



*Long-Term Thinking
for Today's Issues*

Christian Farmers Federation of Ontario

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NEWS RELEASE

Subject: **A Better Way to Tax Added Value on the Farm**

Guelph, – The Provincial Council of the Christian Farmers Federation of Ontario (CFFO) recently adopted a position statement aimed at dealing with the complex issue of property taxation levels for value-added and value-retention on-farm activities.

The statement, based on extensive input from the organization's members over the last few months, contains a number of recommendations that, if implemented, will allow farmers to make informed business decisions when it comes to on-farm value adding.

One of the recommendations states that any buildings necessary to retain the value of a product should be considered part of the agricultural activity and should not cause a change in tax classification as long as the majority of the product comes from the farm business which owns the building.

According to John Van Dyk, a director of the CFFO, "There should be as little restriction on activities that retain the product's value as possible. We need to give our farmers as many advantages as possible to compete in today's global market, while at the same time being responsible to the community."

Another recommendation suggests that value-added activities should only impact the tax classification if less than 51% of the produce used comes from the operator's land or assets and less than 90% of the produce comes from Ontario. CFFO Vice President Henry Stevens noted that, "These limits are in keeping with the CFFO's support for the family farm."

In addition to reasonable property taxation rules for farmers, the CFFO is calling for a specific appeal process to be established by MPAC that includes persons with expert knowledge of the agricultural sector. The organization's members also want to have clear and transparent definitions and criteria for both value-added and value-retention activities, as farmers need to know the potential impact on the tax classification when making their long-term business decisions.

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Attachment: **On-Farm Value-Added Property Taxation**

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