



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Agriculture and Agri-Food

EVIDENCE

NUMBER 031

Monday, October 17, 2022

Chair: Mr. Kody Blois



Standing Committee on Agriculture and Agri-Food

Monday, October 17, 2022

• (1545)

[English]

The Vice-Chair (Mr. John Barlow (Foothills, CPC)): Colleagues, we'll call the meeting to order.

Thank you for everyone's patience. Obviously we need to ensure that the translators are able to understand our witnesses, certainly for our francophone colleagues on the committee. Everyone has been tested, and we should be all good to go.

We'll carry on, as time is of the essence now.

This is meeting number 31 of the House of Commons Standing Committee on Agriculture and Agri-Food.

I have a couple of quick reminders, and I'll go through these very quickly so we can get going.

This is a hybrid format. The proceedings will be available on the House of Commons website. The webcast will always show the person speaking rather than the entirety of the committee. Screenshots during the committee are prohibited, so please do not take screenshots of this meeting.

For members participating in person, please keep in mind the Board of Internal Economy's guidelines for mask use and House protocols.

I would like to make a few comments for the benefit of our witnesses.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. If interpretation is lost, please inform me immediately, and we will ensure that interpretation begins again before we resume.

Before speaking, please wait until I recognize you by name. If you are on video conference, please click on your microphone to unmute yourself. For those in the room, your microphone will be controlled by the proceedings and verification officer.

Especially for those on video, please speak slowly and clearly for the benefit of translation and make sure your microphone is on. This is a reminder to all members and witnesses that all comments should be put through the chair.

I would like to welcome our first panel of witnesses. We have Brendan Byrne, chair, from the Grain Farmers of Ontario, by video conference. From Grain Growers of Canada, we have Branden Leslie, manager, policy and government relations. From the

Saskatchewan Association of Rural Municipalities, we have Mr. Raymond Orb, president.

Each of you will be given five minutes for your opening remarks, and we will proceed to the rounds of questioning following that. I will give you a signal, especially for those of you on video conference, a hand up that you have about one minute left if you're running on time.

I will welcome Mr. Byrne from the Grain Farmers of Ontario to start.

You have five minutes. Go ahead, please.

Mr. Brendan Byrne (Chairman, Grain Farmers of Ontario): Thank you very much for inviting me to be with you today. This is an issue that remains top of mind for our farmer members, so it's much appreciated that I was invited here today.

My name is Brendan Byrne. I'm the chair of the Grain Farmers of Ontario. I farm in Essex, near the Windsor border, with my family. It's harvest time for our members, so on our farm we're harvesting soybeans, and around me the corn harvest has also started, which is similar across the province.

I want to begin my remarks by just thanking members of this committee for examining this important bill. It's something that our farmer members are looking at, checking in and asking about it, so it's important that we're here today.

An exemption from the carbon price is important to our grain farmers for five reasons.

First is to prevent spoilage. Grain needs to be dried down to be able to be stored; otherwise, it will rot and will not be available.

Second is reliable grain drying systems. A reliable supply of energy and proven grain-drying technology allow farmers to dry their grain in a short period of time under any weather conditions.

Third, there are no alternatives. There are ideas and potential alternatives that people are looking at, but none of them have been proven to work on the scale or at the level that we need them in Ontario. With these alternatives, there isn't a clear message as to whether they actually would reduce our carbon. The EU is backing away from such things as biomass dryers due to its carbon emission profile, and the CBC reported this week that wood biomass burning is worse than coal.

Fourth, our farmers are unable to reduce their carbon price. We are price-takers in the marketplace. We feel that the money would be better off in the hands of the farmers to further innovate on their farm and to try to come up with ways and solutions to better their carbon footprint.

Fifth, the rebate that's been presented to us falls far short of what's actually paid. Less than 15% of what grain farmers are paying is returned by the government rebate.

I want to quickly explain how grain drying works in Ontario. Corn, for instance, needs to be at a level of 15% to store it or ship it. In September, the corn plant stops growing. We wait for Mother Nature to drain out as much moisture as possible. Wind, sun, and the natural effects of the weather do that, but then we need to get the corn off before the weather turns to where we can't do that anymore.

Once we get into the fields, we find out exactly what the moisture level of the corn will be. Once we get in there, we are very much at the mercy of the weather, so time is of the essence to get the crop off. Typically, the corn harvest is anywhere from 20% to 28% moisture when we're taking it out of the field and trying to get it off, get it dried, and get it shipped at an acceptable level, which is very hard for our farmer members as it is.

Drying grain happens in real time. During the week of the harvest, it could be running 24 hours a day. We have to be careful not to overdry, or dry too fast, so we don't damage the corn. We want to make sure that it's useful for human consumption, for animals, and the multiple uses that the crop is used for.

The dryers right now allow us to dial it up to the energy needed, and turn it down if it gets too hot. Grain drying is an essential part of harvesting grain. If we get this wrong, we don't have a crop to sell, and we're producing less food.

Eight years from now, upwards of \$2.7 billion would be paid by Ontario grain farmers for the carbon price on grain drying. All this money is coming out of our pockets. Farmers cannot pass this on to anyone else. They simply have to pay it and bear the brunt of this. As I said, the rebate that's in place now simply doesn't cover anywhere near the cost of it.

Greenhouse growers are exempt from the price on carbon for their operations, and so should grain drying. Bill C-234 would give us time to figure out viable solutions and make sure that there is potentially a road map to innovation and implementation, with the proper supply chain in place to cover that off.

This is a major undertaking. It affects food security and food supply. We have to be very careful with what we're doing there.

I do, again, thank you for your time. If you haven't seen what grain drying looks like, we could certainly submit a video, which is about three minutes. I want to thank everybody on the committee for taking time to consider this bill, and we look forward to a good discussion.

Thank you very much.

• (1550)

The Vice-Chair (Mr. John Barlow): Thank you very much, Mr. Byrne.

You are certainly welcome to make a submission to the committee as well, if that's something you think would be beneficial.

We will now turn it over to Mr. Orb for five minutes, please.

Mr. Raymond Orb (President, Saskatchewan Association of Rural Municipalities): Thank you.

Good afternoon. My name is Ray Orb and I'm president of the Saskatchewan Association of Rural Municipalities, known as SARM. I was born and raised and I live in the small community of Cupar, northeast of Regina, with a population of 625 people.

I'd like to thank the Standing Committee on Agriculture and Agri-Food for the opportunity to share our association's thoughts as the committee studies Bill C-234, an act to amend the Greenhouse Gas Pollution Pricing Act.

Our membership is made up of Saskatchewan's rural municipal governments. SARM has been the voice of rural Saskatchewan for over 100 years. Today I will share the perspective of those we represent by sharing our thoughts on how the bill being proposed would impact our livelihood in rural Saskatchewan.

Bill C-234 picks up where Bill C-206 left off in the last Parliament before the federal election. As you know, Bill C-206 was passed by the House of Commons but not fully approved by the Senate.

As we were supportive of Bill C-206, we at SARM are supportive of Bill C-234 right now. This bill would provide much-needed economic relief for our members, freeing up the working capital they need to implement innovations on their farms.

Grain dryers are used to help dry wet grains so they can be properly stored. In recent years in Canada, the fall season has been particularly wet, creating a need to use the grain dryers. In 2020, grain dryers were running for a record amount of time, and farmers paid more than the federal government carbon tax estimate. Recent studies have shown that Saskatchewan farmers can expect to lose 8% of their total net income to the carbon tax. For a household managing a 5,000 acre grain farm in Saskatchewan, this will take the form of \$8,000 to \$10,000.

Our members have been very concerned about the impact of the federal carbon pricing system on unavoidable energy inputs like fuel to dry grain or heat livestock facilities. We have argued for years that producers cannot pass these additional costs along to our customers and that they further reduce our financial viability. The additional costs of carbon taxation do not help solve the problem of carbon emissions.

Saskatchewan has some of the greenest agriculture producers in the world. Most cropland is zero-till. This means that our producers use a low-disturbance direct seeding system. Not only does zero-till agriculture sink more carbon, but it also reduces soil erosion and the amount of fuel required on farms. The Saskatchewan Soil Conservation Association has been studying carbon sequestration for years, and through their research they found that Saskatchewan producers sequester 9.64 million new tonnes of carbon dioxide every year over 28 million acres.

Taxation on food production is short-sighted and not a solution. If we do not work together to find solutions, we will see even more decreases in the number of farmers and farms in Canada, and we will lose the food security we have.

In closing, on behalf of Saskatchewan's rural municipalities and rural Saskatchewan, we thank the standing committee for the opportunity to lend our voice to this important conversation. We look forward to continued dialogue as we all work together to further the best interests of all Canadians.

Thank you.

- (1555)

The Vice-Chair (Mr. John Barlow): Thank you, Mr. Orb. I also appreciate your patience with your technology and your microphone.

I'd also like to welcome Mr. Johns to the committee today. He's subbing in for Mr. MacGregor, who I'm sure is out celebrating at the grocery store with his motion today.

We have Mr. Leslie for five minutes, please.

Mr. Branden Leslie (Manager, Policy and Government Relations, Grain Growers of Canada): Good afternoon, Mr. Chair and honourable members. Thank you for the invitation to appear today on Bill C-234.

My name is Branden Leslie, and I am the manager of policy and government relations for the Grain Growers of Canada. The Grain Growers of Canada represents 65,000 grain, pulse and oilseed farmers through our 14 provincial, regional and national member organizations across Canada.

Canadian farmers have a long reputation as environmental stewards, adopting the best environmental practices whenever possible.

