



Ontario Federation of Agriculture

Ontario AgriCentre

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October 25, 2018

Mr. Jan Westcott,
President & CEO of Spirits Canada
Suite 2-B, 219 Dufferin Street
Toronto, ON
M6K 1Y9

Dear Mr. Westcott:

Re: Spirits Canada's NOT ON MY TAB! Anti-Escalator Tax Campaign

The Ontario Federation of Agriculture (OFA) is pleased to express its full support for your NOT ON MY TAB! campaign against the new automatic escalator tax on Canadian spirits, introduced in the 2017 federal budget. The OFA is concerned about the unfair and damaging consequences of this new tax for consumers, distillers, workers, and farmers.

The Ontario Federation of Agriculture represents the interests of over 38,000 Ontario farm families, many of whom grow grains to supply Ontario distillers. As a fundamental pillar of the supply chain for the distilled spirits industry, farmers are worried that an escalating tax will negatively affect our buyers.

A competitive and fair tax policy is critical to business success and sustainability. Canada's most significant trading partner and competitor recently undertook sweeping tax reforms, directly affecting our competitiveness with the United States.

Because of this and previously imposed taxes on spirits, the international presence of Canadian spirits is declining. Companies are forced to pull back on global promotions and new market development in the face of unreasonable tax burdens at home. Spirits manufacturers must have the financial capacity to create innovative products, fund new market development, and reclaim presence on the world stage. This begins with a fair and reasonable tax regime that does not include an automatically escalating tax.

The OFA is proud to endorse Spirits Canada's position on this escalating tax issue, along with providing our name and logo in campaign marketing materials related to third-party stakeholder support.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Currie', is written over a light blue horizontal line.

Keith Currie
President