

Comments to the Senate of Canada

ON SOIL HEALTH AND OTHER RELEVANT FACTS

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**BIOLOGICAL
CARBON
CANADA**

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OVERVIEW

Thank you for the opportunity to speak today.

BCC Overview

Biological Carbon Canada is the trade name for the Canadian Institute for Biological Carbon.

We are a non-profit based in Alberta, and our mission is to ensure all farms and ranches across Canada can participate in the carbon marketplace.

Soil

Soil for a long time just was.

Soil is alive, and soil breaths. That cycle over time immemorial built Canada's soil sink. In some years, that annual change was positive; in others, it was not so positive.

Then, parts of this sink become property, divided into lots or sections.

In the Canadian agriculture sector's context, soil is used for business reasons. As Senator Sparrow's report noted, we have had challenges with keeping healthy soils in the past.

Soil grows food but also now holds up houses, roads, and other non-agricultural uses.

There is not much of it left.

With some deference to decimal places, roughly 10% of Canadian soils are private, with two-thirds of that amount residential and urban.

Our recent participation in Agriculture and Agri-Food Canada's Sustainable Strategy sessions calculated about 22,779 megatonnes of soil carbon in our private sinks today. However, 1,025 square miles have been lost yearly since 2001. The loss is from conversion to other non-agricultural land uses.

At today's pace, soil sequestration efforts from the sector cannot keep up with maintaining the sink, let alone growing it.



Soil with Benefits

Since 2002, Canada has a carbon market. Other folks have caught on to the idea that soil produces co-benefits, and now, in 2023, that annual change in soil health has real value.

Planting Four Seeds

We want you to consider four (4) thoughts as you study soil health.

A healthy soil means it does not wash or blow away. It also does not get co-opted from the last best use in Canada to other higher-valued land use.

CARBON NEEDS A REGULATOR IN CANADA

Buying and selling carbon certificates and data needs a market regulator to keep Canada on an even playing field with the US and other trading partners. The US now has one, and its marketplace will scale much quicker with a known market framework.

Canada has come a long way from Bob's best red wheat and questions like 'is the check good?'

We now have frameworks that give a farmer Number 1 Canada Hard Red Spring, with payment security.

Testimony this morning from entrepreneurs is positive, and businesses are putting capital at risk....and , not but, whether the business claims to have the accounting to be carbon neutral, or the business sells a carbon-based index, or just sells carbon data, that carbon unit MUST be the same. It is monitored the same, measured the same, and verified the same way.

It is not sufficient to have our securities administrators tell Canada's business community the carbon on their balance sheets and investor communications be material (real).

All that does is create price risk. As we speak, there is a reason voluntary nature-based contracts are \$1.20 USD.

We note that in Alberta this year, there were shenanigans in verifying credits, causing the rejection and restatement of about 2 million tonnes.



Soil-based Canadian Carbon is already in the marketplace as a commodity. The market deserves to have the legislation needed to grow and thrive.

CANADA'S SINKS NEED PROTECTION TO PROTECT HEALTHY SOILS

We want to plant in your head the idea of enshrining in our Constitution property rights and a right of compensation from a Crown taking.

Taking can be executed in three ways.

A full taking makes way for a new home for that new Canadian family and the road to get there.

A partial taking makes way for the next new oil well or power line.

Lastly, the most insidious is the regulatory taking. Elected folks place limits on land and economic use.

The seed we plant is to have you envision an amendment coming from this Chamber, and when successful, a Province can sign on.

Soil health means a stable soil sink. You can't go buy one in the USA and import it back here to replace the one paved over.

From a farmer's perspective, that next new subdivision is of lesser value to my farming future, not more.

CARBON FAIRNESS

Over the last several weeks, you may have heard the agricultural sector is a 97% exempt emitter. By 2030, that last 3% will suck as much as just under \$1 billion dollars from the farm businesses across Canada.

On top of this, AAFC officials indicate farm expenses will experience just under one percent inflation on their farm expenses and basis quotes at the current tax level. We can say, with some certainty, this inflation will not lessen as the levy rises.

We want you to look just across the border and see the new spending on carbon in agriculture. There is \$300 million in new money just on measurement and verification alone.