Canada's grain sector is proud of our hard-earned reputation as one of the world's largest suppliers of safe, sustainable and high-quality grains, of which the exports of cereals, oilseed and pulses add over \$30 billion to the Canadian economy every year.

Our sector is also proud of our record of sustainably intensifying our production when the world demands more food and cleaner fuels, while simultaneously working to reduce emissions and increase

carbon sequestration. That sustainable intensification of production is enabled by farmers reinvesting profits back into their operations in the form of new machinery, technologies and the adoption of beneficial management practices, all of which reduce emissions and increase operational efficiencies.

This is why Bill C-234 is a critical piece of legislation, which our members strongly support.

As a result of climate change, we are seeing an increased need for grain drying. With the steadily rising price on pollution applied to propane and natural gas used to dry grain, farmers also now face incredible cost increases without an alternative fuel source available. While there are emerging potential alternative fuel sources for grain drying, the reality is that they are not commercially viable at this time. Further, it will take years to scale them up and implement necessary infrastructure upgrades as required.

Given the significant operating costs of using propane or natural gas, there currently exists a price signal to be judicious with the use of these fuels, as there is no benefit of drying grains beyond what is necessary for sale or storage. As such, most farmers have also already made significant investments to upgrade their dryers to make them as efficient as possible, leaving little room for improvement in that area.

It's fair to say that no farmer wants to be spending money on drying their grain but does so out of necessity and, certainly, hope that a more cost-efficient and lower-emission option becomes available in the not-too-distant future. However, until that happens, farmers have no choice but to use propane or natural gas to dry their grain, making the price on pollution a punitive tax and not a market-driven signal to change fuel sources. Right now, this simply means that farmers have money taken out of their pocket to undertake a necessary process to ensure their product does not spoil during storage.

The federal government has tacitly admitted the flawed nature of the price on pollution put on propane and natural gas used on farms through the rebate program offered under Bill C-8. While we appreciate the government acknowledging that farmers currently have no choice but to use these fuels, the reality is that the rebate is a blunt tool that does not fairly reimburse farmers for the fuel they actually use. This means that depending on the crops they grow, they may receive only a small percentage of the carbon price paid through their operation.

That is why the exemption offered through Bill C-234 is superior to the rebate system. With an exemption in place, Canadian farmers will remain competitive and have additional working capital to reinvest in their operations, leading to more tangible environmental outcomes and emission reductions.

Grain drying is necessary to maintain the grains' quality. Taxing this practice will not result in emissions reductions and instead will hinder farmers' ability to invest in sustainable innovations.

A reinvestment into updated machinery or technologies has proven to make real progress in emission reductions. Canadian farmers need policy and the incentivization of innovation of best management practices and other adoption tools that put working capital back into farmers' pockets. Farmers are simultaneously facing rising input costs, rising interest rates and increased debt loads required to finance equipment and farmland. So for many, every dollar counts.

It is also important to note that the passage of this legislation would not alleviate all the carbon pricing costs and associated signals that are built into the prices of transportation and other inputs the farmers use, which are passed on to farmers. As price-takers, they are unable to pass those costs on any further.

Ultimately, the savings that would be found for farmers should Bill C-234 pass would make up just a small percentage of their overall operational costs, but would absolutely make a difference to their bottom line.

By passing Bill C-234, Parliament would acknowledge the important sustainability efforts farmers have undertaken and will continue to undertake, and empower them to reinvest in their operations, further reduce emissions and improve on-farm environmental indicators. We urge all parties to support the swift passage of this legislation.

• (1600)

Thank you. I look forward to your questions.

The Vice-Chair (Mr. John Barlow): Thank you, Mr. Leslie. You're done right on time. I appreciate that.

We also have a couple of new additions to the committee—well, “old new” additions. I'd like to welcome Ms. Rood and Mr. Steinley to the Conservative bench on the committee. We look forward to working with you, of course.

We will now go to Ms. Rood to lead things off for the Conservatives for six minutes, please.

Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for being here today to discuss this very important topic.

A common theme I've heard throughout the testimony we've just heard is the fact that the costs farmers face—especially when it comes to the carbon tax on drying their grains in this particular instance—are not able to be passed on to the consumer. That means that farmers are having a harder time making ends meet, so they are not actually getting the profits they should in their business to keep farming.

If we continue to have policies such as this, what I see happening is that it's going to price farmers out of the business of farming. We're not going to see the next generation taking over the family farms, because they simply can't afford it. If we don't have farmers, we don't have food.

Particularly in my riding, it being a very heavily agricultural riding and a riding that farms a lot corn, soy and grain as well, this is very pertinent. I was just visiting a corn farmer on the weekend. He has a state-of-the-art new drying system. Most folks don't understand that the corn must go through the dryer in order to get the moisture content down so it can be stored.

I have a question for the Grain Farmers of Ontario.

Just to go back for a second, I've been told that this farm requires six hours in a dryer to get its corn dry enough to go into storage. Then it's going to become ethanol or go into feed. Farmers are running these machines 24-7. Sometimes it's for a month; sometimes it's for three weeks, and sometimes it's for six weeks. We've had a really wet fall. Moisture content is high in Ontario right now. There's also a threat of disease setting in if they don't harvest the corn right now with the rain that keeps coming.

What will farmers get back of the carbon tax compared to what they're actually paying? To me, \$800 seems like a drop in the bucket to somebody who has to run a propane or natural gas grain dryer for 24 hours a day.

Mr. Brendan Byrne: I can start on that.

It's going to be different across the province with moisture levels where the corn is coming off at and with how much it's used. I've talked to grain farmers who paid an \$8,000 bill just in the carbon tax to dry their grain last year. With the escalation of how that will be going from now until 2030, you're not wrong in saying that it will be putting family farms at risk. A lot of people are looking at the policy that's coming towards them, whether it be the carbon fees or fertilizer, and they're wondering how they're going to get through this time.

Input costs are at an all-time high. There's not a lot of certainty on the farm. We're at the mercy of the weather. I think that adding something like this carbon piece makes it very tough for farmers to know what their bottom line is going to be. Prices are good, but there are areas that suffered severe drought. They're probably going to have 30% to 40% less yield this year on their corn crop than they had in previous years.

I know that in an area like yours, Ms. Rood, there's a lot of great corn grown, but there are parts in there that I know suffered some drought. Now there's some wet weather, so there certainly is a risk of disease.

It's a very timely matter to try to get the crop off. At this point, to be honest, farmers are just very concerned with getting the crop off. In the back of their minds, every day is about what's coming at them, what the next cost will be that's going to escalate, and how they are simply going to weather this to maybe be able to pass it along to the family. Some are making tough decisions and saying that they're not sure they'll be able to.

• (1605)

Ms. Lianne Rood: Just to circle back, in your opening remarks you said that farmers are getting back less than 15% of what they pay in carbon tax. Is that what you said, just so I'm on the right page?

Mr. Brendan Byrne: Yes. I think when we initially ran the numbers it was about 13%.

Ms. Lianne Rood: I have a question, just for clarity. You mentioned in your opening remarks that this will affect the food supply. What in particular or what part of the food supply will this affect? Not all of this will be going into ethanol. It's not all going into feed for animals.

I'm just wondering if you could elaborate on that, just to give folks an idea of where this is actually going to affect them down the supply chain when it comes to their groceries.

The Vice-Chair (Mr. John Barlow): Just give a quick answer if you can, please.

Mr. Brendan Byrne: At the end of the day, farmers might decide to grow a shorter-season corn to try to get it off at a lower moisture, which is going to result in less production, or they may be looking at ways to plant less corn or fewer crops that need to be dried, creating a kind of shortage in those particular crops.

Ms. Lianne Rood: Can you just elaborate on where that corn is going to go down the line after it leaves the farm gate for us, just to give consumers an idea of where it's going?

Mr. Brendan Byrne: Once it leaves the farm gate, it can be used in animal feed. It can be used in ethanol. It can be used in whiskey. It can be used in a lot of different things. If you go through your grocery store, you will see high-fructose corn syrup. It will affect things across the board. Whether it is driving or groceries, there's less to be put into the marketplace.

The only way for us to then compensate for this is to try to bring supplies in from the United States, which does not have this carbon tax. We're at a competitive disadvantage from the start if we lower our yields and then start bringing in more product from elsewhere.

The Vice-Chair (Mr. John Barlow): Thank you, Mr. Byrne. I appreciate that.

Ms. Lianne Rood: Thank you.

The Vice-Chair (Mr. John Barlow): Thanks, Ms. Rood.

I now turn it over to Mr. Drouin for six minutes.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Vice-Chair. It's great to see you in that position.

It's good to see my colleagues rejoin this committee. It's been a pleasure working with you guys in the past. I look forward to working with you again in the future.

My first question is for Mr. Byrne.

It's good to see you. I know you're busy right now with harvest season. It's good to see you taking the time to appear before our committee. There have been talks through the former bill about putting in a sunset clause. I'm just trying to get your sense of it. Should this committee entertain a potential sunset clause?

Some witnesses recognize that we need time to innovate on the farm and we need time to test. We've often heard from grain dryers that there are no commercially viable technologies yet. While some have adopted those, they are not widely available.

Would you be against putting in a sunset clause, for instance by 2030, or do you see a forever exemption?

• (1610)

Mr. Brendan Byrne: I know that, in general, farm innovation can happen at a quick rate, or it can take some time. I think that in this case a sunset clause could be entertained if it were long enough—say a 10-year runway with a variable such that it would result in something reliable that we're able to use, and with a background industry here to support that. I know that in some of those cases it might take a while to be able to have parts that can be accessed in a timely fashion.

I think a sunset clause could be fine, with the variable that there is an actual solution that comes out of it and that it's long enough.

