



Carbon costing review confirms huge loss to farm income

APAS analysis shows Saskatchewan farmers will lose 12% of net income to carbon tax by 2022

February 3, 2020 (Regina, SK) – The Agricultural Producers Association of Saskatchewan (APAS) has released updated estimates on the financial impacts of the federal carbon tax on Saskatchewan producers.

“Federal Minister of Agriculture Marie-Claude Bibeau has asked the agriculture industry for evidence of what the carbon tax is costing Canadian farmers,” says APAS President Todd Lewis, who farms near Gray, SK. “We’ve responded with estimates that are backed up by producer bills in 2019.”

APAS’s costing review takes into consideration all major farm expenses not currently exempt from the carbon tax. These include grain drying, rail transportation, heating and electricity, and truck hauling of crops off the farm.

The evidence is stark: on average, Saskatchewan farmers can expect to lose 8% of their total net income in 2020 to the carbon tax. For a household managing a 5,000-acre grain farm in Saskatchewan, this will take the form of a \$8,000-10,000 bill.

In less than two years, when the carbon tax increases to \$50/tonne in 2022, this bill will go up to \$13,000-17,000 for the same household – the equivalent of a 12% decrease in net income.

“It’s comparable to having 12% of your pay cheque disappear,” says Lewis. “Farmers don’t set our prices, so those increased costs are coming directly off our bottom line.”

“APAS’s numbers reflect my personal experience down to the penny,” says APAS Vice-President Bill Prybylski, who farms with his son, brother, and nephews near Willowbrook, SK. “This past year was unprecedented in terms of the role grain drying played for farmers in our province. Without using propane to dry our grain, the wet fall would have meant losing a huge portion of our crop.”

Rail transportation is another huge and unavoidable taxable expense incurred by farmers.

“Trucking my crop to the grain elevator, and then shipping it by rail to the coast is one of my biggest annual expenses,” says APAS Vice-President Ian Boxall, who farms at his century farm near Tisdale, SK. “Transporting crops is a necessary farm expense, but for some reason it’s not exempt from the carbon tax.”

APAS is advocating, on behalf of Saskatchewan farmers, for a carbon tax exemption on all farm expenses, including those from 2019. “Our hope is that this is the evidence the Minister is looking for,” says Lewis, “and that the Federal Government will step in to help farmers.”

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Background: APAS is the united voice of agricultural producers in Saskatchewan. We provide farmers and ranchers with a democratically elected, grassroots, non-partisan, producer run organization that address the most important issues facing the province’s agriculture sector. APAS is a member of the Canadian Federation of Agriculture.