



Minister of Finance
Hon. Bill Morneau
House of Commons
Ottawa Ontario
K1A 0A6

September 28, 2017

Dear Minister Morneau,

As President, and on behalf of the Atlantic Grains Council, a regional organization representing the commercial interests of approximately one thousand commercial farmers and, numerous value chain partners, I am writing to express our concerns regarding Tax Code changes announced by the Government of Canada on July 18, 2017. A consultation period ending October 2, 2017 has also been announced where organizations such as ours can weigh in.

Accordingly, we do so now; our members are particularly concerned about the adverse consequences these proposed tax law & regulatory reforms may have on our members; particularly those with a corporate business structure. Any new tax changes with potential adverse impacts are seen by our members as punitive; they discourage risk taking and entrepreneurship, and fail to recognize often necessary farm business management strategies and tactics; including comprehensive tax planning that are associated with operating modern agricultural production systems. These proposals clearly, are not welcomed by the sector. Initial analysis compiled by numerous Canadian tax planning firms is suggesting with respect to the farming sector in particular, that the Lifetime Capital Gains Deduction, Income Sprinkling, and other rules and regulations with respect to corporations and trusts are under assault. The changes are anticipated and, expected to mean that family farms will pay more taxes, farm succession and estate planning will become more complex, and many farms will be caught completely off guard, and surprised should all these changes be fully implemented.

Again, in the absence of any comprehensive analysis that our organization has seen to date, as to why these tax measures are required, the Atlantic Grains Council strongly opposes unilateral change. As a founding member of the Grain Growers of Canada (GGC), a leading national producer organization representing Canadian grain and oilseed producers commercial business interests, we support the efforts this organization and a host of other national and regional industry associations are taking to illustrate by way of comprehensive quantitative and qualitative analysis, the negative aspects of these tax reforms.

- Agri Marche
- A & L Labs
- Atlantic Soy Inc.
- Atlantic Farm Services
- Bell Crop Services
- Brennan Farms
- Crop Exchange
- East Coast Grains Inc.
- Eastern Grains (2016) Inc.
- Government of Newfoundland and Labrador – Forestry and Agrifoods Agency
- Island Lime
- Maritime Branch of the Canadian Seed Growers Association
- NB Seed Growers
- New Brunswick Grain Commission
- New Brunswick Soil and Crop Improvement Association
- Nutreco
- PEI Agromart
- PEI Federation of Agriculture
- PEI Grain Elevator Corporation
- Perennia
- P & H Milling
- Phillips Feed Service
- Soil and Crop Improvement of NS
- Truro Agromart
- W. A. Grain & Pulse Solutions
- YARA



New analytics will be submitted by the October deadline. GGC has also supported a coalition (**Coalition for Small Business Tax Fairness**) comprised of some 35 stakeholders that wrote to Minister Morneau August 30, 2017 expressing their concerns on behalf of additional value chain partners. This entity represents the interests of hundreds of thousands of independent businesses, professionals, and tax payers across this country representing a wide range of sectors and regions. To conclude, the Atlantic Grains Council, the Grain Growers of Canada and the Small Business Coalition are working together collectively and as we speak, to develop comprehensive analysis to illustrate to the Government of Canada, the adverse impacts these tax reform measures will have on tax payers, and the corporate agriculture and agri-food sectors. We urge you to receive and reflect in a positive manner on this analysis before implementing these tax reforms.

Respectfully,

Alan Ling President
Atlantic Grains Council

c/c

Hon. Lawrence MacAulay
Hon Justin Trudeau
Hon. Wayne Easter

Agri Marche
A & L Labs
Atlantic Soy Inc.
Atlantic Farm Services
Bell Crop Services
Brennan Farms
Crop Exchange
East Coast Grains Inc.
Eastern Grains (2016) Inc.
Government of Newfoundland
and Labrador – Forestry and
Agrifoods Agency
Island Lime
Maritime Branch of the
Canadian Seed Growers Association
NB Seed Growers
New Brunswick Grain Commission
New Brunswick Soil and
Crop Improvement Association
Nutreco
PEI Agromart
PEI Federation of Agriculture
PEI Grain Elevator Corporation
Perennia
P & H Milling
Phillips Feed Service
Soil and Crop Improvement of NS
Truro Agromart
W. A. Grain & Pulse Soutions
YARA