

June 03, 2022

Agriculture and Agri-Food Canada
1341 Baseline Road
Ottawa, ON K1A 0C5

Subject: 2022 Fertilizer Emissions Reduction Target Consultation

On behalf of the 95,000 small-and-medium-sized enterprises (SMEs), including 6,000 agri-business owners, that are members of the Canadian Federation of Independent Business (CFIB), we are writing to provide feedback on the proposed fertilizer emissions reduction target. CFIB is a not-for-profit, non-partisan, business advocacy organization that brings the views of small business owners to all levels of government across Canada.

Canadian farmers produce some of the safest and most sustainable food in the world. To continue and grow production, farmers must have access to the inputs they need, including nitrogen fertilizer. Farmers understand that environmental conservation is important now and for the future. In fact, eighty nine percent of our farm members have already implemented ways to protect the environment and reduce emissions¹. A strong majority of farmers indicate they have done so because of their own personal views, as their livelihood depends on it². It is important that governments at all levels work with farmers to implement a policy that works; that is helping farms grow and helping farmers continue being leaders.

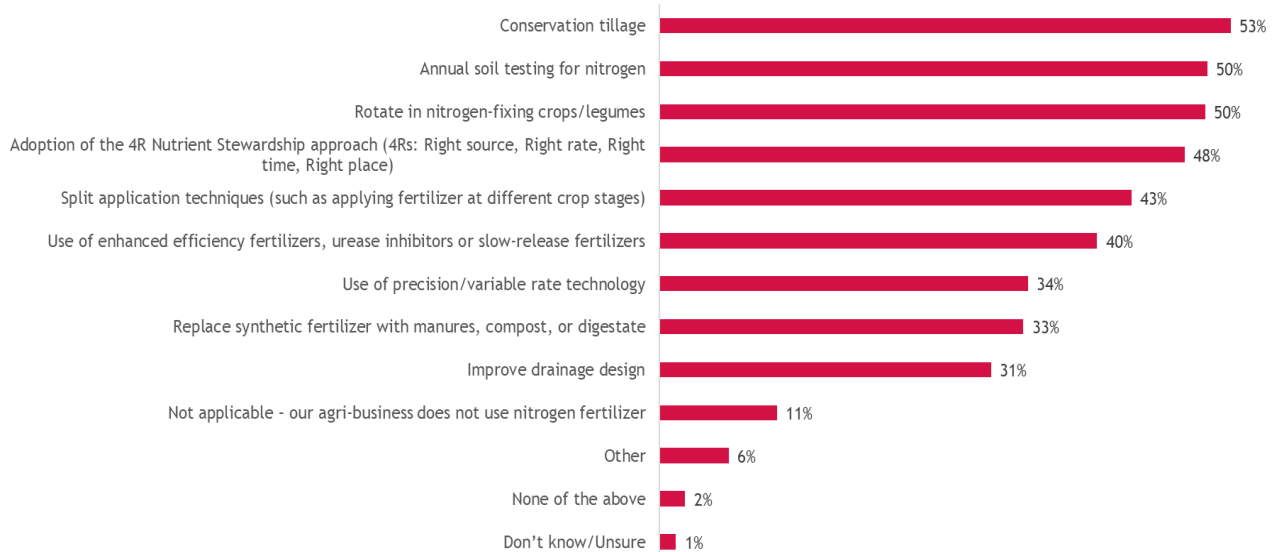
As it relates to reducing nitrogen fertilizer emissions, farmers have already taken many steps. Farmers are innovative and will adopt technology and best management practices that make economic and agronomic sense for their farm business. For example, many farmers have been direct seeding for decades in many parts of the country. Figure 1 outlines just some of the many green practices Canadian farmers have already adopted or plan to adopt on their own accord to manage or reduce nitrogen emissions. Some of these practices include conservation tillage (53%), annual soil testing for nitrogen (50%), and rotating in nitrogen-fixing crops (50%). Forty-eight per cent have adopted or intend to adopt the 4R Nutrient Stewardship Approach (Right source, Right rate, Right time, Right place). It is clear many farmers have taken a leadership role in managing their nitrogen emissions. It is also clear that there are opportunities to promote voluntary best practices as highlighted in Figure 1.

