

### **Resolution 10-21: Federal Fuel Charge**

AF strongly supports the expansion of the carbon tax exemption for agriculture to include natural gas and propane. Minister Dreeshen wrote a letter in January 2020 to federal Minister Bibeau, outlining the undue burden that the federal carbon tax places on agricultural producers, with a particular focus on the use of natural gas and propane used in grain drying.

On a positive note, recently, a Private Members Bill (C-206) was introduced by MP Lawrence (Northumberland-Peterborough South) calling for the expansion of the exemption to include all agricultural use of natural gas and propane. The Bill recently passed second reading with cross-party support from the Conservative, Bloc Quebecois, and NDP.

In the interim, AF offers a cost-sharing program for producers to upgrade the efficiency of their grain dryers. The Efficient Grain Dryer Program will pay for half the cost of grain dryer components, on new or existing dryers, that improve the energy efficiency of the operation. These efficiency improvements will lower fuel costs for grain drying and provide relief from any future fuel cost volatility.