Mr. Francis Drouin: Okay.

Obviously, if this bill goes through, I assume the farmers would no longer be eligible for the fuel tax rebate. Would you continue to be in support of programs such as the agricultural clean technology program, or do you believe that farmers would now have enough capital to make those investments themselves?

Mr. Brendan Byrne: I would have to look a little more into the agricultural clean technology program. I think a partnership between farmers and the government in coming up with solutions is probably the best way to go about it—more collaboration and maybe less top-down management. Maybe seeing how it would work on the farm and then sharing costs on some research and testing could be the way to go.

Mr. Francis Drouin: Okay.

I have just a quick question. It has nothing to do with Bill C-234, but you did mention soybeans. I'm just wondering if you're averaging over one tonne an acre right now, or are the crops not doing so well in your neck of the woods?

Mr. Brendan Byrne: You see, where I'm at, we go by bushels and not tonnes. We're about average. Maybe 40-45 bushels per acre. With how dry it was, we'll take it.

Mr. Francis Drouin: Okay. Thanks, Brendan. I appreciate it.

I have a question for Mr. Leslie. It's good to see you before committee. I would be remiss if I didn't say we had worked the land prior to this committee appearance, you and I.

It's the same sort of question: Would you be in support of a potential sunset clause? Normally my colleague Mr. MacGregor would do that work, but he's not here, so I'll be asking those questions, not necessarily on his behalf. Do you think if we put a 2030 timeline, that would give enough time to create the innovation that's needed in the sector?

Mr. Branden Leslie: Thank you for the question, Mr. Drouin.

It's tough to predict where innovation might go. I'd love to say that in eight years we're going to have over half of Canadian dryers converted to some other fuel source. That would probably be a bit of a stretch. Maybe it would have taken that long 10 years ago, in 2006, but now that we're in 2022 on Bill C-234, I think 10 years would be a reasonable thing.

I understand that we still want the price signal. The government's intention on the price of pollution is there for a reason. I think we understand that. The struggle with this particular nuance on the use of propane and natural gas is that it's just not applicable when there's no nudge effect. There's nothing to nudge towards.

I think it's reasonable to want to maintain that. However, I wouldn't want to go through this process again in 2032. I think it would be important to have an order in council or some sort of mechanism in place whereby the government of the day could say, okay, we were hoping to have over 50% adoption of a new fuel use for grain drying or the heating and cooling of barns, but that hasn't happened yet.

Maybe I'll bring in your second question on clean tech here. I think there is an absolute necessity to maintain that. If we want to have the sunset clause, I think it's important to make sure that we have the funding to have these new technologies embraced and enabled on-farm. I think the two-stream approach will continue to be necessary.

I think it's reasonable to have a sunset clause, as long as the government is able to not have the exemption just drop off at some point so that all of a sudden farmers are forced to have a \$170 per tonne carbon tax thrown back on them. That would be a real crunch to their operating expenditures at that time.

Mr. Francis Drouin: I know it's not the farmers who are creating these technologies, although some of them do. Are you working with industry to say, okay, we have these potential costs going up, so are you guys investing in research and innovation so our members can benefit from this?

Mr. Branden Leslie: As an organization, we don't have the finances to pick and choose project proponents like that. However, as you say, farmers are innovators by nature and are regularly tinkering on their own, because this is their money that they're spending on these costs. If they see an advantage with a different fuel source,

they will try to enable it. They are certainly the consumers, and just as we are consumers of normal products that we're seeing a price signal on, they are too. They are looking for when these become available.

It is difficult as a sector or as an industry to have products like these commercialized. We talk about how many farmers there are. We're talking tens of thousands or hundreds of thousands. In the big picture, that's not a huge number of consumers, so I think we need to be realistic about how quickly those innovations can come online.

I think if farmers can see an opportunity to save money and lower their own environmental footprint for consumer reasons, commercial reasons, they'll take it. We certainly see a lot of those talents—

• (1615)

The Vice-Chair (Mr. John Barlow): Thanks, Mr. Leslie.

Time is up, Mr. Drouin. Thank you very much.

[*Translation*]

Go ahead, Mr. Perron. You have six minutes.

Mr. Yves Perron (Berthier—Maskinongé, BQ): Thank you, Mr. Chair.

I'd like to thank the witnesses for being with us today.

I want to welcome our friends back to the committee.

I'm going to start with Mr. Orb.

You said that your association is the voice of rural areas. I just want to make sure I've understood what you were saying earlier about the carbon tax rebate. Producers receive an average refund equal to 13% of what they paid. Is that correct?

[*English*]

Mr. Raymond Orb: I'm sorry, but I lost the translation for some reason.

[*Translation*]

Mr. Yves Perron: In response to an earlier question, you mentioned that since Bill C-8 was passed, producers have been receiving an average rebate of 13% of what they paid. Is that correct?

[*English*]

Mr. Raymond Orb: I'm sorry, but I lost the translation.

The Vice-Chair (Mr. John Barlow): Maybe we'll work—

Mr. Brendan Byrne: That would have been me.

The Vice-Chair (Mr. John Barlow): That would have been Mr. Byrne on that, Monsieur Perron. Maybe you want to redirect while we figure out Mr. Orb's technology here.

[Translation]

Mr. Yves Perron: Yes, I can do that, but if the witnesses did the sound tests beforehand, I don't understand why it isn't working.

I'll let you answer the question, Mr. Byrne.

[English]

Mr. Brendan Byrne: Yes, I was the one who made that comment, and those are the numbers. We had worked out that under 15% of actual dollars spent on carbon were being refunded by the rebate.

[Translation]

Mr. Yves Perron: I don't know if Mr. Orb can hear the question. If not, I'll ask someone else to answer.

With respect to Bill C-206, which we studied in the last Parliament, an exemption for farm buildings was added to the bill. Is it as essential to have an exemption for farm buildings as it is for grain drying?

Mr. Raymond Orb: [Technical difficulty—Editor]

Mr. Yves Perron: Obviously, communication with Mr. Orb isn't working. So I'll address the people who are here.

Mr. Leslie, did you hear my question? Do you have a response for me?

[English]

Mr. Branden Leslie: On the second part there, I do, sure.

We represent the grain growers. We do have, obviously, mixed farm operations involved as well, but I don't want to speak too much for the livestock sector.

When you look at the consumer world, my home is heated by natural gas. To see a transition away from these fuels on large-scale operations where you need a lot of heat—think of a chicken barn or any livestock barn—it's going to take a while.

[Translation]

Mr. Yves Perron: Okay, thank you.

We talked earlier about a 13% carbon tax rebate since the passage of Bill C-8. Do you get the same percentage rebate?

[English]

Mr. Branden Leslie: As it relates to the 13%, this is a challenge because there's no uniform application of how much of a rebate you will get. It is based on your expenses and not the amount of fuel you use.

[Translation]

Mr. Yves Perron: Can you give us an average?

[English]

Mr. Branden Leslie: Again, it's problematic.

Corn is a good example. There's a necessity to dry corn. It is coming off at too high of a moisture level, and you have to dry it to

store it. You might bring off a cereal crop at the correct moisture of 13%, 14% or 15%. You can take it off via air drying, and you don't need to use a fossil fuel to heat it. When you get into a wet year—2019 is a good example and, in some places, this year—you need to drop four or five points.

It's inconsistent in how it's applied. Why this is problematic and why I would say the exemption is preferable is that, if you bring off all of your cereals dry and you really don't need to use your dryer that year at all, then you could still be eligible for a rebate under Bill C-8 based on your overall expenses, despite not using any of the fuels that we're trying to solve this year.

I think that's why the more flatlined option would be to exempt those who are using the fuels for that purpose rather than an unequal reimbursement based on whether or not you use the fuel at the end of the day.

[Translation]

Mr. Yves Perron: I understand your point of view.

The sunset clause was mentioned earlier. You're talking about 10 years.

I'm thinking here of innovation needs. In your case, it will be difficult to answer the question, because you can't talk about buildings. In any event, I think there are more alternatives for buildings than for grain drying. Correct me if I'm wrong.

Therefore, do you think the same amount of time is needed in both cases for the carbon exemption?

• (1620)

[English]

Mr. Branden Leslie: I couldn't speak to the advancements and innovations in building heating and cooling.

[Translation]

Mr. Yves Perron: Great. Thank you.

Mr. Byrne, I'll ask you the same question.

[English]

Mr. Brendan Byrne: I am in a similar area, where I do not have animals on-farm or animal barns. I think they could be looked at by having somebody from that sector speak on that.

[Translation]

Mr. Yves Perron: You're talking about a period of 10 years. Does it have to be 10 years? Could it be 5 years or 8 years, for instance?

[English]

Mr. Brendan Byrne: I think in general we came here to have an exemption in place, period.

The innovation can happen at a rapid rate, or it can take a long time to establish an industry. I don't think there's an easy way to jump in and put a number on it. If we're saying 10 years, then it gives some roadway for government and farmers to work together on it. In the short term, I don't think that can happen as quickly as you might think.

[Translation]

Mr. Yves Perron: What is currently being done in research and development in this area? Is there any work under way? Are there any solutions emerging?

[English]

Mr. Brendan Byrne: Yes. I know that Grain Farmers of Ontario has several research projects right now undergoing different ways to dry grain.

[Translation]

Mr. Yves Perron: I think my time is almost up.

In closing, Mr. Chair, I'd like to raise a point of order about the interpretation and sound tests that were done beforehand. Despite everything, it wasn't working for Mr. Orb earlier. I urge you to be vigilant in this regard. Some testimony may need to be postponed.

For now, I'd like to submit some questions to Mr. Orb in writing. He could then send his answers to the committee.

