

CANADIAN MUSHROOM GROWERS' ASSOCIATION

SPEAKING NOTES



October 24, 2022

**HOUSE OF COMMONS STANDING COMMITTEE ON AGRICULTURE &
AGRI-FOOD**

**BILL C-234, AN ACT TO AMEND THE GREENHOUSE GAS
POLLUTION PRICING ACT**

Witnesses:

Ryan Koeslag, Canadian Mushroom Growers Association, Executive Vice President & CEO

Mike Medeiros, Canadian Mushroom Growers' Association, President

Ryan Koeslag, Canadian Mushroom Growers Association, Executive Vice President and CEO

Thank you for the invitation to appear today and speak in favour of Bill C-234, *An Act to Amend the Greenhouse Gas Pollution Pricing Act*.

My name is Ryan Koeslag and I am joined today with Mike Medeiros, the President of the Canadian Mushroom Growers Association and a mushroom grower.

Our Association is a member of the Agricultural Carbon Alliance and the Canadian Federation of Agriculture.

For those who are not aware, Canada has a strong, adaptable, and a high-tech mushroom sector that contributes over a \$1 billion to the Canadian economy. Canada grows over 150,000 tonnes of mushrooms annually. Mushroom farms are a big job creator in Canada, creating over 6,400 jobs with competitive wages. Although robotic technologies are being explored, all mushrooms are currently picked by hand and we experience some of the greatest labour shortages in agriculture.

Canadian mushrooms grow 24/7/365 supplying nearly all fresh mushrooms found in grocery stores across Canada and exporting 40% of what we grow to the US. Let's just think about this for a moment, how many crops in Canada are grown 365 days a year? To grow crops in Canada during the winter, growing rooms must be heated. The carbon tax is adding additional costs to our farms for uniquely growing food in this country during the Canadian winter.

Although mushrooms are grown indoors in climate-controlled buildings, just like greenhouses, mushrooms were not exempt from the carbon tax. Revenue Canada is unable to provide real reasons for why the greenhouse exemption that has been in place for a couple of years now wasn't applied to mushrooms, as the mushroom sector experiences the same cost factors as greenhouses and large concentrations of mushrooms farms are located right next door to greenhouses in the major greenhouse growing regions in Canada.

Mushroom farms need to heat and cool our indoor farm buildings in order to feed Canadians and drive our export market. With no alternative fuel sources currently available, our farms are unfairly penalized by the carbon tax. We support Bill C-234, an Act to amend

the Greenhouse Gas Pollution Pricing Act for items like heating of agriculture facilities for growing purposes.

Now I will pass the floor over to Mike Medeiros, President of the Canadian Mushroom Grower and a mushroom grower at Carleton Mushrooms located just south of Ottawa.

Thanks for the opportunity to speak to you today.

Mike Medeiros, Canadian Mushroom Growers' Association, President

I am the President of Canadian Mushroom Growers Association and I operate a mushroom farm 45 minutes outside of Ottawa near Osgoode, Ontario. We are a second-generation farm family, where I farm with my brother Fernando and other key family members.

My farm currently pays a carbon tax in excess of \$150,000. We have examined the rebates offered and we have been unable to access any rebates or have found them too little to offset the costs.

This is a new tax in difficult year, and a cost over and above the increasing heating and inflationary costs. Transportation and compost have doubled in many cases. As farmers, we are expected to absorb all these expenses because farms are price takers, unable to pass on these costs to the retailer and consumer. The carbon tax is adding directly to our farm's inflationary costs, not to mention the ongoing precautionary COVID measures.

Mushroom farms are extremely efficient and sustainable, with a low carbon water footprint; we know this through studies conducted in partnership with the American Mushroom Council that places

mushroom growing at one of, if not the, lowest carbon footprint for food sources. Mushrooms are an extremely healthy and nutritious food source grown in Canada with recycled material, such as straw and chicken manure turned into compost.

Again, our industry supports Bill C-234 and we will be happy to answer and questions you may have. Thanks