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Canada's Commitments at COP27

Impacts on the Canadian Food & Ag Sector

Over the past two weeks, the 27th Conference of the Parties took place in Sharm el-Sheikh, where world leaders gathered to discuss the growing risks impeding the action plan to address the climate crisis. Canada's participation at COP27 primarily comprised of a re-iteration of its pre-established national strategy.

- **A Fully Committed Partner on Climate Action**

The Canadian government came to the table as a fully committed partner in advancing the implementation of climate action, beginning with the 2030 Emissions Reduction Plan, the country's comprehensive roadmap to achieve the goal of reducing emissions by at least forty percent by 2030, on the road to net zero by 2050. During the forum, the Canadian government committed to keeping the goal of limiting global temperature increase to 1.5 degrees Celsius. They announced new investments that will, if implemented, directly impact the Canadian Food and Agriculture sector with respect to methane emissions reductions and carbon pricing.

- **Goals: Emissions Reduction & Decarbonization**

Advancing last year's commitments and alongside the 10-year national Emissions Reduction Plan, Canada announced increased cooperation with the United States on reducing emissions, with a particular focus on methane, which will impact many of the country's sectors. The Agriculture sector is a critical component of the proposed reduction strategy, as it accounts for 30 percent of Canada's methane emissions and 10% of total emissions from three main sources: enteric fermentation, crop production and on-farm fuel use.

- **Current Funding and Initiatives for Ag Emissions Reduction**

The federal government has previously implemented steps to support the Ag sector in addressing these goals. In Spring 2022, as part of their Emissions Reduction Plan, the government announced over \$1 billion in new funding to accelerate the sector's emission reductions. The government highlighted that this funding would help Canada "remain a global leader in sustainable agriculture", and includes:

- \$330 million for the Agricultural Clean Technology (ACT) Program which aims to help farmers adopt new, beneficial management practices and clean technologies to boost productivity and lower emissions
- \$470 million to top off the On-Farm Climate Action Fund to support farmers in adopting beneficial management practices that store carbon and reduce greenhouse gases, specifically in the areas of nitrogen management, cover cropping, and rotational grazing practices.



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The government is also aggressively pursuing a 30 percent reduction in national fertilizer emissions of nitrous oxide by 2030 - an ambitious goal to reduce GHGs that many, including growers, believe will be tough to meet. An important aspect of Canada's path toward reaching the target while not compromising crop yields, will be obtaining support and input from key industry stakeholders, which the government is now trying to facilitate.

- **New Funding Ahead for Canadian Agriculture**

Sustainable Canadian Agricultural Partnership: Next Policy Framework ("NPF") is set to open for another 5-year course until 2028. The NPF is a funding package that will serve as the foundation for programming for Canadian agriculture over the following five years.

Consultations on the NPF will seek stakeholder feedback on how to realize priorities and stakeholders' desired outcomes of the policies and programs to be implemented under the NPF, which will reflect an agreement among the federal government and provinces to lower overall agricultural emissions by 3 million to 5 million metric tons of carbon equivalent per year. Cumberland Strategies will be monitoring this fund closely and participating regularly.

- **The Path Ahead**

The Food & Agriculture sector is front and center in plans to put Canada on a pathway to net zero, per the Canadian government's COP27 and domestic commitment. The complex relationship that agriculture has with climate change – as a source and sink of greenhouse gas emissions - makes identifying solutions that create net positive outcomes for food, climate, people, and our environment extremely challenging.

Solutions such as more sustainable fertilizer practices and lower-emitting fertilizers will be critical to achieving these net zero goals. So, too, will new clean technologies, such as anaerobic digesters, that convert animal emissions into energy. Additionally, regenerative agriculture presents a significant opportunity as a series of practices like cover cropping, no-till farming and soil health focused technologies ensure soils capture and sequester greenhouse gases.

While the pathway to net zero presents ample challenges for the Canadian Food & Agriculture sector, it also opens the door to the development of innovative technologies and solutions that will get us there.

Cumberland Strategies has significant experience advising corporate clients in the agricultural and agri-food sector. If you would like advice on accessing ag-related government programs please contact Cumberland Chair, Bliss Baker, at bliss@cumberlandstrategies.ca.