The Vice-Chair (Mr. John Barlow): I gave you more time because of those issues.

Mr. Yves Perron: Having more time doesn't matter if I can't get answers. I don't get answers because I'm a francophone.

The Vice-Chair (Mr. John Barlow): I understand.

Mr. Yves Perron: Thank you very much.

[English]

The Vice-Chair (Mr. John Barlow): Mr. Orb, before we move on, do you have your translation selected as English?

Mr. Raymond Orb: Yes, I do. I could actually hear the gentleman. I had problems at the beginning, but I got them straightened out.

The Vice-Chair (Mr. John Barlow): Okay.

Before we move on, because we have had a witness cancel in the second panel, we're going to extend this panel past the time.

So, Mr. Perron, you'll have a second round to ask Mr. Orb some questions, if you want.

[Translation]

Mr. Yves Perron: Okay. I can ask my questions later, in the second round, but normally that would have been done by now. It's a problem. I don't have an immediate solution to offer, but in a pinch, the witness could answer my additional questions in writing.

I'd like this situation not to happen again. Thank you.

The Vice-Chair (Mr. John Barlow): I understand the problem you have with that today.

[English]

Mr. Johns, you have six minutes, please.

Mr. Gord Johns (Courtenay—Alberni, NDP): Thank you for having me at the committee, Mr. Chair.

I certainly want to give a shout-out to Mr. Lobb for putting this bill forward. It's a great day when Parliament comes together and votes together, especially for an NDP proposal. I'm here on behalf of Mr. MacGregor, and it's an honour to celebrate that victory today for all of us in Parliament.

I guess my question... I apologize because some of this will be somewhat repetitive, but it will help with our theme of questioning. The committee has been hearing that the advancements in technology that would allow farmers to dry their grain without the use of propane or natural gas are likely about a decade away from being readily available and economically viable. Can you talk about your views on implementing a sunset clause for this exemption, such that after a 10-year period the statute would revert back to the language that currently exists?

Mr. Byrne, do you want to speak to that a little bit?

Mr. Brendan Byrne: Yes. I think that, as we've said previously, if the sunset clause gives enough runway for actual innovation to take place, it can be helpful and it can work. As you're saying, a decade away...a lot can happen, and we'd be open to seeing innovation hopefully solving it.

I would like to say that I don't think allowing us to operate as we do on our farms right now slows down innovation. We're running efficient ways. We're doing the best we can to eliminate any deficiencies. At the same time, if something innovative comes to market that will save us money, our farmers are usually the first on board to jump in and implement that and make it work on their farms.

• (1625)

Mr. Gord Johns: Super.

With regard to the subject of advancements in technology, I know that my colleague, Mr. MacGregor, asked Agriculture and Agri-Food Canada about emerging technologies, and Natasha Kim, assistant deputy minister at AAFC, said the government has invested \$1.5 billion to help farmers reduce carbon emissions through sustainable practices and technologies. However, when asked specifically about new technologies for grain drying, she referred to business risk management programs.

Mr. Leslie, you kind of alluded to this, that we don't know where we're going to be in 10 years and what supports are going to be there. Can you talk about what innovative developments are on the horizon for the grain-drying industry, how long these will take to come to market and what supports are needed?

Mr. Branden Leslie: Sure. I will say, in defence of the government, that there has been a program for grain dryers specifically. The challenge with it is that grain dryers are an expensive piece of equipment. To upgrade or to buy a new one, we're talking about hundreds of thousands of dollars. Even a \$20-million fund doesn't go very far when we have to upgrade tens of thousands of grain dryers across the country or to build newer, more efficient ones. In terms of the technological advancements, as they relate to the 10-year period, it's going to be a challenge.

If we think of the need to look at what the outcomes are of using a different heat source, one of the things we've looked at would be biomass. One of the ideas has been the use of straw that is currently.... You know, after harvest, there's straw in the field. Well, what is the impact of taking a harrow over that field again? What is the diesel usage to pull that straw together to then bundle it, save it and burn it as needed? What is the impact on soil organic matter? There could be ramifications.

The forestry industry, whether it be wood products...maybe there are options there. I don't know what the impacts could be, but I think we need to look at this in a bit of a holistic manner. Okay, maybe these fuel sources are possible, but what are the impacts going to be on factor x ? Then, in the context of how we convert tens of thousands of dryers to that, what are the manufacturing needs to get the proper new innovations on each of these farms, and at what scale can we actually do that?

With regard to your question about 10 years, I think that's ambitious. I think we're okay if it means getting this legislation passed, and a sunset is a good idea. That's why I go back to a mechanism, an order in council or whatever it is, to allow that if that doesn't happen in the timeline.... I think we'd all like to see...and certainly the farmer, if he could see reduced spending on this, he would more than happily make those purchases. Again, add in the environmental benefit, and he or she will happily do that, but I think we need to be realistic in how fast this could be brought up to scale to have meaningful impact in terms of overall emissions for our country.

Mr. Gord Johns: Yes. You talked about scale, and you talked about these programs and forestry. I come from a forestry area. All of the programs, the really solid programs, are oversubscribed tenfold. Can you speak about access to those funds and what that looks like in terms of scale? What's needed in terms of the federal government really stepping into this?

Mr. Branden Leslie: Yes. In this example, the program specifically for grain dryers was filled up very quickly. Again, it could be a \$500,000 grant for a large operation for a new grain dryer from scratch. This is a major investment in one operation. If you extrapolate that across the country, across tens of thousands of potential clients who are the farmers, it will quickly fill up. We're looking at pretty significant investments.

I think the government has shown that they're willing to put their money where their mouth is and make these sorts of investments in these clean technologies. We certainly support and appreciate that, but I think we need to recognize the scale of it. For this to be adopted and to have widespread use, it will take some time and quite a bit of money.

Mr. Gord Johns: Mr. Byrne, do you want to add a bit in terms of those programs that are out there, the access, and what's needed to support farmers?

Mr. Brendan Byrne: Sure. I would just echo the comment that you can put some money out, but when the expenditure is going to be large on the farm side, those dollars can be used up fairly quickly.

When we look at this runway, I'd also like to point out that when we look at, say, electric vehicles today, that took decades and decades before it was even an approachable idea that was going to work. It is still a long way away. Sometimes the emerging technology looks great on paper, but it does take a lot of steps before it's actually functional and is supported by an industry on-farm. In the case of dollars—

• (1630)

The Vice-Chair (Mr. John Barlow): I'm sorry, Mr. Byrne. I don't want to cut you off, but maybe you'll have a chance to build on that answer in another round of questions.

Mr. Brendan Byrne: No problem.

The Vice-Chair (Mr. John Barlow): Our final round will start off with Mr. Steinley for five minutes, please.

Mr. Warren Steinley (Regina—Lewvan, CPC): Thank you very much, Mr. Chair.

I just want to get some numbers on the table right now for what we're talking about when it comes to emissions. First, 1.6% of all emissions in the world are Canadian. Of that 1.6% of our country's total emissions, 10% are agriculture-related emissions.

Branden, maybe you can answer this. How much of those emissions in agriculture do you think are coming from grain drying and barn heating?

Or would anyone on the panel have an estimate of the percentage of those emissions that we're talking about for this carbon tax right now? It's not a price on pollution. It's a carbon tax.

Would you have an idea of what those emissions would be?

Mr. Branden Leslie: I haven't seen a specific enough breakdown of agricultural GHG emissions to even hazard a guess as to what that specific part would be. I'm not sure about other folks on the panel.

Mr. Warren Steinley: Brendan or Ray, would you have a guess? Have you guys had a report on what percentage of the emissions in agriculture would be coming from grain drying or barn heating, or from irrigation, for that matter?

Mr. Brendan Byrne: Similarly, I do not have those numbers. We would look to the government to provide the numbers they've come up with in that case. I know that, in speaking before, it was thought that grain drying was happening 24-7, 12 months of the year, when they were putting some of the numbers out. In discovery, when talking to some folks who—

Mr. Warren Steinley: But that would definitely not be the case. That's just so that we can make sure that the government officials are aware of that, if they're going to try to use those numbers.

Mr. Brendan Byrne: It would not be the case. We tried to make sure that we brought it down to the farm level as to exactly when those are being used, whether it's a few weeks or a couple of months at the most, for most farmers. I would think that grain drying would be a very small percentage.

Mr. Warren Steinley: Thank you. I appreciate that very much.

Mr. Orb, I would be remiss if I didn't ask you a question. Thank you for being here once again and representing the voice of rural Saskatchewan.

We've heard from Mr. Byrne that he thinks the rebates in Ontario are less than 15% of what producers are paying in carbon taxes overall, in the overall bill. Would you have a guess or an estimate of what percentage of rebate would be covered in Saskatchewan? Would it be less than 15%? What do you think producers in Saskatchewan are getting back compared with what they're paying?

Mr. Raymond Orb: Well, what I'm hearing in Saskatchewan from producers is that it's much less than 15%. I think it's in the neighbourhood of 3% to 4%. That's keeping in mind that the carbon tax has gone up to \$50 a tonne. As it continues to go up, if the rebates don't keep pace with that, farmers are going to be in a lot of trouble here.

You have to keep in mind, I think, the geography. Our producers in Saskatchewan export a lot of our grains. We have a long distance to port. We're paying tax on a lot of things, including transportation. The carbon tax on grain drying is a lot higher in some years than in others. This year we had a fairly dry year. I think a good part of our province is in a drought situation, so not as much grain would have been dried. Last year there was a tremendous amount of grain dried. The dryers ran for months on end.

So it's a huge factor.

