

Resolution 2-24: Compensating Producers for Ecosystem Services

THEREFORE, BE IT RESOLVED THAT ALBERTA'S AGRICULTURAL SERVICES BOARDS REQUEST

That the Federal and Provincial governments develop and implement immediately a "good actor" compensation mechanism for producers performing ecosystem services beneficial for society.

FURTHER, THEREFORE BE IT RESOLVED THAT ALBERTA'S AGRICULTURAL SERVICE BOARDS REQUEST

That the Federal and Provincial governments investigate creating an exchange to trade Carbon and other ecological services for compensation at the minimum rate already determined by the Federal Government.

Response:

Alberta's agricultural lands provide a variety of ecosystem services that go beyond food, fibre and fuel. Through their on-farm activities, producers affect the supply of ecosystem services such as carbon storage, photosynthesis, and water purification. As greater value is placed on carbon storage, Agriculture, and Irrigation (AGI) will continue to support market-based mechanisms that incentivize producers for their carbon-storing activities.

Several such mechanisms already exist. The Resilient Agricultural Landscape Program (RALP), which launched in April 2023 under the Sustainable Canadian Agricultural Partnership, is one example. The program is specifically designed to reward producers for providing ecosystem services. RALP covers up to 100 per cent of expenses for producers to implement eligible practices that increase the provision of ecosystem services. A program with similar goals and incentives is offered by the federal government through Alberta's Results Driven Agriculture Research.

ALUS Canada works with farmers and ranchers to create, restore and enhance riparian areas. Those who participate in the ALUS program have flexible agreements that suit their operation and are offered financial compensation for their ecosystem management. Alberta has the most community based ALUS groups across Canada supporting the development of ecosystem services within their communities. Many of these communities partner with their local municipality, which are supported by Agricultural Service Board Resource Management Grant funding. ALUS Canada also delivers RALP extension and verification services on behalf of AGI.

There are currently three Alberta-approved agriculture emissions offset protocols (i.e., Nitrous Oxide Emission Reductions, Reducing Greenhouse Gas Emissions from Fed Cattle and Selection for Low Residual Feed Intake Markers in Beef Cattle). The Nitrous Oxide Emissions Reduction Protocol (NERP) was recently updated to Version 2.1 and released in April 2023 to improve usability for producers regarding measurement and reporting requirements. In addition, the federal government is developing agricultural offset protocols for use in its Greenhouse Gas Offset Credit System. Emission offset projects must meet the requirements in the Technology, Innovation and Emissions Reduction (TIER) regulation, the Standard for Greenhouse Gas Emission Offset Project Developers and a relevant Alberta-approved quantification protocol. Additional information regarding existing emissions offset protocols may be found on: <https://alberta.ca/alberta-emission-offset-system>.

Federal and provincial governments have been investigating further opportunities for ecosystems services tools, such as biodiversity offsetting. In February 2023, Environment and Climate Change Canada initiated engagement on a draft Offsetting Policy for Biodiversity (<https://www.canada.ca/content/dam/eccc/documents/pdf/offsetting-policy-biodiversity/draft-biodiversity-offsetting-policy.pdf>). The Canadian Wildlife Service supports this policy through development of tools to support implementation of an offsetting system for biodiversity. Alberta remains engaged to ensure alignment with provincial priorities and processes.

The Alberta government supports numerous programs that are not directly offsets, but which provide financial support/incentives for the implementation of beneficial management practices. Examples include:

1. Alberta's Rangeland Sustainability Program promotes the conservation and long-term sustainability of Alberta's rangelands and the ecosystem services they provide. The program, funded by a portion of annual grazing rental revenue, works with partners and stakeholders to:
 - support sustainable rangeland stewardship initiatives implemented by industry and stakeholders.
 - increase knowledge and understanding of rangeland management outcomes for long-term sustainability through research, education, and tool development.
 - support rangeland initiatives that help producers overcome barriers to the sustainability of rangelands.
 2. Alberta's Wetland Replacement Program, administered by Environment and Protected Areas, provides funding for projects. It aims to re-establish wetlands in partnership with Albertans by providing resources for collaborative restoration projects across the province. In 2020-21 the program used \$5.6 million of funding to restore 208 hectares of wetland habitat.
- Alberta will continue to deliver various programs and services that support farmers and ranchers to implement beneficial management practices that benefit their operations and position themselves to capitalize on current and future environmental goods and service opportunities.