

With the Alberta carbon credit offset system in full swing and providing good value to producers, there has been a lot of discussion in Saskatchewan about what might become available, and when, to Saskatchewan producers to sell reduced-till/low-till carbon credits. This has become even more top of mind as the Saskatchewan Government has recently passed Bill 126, *an Act Respecting the Management and Reduction of Greenhouse Gases and Adaptation to Climate Change*, which would allow for the introduction of regulations to develop, among other things, an offset market.

Over the course of this spring and summer, Meyers Norris Penny, on behalf of the Saskatchewan Ministry of Environment, held consultations on draft regulations that were made public back in March. Viterra has participated extensively in these consultation meetings, and has also provided a written submission for the government's consideration. We anticipate that the formal consultation process will be wound up this fall / winter. However, there are still many details associated with the structure of an offset program and associated measures that need to be sorted out, and some of them will require difficult decisions by the government.

Although the Ministry of Environment is planning to fast-track the development of offset system protocols, with tillage system management at the top of the list, several key matters that may impact the commercialization of a functioning offset market may take longer to establish. This includes issues such as the interplay and details between emitters being able to purchase compliance through a technology fund as opposed to offsets, as well as the initial size of the market to be regulated (i.e., the demand for offsets) versus the large supply given Saskatchewan's available agricultural and non-agricultural offsets.

Viterra has helped bring together an informal group of interested parties (grower associations and other aggregators) to present the views and interests of the agricultural sector to the government on behalf of the agricultural value chain including Saskatchewan growers. It is our hope to work cooperatively with the government in the near future to find a system that incorporates good opportunities for growers to sell carbon credit offsets. We would encourage you, if the opportunity presents itself, to ask elected officials to take an interest in this topic and ensure that Saskatchewan's forthcoming agricultural carbon credit offset system results in real value and opportunity for growers.

In the meantime, before Viterra is able to bring the same value to Saskatchewan farmers as it does to Alberta farmers, through a successful Carbon Credit Program in which Viterra pays farmers for their carbon offsets, the Saskatchewan Government will have to release the final versions of *The Management and Reduction of GHG Regulations and Protocols*. These protocols and regulations are what Viterra requires to finalize the details of its Carbon Credit Program.

We are unsure of when these final details will be available but we urge all farmers to research thoroughly anyone that approaches them to contract carbon credits.

When a functioning and commercialized market is created, Viterra will be a leading participant creating value for the Saskatchewan farmer through the aggregation of offsets.

If you have any questions, please call our carbon credit toll free line at 1-866-712-1090 option #2.