Mr. Warren Steinley: Thank you very much, Mr. Orb.

Obviously, Saskatchewan is very large, geographically, so there's a lot of trucking going on in our agriculture sector. We also have to take that into account.

I've heard from some of my colleagues in Saskatchewan.... I'd like to have your comments on this, Mr. Orb. The fact is that, on some of the grain-drying and barn-heating bills, there's GST charged on top of the carbon tax. It's a tax on a tax, which was unheard of until this government took power.

Have you heard that from other residents of Saskatchewan? Is that a concern among some of the people you represent in the rural municipalities of our province?

Mr. Raymond Orb: Yes, the carbon tax is definitely a factor, but the GST on that is something we see as being really unfair. We're not sure why the federal government is charging a GST tax on top of the carbon tax. That's a bit hard to take. I wish that was something the federal government would look at. Our organization doesn't feel that farmers should be paying GST on carbon tax.

• (1635)

Mr. Warren Steinley: Thank you very much, Mr. Orb. I appreciate that.

I think I have 10 seconds left, so I'll just say thank you, all, for coming out and presenting to the committee. It's great to be back on the agriculture committee. We appreciate all the hard work you do in representing your producer groups.

The Vice-Chair (Mr. John Barlow): Thank you very much, Mr. Steinley.

I'll now go to Mrs. Valdez for five minutes.

Mrs. Rechie Valdez (Mississauga—Streetsville, Lib.): I'd like to thank the witnesses for joining this discussion today.

I'm going to direct these questions to Mr. Leslie.

Are you aware of any grain farmers in your industry who have used fossil fuels as an alternative?

Mr. Branden Leslie: As an alternative to...?

Mrs. Rechie Valdez: For energy....

Mr. Branden Leslie: I'd say fossil fuels make up the core use, right now.

Mrs. Rechie Valdez: I came across an interesting article about an Ontario farmer who gave up propane and fossil fuels to invest in biomass. In fact, a Manitoba company introduced the BioDryAir for some farmers, which has reduced costs, while at the same time fighting climate change.

Do you believe that biomass-fuelled air dryers are viable for the industry?

Mr. Branden Leslie: Certainly, that's the hope. I think everybody agrees we would like to transition. It's just a matter of how quickly we can scale up.

These pilots are great opportunities to highlight what might work. It's what we call an "extension" in our industry and others. That's one of the biggest things farmers say: "Okay, we can see that this can work", whether it be a research trial for a certain crop commodity or something else. I think opportunities like these are great to highlight, and the more broadly we can have them adopted, the better. A lot of innovations are being undertaken out there. Everybody wants to see what will work and how we can make life a bit more affordable for the operation.

Mrs. Rechie Valdez: Have you been able to see any pilots with biomass being executed, and how long do you think it would take to scale that up, in the future?

Mr. Branden Leslie: From the manufacturing and every aspect of it.... I couldn't predict how long that might take.

Mrs. Rechie Valdez: There is an example of one farmer spending about \$150,000 in traditional grain-drying costs in 2019, but when he switched to biomass, that cost went down to about \$3,200 in 2020.

Would you agree this system could be more cost-effective without putting a price on pollution?

Mr. Branden Leslie: I would be curious about the cost of him converting to that fuel source. I would be curious about the fuel source and what impact it might have on his operation.

I'm not here to defend the use of fossil fuels in this operation. I'm here to explain that this is the way farmers across the country currently have the infrastructure set up—using propane and natural gas. Whether it be electrification or biomass.... Whatever it might be, it is not something that's immediately around the corner en masse. That's the problem.

That's why we're open to the sunset clause. We're trying to find a bridge to a solution that we can all hope to achieve.

Mrs. Rechie Valdez: Thank you for your input.

These questions are for Mr. Byrne.

You mentioned this:

Grain farmers in Ontario have advanced in cover cropping for soil and water health, environmental tilling practices for soil and water health and precision agriculture practices for minimized environmental impact.

Do you have enough evidence to suggest that these practices are enough to reduce carbon emissions, as opposed to transitioning away from these fuels?

Mr. Brendan Byrne: I wouldn't look to have enough evidence to support what we're doing in terms of a future. A lot of that is what we've been doing to show we are environmentalists and stewards of the land. We weren't directed to start no-till cropping. Ontario simply took the initiative and decided to do it, and then found out it was better for the soils.

Farmers on the farm are doing the very best they can to maintain the soils—as Ms. Rood alluded to, earlier—so they can pass those fields on to the next generation better than when they had them.

Mrs. Rechie Valdez: Thank you.

When Bill C-234 was introduced, you said that farmers continue to “bear the brunt” of the carbon tax, both paying the tax for on-farm fuel used for drying grains and paying the increased costs added to necessary inputs and services as vendors try to recoup carbon costs on their end.

Can you expand on this and expand on what you meant by this?

Mr. Brendan Byrne: In general, as farmers, we are price-takers. We have nowhere to pass that on to somebody else.

If a carbon tax is applied to, say, trucking or different things like this that we use on the farm, those costs get passed to us. They stop with us because we have nowhere to recoup that carbon piece. We sell to the Chicago Board of Trade numbers, which are the numbers for our industry. We have no way to pass that on to somebody else.

• (1640)

Mrs. Rechie Valdez: Thank you.

That concludes my questions, Mr. Chair.

The Vice-Chair (Mr. John Barlow): Thank you very much, Ms. Valdez.

We have a couple of minutes left, so I want to go to Mr. Perron and Mr. Johns for two and a half minutes each.

[*Translation*]

Go ahead, Mr. Perron.

Mr. Yves Perron: Thank you, Mr. Chair. I hope everything is working for Mr. Orb now.

Mr. Orb, I'll repeat the question I wanted to ask you earlier.

In the previous version of this bill, the exemption didn't necessarily include heating buildings. Is it as essential to have an exemption for building heating as it is for grain drying?

[*English*]

Mr. Raymond Orb: Thank you very much for the question.

I have to apologize that my translation system wasn't working earlier on.

For our farmers in Saskatchewan, the grain-drying aspect is much more important than heating livestock buildings. We do have some people who have buildings that house livestock—in particular, dairy buildings and things like that—so we think it's important for them to have a rebate or an exemption, as the case may be.

In other parts of the country, like perhaps British Columbia, Ontario, Quebec and provinces like that, more livestock are housed that way in buildings. For us on the Prairies, in Saskatchewan in particular, the grain drying is the highest cost for our producers.

[*Translation*]

Mr. Yves Perron: For grain drying, I think it's been fairly well established that the alternatives aren't very effective at the moment. What about building heating? Are there more options? Is there any research and development in that area?

[*English*]

Mr. Raymond Orb: Yes, I think we've seen more options going on right now, like geothermal and things like that. We have buildings heated by solar and some are using wind-power electricity as well to serve those buildings.

For the grain drying, our producers—our farmers—put a lot of grain through. These are quite big structures and dry a lot of grain. What a farmer will harvest during the daytime will quite often be redried by his facility during the night, so in the morning these structures are ready to be filled again. A huge volume goes through. There's nothing out there for our farmers that is affordable. To convert is simply.... If that was available, I'm sure our farmers would be looking at those kinds of options.

The Vice-Chair (Mr. John Barlow): Thank you, Mr. Orb.

[Translation]

Thank you, Mr. Perron.

[English]

Mr. Johns, you have two and a half minutes, please.

Mr. Gord Johns: I'm going to stay on the same thread.

Maybe I'll ask you this, Mr. Byrne. Are you aware of any scalable or viable alternatives to natural gas and propane that exist for heating and cooling barns? Maybe the question is around.... Are electric heat pumps a viable alternative to fossil fuels for heating and cooling in barns?

Mr. Brendan Byrne: In terms of barns, I really don't have experience with that as I do not have any animals on my farm.

Mr. Gord Johns: Mr. Leslie, do you want to dive in and try that?

Mr. Branden Leslie: Not in the heating related to barns....

Mr. Gord Johns: Okay.

I understand that one change to Bill C-234 that was not in the previous bill from the last Parliament, Bill C-206, is that the new one allows for the heating and cooling of barns or structures "including those used for raising or housing livestock".

The language seems overly broad. What would you say to amending the bill to ensure it's clear that the heating and cooling exemption is only for buildings used for raising or housing livestock?

Mr. Branden Leslie: With Bill C-206, in the previous Parliament, the criticism of the bill then was that it was overly broad. I believe the intention of bringing in language such as the example of heating or cooling of livestock barns is meant to actually narrow that a little so that it could be a little more specific.

I would be hesitant, unless we're very careful to make sure that we're not accidentally going back to being what was feared to be too broad in the last version of this bill.

The way it's currently written, I would view it as covering off enough from an example standpoint. I think it's important to note that.... The reason it's important for this to be there is that this is not about the heating or cooling of a house. This is not about a home on a farmyard, which generally would be split from the natural gas connection. That is not covered by this. We don't want to remove the pricing signal from that aspect of the operation. This is meant to be about the farm itself.

• (1645)

Mr. Gord Johns: Thanks.

The Vice-Chair (Mr. John Barlow): Thank you very much, Mr. Johns.

Thank you to our witnesses. I appreciate your time and effort and patience here with us today.

We're now going to adjourn very quickly, colleagues, for five minutes just to switch over the witnesses at the table and on video conference. Please don't go very far. We want to try to stick to the time as well as we can.

• (1645)

(Pause)

• (1645)

The Vice-Chair (Mr. John Barlow): Colleagues, thanks for making your way back as quickly as possible as we're a little behind today due to the votes.

I want to welcome our new panel of witnesses here for the second hour. Welcome to the Standing Committee on Agriculture and Agri-Food.

