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Abstract LEARN-03

A Border Tax Adjustment Study: Calculating and Pricing the "Carbon FoodPrint" of Foods Imported to Canada

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A carbon tax has already been introduced in British Columbia. It is likely that other carbon regulations will come into play shortly. As regulations evolve, costs of producing food in Canada rise. With domestic food becoming more expensive, concerns regarding emissions generated by imports from countries not affected by carbon regulations become prominent. In all likelihood, with the introduction of a domestic emission pricing agreement there will be an accompanying border tax adjustment or other similar provision. Most recently for example, the US Congress suggested provisions to address Carbon Emissions and Jobs Leakage. One provision of significant interest proposed for the US is a border tax adjustment scheme that will serve to prevent carbon leakage from trade and outsourced goods (including food). As British Columbia looks to both reduce emissions and prevent emissions leakage in our food system, we must be aware of how national food policy may affect GHG mitigation efforts to inform successful regional (i.e. provincial and municipal) climate action strategies, food system planning, and international food trading partnership agreements.

This study will help us understand the implications of a border tax provision on foods imported to Canada. We first quantify and estimate emissions from the production and transport of foods imported to Canada (9 food categories are chosen: field grown vegetables, greenhouse grown vegetables, fruits, dairy, beef, chicken, pig, eggs and grains). We assume a hypothetical price for GHGs in tonnes of Carbon Dioxide equivalents (t-CO2e) to predict what a border tax adjustment reflective of GHGs from the production and transport of imported foods might look like. In the next phase of this project, using historical time series data on imports, tariff and non-tariff barriers we predict the impact of our proposed border tax adjustment on trading patterns of foods imported to Canada.