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New Report Warns of Potential for \$48 Billion Loss in Farm Income if Fertilizer Reductions are Required of Growers

FOR IMMEDIATE RELEASE September 27, 2021

OTTAWA, ON., – Cutting fertilizer use to reduce on-farm emissions could cost growers nearly \$48 billion over the next eight years, says a newly released report by Meyers Norris Penny (MNP).

Under Canada's *A Healthy Environment and a Healthy Economy*, the Government of Canada is envisioning a 30% absolute emissions reduction target for on-farm fertilizer use by the year 2030. Elsewhere, the European Union (EU) has proposed an absolute emissions reduction target and aims to achieve it through a 20% reduction of fertilizer use compared to 2020 levels.

If Canada adopted the EU model, the potential economic impact of reduced fertilizer use would be devastating to Canadian farmers. To avoid this, any plan to reduce greenhouse gas emissions must be done through sustainable agricultural intensification; an approach that allows for significant reductions in agricultural emissions without risking Canada's contribution to global supply of food or economic growth within the sector.

Fertilizer Canada commissioned the report by MNP, one of the largest full-service chartered professional accountancy and business advisory firms in Canada. MNP has specialized expertise regarding all aspects of agricultural business – from primary producers through to food and beverage processors.

"When the Federal government announced a 30% emission reduction target for on-farm fertilizer use it did so without consulting - the provinces, the agricultural sector, or any key stakeholders - on the feasibility of such a target," said Karen Proud, President and CEO of Fertilizer Canada. "This study shows that we need to work together to find practical and pragmatic solutions for emissions reductions, without causing economic devastation to our agricultural sector."

Canada's fertilizer industry has a significant role to play in mitigating climate change – that is why industry has been proactively working to reduce on-farm emissions for over a decade by implementing 4R Nutrient Stewardship. 4R Nutrient Stewardship is a science-based approach to nutrient management that involves applying the Right Source (of fertilizer) at the Right Rate, Right Time and Right Place. By utilizing 4R best management practices, farmers can optimize plant nutrient uptake, and increase yields, while achieving verifiable reductions in emissions.

4R Nutrient Stewardship is part of an overall farm management plan that can be complimented with other agronomic and conservation practices, such as no-till farming and the use of cover crops, that also play a valuable role in supporting on-farm emissions reductions.



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"No one is more impacted by climate change than farmers," said Proud. "The 4R approach has been developed over the last decade and a half in partnership with leading scientists, farm organizations and provincial governments to reduce agriculture's environmental impact without compromising farmers' competitiveness."

On-farm environmental goals must reflect the Canadian landscape. Fertilizer Canada is calling upon the Federal government to recognize 4R Nutrient Stewardship as the standard in nutrient management and a key component to achieving on-farm emissions reductions from fertilizer. Now is the time for the government to collaborate with industry and farmers on an approach that showcases Canada as a world leader in reducing on-farm emissions.

Last week's federal election provides an opportunity for the government to refine its approach to agricultural emissions. One of the first priorities of the Agriculture and Agri-Food Minister must be to work with stakeholders to develop an approach to meet environmental targets that is science-based, reflects the realities of Canadian agriculture and recognizes 4R Nutrient Stewardship as an important driver of emissions reductions.

"We do not have to choose between the environment and the economy," said Proud. "By choosing 4R Nutrient Stewardship, as the foundation to a holistic approach to on-farm emissions reductions, the agricultural sector and the government can work together to meet our environmental goals, while at the same time supporting our farmers."

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Fertilizer Canada represents manufacturers, wholesale and retail distributors of nitrogen, phosphate, potash and sulphur fertilizers. The fertilizer industry plays an essential role in Canada's economy, contributing \$23 billion annually and over 76,000 jobs. As the unified voice of the Canadian fertilizer industry, Fertilizer Canada works to promote the safe, responsible, and sustainable distribution and use of fertilizer. **Please visit www.fertilizercanada.ca**

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