

ALBERTA FARM FUEL BENEFIT PROGRAM



Agriculture is an important industry in our province – today and tomorrow. Alberta began as an agricultural area, providing a basis for other industries to grow and prosper. The Government of Alberta believes that agriculture will continue to play a pivotal role in our economy.

The Alberta Farm Fuel Benefit (AFFB) Program allows eligible Alberta producers to receive a 9-cent-per-litre provincial fuel tax exemption on the purchase of dyed gasoline and diesel. Eligible Alberta producers are fully exempt from the provincial tax on propane and aviation fuel used for farming purposes.

How to Receive Your Farm Fuel Benefit

Application forms are available from licensed fuel providers or online at Ropin' the Web (www.agriculture.alberta.ca). You may also contact Alberta Agriculture and Forestry (AF) by calling the Ag-Info Centre at 310-FARM, the Program Delivery Office at 780-422-9167 or emailing AFFB@gov.ab.ca.

If you qualify, AF will issue you an AFFB Program registration number. This number gives licensed bulk fuel providers the authorization to sell you marked fuel at the discounted price. Normally, the benefit is immediate and no other application for refund is required on gasoline or diesel; however, the fuel tax exemption on propane may require an application for rebate.

Once you have a registration number, you may license eligible farm trucks with class 2 farm license plates which are available from local Alberta Registry offices. You will be required to show proof that you have a valid AFFB Program registration number. Trucks with farm plates may use marked fuel.

Registration/Renewals may be refused, cancelled or suspended if there has been any contravention in the use of farm fuel.



Eligibility

To qualify for the Alberta Farm Fuel Benefit Program, you must:

- be actively and directly farming, including specified types of “custom farming”;
- be responsible for management decisions and operating costs;
- have control of the farming assets, either by holding title to the assets or having a rental agreement with the person holding title; and
- have gross annual farm revenue of at least \$10,000 (see Note). If the only other significant sources of income are Canada Pension Plan, Old Age Security benefits and supplement, you may be eligible with gross annual farm revenue of \$5,000 – \$9,999.

Note: To allow for revenue variations or for those who have just started production from farm operations, an estimate of the average expected revenue over the next three years may be accepted. Farm revenue is the value of farm production and any revenue from custom farming. Production may be sold, retained in inventory (such as grain not sold due to quotas or calves added to a herd), or used on the farm (such as hay fed to cattle or livestock slaughtered for family use). The owner of farming assets who has rented those assets to someone else, on either a cash or “crop share” basis, is not eligible. Where eligibility is questionable, a review panel composed of representatives from AF and Alberta Treasury Board and Finance will review the case.

A person who did not qualify for an AFFB Program registration number may apply for a Tax Exempt Fuel User (TEFU) number for farming use. A farmer can choose to select a TEFU number instead of an AFFB Program registration number.

Registration Renewal

AFFB Program registration numbers are valid for 3 years, or until you no longer meet the eligibility requirements for the program, whichever occurs first. AF conducts a farm fuel renewal at the end of the third year. At that time, you will be mailed a personalized renewal form to confirm your eligibility. There will be limited reminders and those who do not return their information by the deadline will have their AFFB Program registration number cancelled.

Farmers holding valid registration numbers should notify the AFFB Program administration office if their operation changes and they are no longer eligible for the benefit.

When to Use Marked Fuel and/or Farm Plates

USE MARKED FUEL AND/OR FARM PLATES FOR ELIGIBLE FARM, PERSONAL AND OTHER USES

- Farm machinery used in agricultural production
- Farm trucks used to transport the farmer’s own production or supplies
- Farm trucks used by the farmer or the farmer’s dependents for personal use, including transportation to and from off-farm employment
- Farm machinery used for eligible custom work on farm land (excluding land clearing)

DO NOT USE MARKED FUEL AND/OR FARM PLATES FOR INELIGIBLE USES

- Machinery or trucks used in off-farm business operations
- Transport of any farm products or other materials not owned by the farmer who owns the truck
- Cars, minivans, motor homes or licensed recreational vehicles (including motorcycles or motorboats)
- Any vehicle owned by an employee of a farmer
- Farm trucks owned by a farm corporation, but used by shareholders or employees for personal use
- Farm trucks used in any way to carry out business for an off-farm employer
- Service vehicles or equipment (for example, mobile seed cleaning plants, implement repair vehicles, etc.)
- Operation of any non-farming business (even if the owners are eligible farmers)
- Rodeo activities are considered a non-farming activity and the use of farm fuel is strictly prohibited

Note: Farm trucks must be licensed correctly.