Canada falls short here, and one small refundable tax credit on fuel is insufficient.

We forget that soil converted to urban development has an emission as well.

Our folks at Environment and Climate Change Canada tell us this emission is 10 tonnes a hectare for cropland and 24 tonnes for grassland.

The loss is permanent; with each acre paved over, Canada loses healthy soils.

That emission does not generate a levy from the developer who converts it.

Put into perspective, by 2030, that carbon emission will have a value of \$1700 and \$4080 a hectare, respectfully just for the loss of the sink.

And if you think the developer will lower the bid on the asking price to cover the tax, that is what new agricultural refundable tax credits are for.

ACT

If you value healthy soils, put your money where your words are.

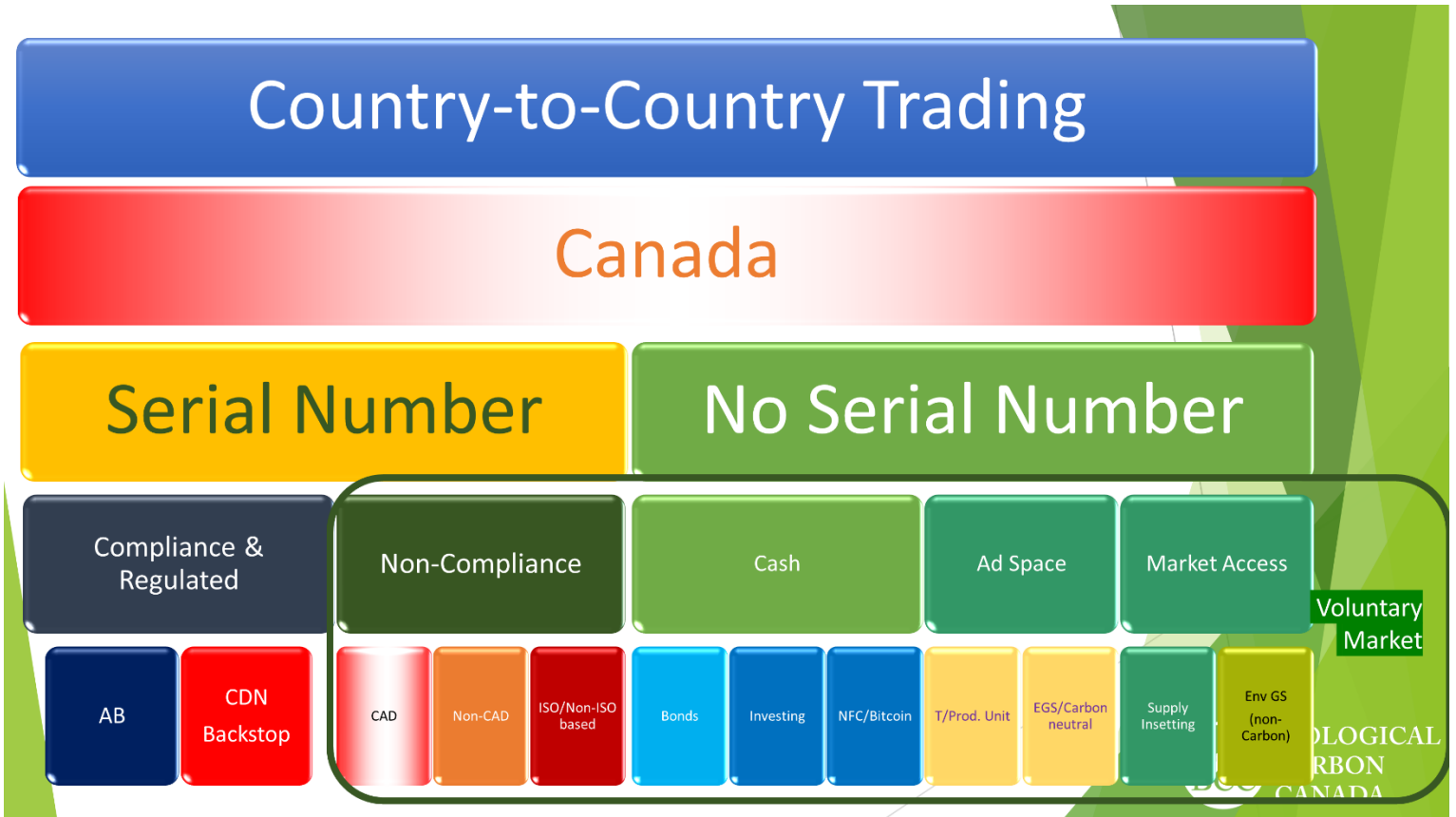
Thank you for your time, and welcome any questions you may have.