¹ Source: CFIB, Agriculture Survey - October-November 2021, October 25-November 30, 2021, Final results, CAN Ag n=330

² Source: CFIB, Agriculture Survey - October-November 2021, October 25-November 30, 2021, Final results, CAN Ag n=448

Figure 1:

Which, if any, of the following practices has your agri-business taken in the last two years/do you plan to take to manage and/or reduce its nitrogen fertilizer emissions? (Select all that apply)

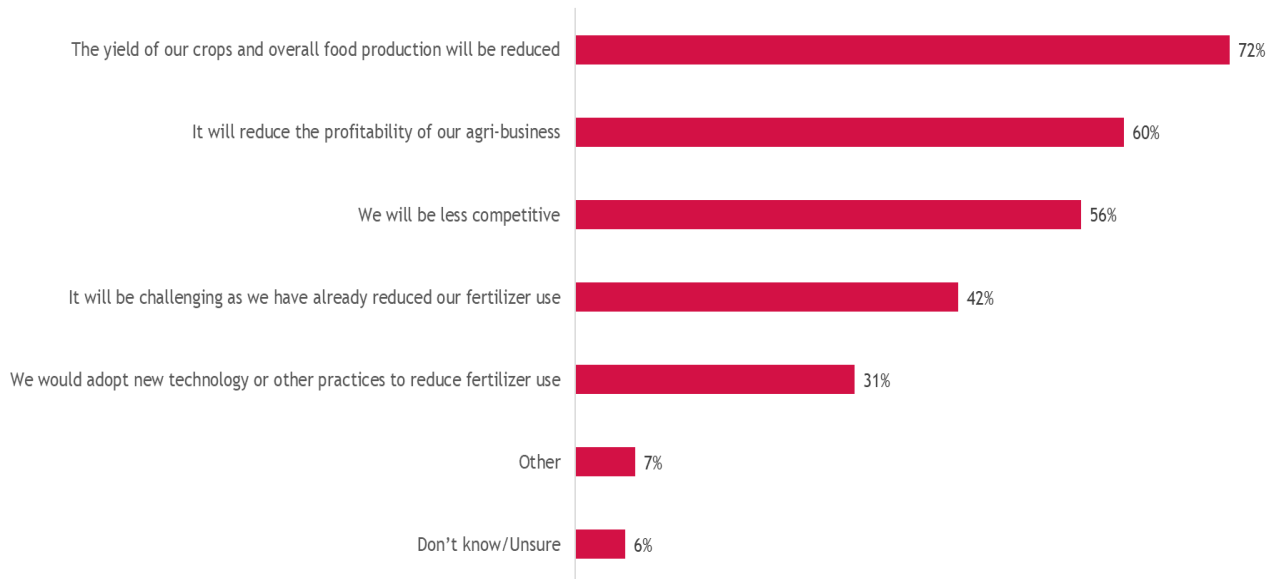


Source: CFIB, Agriculture Survey on Fertilizer Emissions Reduction Plan - April 14 - April 29, 2022, Final results, CAN Ag n=472.

According to CFIB's recent survey, if the federal government required agri-businesses to reduce their use of nitrogen fertilizer by 30 per cent, 72 per cent of agri-businesses said the yield of their crops and overall food production will be reduced. Sixty per cent said it would reduce the profitability of their agri-business and fifty-six per cent said they will be less competitive. Forty-two per cent said it would be challenging as they have already reduced their nitrogen fertilizer use (see Figure 2).

Figure 2:

If the federal government required your agri-businesses to reduce its use of nitrogen fertilizer by 30 per cent, what impact would such a measure have on your agri-business? (Select all that apply)

