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Guest speaker offers Manitoba perspective on carbon pricing

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Don Mazer, president of the Keystone Agriculture Producers

As PEI producers await a carbon pricing announcement from the province, Don Mazer offered a snapshot of what direction Manitoba is hoping to head.

The president of Keystone Agriculture Producers was one of the guest speakers at a recent United Potato Partners seminar held at Red Shores. His organization represents just over 7,000 farm families and 24 commodity groups.

Under the Paris Climate Change Accord, Canada has committed to reducing its 2005 greenhouse gas emissions by 2030. All provinces are required to have a plan in place to reduce emissions by the end of this year. Nova Scotia has already announced it plans to implement a cap and trade system that sets a price on carbon and would allow large emitters to purchase credits to offset their emissions. Several farm groups, including the PEI Federation of Agriculture, want this province to follow suit, saying it could generate revenue for some producers.

Mazer told the meeting Manitoba is one of two provinces (the other being Saskatchewan) that has refused to sign on to the federal accord. The Progressive Conservative government of Brian Pallister has turned thumbs down on the idea of a cap and trade system, saying it will submit to a carbon tax that is "made in Manitoba." Mazer said his organization has been involved from the outset in helping to develop a proposal.

"We saw our job at the table as explaining to government what the changes would mean to the agricultural community, particularly when it came to how a carbon tax would be implemented and how much it would cost," he told the United meeting.

He said agriculture was responsible for 33 per cent of the greenhouse gas emissions in his home province, compared to 23 per cent in PEI. Mazer said his organization has calculated a \$50 a tonne carbon tax would translate into 11 cents a litre on gas, 13 cents a litre on diesel, 8 cents on propane and 10 cents a cubic metre on natural gas.

The Keystone president said his organization has been insistent that any tax protect the competitiveness of Manitoba farmers and credit good agricultural practices. He said the current proposal is for a tax of \$25 a tonne for five years. Under the proposal, soil emissions will be exempt and large emitters like fertilizer plants have been indexed.

"If they emit more than the average for their industry, they are taxed," he explained. "If they emit less, they receive a credit."

Mazer said the final proposal does credit producers for good practices and they are using a "carrot rather than a stick approach so we did get most of what we were looking for."

However, he said the proposal still has some issues that are cause for concern. For example, he said grain elevators (especially when are drying grain) and canola processing plants are classified in the plan as medium emitters and Keystone is arguing they should be indexed like the larger emitters.

He noted the federal government has already indicated the Manitoba proposal is not good enough and there is a possibility Ottawa may impose its own plan if a compromise can't be worked out. Mazer said using a high percentage of biofuels in gasoline might also be part of the solution.

The guest speaker reminded producers that over the last 50 years, Canadian farmers have become more efficient and their greenhouse gas emissions have dropped by 35 per cent-- largely before there was any concern about green house gases.

"We did it in the name of efficiency and sustainability not for reducing carbon emissions," he said.