



Agriculture and Resource Development
Deputy Minister's Office
Room 159, Legislative Building
Winnipeg, MB R3C 0V8
T 204-945-3734
www.manitoba.ca

June 15, 2020

Chris Forbes
Deputy Minister
Agriculture and Agri-Food Canada
1341 Baseline Road Tower 7, NHCAP, Floor 9, Room 349
Ottawa, Ontario, K1A 0C5
Email: chris.forbes@canada.ca

Dear Chris Forbes: *Chris*

I am writing to you on behalf of Manitoba Agriculture and Resource Development to share our most recent evaluation and concerns regarding grain drying costs for producers in Manitoba.

As you are aware, Manitoba producers experienced extraordinary rain and snowfall in September and October 2019. This forced the harvest of crops with higher than average moisture, resulting in much higher fuel costs due to increased demand for post-harvest drying.

The total estimated fuel drying costs for the 2019 harvest range between \$22 and \$38 million. The additional carbon tax estimates range between \$2 and \$3 million. These estimates assume 70% propane and 30% natural gas usage and a breakdown of fuel costs and carbon tax by crops is shown below.

	Production (million bushel)	Drying (%)	Fuel costs (\$ per bushel)		Total Fuel Costs (\$ million)		Carbon Tax (\$ million)	
			High	Low	High	Low	High	Low
Corn	46.655	100	\$0.34	\$0.22	\$15.8	\$10.5	\$1.24	\$0.83
Wheat	182.596	30	\$0.13	\$0.07	\$7.2	\$4.1	\$0.56	\$0.32
Canola	134.758	70	\$0.13	\$0.07	\$7.1	\$3.5	\$0.55	\$0.28
Oats	46.284	30	\$0.11	\$0.06	\$1.6	\$0.8	\$0.12	\$0.06
Barley	24.292	30	\$0.11	\$0.06	\$0.8	\$0.4	\$0.06	\$0.03
Soybeans	41.238	100	\$0.13	\$0.08	\$5.4	\$3.1	\$0.42	\$0.24
Totals					\$37.88	\$22.47	\$2.97	\$1.76

In addition to drying grains, farmers use natural gas and/or propane for heating potato storages, greenhouse, and livestock production facilities. Taking all on-farm energy uses into account, the 2019 federal carbon tax adds about \$5 million to the energy bills of Manitoba producers, which will increase to \$7.5 million with the \$30 per tonne tax that was implemented on April 1, 2020. This is an extra financial burden to our producers.

There is an immediate need to alleviate this unnecessary financial pressure to our producers in an effort to ensure the ongoing stability of the Agriculture sector. I look forward to your response. Should you have any questions or require any additional details, please contact Eric Liu, Director of Transformation, at 204-794-1902 or by email at Eric.Liu@gov.mb.ca.

Yours truly,



Dori Gingera-Beauchemin
Deputy Minister

c: Honourable Blaine Pedersen, Minister of Agriculture and Resource Development

Lodon, Jo-Anne (ARD)

From: Palmer, Grant (ARD)
Sent: June 24, 2020 1:35 PM
To: Dryden, Lindsay (ARD)
Cc: Vido, Erica (ARD); Derrett, Sandy (ARD)
Subject: RE: FIPPA ARD 20-00055 - Call for records

No survey was conducted by MB ARD. I had telephone discussions with KAP regarding a proposed KAP survey of its membership.

That's all.

Grant Palmer

From: Dryden, Lindsay (ARD) <Lindsay.Dryden@gov.mb.ca>
Sent: Wednesday, June 24, 2020 1:02 PM
To: Palmer, Grant (ARD) <Grant.Palmer@gov.mb.ca>
Cc: Vido, Erica (ARD) <Erica.Vido@gov.mb.ca>; Derrett, Sandy (ARD) <Sandy.Derrett@gov.mb.ca>
Subject: RE: FIPPA ARD 20-00055 - Call for records

Good afternoon Grant,

Just following up if you were able to find the survey that was mention in the attached email.

Thank you,
Lindsay Dryden
Administrative Assistant
Lindsay.Dryden@gov.mb.ca
T: 204-945-3305 F: 204-948-3779

From: Dryden, Lindsay (ARD)
Sent: June 18, 2020 11:57 AM
To: Palmer, Grant (ARD) <Grant.Palmer@gov.mb.ca>
Cc: Vido, Erica (ARD) <Erica.Vido@gov.mb.ca>; Derrett, Sandy (ARD) <Sandy.Derrett@gov.mb.ca>
Subject: FW: FIPPA ARD 20-00055 - Call for records

Good morning,

Please see the attached email – please advise if you have any emails regarding a survey

Thank you,
Lindsay Dryden
Administrative Assistant
Lindsay.Dryden@gov.mb.ca
T: 204-945-3305 F: 204-948-3779

From: Vido, Erica (ARD) <Erica.Vido@gov.mb.ca>
Sent: June 18, 2020 11:42 AM

Lodon, Jo-Anne (ARD)

From: Vido, Erica (ARD)
Sent: June 18, 2020 11:41 AM
To: Dryden, Lindsay (ARD)
Subject: FW: Carbon tax on grain drying

Erica Vido
Director, Policy
Manitoba Agriculture and Resource Development
204-227-3372

From: Patty Rosher <patty.rosher@kap.ca>
Sent: January 7, 2020 2:46 PM
To: Vido, Erica (AGR) <Erica.Vido@gov.mb.ca>
Cc: Alanna Gray <alanna.gray@kap.ca>
Subject: Carbon tax on grain drying

Hey Erica,

I noted that the Minister will be contacting us for some numbers on the carbon tax grain drying. We do have some, but I think we need to beef up the analysis. Can we work together on it? Maybe a survey through the farm management folks?

<https://www.agcanada.com/daily/manitoba-gathering-data-to-press-case-for-exempting-grain-drying-from-federal-carbon-tax>

Patty Rosher
General Manager
Keystone Agricultural Producers
Direct: (204) 924-6014
Cell: (204) 227-2137

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Manitoba farmers*

Lodon, Jo-Anne (ARD)

From: Vido, Erica (ARD)
Sent: June 18, 2020 11:41 AM
To: Dryden, Lindsay (ARD)
Subject: FW: Carbon tax on grain drying

Erica Vido
Director, Policy
Manitoba Agriculture and Resource Development
204-227-3372

From: Vido, Erica (AGR)
Sent: January 8, 2020 9:06 AM
To: Patty Rosher <patty.rosher@kap.ca>
Cc: Alanna Gray <alanna.gray@kap.ca>; Derrett, Sandy (AGR) <Sandy.Derrett@gov.mb.ca>
Subject: RE: Carbon tax on grain drying

Hi Patty – yes we'd be happy to work with you on this. I've cc'd Sandy to assign a policy staff person to support the work

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Erica Vido
Director, Policy
Manitoba Agriculture and Resource Development
204-227-3372

From: Vido, Erica (AGR)
Sent: January 8, 2020 9:22 AM
To: Beaudin, Miles (AGR) <Miles.Beaudin@gov.mb.ca>
Cc: Derrett, Sandy (AGR) <Sandy.Derrett@gov.mb.ca>
Subject: FW: Carbon tax on grain drying

Hi Miles,

Fyi – policy will be reaching out to your team to collect data on grain drying costs

Erica Vido
Director, Policy
204-227-3372

From: Vido, Erica (AGR)
Sent: January 8, 2020 9:06 AM
To: 'Patty Rosher' <patty.rosher@kap.ca>
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