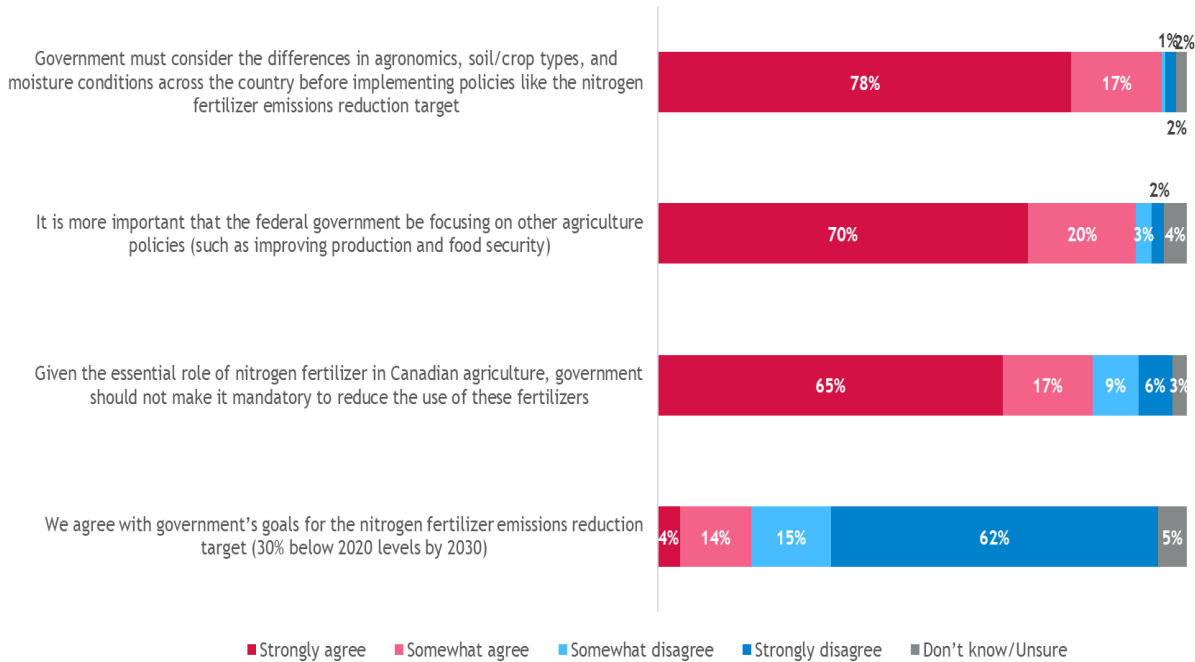


Source: CFIB, Agriculture Survey - October-November 2021, October 25-November 30, 2021, Final results, CAN Ag n=361

Therefore, CFIB urges the federal government not to mandate a reduction in the use of nitrogen fertilizer in the future. Nitrogen fertilizer is an essential crop nutrient and plays an essential role in Canadian agriculture. In fact, 82 per cent of agri-businesses agree that the federal government should not make it mandatory to reduce the use of Nitrogen fertilizers (see figure 3). It is clear this would have a very negative impact on yield, profitability, and competitiveness.

Figure 3:

Please indicate the extent to which you agree or disagree with the following statements about the federal government's nitrogen fertilizer emissions reduction target. (Select one for each line)



Source: CFIB, Agri-Business Survey on Fertilizer Emissions Reduction Plan - April 14 - April 29, 2022, Final results: CAN n=435.

It is not surprising that the discussion around the fertilizer emissions reduction target has created concern among our farm members. Seventy-seven per cent of our farm members disagree with the current target reduction goal of 30% below 2020 levels by 2030. Instead, the majority (90%) of farmers would rather see the government focus on other agricultural policies such as improving production and food security.

Given the current devastating situation in Ukraine, Canada must make this a key priority. The last thing governments should be doing is implementing policies that limit yield potential. Now is the time to support our Canadian farmers and protect our food supply so they can do what they do best- produce some of the most sustainable, high quality and safest food in the world.

It is also clear that a one-size-fits all approach does not work across all Canadian farms. Nearly all (95%) of farmers say that government must consider the differences in agronomics, soil/crop types, and moisture conditions across the country before implementing policies like the nitrogen fertilizer emissions target. It is important to note that adoption of various best management practices may not be practical, suitable, or economical in all farming regions across the country. One thing for certain is that while there may be opportunities to encourage voluntary practices like 4R Nutrient Stewardship and other best practices, there is no appetite for a mandatory reduction in Nitrogen fertilizer use.

Encouraging voluntary practices gives farmers more autonomy and ability to use their knowledge of their land to make improvements and adopt best practices suitable for their region. The fertilizer emissions reduction target must remain voluntary and not progress to a mandatory initiative. Ensuring farmers have access to the fertilizer they need should be a key priority for Agriculture and Agri-Food Canada. Farmers can be part of the solution, not the problem, in Canada's environmental plan.

Thank you for the opportunity to share our farm members' views on this important issue. Should you have questions you can reach us at: jasmin.guenette@cfib.ca or taylor.brown@cfib.ca.

Sincerely,

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and

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