat. Providing 21% of the total value of Canadian agri-food exports in 2021, Saskatchewan was the world's leading exporter of durum wheat, peas, oats, lentils, flaxseed and canola.

The commissions were established to invest producer dollars in research and market development to benefit producers. The common goal of these organizations is to ensure that Saskatchewan producers remain competitive and profitable. We support and advocate for science-based policy to create and maintain an efficient, predictable business environment for Saskatchewan producers.





Policies under consideration in Canada to reduce greenhouse gas (GHG) emissions from agricultural production may risk the global competitiveness of Saskatchewan producers, challenging their ability to continue their well-established contributions both to global food security and to climate change solutions. The modern cropping practices Saskatchewan primary producers use have already made a number of positive impacts on environmental sustainability while, at the same time, contributing to increased agricultural production and exports in concert with the government's goals for the economy and environment. Yet environmental policymakers increasingly focus in isolation on the GHG emissions from the increased food production and exports that our producers have achieved, and that government applauds. The future economic success of Saskatchewan primary producers is dependent on complementary environmental and economic policy solutions that achieve both the government's environmental and food production goals. Such policy must constructively recognize and support producers' past and future environmental conservation efforts, enabling them to continue to sustainably, productively, efficiently, and economically produce food for Canada and the world.

Appropriate recognition in policy of the sustainable innovation that Saskatchewan producers have adopted over time is imperative. These innovations include sequestration of carbon through the widespread adoption of reduced tillage and continuous cropping practices and the implementation of other land management and production practices that continue to positively influence soil health and reduce the carbon footprint of agricultural production in the province every year. The research that Saskatchewan producers have invested in over the past several decades, and continue to invest in through our commissions, supports the sustainability of our farms. The result is that production by Saskatchewan's primary agricultural producers is a major contributor to the Canadian domestic and export economies and also an effective strategy for sequestering carbon and removing GHG's from the atmosphere.

With that in mind, the Saskatchewan Crop Commissions would like to make the following recommendations:

**Recommendation 1:** That the government ensure inclusion of primary agriculture producers' perspective and knowledge when developing policies in pursuit of the path to net-zero, in recognition of primary agriculture's contributions to the Canadian economy, sustainability, and global food security and, additionally, with appropriate recognition of Saskatchewan producers' singular contributions. Primary agricultural producers have a key role to play in working with the federal government to help it meet its environmental and sustainability goals; however, policies developed need to reflect that these producers are a part of the solution to the problem of moving to net-zero. Ensuring producers are involved early on and meaningfully in policy discussions is crucial to developing programming and regulatory solutions that work for both producers and government.

**Recommendation 2:** That the government ensure it always considers the potential impacts on the domestic and international competitiveness of Canadian agriculture when seeking ways to reduce greenhouse gas emissions.





Primary agricultural producers are concerned about the impact that increasingly environmentally centric policies will have on their competitiveness. Saskatchewan crop producers are price takers and, as such, cannot pass additional costs they incur to their customers. The government has endorsed a goal of significantly increasing Canadian agricultural production and exports and recently has expressed support for Canada's role in ensuring global food security. A concurrent fertilizer emissions reduction target needs to work in concert with these goals. Currently these goals appear to work at odds with each other, especially when the emissions reduction target is not supported adequately by accurate measurement techniques and protocols that yield sound, sufficient, representative baselines and data applicable to individual farms and regions of Canada. The costs of this imbalance of economic and environmental policy will be directly incurred by primary agricultural producers, limiting their efficiency, productivity, and economic returns, but there will also be negative effects throughout the wider Canadian economy and on Canada's contribution to meeting the challenges of sustainably feeding the world. Careful analysis of the aggregate effects of individual proposed policies is required in order to identify potential negative impacts to primary agriculture and unintended harmful consequences to both environmental and economic sustainability.

**Recommendation 3:** That the government continue to invest in, and encourage, agricultural innovation and research that enables primary agricultural producers to lower their carbon footprint while, at the same time, increasing their capacity to meet Canadian and global demand for their products economically.

Innovation will be crucial to ensuring producers remain competitive and profitable as the government moves towards net-zero. Additionally, innovations and incentivized practices need to be thoroughly tested to ensure they provide value to producers and are practical for wide-scale adoption across varying individual farms and regions. Saskatchewan crop producers already are some of the best in the world at feeding a growing population, using a stable amount of land in the most carbon efficient way possible, while simultaneously removing greenhouse gases from the atmospheric environment and sequestering them in the soil.

**Recommendation 4:** That the government recognize and further build on earlier innovation and investments by agricultural producers, including actions taken by them to date contributing to progress in emissions reduction.

Saskatchewan crop producers have been early adopters of technologies and production practices such as reduced tillage and continuous cropping that have greatly lowered our emissions compared to other agricultural regions of the country and, indeed, the world. A major benefit, among others, is that since 1991, these reduced tillage and continuous cropping practices have reduced summerfallowed acres in Saskatchewan (and the associated negative environmental impacts) by 90% or 13 million acres. The carbon that has been sequestered and will continue to be sequestered through these practices is a major asset that can help the government meet its emissions reduction target. Therefore, the



conservation efforts producers have undertaken and continue to undertake need to be recognized in policy development.

**Recommendation 5:** That the government develop and fund policies and mechanisms to achieve its environmental/sustainability objectives and requirements separately from the Business Risk Management Programs (BRMs) for primary producers.

BRMs are intended to address specific production and economic risks through program designs that avoid influencing management and production decisions. Implementing linkages between environmental best management practices (BMPs) and existing BRM programs may reduce the actuarially soundness of BRM programs and may create moral hazard for producers where none exists now. In addition, if funding is not increased along with such linkages, the available funding is in danger of being diluted across numerous objectives. The government must design separate programs to achieve its environmental/sustainability goals using separate funding.

Saskatchewan primary agricultural producers are making important contributions to help the government meet its economic, trade, and environmental goals through increasing yet sustainable production. These contributions must be taken into consideration as the government undertakes GHG mitigation and future environmental policy. The Saskatchewan Crop Commissions want to be involved in discussions with the government on environmental policy including fertilizer emissions reduction and the path to net-zero. Finding solutions that work for both primary agricultural producers and government is vital to ensure producers remain competitive and profitable, producing food for a growing world population and, at the same time, ensuring a healthy sustainable environment for future generations.