I know my colleagues at the table have heard this spiel, but for the benefit of our witnesses we'll go over it.

Proceedings today are taking place in a hybrid format. You can view the proceedings on the House of Commons website. So our witnesses know, no screenshots are allowed during the meeting. For the witnesses on video, you can speak in the language of your choice. Interpretation will be on the go. Speak slowly and clearly to ensure the easiest job for our translation team. If translation is lost, I'll try to grab your attention if I can and we'll get that back up and proceeding before we move on with your time.

Before speaking, please wait until I recognize you by name. If you are on video conference, please click on the microphone icon to unmute yourself. Those in the room, your microphone will be turned on automatically by our verification officer. I remind you that all the comments by members and witnesses should be addressed through the chair.

I would like to welcome our committee members back to the committee table and introduce you to the two witnesses we have with us this afternoon.

From the Agri-Food Innovation Council, we have Serge Buy, the chief executive officer. Mr. Buy, thank you very much for being here. From the David Suzuki Foundation, via video conference, we have Mr. Tom L. Green, who is a senior climate policy adviser.

Mr. Green and Mr. Buy, you will each have five minutes for your opening remarks. I will give you a bit of a wave with one minute left, just to give you a bit of a warning. Then we will move on to questions from our committee members.

Mr. Buy, I'll start with you for your opening comments for five minutes, please.

• (1650)

Mr. Serge Buy (Chief Executive Officer, Agri-Food Innovation Council): Thank you very much, Mr. Chair. It's nice to be back here in person after two and a half years of virtual meetings and Internet connections in rural regions.

I would like to thank the committee for inviting the Agri-Food Innovation Council to speak on this issue. We spoke earlier on previous legislation that was very similar to this one.

First, I can assure the members of this committee that no one in Canada is waking up in the morning with the idea to use more carbon and pollute our atmosphere—no one, and certainly no one in our farming communities. However, the reality is that, while major improvements have been made to limit carbon emissions by the farming community in Canada, there is still reliance on fossil fuels despite the fact that there has been a huge amount of progress made.

I heard a question from one of the MPs earlier in terms of whether Canada is responsible for 1.6% share of the pollution in the world. Farming is estimated at anywhere from 8% to 10%. That's correct, but it doesn't take into account the huge amount of work that farmers do to offset pollution in the country, and that's important to note as well.

Let me be blunt, Mr. Chair. Two options exist to deal with pollution and the use of fossil fuels. First, we can penalize the farming communities and hope that, by hitting it over their head repeatedly, they magically abandon fossil fuels or polluting sources of energy. Second, we can take measures to support the farming community as it transitions to alternative fuels and less polluting sources of energy.

Imposing a carbon tax on farmers who don't have alternatives feels like we're hitting them over the head, and that's not going over well in the farming communities in this country. Whether it's grain farmers or livestock farmers—you've heard a few questions about livestock producers—the fact is that the availability of alternative fuels and sources of energy in some regions of the country is scarce, if they even exist. To the farmers who are tied to using sources of energy tied to fossil fuels, the carbon tax feels like a punishment. They were told to produce food and play a crucial part in our food security agenda, but to do so, they will be penalized. That doesn't feel like a fair policy.

The document we shared with the clerk, which hasn't been translated, proposes some solutions that will lead us toward decreased reliance on fossil fuels and better adoption of new technologies, support increased research for proof of concept on Canadian farms, fund increased scalability and provide incentive for adoption.

I heard Ms. Valdez talk about examples in various communities. There are examples throughout the country of fantastic technologies. The scalability is simply not there. It's not something you can suddenly increase to all of Canada and all of our producers. The costs are simply prohibitive in some scenes. Yes, some large farms will be able to take advantage of some of those new technologies, but then we're going to write off the family farms, which I'm not sure is something this committee wants to do.

We therefore would advise the government to reverse the trend that has seen the disappearance of extension services, because they are key to the adoption of new technologies and provide support to farmers on that front.

I would like to commend the government on developing some programs that are going in the right direction. Indeed, the govern-

ment is supporting research for new technologies and is providing limited incentives for adoption, but not enough. If we are looking at an exemption here on this carbon tax, we feel it's important to go for this.

The taxing of fossil fuels is simply penalizing farmers while they have already done so much to decrease their carbon footprint. Precision agriculture, conservation tillage, improving energy efficiency in buildings, using feed that was produced in sustainable ways, conservation cropping techniques, effective manure recycling technologies to reduce methane and nitrous oxide emissions, and grassland management are things that have been adopted on a voluntary basis, not because people were taxed to do so.

Those are only a few of the processes adopted by farmers to decrease their carbon footprint and to support their objectives towards lower GHG emissions in Canada.

• (1655)

To the members of this committee, there is an increasing divide in our country. Rural regions feel ostracized by urban ones. The adoption of this legislation would enable farmers to see that this Parliament recognizes their reality, values their effort and supports them.

Ladies and gentlemen, society is sufficiently divided, and we don't need to further increase the gap, especially between urban and rural regions. If you want to tax the polluting Hummer-driving urban warriors until they are forced to ride a bicycle, please fill your boots, but do recognize that farmers drive trucks because they have to. That is simply not an option. They have to heat their grains to make sure their grains are dry and can go to market. There is no choice. They heat their barns because we are in Canada, and it's cold. There is no choice, and for them to be taxed on those is of major concern for them.

My hope is that we're able to rise above partisan politics, increasingly incentivize the adoption of less polluting technologies, and avoid penalizing farmers. Let's make the decrease of reliance on fossil fuels a positive experience and create bridges between communities. Let's not divide them further.

Thank you.

The Vice-Chair (Mr. John Barlow): Thank you. I gave you a little extra time there, but I will do the same for Mr. Green, from the David Suzuki Foundation, if he is a little over five minutes.

Mr. Green, please start your opening remarks.

Mr. Tom L. Green (Senior Climate Policy Advisor, David Suzuki Foundation): Thank you for the opportunity to appear before you again. It's always good to be here at this committee.

Bill C-234, like Bill C-206 before it, proposes amendments to the Greenhouse Gas Pollution Pricing Act.

First, I want to begin with reiterating some reasons why Canada's pollution pricing system is so important. I also note that since I last spoke, Bill C-8 recycles revenue from the four backstop provinces to farmers.

I'm speaking to you today from Vancouver, where we are constantly reminded of how the combustion of fossil fuels is accelerating climate change—from wildfire smoke, to a heat dome that killed over 500 people, to atmospheric rivers that destroyed critical infrastructure. Obviously, farmers are being affected by all of these trends.

We are concerned and disappointed that some politicians are spreading misinformation about pollution pricing and misrepresenting the impacts of this key climate policy, even taking advantage of price increases in world oil and gas markets caused by Russia's unjust war of aggression on Ukraine to advance misleading arguments. We have even heard statements in the House recently suggesting that the carbon price is ineffective.

When it comes to affordability concerns, let's remember that 90% of the revenue collected through the federal fuel charge is returned to households in provinces where the backstop applies. Most households actually were served more from the climate action incentive than they paid. Second, provinces have the option of designing their own pollution pricing schemes and deciding how to recycle revenue to households and businesses. They can also address competitiveness concerns.

The commissioner of the environment and sustainable development audited Canada's approach to carbon pricing, and a report was tabled last spring. It stated that there was broad consensus among expert international bodies such as the World Bank, the OECD and the IMF that carbon pricing is critical to reducing greenhouse gas emissions. They also stated that carbon pricing is broadly recognized as one of the most efficient policy approaches to reducing greenhouse gas emissions.

We note with concern that some politicians are saying that pricing pollution is not working, despite the fact that it is one of the most effective policies to reduce emissions. In B.C., we have had a price on carbon for a longer time period, and the benefits are already accruing, with a 19% reduction in transportation sector emissions.

We agree that it's important to get pollution pricing right, and there's room for improvement in both implementation and complementary measures to address disproportionate burden where these occur, but that's not what Bill C-234 proposes. Instead, it would set Canada on a slippery slope of sector-by-sector and interest-by-interest exemptions that risk fundamentally undermining the GGPPA as an economy-wide measure. Each sector can be advancing similar arguments as those being made before the committee today. If all of those arguments were heeded, pollution pricing would be eviscerated.

Furthermore, Bill C-8 ensured that proceeds from the carbon levy on fuels used on farms in backstop provinces are now returned to farmers in a manner that doesn't undermine the incentive to abate

pollution. If the current bill passes, farmers will get a duplicate of pollution pricing relief.

One argument being advanced in favour of Bill C-234 is that there are no available fossil-free technologies for grain drying or heating agricultural buildings, so pollution should not be priced until such technologies are available. However, this causes a chicken-and-egg problem, because there is less incentive for firms to innovate and offer lower- or zero-carbon solutions if there is no predictable financial incentive to reduce emissions. Furthermore, such technologies are already appearing on the market, such as heat pump dryers or ways of heating buildings.

To help the agricultural sector, Agriculture and Agri-Food Canada launched the agricultural clean technology program in 2021.

I had the opportunity to testify before you a year ago, and I refer you to my remarks explaining why the exemption is fraught and a slippery slope to undermining carbon pricing. I also reiterate that, like Bill C-206, Bill C-234 would entail a new fossil fuel subsidy at a time when Canada has committed to reduce these emissions.

The David Suzuki Foundation urges the committee to reject Bill C-234 and turn their attention to better ways in which the federal and provincial governments can support farmers in the transition to net zero. There are other solutions that merit your attention. For instance, we have recently published a major study modelling on expanding clean electricity supply across Canada and the pivotal importance of electrification so as to swap out fossil fuels across the economy. We suggest the committee could, for instance, investigate how farms can have sufficient access to a supply of affordable, zero-emissions electricity.

