

June 16<sup>th</sup>, 2020

The Honourable Bill Morneau  
Minister of Finance Canada  
90 Elgin Street  
Ottawa, ON  
K1A 0G5

Via Email: [bill.morneau@canada.ca](mailto:bill.morneau@canada.ca)

Dear Minister,

**Re: Expanded CEBA eligibility requirements**

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 38,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system and rural communities with the potential to drive the Ontario economy forward.

On April 29<sup>th</sup>, OFA wrote to you to bring forward two eligibility requirements for the Canadian Emergency Business Account (CEBA) that were preventing many farmers from accessing the program.

1. The requirement to meet a payroll threshold.
2. The requirement to have a business account.

In June, your government released details on the announced expansion of the CEBA, that reduced the emphasis on payroll and provided a path for businesses with little payroll to qualify if they have at least \$40,000 in "non-deferrable expenses."

The CEBA guidelines were updated to define non-deferrable expenses to be any of the following.

- Wages and other employment expenses to independent (arm's length) third parties.
- Rent or lease payments for real estate used for business purposes.
- Rent or lease payments for capital equipment used for business purposes.
- Payments incurred for insurance related costs.
- Payments incurred for property taxes.
- Payments incurred for business purposes for telephone and utilities in the form of gas, oil, electricity, water, and internet.
- Payments for regularly scheduled debt service.
- Payments incurred under agreements with independent contractors and fees required in order to maintain licenses, authorizations or permissions necessary to conduct business by the Borrower.

While, the announced expansion of the CEBA program is a positive move in the right direction, the restrictive list of eligible non-deferrable expenses is too narrow and will continue to restrict many farmers from being able to access the funding under the program. OFA urges your government to immediately broaden the list of non-deferrable expenses.

At a minimum, the following expenses should be immediately added as eligible non-deferable expenses.

- Feed Purchases (various codes)
- Containers and twine 9661
- Fertilizers and soil supplements 9662
- Pesticides and chemical treatments 9663
- Seeds & Plants 9664
- Insurance premiums (crop or production) 9665
- Veterinary fees, medicine, and breeding fees 9713
- Minerals and salts 9714
- Machinery (gasoline, diesel fuel, oil) 9764
- Freight and shipping 9801
- Storage/drying 9822
- Commissions and levies 9836
- Private insurance premiums for allowable commodities 9953
- Machinery (repairs, licences, insurance) 9760
- Building and fence repairs 9795
- Agricultural contract work 9798
- Office expenses 9808
- Professional fees (includes legal and accounting fees) 9809

OFA is disappointed to see that despite an [announcement](#) from the Prime Minister on May 19<sup>th</sup> to find a solution for business owners without a business bank account, having a business operating account remains an eligibility requirement to access funds under the CEBA program. This continues to exclude many farm businesses, who operate from a non-business bank account from accessing funds at a time in which they desperately need it. **We urge your government to follow through on it's promise to allow farmers and other businesses who do not have a business bank account to access funds under the CEBA program.**

OFA and all our farm family businesses appreciate the support of the federal government during this difficult time. We expect these recommendations will be given the considerations they deserve, and we look forward to working with you to ensure a speedy economic recovery in Canada.

Sincerely,



Keith Currie  
President

cc: Justin Trudeau, Prime Minister of Canada  
Chrystia Freeland, Deputy Prime Minister  
Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food Canada  
Honourable Ernie Hardeman, Ontario Minister of Agriculture, Food and Rural Affairs  
Mary Robinson, President, Canadian Federation of Agriculture  
OFA Board of Directors