

# ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

The **CANADIAN FEDERATION OF AGRICULTURE** emphasizes that farmers need:

- Recognition for their role and accomplishments in environmental stewardship
- Support for climate change research and tools to foster resiliency and adaptation
- Ensuring ongoing competitiveness of Canadian agricultural products in a world market
- A national bioeconomy strategy to support the development of sustainable products and supply chains
- Investments that support continuous improvement in sustainable Canadian agricultural production

## BACKGROUND

Canada is one of a privileged few countries in the world that exports more food than it consumes and has strong sustainable growth potential considering the impacts of climate change. With a growing world population that will increasingly be looking to renewable energy, fibre, chemicals and other agricultural products to reduce greenhouse gas emissions, Canada is uniquely placed to lead growth in these areas. Increases in efficiency and new technology has spurred Canadian producers to make substantial improvements from an environmental sustainability and productivity standpoint over many decades. With the right coordination, incentives and support this pace can be maintained and even improved.

## Taking advantage of Canadian agricultural sustainability

Canada already enjoys a world renowned reputation for environmental sustainability when it comes to the agricultural sector. However, producers have recognized that merely doing the right thing is no longer enough, these actions need to be coupled with the documentation that shows continuous improvement in sustainability to provide the evidence for practices in use. Many agricultural sectors are currently in the midst of building these assurance systems along with value chain and NGO partners. Yet there is a role for government to support these initiatives through scientific expertise and the public good that also accrues from improved environmental outcomes.

With strong assurance systems in place, Canadian producers can maintain their markets in an increasingly competitive market plan while growing market share and becoming a supplier of choice for those that wish to source products



sustainably. At the same time, Canadian producers also have an obligation to continue to provide affordable food for many developing countries which may not be able to afford more expensive foods and to continue to produce for export markets in a sustainable fashion. Canadian agricultural production is a key sector that will benefit from strategic investments to support farmers to produce more, with less.

Federal support for the bioeconomy through the development of a national strategy and targeted investments can also create a market for agricultural waste products and purpose-grown crops as feedstock for plastics, composites, fibre and fuel that many agricultural producers have been waiting to supply but that Canada currently lacks the processing facilities. These products in general have a lower GHG footprint than those derived from fossil fuels and will need to be a part of the solution to transitioning to a green economy. There remains a significant opportunity to expand the conversion of agricultural wastes into energy.

## Addressing competitiveness challenges of carbon pricing

There is some concern regarding ongoing competitiveness when Canadian producers will face higher costs for inputs due to carbon pricing. While much of this action and policy making is being led at the provincial and territorial level, some issues such as policy consistency across provinces are of a federal interest. If producers are not compensated for or receive exemptions on crucial inputs such as diesel fuel, fertilizers, crop protection products and others, Canadian products will become less competitive internationally. Many of our competitors such as Australia and the U.S.A. have no plans to institute carbon pricing and most of Canada's agricultural exports are priced globally.

Ensuring that revenues from carbon prices benefit agricultural producers through funding clean technology, research and innovation, adaptation and resilience building measures and compensating for higher inputs costs is absolutely crucial. Yet so is ensuring that producers can benefit from carbon pricing by receiving compensation through offset protocols for carbon sequestration, or significant reductions in nitrous oxide emissions. While agri-environmental conditions are different across Canada, it is important that incentives are available for all producers to reduce greenhouse gas emissions. The greenhouse sector as a user of CO<sub>2</sub> in production requires close consideration in order to support ongoing production in Canada.

## Investing in Sustainability

Canadian agricultural producers are already some of the most sustainable producers in the world with innovations and best practices voluntarily in place on many farms. These include no-till, biodigesters, nitrogen emission reduction protocols, supply chain sustainability schemes, and Environmental Farm Plans to identify environmental risk. Not to mention the agricultural products many produce that find application as energy, industrial and consumer products.

However, investing in some of the technologies that boost environmental sustainability for producers is difficult as they require large upfront costs that do not currently make the economics worthwhile. Improvements in sustainability could be incentivized with investments in ecological goods and services, including for carbon offsetting and increasing the

availability of funding for Beneficial Management Plans (BMPs). Incentives linked with BMPs, the Environmental Farm Plan and reduced participation fees for business risk management programs are key vehicles that can be used to incentivize climate-smart practices resulting in reduced emissions, increased sequestration and continuing productivity gains for the agriculture sector as a whole.

## Building an Adaptive and Resilient Sector

Farmers are inherently adaptive and have their livelihoods invested in the unpredictability of weather and other external forces outside of their control. Extreme weather events will pose new threats in terms of frequency and severity and farmers will need effective mechanisms in place in order to manage risk and the necessary investments for adaptive actions. Farmers require better information now in order to incorporate adaptation into regular decision-making.

In order to support a strong agriculture sector in Canada that remains resilient to climate change, governments will need to provide both the tools necessary and incentive-based funding to support the mainstreaming of adaptation planning. This is critical not just for the livelihoods of farmers but also to support food security and to ensure a global food supply at reasonable prices in the case of catastrophic crop failures in other growing regions of global staples.

## DID YOU KNOW...

- Agriculture is well positioned to supplant many products and applications currently based upon non-renewables.
- The bio-based economy is larger than the auto industry.
- Minimum tillage saves more than 170 million litres of fuel from being burned in Canada annually.



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Founded in 1935, the Canadian Federation of Agriculture (CFA) is the country's largest farmers' organization. Its members include provincial general farm organizations as well as national and inter-provincial commodity organizations. Through its members, CFA represents over 200,000 Canadian farmers and farm families.