Thank you very much. I welcome your questions.

• (1700)

The Vice-Chair (Mr. John Barlow): Thank you very much to our witnesses for their opening remarks.

We will now turn to Monsieur Lehoux.

[*Translation*]

You have six minutes.

Mr. Richard Lehoux (Beauce, CPC): Thank you, Mr. Chair.

I'd like to thank the witnesses for being with us today.

My question is for Mr. Buy.

Mr. Buy, I really liked the point you made before you concluded on the dynamic between rural and urban areas. That is a very important element that should not be overlooked in the whole issue of taxation.

Yes, the exemption is important for drying grain, but it's also important for heating buildings.

Do you think there are any technologies that are realistically viable for both small and very large companies?

Mr. Serge Buy: No, not right now.

The witness Mr. Green was talking about heat pumps, but heat pumps aren't going to be used to heat the grain in the silos or anything like that.

Different technologies are starting to be introduced, the technology is improving, but it's not going to be applied across the country. Canada is often compared to the Netherlands. I often remind people that the Netherlands is a very small country with a high population density. In Canada, you sometimes have to travel several kilometres to get from one farm to another. In short, the solutions to offer the market aren't there.

I understand Mr. Green when he says that if nothing is done, nothing will ever change. However, more research should be done and financial assistance should be given to farmers to adopt new technologies, instead of penalizing them.

Mr. Richard Lehoux: Do you have any incentives to suggest?

It seems clear to me that Bill C-234 must be passed if the agricultural community is to be given the transition period necessary to adapt to reality and new technologies.

What might those incentives be? It must be said that programs have already been put in place but quickly ran out of funds. How could we better support these incentives?

Mr. Serge Buy: We need programs that match our ambitions. Earlier, Ms. Valdez talked about small pilot projects that are being put in place. These pilot projects could be extended to other farms and other regions, but they would require a lot more money than what is being proposed right now.

First of all, more research is needed on certain technologies that exist elsewhere, but that haven't necessarily been proven feasible in a country as cold and as big as Canada. So more research is needed to get to proof of concept.

There also needs to be more support for farmers who want to implement these types of technologies. In other words, we need to support not only big corporate farms, but also small farmers and family farms.

Finally, we must ensure that farmers have the capacity to understand these new technologies. That means giving them the support and training they need. Let's take the example of a 70- or 75-year-old farmer who gets a big bill because of the price of carbon. If someone comes along and tells him that he'll have to install

solar panels on his farm to improve things, he may laugh a little and send the person home. Having someone explain and train would be a better way to go.

• (1705)

Mr. Richard Lehoux: There are still several chicken and egg producers in my region. As we know, buildings need to have heating systems. Heat pumps could indeed be a solution, but they are very expensive.

Do you think this can be implemented in a practical way, while remaining price competitive? Price remains the most important issue.

Mr. Serge Buy: I wonder about that. There are several possible technologies, including biomass, but it will take time before these costly technologies allow our farmers to remain competitive. Opening up international markets is good, but we need to give our farmers the opportunity to be competitive as well.

Mr. Richard Lehoux: I liked your comment about the distance required to travel from one farm to another. Canada is, indeed, often compared to the Netherlands, but the size of the territories to be covered isn't the same.

It's true that it will take at least 10 years before we have technologies that can be applied and transferred concretely to businesses. Do you think it's realistic or utopian to think we can get there?

Mr. Serge Buy: I think 10 years is too short. We're telling you 10 years because we hope to have at least that long to move forward. Some of the technologies won't be in place for a few more years. Not only will the technologies not be in place, but the ability to transfer them anywhere within this great country is also a challenge.

We're talking about technologies that we want to implement over the next 10 years to heat buildings, for example, when we're not even able to provide high-speed Internet access to our producers across the country. For I don't know how many years now, people have been saying that it'll be done next year.

Mr. Richard Lehoux: Thank you for raising this point, which is really very important. I've been hearing for a long time in my region that we will have access to Internet and cellular network services everywhere, but it's not even close to happening. There's still a long way to go.

We need to provide additional time through Bill C-234. Should it be 10 years, but provide for a reassessment?

The Vice-Chair (Mr. John Barlow): Thank you very much, Mr. Lehoux.

[English]

I'm sorry, but your time is up.

[Translation]

Mr. Richard Lehoux: Thank you, Mr. Chair.

[English]

The Vice-Chair (Mr. John Barlow): Now, Mr. Turnbull, go ahead for six minutes please.

Mr. Ryan Turnbull (Whitby, Lib.): Thank you to both of the witnesses for being here today. I'll start with Mr. Green.

Mr. Green, I take it from your position and your opening remarks that you would probably agree with the sentiment, which I would share, that the price on pollution increases the rate at which all industries both develop and adopt new clean-tech innovations. Would you say that's true?

Mr. Tom L. Green: The price on pollution does create an incentive to accelerate technological development and to adopt it more quickly.

Mr. Ryan Turnbull: Will farmers change more quickly with the price signal?

Mr. Tom L. Green: I believe that would be the case.

Mr. Ryan Turnbull: Okay. Everything we've heard to date in this study revolves around one fundamental premise I keep hearing, which is that there are no commercially viable solutions for grain drying or for heating and cooling of barns and greenhouses. Is that true from your perspective, Mr. Green?

Mr. Tom L. Green: Well, the thing is that as you put a price on pollution, things that are not financially viable today become financially viable, because you've just changed the incentives. So over time, increasingly, technology becomes viable. That's why we put a price on pollution.

I appreciate that the government has made sure to recycle all the money captured from a price on pollution in the farming sector by giving back to farms in a way that doesn't ruin that incentive.

• (1710)

Mr. Ryan Turnbull: I agree.

I've done a bit of research. Twelve years ago, Canadian Biomass had 16 examples of grain-drying technology that were all scalable. You could argue they're not commercially viable if you wanted, but I don't hear anyone mentioning any of these. There are also several examples in Canada of companies—and my colleague mentioned one of them—that are providing commercially viable solutions here in Canada.

Is it not true that there's actually grain-drying technology that's been around for at least 12 years and yet it hasn't been adopted by the industry?

Mr. Buy, do you want to comment on that? Why is the industry not adopting the grain-drying technology that was here and documented 12 years ago?

Mr. Serge Buy: I'd love to comment, Mr. Turnbull, but I would respectfully strongly disagree with you on the scalability of those technologies. We did actually mention in our brief on the previous legislation the wonderful technologies such as biomass and others, but they're simply not scalable at this time.

Mr. Green's comment is that if you tax them and make it more expensive to operate, they will have to go to those technologies. They need to exist first. The technologies may exist as concepts,

but you need to be able to scale them throughout the country, and we're simply not there, sir.

Mr. Ryan Turnbull: Mr. Buy, I have examples in my riding of greenhouses and barns that are being heated and cooled with solar, geothermal and air-source heat pumps, which are the same things I can do in my home. I have many examples in my riding of homes that are doing the same thing, so what's the difference? How can you actually sit there and tell us that there is no viable technology when I have examples in my riding?

Mr. Serge Buy: I have good examples in the region I live in, which is the riding of one of your colleagues here around the table. Some of those technologies are there. They're not scalable.

There are a couple of things here. There's the cost for the first investment. Is the technology manufactured at a scale that will enable all the producers to be there? It's not. Is it viable in various regions of the country? Is it viable in northern Ontario as much as it is in southern Ontario? Those are the issues that—

Mr. Ryan Turnbull: I don't mean to interrupt. I appreciate your response.

I understand the way business works, in that there's an upfront capital cost to adopting any new technology, but the technology exists. It's there, so wouldn't it be better for the government to help farmers make the transition? Keep the price signal and rebate, but actually help farmers finance the transition to the new technology. Since we have it already, we can help those companies scale up, which is exactly what the price on pollution is designed for in the first place.

Mr. Serge Buy: Mr. Turnbull, we don't fully disagree on one thing. You said the government should be supporting farmers to invest in those technologies. Absolutely, hallelujah, that's great, but should it tax them to do so? That's a different philosophical way of seeing things. If you penalize people long enough and hard enough, will they make changes? I believe that if you actually help people make the right choices, they will make the right choices.

Mr. Ryan Turnbull: Can you not do both, Mr. Buy? Can you not maintain a price signal, which creates the incentive to change—because industries have proven they're not going to change on their own to adopt the new technologies, which have that upfront cost—and also help them adopt those new technologies? That seems really rational.

Mr. Green, I'll go to you. Isn't that really what you're saying in the heart of your argument?

Mr. Tom L. Green: That's precisely my argument. You create the price signal, and you support farmers. You help the technology scale, and then we see transition.

There's a real risk in the proposal being debated here that we remove the price signal for 10 years, or something like that, and suddenly there's a big increase or, as you said, the sector doesn't transition fast enough.

The Vice-Chair (Mr. John Barlow): Thank you, Mr. Green.

Thanks, Mr. Turnbull. That is your time.

[*Translation*]

Mr. Perron, you have six minutes.

Mr. Yves Perron: Thank you very much, Mr. Chair.

I'd like to thank the witnesses for being with us. The discussion is very interesting.

In your opening remarks, Mr. Buy, you mentioned a document you wanted to send to the committee. Before I get into that, I'd like to know if you have any quick comments to make on that.

