

Windsor-Essex Chamber, greenhouse growers ask province to put the breaks on cap and trade

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The Windsor-Essex Regional Chamber of Commerce and local greenhouse operators are calling on the Ontario government to suspend its cap and trade program for at least one year.

The plan will come into effect Jan. 1. Gerry Mastronardi, owner of T G & G Mastronardi in Leamington, said a problem with the program is it puts too much weight on smaller business right at the beginning.

“If they really want Ontarians to be fed by other countries, they’re going in the right direction because the small farming greenhouse grower in Ontario will not survive, and if people want family-grown produce, it’s not going to last,” said Mastronardi, who runs a 16-acre operation.

According to a Friday news release from the chamber, an average greenhouse operator at 13 acres will pay \$80,000 in the first year of the program, which will rise to \$220,000 by 2022.

The province is offering free emission allowances during the first three years of the program to offset the costs to companies which emit at least 10,000 tons of carbon dioxide, with the option to purchase extra.

However, a 10,000-ton operation would equal about 30 acres of greenhouse space, according to Rick Sequin of the Ontario Greenhouse Vegetable Growers. About 12 to 15 of the approximately 200 growers his organization oversees would be eligible for those free allowances, he said.

Mastronardi said he was planning to expand his operation to 22 acres, but he has been rethinking staying in Ontario because he still wouldn’t be eligible to the allowances with that extra space.

He said he’s in favour of fighting climate change, and has taken steps to do so, but he feels this plan wasn’t thought through and there appears to be little accountability with it.

“You’re trying to become efficient, trying to become pro-active, trying to lock up your deals, then this tax comes in that you have no control over,” he said. “How did this happen?”

Mastronardi said greenhouse growers who have spent money to reduce their pollutants and improve food quality and safety through flue gas recovery and water recirculation should at least receive some credit, calling cap and trade a “one-sided deal.”

Guido van het Hof, president of Soave Agricultural Group, manages 70 acres of greenhouses in Kingsville and said he’s concerned about what will happen in 2020, when no businesses will receive free allowances.

He said the program puts Ontario at a disadvantage to other Canadian provinces.

“What’s happening is we are all trying to supply the same market and the majority of our product currently ends up in the U.S.,” he said. “In addition to that, we are at a competitive disadvantage as a sector with other jurisdictions in the U.S.”

According to the chamber, Ontario-based greenhouse operators have sent \$220 million of investment to the U.S. over the past three years due primarily to Ontario’s energy costs.

Most recently, Mucci Farms in Kingsville chose Ohio as the location for its new greenhouses.

“This diversion is going to continue and it’s only going to get bigger if we don’t get access to a more comprehensive program,” said van het Hof.



Windsor-Essex Regional Chamber of Commerce president Matt Marchand speaks during a news conference about the province's cap and trade program at the local chamber Dec. 9, 2016.



Gerry Mastronardi, owner of T G & G Mastronardi in Leamington, speaks at a news conference about the province's cap and trade program at the Windsor-Essex Regional Chamber of Commerce Dec. 9, 2016.



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Matt Marchand, president of the Windsor-Essex chamber, said the province should wait at least a year to implement the program, especially with some uncertainty over the next U.S. administration's plans on carbon pricing.

"We have tremendous greenhouse growers in the county," he said. "We have some of the best in the world. It's a leading sector for us. We have to make sure that that sector is protected."

Tom Morrison is a Windsor-based journalist. @TomMorrison12 on Twitter