

## **FARM AND RANCH INDUSTRY ADVERSELY AND UNFAIRLY AFFECTED BY THE PROVINCIAL CARBON TAX (2013 – RENEWED 2016)**

The Provincial Carbon Tax puts a price on carbon emissions to encourage the reductions of greenhouse gas emissions. The premise of the tax presumes that increasing fuel costs by taxation will encourage consumers to become less dependent on fossil fuels by using public transport, car pools, etc. and by purchasing increasingly energy efficient vehicles and home heating systems.

However, food production takes place within finite areas that do not usually have access to methods of reducing greenhouse gas emissions. There are no options for farmers or ranchers to use other modes of transportation or to reduce the distance they travel when the food they produce is required to be transported to market.

Like all business owners, farmers and ranchers strive to reduce costs. Diesel fuel and gasoline are major costs in all agricultural operations and every agricultural producer strives to upgrade to energy efficient tractors and machinery and to operate that equipment as economically as possible. However, they have no options when it comes to actually producing the crops. The size of the fields that grow food for consumers and forage for animals cannot be reduced to save fuel. Tractors and equipment always have the same distance to travel to bring in their crops.

The Provincial Carbon Tax on marked (colored) gasoline is currently 6.67 cents/litre and 7.67 cents/litre for marked diesel. These are the only two fuels that can be used by farmers in their production of crops and transportation to market. There is no other option available to them. If farmers and ranchers were to be provided exemptions to the payment of carbon taxes on marked gasoline and diesel, they would become more competitive with producers outside BC.

All of BC depends on the timely transport of farm and ranch food and animals to market and the continued existence of these businesses and markets in BC. To not support our ranch and farm industry may eventually result in fewer participants in these industries with the result that the majority of our foods and animal products will be produced outside BC. While the loss of these businesses and related jobs will be sorely missed, the related effect will be even greater production of greenhouse gas emissions resulting from the transport of such products from greater distances than those currently experienced by the BC industry.

The Carbon Tax is an unfair tax for agricultural producers. The existence of the Carbon Tax decreases the viability and competitiveness of the ranching and farming industries by forcing payment of a tax which is not in place in other regions of Canada or the United States where similar products are produced.

### **THE CHAMBER RECOMMENDS:**

That the Provincial Government implement an exemption of the Carbon Tax on marked gasoline and diesel for bona fide farmers and that the exemption be made available by application based on fuel consumption receipts.

Submitted by Kamloops Stockmen's Association