

RESOLUTION 10-21
FEDERAL FUEL CHARGE

WHEREAS the Federal Fuel Charge (Carbon Tax) mandated under the *Greenhouse Gas Pollution Pricing Act* came into effect in Alberta on January 1, 2020;

WHEREAS the Federal Fuel Charge amount varies by fuel product offering and the Federal Government has announced targeting relief for certain sectors and individuals including farmers;

WHEREAS the *Climate Leadership Implementation Act* effective January 1, 2017 states “that every recipient shall pay a carbon levy on purchases of natural gas and propane”;

WHEREAS as purchasers, farmers cannot pass the additional costs on to consumers or international markets as the international markets set the price for agricultural products and that a producer trying to increase their price to compensate would not be able to sell their product and recover the additional costs;

WHEREAS certain categories of customers are exempt from paying the Federal Fuel Charge, including:

- Farmers for gasoline, light fuel oil (diesel);
- Fishers for gasoline, light fuel oil (diesel);
- Registered Distributors;
- Registered Air Carriers;
- Registered Rail Carriers;
- Registered Road Carriers;
- Remote Power Plant Operators that generate Electricity for remote Communities for light fuel oil; and
- A partial exemption at eighty per cent (80 %) for propane supplied to Greenhouse operators;

WHEREAS propane and natural gas used by many farming operations in their agricultural production is not included in the list of eligible exemptions;

WHEREAS under the *Greenhouse Gas Pollution Pricing Act* eligible farming machinery means property that is primarily used for the purpose of farming and that is a “farm truck or tractor”, a vehicle not licensed to be operated on a public road, an industrial machine, or a stationary or portable engine, or prescribed activity;

**THEREFORE BE IT RESOLVED
THAT ALBERTA'S AGRICULTURAL SERVICE BOARDS REQUEST**

that Alberta Agriculture and Forestry, Alberta Environment and Parks, and Alberta Energy jointly lobby the Government of Canada alongside Alberta's Agricultural Service Boards and the Rural Municipalities of Alberta (RMA) to provide a carbon levy exemption for all consumption of propane and natural gas for all recognized agricultural production, including, but not limited to grain farming, greenhouse, and other similar practices.

SPONSORED BY: County of Wetaskiwin No. 10

MOVED BY: _____

SECONDED BY: _____

CARRIED: _____

DEFEATED: _____

STATUS: Provincial

DEPARTMENT: Alberta Agriculture and Forestry, Alberta Environment and Parks, and Alberta Energy

BACKGROUND INFORMATION

Additional costs will be borne by farmers due to the Farm Fuel Charge as farmers are unable to pass the additional costs on the consumers or international markets as those prices are set by international markets. Without this exemption, farmers will have an increase in costs to produce their products yet will not be able to recover those costs.

Attached Documents

1. Copy of the Backgrounder Targeted Relief for Farmers and Fishers, and Residents of Rural and Remote Communities
2. Fuel Charge Exemption Certificate for Farmers

