January 15, 2018

Vidya Anderson
Project Manager
Ministry of the Environment and Climate Change
Environmental Programs Division
Program Planning and Implementation Branch
135 St. Clair Ave. West, Floor 11
Toronto, Ontario M4V 1P5

Dear Ms. Anderson,

Re: EBR Registry Number 013-1634: Developing a Voluntary Carbon Offsets Program for Ontario

The Beef Farmers of Ontario (BFO) appreciates the opportunity to provide comments as part of the Ontario Ministry of the Environment and Climate Change (MOECC) consultation on the development of a voluntary carbon offsets program. BFO represents the 19,000 beef farmers across Ontario by advocating in the areas of policy planning, industry development and research, animal health and welfare, and domestic and export market development.

BFO strongly supports efforts that help increase beef production efficiencies while reducing greenhouse gas (GHG) emissions. The beef industry is proud of the fact that industry- and government-supported research has enabled the Canadian beef industry to reduce its GHG footprint by more than 15% from 1981 levels.[1] Ontario's beef farmers manage much of the province's forages, grasslands and pastures, which sequester carbon, enhance soil health, provide wildlife habitat and biodiversity, and manage nutrient run-off. There is interest from Ontario's beef farmers in participating in the carbon market and receiving monetary credit for GHG emission reductions and avoidances, as well as the other environmental services provided by beef's forage-based production system.

In BFO's previous submissions to MOECC on carbon offset credits regulation for the cap and trade program, we have expressed our concern that the process will not be accessible enough for farmers due to the extensive criteria and reporting requirements. The regulatory framework for carbon offset credits under Ontario's cap and trade program is overly restrictive and burdensome, and the requirements and criteria, such as 100-year permanency in carbon sequestration initiatives, are unworkable for the vast majority of beef farmers. However, we are encouraged by the development of a voluntary carbon offsets program because we believe it could provide beef farmers the opportunity to generate carbon

[1] Legesse G, Beauchemin K.A., Ominski K. H., McGeough E. J., Kroebel R., MacDonald D., Little S. M. & McAllister T. A. (2015). Greenhouse gas emissions of Canadian beef production in 1981 as compared with 2011. Animal Production Science 56(3) 153-168 http://dx.doi.org/10.1071/AN15386

offsets in a more accessible and cost-effective manner than the compliance-level carbon offset credits regulation allows.

In order for beef farmers to participate in a voluntary carbon offsets program in a meaningful way, the program must be user-friendly, simple and flexible. Simply put, if a farmer needs to hire a consultant to navigate the process for creating, selling and reporting on carbon offsets in the voluntary market, it is too complicated. The level and detail of recordkeeping, monitoring and reporting requirements will be a deciding factor in whether farmers choose to undertake GHG mitigation and reduction initiatives as part of the voluntary program. The program must also be adaptable to smaller scale projects and allow for aggregation of projects.

BFO strongly recommends that criteria for creating and selling voluntary carbon offsets should be developed in consultation with industry and not strictly based off the criteria established by the Western Climate Initiative and used in the cap and trade program. Two particular pieces of criteria that will need to be examined for carbon sequestration projects are permanency and additionality. It is unrealistic and typically not possible for most farmers to guarantee that a pasture, for example, will be "permanent" and remain a pasture for 100 years. Regarding additionality, there must be credit given to existing carbon sequestration projects in order to reward the early adopters and avoid potential release of carbon stores that results from land conversion. There should be flexibility in carbon sequestration protocols that will ensure value is placed on avoided emissions and existing activities.

Beef farmers are well positioned to participate in a voluntary carbon offsets program and deliver GHG reduction and avoidance projects, as well as environmental co-benefits. In order for the program to be successful, voluntary carbon offsets will need to be developed and marketed as a quality product that has additional value due to the included environmental co-benefits. Clear definitions of the environmental services that are part of the co-benefits will assist with this. The process for identifying and defining environmental co-benefits must be inclusive to industry, as farmers are ultimately the most familiar with the ecosystem services included in their production systems.

As an example, grasslands are widely recognized by government, industry, and environmental groups as a highly valuable ecosystem and environmental feature, and the majority of Ontario's grasslands are managed by livestock farmers. Beef farmers' businesses are dependent on healthy forages and pastures, and they are invested in protecting them. At the same time, beef farmers recognize the environmental value of this land and are optimally positioned to provide environmental co-benefits associated with grasslands in conjunction with GHG avoidances and reductions. Forage-based livestock provides habitat for species at risk, such as the Bobolink and Eastern Meadowlark, and also improves soil health. Grazing livestock improves soil fertility and structure through manure deposits, provides erosion control through fencerows and windbreaks, and promotes soil ecosystem health through the production of perennial forage crops that minimize tilling and soil disruption.

In addition to an inclusive process for defining environmental co-benefits, BFO recommends that industry be actively involved in developing protocols for eligible activities and projects. This will ensure the methodology for measuring and reporting avoided or reduced GHG emissions is workable in agricultural systems. Further to this, industry is always innovating and conducting research on GHG mitigation, and an inclusive process will assist in identifying the most valuable and relevant protocols and opportunities for use in the program.

The registration and reporting processes for voluntary carbon offsets should be as simple and straightforward as possible, and BFO recommends that guidance materials include examples of projects and completed applications and reports, all written in plain language that is not overly technical. There should also be readily available and up-to-date information on the current or expected value of voluntary carbon offsets, so participants can make informed decisions based on the expected returns on their investments. Consider identifying farmers from various sectors who MOECC can provide individual assistance and guidance to in the beginning of the program, and who can then be used as case studies or examples for other farmers and help provide guidance from a peer's perspective. MOECC should also play a role in getting the program off the ground by providing administrative services for sales transactions and aggregation of projects.

The Beef Farmers of Ontario supports the development of a voluntary carbon offsets program, and would like to thank the Ministry of the Environment and Climate Change for the opportunity to provide comments on its development. We would be pleased to answer any questions on our provided comments, and we look forward to participating in further discussions on this important program.

Sincerely,

Matt Bowman
President

cc: BFO Board of Directors