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September 19, 2017

The Honourable Bill Morneau, P.C., M.P.  
Minister of Finance 90 Elgin  
Ottawa, Ontario K1A 0G5  
Bill.Morneau@parl.gc.ca

Minister Morneau,

On behalf of the members of the Prairie Oat Growers Association (POGA), I am writing today to request an extension to the comment period for the proposed changes to Tax Planning using Private Corporations as announced in July.

POGA is comprised of the three Provincial oat grower commissions in Alberta, Saskatchewan and Manitoba, and thus represents about 90% of the oats grown in Canada. Canada is the largest exporter of oats in the world with about 50% of Canadian raw oats, and another 20% of production processed, exported each year.

Ninety-seven percent of farms are family run and many of these family farms are incorporated. Family farms have been encouraged to incorporate for several decades now and have done so because it is a responsible and effective way to plan for the future of the farm.

Even very preliminary reviews of the proposed changes indicate significant impacts on the ability of family farms, like many on our board, to continue to operate as successful and competitive businesses. Farmers incorporate to plan for future investments, retirement and finally succession to their children, keeping local knowledge and jobs in rural communities.

The unintended consequences of these changes are expected to be severe. POGA is ready to work with your department so we can ensure that the changes do what they are intended to do – close loopholes. Farmers are not tax cheats, we just have different operating expenses and more volatile incomes with massive overhead in addition to an entirely self-funded retirement and health care plans plus no employer contributions to EI. Tax planning allows us to save for the future and health related income losses.

The 75-day consultation period in the middle of harvest is simply not sufficient for farm groups to provide robust analysis and input. With so many complicated changes proposed our solicited accounting experts have said they cannot provide the necessary analysis in the timeline provided. An extension of 60 days will allow us to provide your department with the information it needs to make sound decisions about the changes and hopefully let family farms, and therefore rural communities, survive. The accounting expertise we have solicited to provide us with models and analysis which will go a long way to informing your consultations.

I would be very pleased to speak with you or any of your staff about the impacts of the proposal on my farm and I look forward to hearing about your next steps. My contact information is below if you would like to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read "Art Enns".

Art Enns, President

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c.c.:

The Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food Canada  
Maxime Dea, Policy Advisor to the Prime Minister