



FERTILIZER CANADA

FERTILISANTS CANADA

# Digging into a new year

As we begin Parliament's first session of 2021, we want to recognize frontline emergency personnel, and community and political leaders for their steadfast commitment to mitigating the damage from COVID-19 and rolling out a vaccine as quickly and safely as possible to Canadians. We recognize the enormous public health and logistical challenges this represents. Thank you for these efforts.

In the last year, the Canadian fertilizer industry's message has been clear: **we are essential**. We are proud to have played our role in keeping your grocery store aisle full, and that our efforts protect the food security of those in Canada and abroad. As an elected official representing your constituents, many of whom have faced difficulties, know that the agri-business sector will continue to remain resourceful and resilient and work to overcome challenges presented by COVID-19 and beyond.

As you prepare yourself and your staff for another sitting of the House of Commons, we wanted to remind decision-makers that ensuring the success of Canada's agriculture industry is the first step to economic recovery. As a major employer, the fertilizer industry supports over 76,000 jobs throughout the supply chain and contributes over \$5 billion in wages. Last year's total economic impact from the industry to the Canadian economy surpassed \$23.5 billion.

As the foundation of Canada's agri-food sector, we always do our best in applying innovative solutions that positively impact the environment, the economy, and the social fabrics of Canadian life. Our industry continues to incorporate an environmental lens to our research, our investment, and our products. We look forward to continuing our engagement with Members of Parliament to celebrate these successes in the coming months.

We are quickly approaching the spring seeding season, the busiest time of year for the fertilizer industry. I encourage you to keep the following recommendations in mind as you debate, whether in the House of Commons, the Senate, or as you participate in a virtual committee session from your living room. Canada's fertilizer industry is committed to working with you today, tomorrow, and when the dust settles.

Sincerely,

Clyde Graham  
Executive Vice President



## Promoting Growth

According to the Food and Agriculture Organization of the United Nations, farmers across the world face a unique challenge: increasing crop yields to keep up with the demands of an increasing global population, while contending with decreasing arable land. To accomplish this challenge, society must find new ways to support our agricultural sector and harmonize policy and politics with what science dictates is possible. However, we are increasingly seeing an additional challenge: farmers must meet increasing yield demands but in the most environmentally sustainable way, and with increasing pressure to reduce emissions.

Efficient fertilizer use is the solution. Already, 50 per cent of the world's crop production can be attributed to fertilizer and Canada's fertilizer industry is well positioned to face the sustainability challenges of today and in the future, while supporting the environment, the economy, and the social fabrics of Canadian life.

We believe that our industry can play a key role in Canada's economic and social recovery from the COVID-19 pandemic. Canada's fertilizer industry has remained resourceful and resilient and worked to overcome COVID-19, not only delivering on its commitments to farmers, but reaching record levels for shipments in Canada. Ensuring successful planting seasons is the first step in Canada's economic recovery.



By 2050, the global population is projected to reach 9.7 billion. Food production must increase by 70 per cent in order to feed this growing demand.



\$23.6 billion in total economic impact, \$12.7 billion contributed to GDP

**As a Member of Parliament, we urge you to support the agriculture industry. We are at a critical juncture in Canada and have the opportunity to elevate our status as an agricultural powerhouse and must rise to the moment. We must work together to secure Canada's future as a leader in agri-business.**



## Investments and Exports

Given the right policy environment our industry can continue to make the investments that keep your grocery store aisles full; food security in Canada and across the world starts with the fertilizer industry. A more competitive landscape means that we can put additional resources to increasing potash and nitrogen fertilizer production, the logistical infrastructure such as port facilities, and distribution terminals, and rural agri-retail facilities, located in hundreds of communities across Canada. These efforts will continue to grow Canada's fertilizer exports over the next decade and maintain its status as a leading exporter of fertilizer products.



**Canadian fertilizer exports are worth over \$7 billion and represent two per cent of all Canadian exports. Altogether, we ship to over 75 countries, worldwide.**

### The Federal government should:



Strive for competitive tax rates and deductions that will encourage capital investment.



Ensure that environmental regulations and the economy go hand-in-hand by requiring Environment and Climate Change Canada to apply a competitiveness lens to all new environmental legislation and regulations.



Protect the integrity of existing free trade agreements, conclude current trade negotiations and aggressively pursue additional trade deals.



Invest in our transportation network, particularly at ports and throughout the railway system, to ensure that all industries remain competitive and support Canada's reputation as a reliable partner.



Support programs that quickly deploy broadband internet to rural areas and allow for the agricultural sector to take advantage of new and emerging technology.



Explicitly require future greenhouse gas policies to recognize and protect the energy-intensive, trade-exposed (EITE) status of certain industries, such as fertilizer, to minimize carbon leakage while protecting Canadian jobs.



# A Healthy Environment and a Healthy Economy

The fertilizer industry is constantly investing in new technologies to reduce emissions from fertilizer production and the use of our products. Canada's fertilizer industry is committed to supporting the objectives of the Barton report, which recognizes agriculture as a sector where Canada has the potential for substantial growth and export improvement by providing quality fertilizer products, technology and science-based advice.

For over a decade our industry has championed 4R Nutrient Stewardship as the method to reducing agricultural emissions. The 4R Nutrient Stewardship program is a series of best management practices that use fertilizer products in the most efficient way possible. This maximizes the amount of fertilizer getting where it's meant to go and keeping it out of our water and air.

**4** If basic 4R Nutrient Stewardship principles were used in Prairie provinces Canada could see a reduction of 2-3 megatonnes CO<sub>2</sub>e annually. In 2020 Canada already has 3.7 million acres of land under 4R Nutrient Stewardship.

## Expanding Opportunities for Canadians

The fertilizer industry employs thousands of Canadians who receive competitive wages and benefits. Careers in our industry can span several disciplines, including mining, retail, petrochemicals, research, and transportation. With growth in investment, exports, and the green economy, our industry's employment will only increase. For the fertilizer industry, planning and investing ten years into the future is happening today so it is critical that we have the right policy and investment climate.

**The industry stands ready to continue working with the federal government to develop long-term approaches and a regulatory environment that will allow our member companies to remain globally competitive, secure capital investments in Canada, and that we remain an industry that employs a highly skilled Canadian labour force.**

### The Federal government should:

Support the adoption of 4R Nutrient Stewardship through recognition of our program and development of farmer funding initiatives so that our farmer customers can reduce emissions from the use of our products on their farms, while remaining competitive.



Prioritize the 4R Climate Smart Protocol as an approved offset protocol under the Output-Based Pricing System.



Ensure the fertilizer industry can access funding, tax incentives and other government supports for green technology and innovation.



**The fertilizer industry supports over 76,000 jobs throughout our supply chain, paying out over \$5.1 billion in wages annually.**