



News Release

For immediate release

Harper Government Announces Tax Relief for Western Livestock Producers

July 23, 2015 - Ottawa, Ontario - Agriculture and Agri-Food Canada

Agriculture Minister Gerry Ritz today released a list of designated regions in British Columbia, Alberta, Saskatchewan and Manitoba where tax deferrals have been authorized for 2015.

The designation allows livestock producers in prescribed drought regions who are facing feed shortages to defer a portion of their 2015 sale proceeds of breeding livestock for one year in order to help replenish that stock in the following year. Proceeds from deferred sales are then included as part of the producer's income in the next tax year, when those proceeds may be at least partially offset by the cost of replacing their breeding animals.

To defer income, the breeding herd must have been reduced by at least 15%. If this is the case, 30% of income from net sales can then be deferred. In cases where the herd declines by 30 per cent or more, 90% of income from net sales can be deferred. Eligible producers can request the tax deferral when filing their 2015 income tax returns.

Quick facts

- AgriInsurance is the first line of response for producers dealing with weather related damages to their crops, while AgriInvest and AgriStability can help with income losses.
- From April 1 to July 21, 60% of the Prairie agricultural landscape has received 'Very Low' to 'Record Low' precipitation. This area represents 27,000 farms and more than 5.8 million cattle.
- In addition to the tax deferral, producers are encouraged to take full advantage of assistance available under the suite of Business Risk Management programs.
- Producers facing cash-flow challenges are encouraged to apply to the federal Advance Payments Program to access low interest guaranteed loans of up to \$400,000 to help them manage their financial obligations. The interest on the first \$100,000 is paid by the Federal Government. This may be of particular interest to livestock producers looking for cash to purchase feedstocks. APP administrators will work with producers to find the best option to suit the unique needs of each farm operation.
- This list represents the current designation of affected areas. Subsequent regions may be added to the list as required, in consultation with the provinces.

Quotes

"Our Government understands the situation facing livestock producers across western Canada. This tax deferral will provide producers with the flexibility they need to make decisions in the best interest of their individual operations."

- *Agriculture Minister Gerry Ritz*



Related Products

- [Livestock Tax Deferral Provision](#) – List of Designated Areas Eligible for 2015

Additional links

[Canada Revenue Agency – Drought and Excessive Moisture Advance Payments Program](#)

Contacts

Jeff English
Director of Communication
Office of the Honourable Gerry Ritz
613-773-1059

Media Relations
Agriculture and Agri-Food Canada
Ottawa, Ontario
613-773-7972
1-866-345-7972

Follow us on Twitter: [@AAFC_Canada](#)