Appendix for the Readers

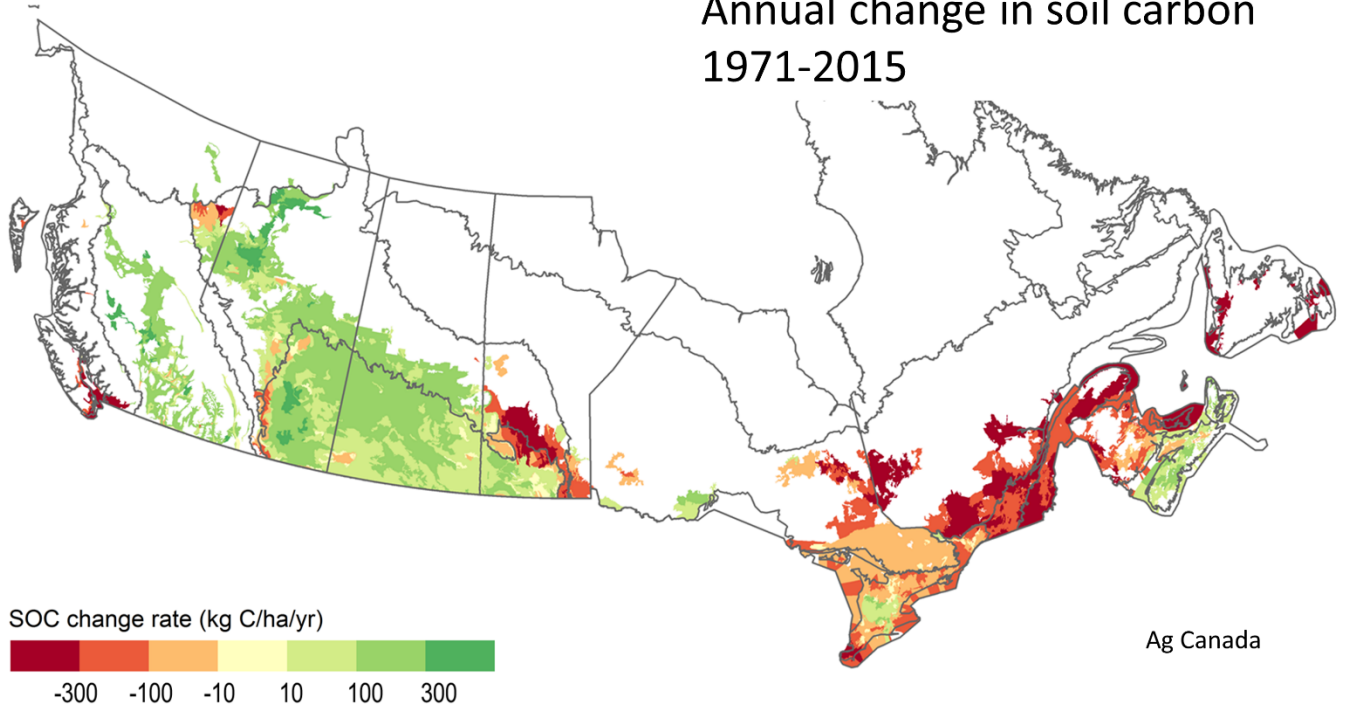
Below is a figure outlining the current overview of carbon markets in Canada.

A more detailed paper is available here. <https://biologicalcarbon.ca/a-farm-primer-on-canadas-market-landscape-for-carbon/>



The Private Canadian Soil Sink

Annual change in soil carbon 1971-2015



Farm & Ranch Emission Intensity

Net GHG emissions per business
on an annual basis.

Net GHG emissions per kg sold.



One is a climate plan,

and one is a marketing plan.



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