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Environment and Climate Change Canada (ECCC)

APAS Comments on Federal Greenhouse Gas Credit System Regulations

The Agricultural Producers Association of Saskatchewan (APAS) welcomes the opportunity to provide comments on the proposed regulations for the Federal Greenhouse Gas Credit System. Our organization strongly believes that agriculture has a pivotal role in both reducing and mitigating Canada's GHG emissions.

The Agricultural Producers Association of Saskatchewan

As Saskatchewan's general farm organization, we serve as the voice of thousands of farmers and ranchers who manage over 47% of cultivated field crop area and 35% of total pastureland in Canada. The careful management and stewardship of these lands position Saskatchewan's agricultural producers as strategic contributors in Canada's efforts to address climate change.

Saskatchewan also produces 54% of the total value of Canadian grain, pulse, and oilseed exports, and 30% of Canada's total agricultural exports, worth almost 18 billion dollars in 2019. Along with this economic contribution, our industry also provides a considerable number of ecological goods and services to Canada, mostly free of charge. This includes just under 9 million tonnes of incremental carbon sequestration on Saskatchewan cropland every year.

APAS has been actively involved in the ongoing discussion around carbon offset design policy for over 20 years, and proposes the following:

- 1.** Canada needs separate offset design systems for biological and industrial GHG offset designs. These must be based on the best science available and provide flexibility for future adaptation.
- 2.** To get the maximum potential benefit from biological sequestration, Canada needs to abandon arbitrary and unscientific policies around baselines, additionality, and adoption rates.
- 3.** Offset design protocols for biological offsets must recognize the dynamic nature of biological processes and the constant evolution of agricultural practices and technology.
- 4.** Offset design must acknowledge the need for long-term recognition.



If Canada is to achieve its ambitious GHG emissions targets, federal and provincial offset policies must recognize the work of agricultural producers in sequestration and managing and maintaining carbon sinks. Offsets must also be designed to provide meaningful signals to adopt new technologies and practices to optimize carbon withdrawals and maintain existing sinks.

The ideal of any offset system should be to realize the potential of biological systems on the landscape through recognition of existing practices and incentivization of new ones, rather than to maximize administrative convenience for government agencies.

APAS Comments on the Proposed Regulations for the Federal Greenhouse Gas Credit System

1. Separation of Biological Sinks and Industrial/Point Source Emissions

The management of biological carbon processes is intrinsically different from those that manage industrial or point source processes. The science of measuring and verifying these removals is more complex, and the practices involved in agriculture are not add-ons, but are intrinsic to production.

Management of carbon on cropland, pastures or silviculture is impacted by factors that do not occur in industrial settings, where processes and results are easier to control and quantify. Canadian agriculture experiences significant temperature diversity, precipitation, and other environmental variables. Producers are constantly adopting new technology and growing practices, new crop varieties and rotations, and new livestock management practices. Demand for products and market conditions are constantly in flux.

For example, since 2000, the number of Saskatchewan acres seeded to canola have doubled, and production volumes have tripled. As a species, canola plants sequester large volumes of carbon to their extensive root structure. Area covered by canola, the plant density and soil biological activity have all increased well beyond assumptions based on the experience of 2000. There is no “business as usual” in our industry. There are no standard practices and technology is constantly evolving, so it is not possible to define adoption rates for those practices. What was considered “zero till” in 2000 is not the same as in 2021.

Technological and plant breeding innovations have the potential to continue to expand the potential of soil carbon removals well into the future. Producers require a system of incentives to achieve this potential.

APAS strongly advocates that offset protocols be designed differently based on whether they involve biological sinks or industrial/point source emissions.



Design for biological sinks should focus on protocols for removing carbon from the atmosphere through biological means, whereas industrial/point source emission protocols would concentrate on efforts to reduce emission levels from existing sources.

The GHG Credit System Regulations propose four types of projects that have been prioritized for development and improved forest management and enhanced soil organic carbon are clearly biological sinks.

The separation of biological sinks from industrial/point sources is also referenced in the *Crediting and Reporting* and *Environmental Integrity Account* sections. Setting crediting periods for projects relating to forestry and biological sequestration projects on the scale of 20-30 years makes a clear distinction from industrial/point sources where crediting periods are set at eight years. Protocols and projects relating to biological systems are far more complex and require more time to both establish and measure, and the life of the credit they generate should be equally long.

Similarly, the Environmental Integrity Account recommends that biological sequestration projects deposit a higher percentage of their credit value due to a higher risk of reversal. This further supports the need to separately handle offset protocols involving biological sinks and for the factors governing them, such as risk, to be science-based and not determined by an arbitrary administrative component.

2. Baselines, Additionality, and Penetration Factors in Agriculture and Biological Sequestration

Agriculture represents a unique set of circumstances when attempting to apply concepts like baselines and additionality to a sector that does not have “business as usual.” Producer practices change with every growing season and adapt to a different set of production factors – federal offset policies relating to agriculture should be just as flexible.

Instabilities in climatic and trade conditions force producers to constantly make decisions in response to market signals to ensure the continued viability of their farm operation. It is the responsibility of governments to understand these signals and provide incentive for decisions that will both protect and enhance existing carbon sinks on the agricultural landscape.

Agricultural producers are already major players in carbon sequestration with Saskatchewan crop producers annually sequestering over 8.5 additional megatonnes of carbon through improved management practices. Ranchers and pasture patrons also manage the storage of over two billion tonnes of carbon through prairie grasslands with huge potential to further increase that mitigation. The proposed regulatory approach to disallow a GHG reduction or mitigation practice from offset incentivization after an adoption rate of 40% within a sector is not science-based and represents a short-sighted and arbitrary administrative factor that would limit the maximum environmental and economic benefit these practices could achieve.



3. Revision and Retirement of Offset Protocols

Timelines for reviewing existing protocols for revision or retirement should also differentiate between biological sinks and industrial/point source emissions. Biological systems take much longer to establish and create a measurable benefit, which is why their protocols should have longer timelines between revisions. Long-term incentivization of carbon sequestration and storage is necessary for the mitigation efforts of the federal offset program to be successful for future generations.

Additionally, review of an existing biological sink-based offset protocol should only occur based on supporting scientific evidence. The extent of revision of a biological protocol should also be proportional to the body of supporting scientific evidence for the practice and the length of time required for measurable outcomes to be fully realized.

Similarly, the complexity of the system used for the GHG emission reduction or mitigation outcome needs to be considered. The installation of an emission control device for industrial/point source emissions is far less complex than sequestration within a biological sink and should be handled much differently.

4. Long-Term Support for Biological Offset Protocols

The federal government must develop offset protocols that reward producers for maintaining long-term carbon sinks and recognize previous work to increase carbon storage on the landscape. Once a GHG reduction or mitigation practice is no longer supported by incentivization, it becomes exposed to climatic and market signals that could dictate discontinuation of the practice, selling equipment necessary for the practice, and even a future reversal of any sequestration it previously achieved.

A lack of recognition for current beneficial agricultural practices not only increases the risk of lower uptake of future technologies and practices, but it also undermines the confidence of producers in the entire offset program. A long-term incentive system to recognize GHG storage and the ecological goods and services provided by agriculture is necessary to ensure future policies do not change the natural agricultural landscape.

On behalf of APAS and our members, thank you for the opportunity to provide comments on this issue and we look forward to further discussions.

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