• (1715)

Mr. Serge Buy: We received an invitation on Wednesday for the following Monday. It's difficult, if not impossible, to produce a document in both official languages in that time frame to allow members to prepare before the meeting. We tried. We prepared a document and sent it to the committee. I must say that the clerk is fantastic and plays a very helpful role, but she contacted us and said that the document couldn't be translated in time. So we said we'd take care of the translation ourselves and pay for it. The clerk told us that, even if we had it translated, the document submitted to the committee would have to undergo a language check, which wouldn't be done in time anyway. So my only choice was to personally send a document to the members of the committee.

I think things could be organized a little better. If witnesses were given more time, documents could be translated more in advance.

Those are just my thoughts.

Mr. Yves Perron: Thank you. The comment is noted.

I'd like to come back to some questions I've asked several times today. There have been some very interesting thoughts about the balance between support and taxation. However, I didn't really get any answers to my questions. Is an exemption for building heating as necessary as for grain drying? Are there more alternatives for building heating than for grain drying?

Mr. Serge Buy: The exemption is needed in both cases. Yes, there are probably more options for heating buildings than for drying grain, since drying requires a lot of energy in a short period of time. That said, the exemption is needed in both cases.

Why should an exemption be sought? On one side of the table, the government is saying that it doesn't trust producers and the industry and that it's going to tax them to force them to make changes. I'd like to point out that farmers have made a lot of changes voluntarily in recent years. They don't need to hear a member sitting at this table say that they'll be taxed to ensure they make changes. They're doing it on their own.

Mr. Yves Perron: If a bill such as this one is passed, which would include a time limitation clause, would it be necessary for the duration to be the same for heating buildings as for drying grain?

Mr. Serge Buy: I'm going to tell you the same thing as the other witnesses. You won't like it, but that's okay. I think it should be 10 years. Why? Because I can't give another time frame. I think it would be a good thing if, after 10 years, we could reassess the situation.

No one believes that all the problems will be solved in 10 years and that all of a sudden everyone will be adopting new technologies across the country. I might be surprised, and I'd be happy to be, believe me, but that's probably not going to happen.

Mr. Yves Perron: I understand, but global warming is going to accelerate in those 10 years. We're seeing it right now. That's why we're asking you about the concept of time. We still need to act quickly.

In terms of solutions that exist and have been explored, to your knowledge, is the industry investing heavily in research and development? Of course, it'll require government support. We agree on that, we've already talked about it, and you know what I think, but what about the industry?

Mr. Serge Buy: Quickly, Mr. Perron, I would say that a great deal of research is being done. There are even industries and entrepreneurs involved who want to make changes in this area. So I'm optimistic that there can be changes.

It's important to know that every producer is trying to do the right thing on every level, and I think we can continue in that direction.

Mr. Yves Perron: Thank you, Mr. Buy.

Mr. Green, I'll turn to you before I run out of time.

I understand your point of view that we need to accelerate change with an incentive. Everybody talks about a rebate. However, all the witnesses from the agricultural sector that we hear from here tell us that they get a 13% to 20% rebate.

Couldn't we have a middle ground, where we would grant a time-limited exemption, while at the same time providing adequate support and investing heavily in research and development to find alternatives in that same time frame?

What do you think about that?

Mr. Tom L. Green: There's no way that all farmers receive a refund of only 13% or 15%. Since all the revenue from carbon pricing is redistributed to the sector, why is it that 85% of the revenue disappears? I don't understand that. Some of the calculations presented by other witnesses don't seem very reliable to me.

• (1720)

Mr. Yves Perron: Do you think the limitation clause should be 10 years or 5 years, for example?

Mr. Tom L. Green: Actually, I don't think Bill C-234 should be passed. If the committee decided otherwise, another option would be to decrease the exemption by 10% each year. That way, there wouldn't be a shock at the end of the time frame. As an economist, I would prefer that. That said, I don't think this bill is the way to go.

Mr. Yves Perron: Thank you very much.

[English]

The Vice-Chair (Mr. John Barlow): Thank you, Mr. Green.

Thank you, Mr. Perron.

Now we have Mr. Johns for six minutes.

Mr. Gord Johns: Thank you to our witnesses for their important testimony.

It's nice to see you again, Mr. Buy. I've worked with you on various issues, as well. I appreciate your hard work.

The committee has been hearing that the advancements in technology that would allow farmers to dry their grain without the use of propane and natural gases are likely about a decade away from being readily available and economically viable.

Mr. Buy, can you talk about your views on the implementation of the sunset clause for this exemption? For instance, after a 10-year period, the statute would revert back to the language that currently exists.

Mr. Serge Buy: I would say that if this is a requirement to get the law passed, then absolutely, put the sunset clause in. We'll all agree to it and we'll talk to you in 10 years. Absolutely.

Mr. Gord Johns: I asked the previous witnesses about advancements in technology. I know Mr. MacGregor asked Agriculture and Agri-Food Canada about emerging technologies. Natasha Kim, the ADM at AAFC, said the government has invested \$1.5 billion "to help farmers reduce their carbon emissions through sustainable practices and technologies." When asked specifically about new technologies for grain drying, she referred to business risk management programs.

What innovative developments are on the horizon for the grain-drying industry, and how long will they take to come to market?

Mr. Serge Buy: You've heard from previous witnesses that you're looking at 10 years. I would agree with them. The Grain Growers of Canada and the Grain Farmers of Ontario were here earlier today. I would agree with their statements on that.

Mr. Gord Johns: Mr. Turnbull was very passionate. I support his passion. Obviously, we have a climate emergency. I just got in from B.C. and I literally couldn't breathe. There are smoky skies in the middle of October. I've never seen anything like it in the history of our province. It's really scary. We need to move rapidly.

At the same time, the government likes to talk big about the investments they're making. Are the investments they're making enough?

I come from a forestry area. I'll give you an example. We had the ADM there from Western Economic Diversification and we were talking about programs to improve our forest sector and lower emissions. They were oversubscribed tenfold for the amount of

money that was available. In terms of the movement, it's incremental.

Maybe you can speak about what's needed from government if we're going to do this.

Mr. Serge Buy: This is why I stated in my initial comments, sir, that the government has developed good programs and started good processes but more needs to be done to support the objectives that we want. Indeed, signing agreements internationally is not sufficient; ensuring that we have the technology and the support necessary to implement them is essential.

The climate emergency is absolutely there and nobody is taking it lightly—none of the farmers, nobody in my organization, not me. If you look at my office, you will not see any paper printed, unlike some other witnesses behind me, because we don't print papers in our office in order to limit our carbon footprint on different things. We take the steps that we can. We don't need to be taxed to take them. I listed a whole bunch of measures that farmers have taken proactively. We're doing what we can, sir.

Mr. Gord Johns: I appreciate that and I appreciate your being kind to the government, but they need to do more. What does that look like? I'm trying to get a picture of what that looks like.

As well, I want to hear from my friend from the David Suzuki Foundation. What investments would he like to see to support farmers to achieve the goals that he's talking about? Maybe I'll start with him and then go back to you, Mr. Buy.

• (1725)

Mr. Tom L. Green: The key point is that we, first of all, need to create incentives for technology to be adopted, and that's what a price on pollution across the economy is supposed to do, rather than carving out sector-by-sector emissions and then we don't have these various things. I think the committee is well placed to help the government design better programs to stress the scale of the investments that are needed. This is a problem we're facing across the economy and there are lots of people working on this issue and lots of federal funding starting to roll out.

It's hard to give a 10-second or 20-second answer on exactly what's needed.

Mr. Gord Johns: I'll give you an extra 60 seconds and you can elaborate a little more.

Mr. Tom L. Green: For instance, electrification is one of the big opportunities that we see to support fuel switching. We recently put out a study, as I mentioned, that looks at what kinds of investments are needed across Canada to clean up our electricity supply, and then we need to make sure that electricity supply is available to Canadian farmers. The amounts that would need to be invested are very substantial. I'd be happy to comment more on that.

Mr. Gord Johns: Okay.

Mr. Buy, you have 30 seconds left here.

Mr. Serge Buy: I'd love to reply on that.

It's nice to say that with electrification everything will be fine, but the fact of the matter... Let's take Nova Scotia. I know the regular chair, Mr. Blois, is from Nova Scotia. In Nova Scotia, electricity is produced through coal plants, so that's already an issue. After that, the network is not sufficient to ensure that you can suddenly have big grain dryers attached to that—not that there's a huge amount of grain drying in Nova Scotia, but there are certain things on that.

To throw out blanket statements about creating an incentive... An incentive to me is not a tax; a tax is a punishment. It is a penalty. If you want to create incentives, pay farmers to adopt new technologies, enable them, support them, fund them. That's the view that I'm trying to say. Let's try to approach this in a positive manner, rather than a negative manner by taxing.

The Vice-Chair (Mr. John Barlow): Thank you very much.

Thanks, Mr. Johns. Thanks to our witnesses as well.

We are out of time. We have about a minute.

Mr. Buy, I wanted to ask you one quick question, if I may take some prerogative as the chair. There was lots of discussion today

from all of our different witnesses on what technology is available. I don't think there's an argument that there aren't some exciting things on the horizon, but a lot of questions were around scalability. I'd like to maybe get a quick answer from you on the difference, when we're talking about scalability, between a 200-acre farm and a 10,000-acre farm, from something the size of a house to a barn that houses 10,000 chicks in January.

When we're talking about scalability, what does that look like to you and how far away are we from that?

Mr. Serge Buy: We're really far away, and that's the problem. It's not only scalability from one small house to a large plant; it's also across Canada, having all those technologies across the country. That's also part of the issue. We're not there. In 10 years, we may be closer to being there, but we're certainly not there at the present time.

The Vice-Chair (Mr. John Barlow): Thank you to all the witnesses for their time.

I wish our committee members a belated happy Thanksgiving. I hope everyone had a good break. We will see you on Wednesday.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>