

August 20, 2024

The Honourable Chrystia Freeland  
Deputy Prime Minister and Minister of Finance  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Deputy Prime Minister Freeland,

**Re: Response to the Federal Government's Consultation on Budget Measures 2024**

The Ontario Federation of Agriculture (OFA) proudly represents more than 38,000 farm family members across the province, supporting our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. OFA is passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

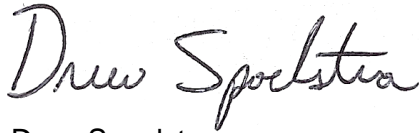
While the OFA continues to have serious concerns about the increase to the capital gains inclusion rate, we are pleased that the federal government has responded to our feedback and made changes that will allow Ontario farmers to access the Canadian Entrepreneurs' Incentive. This expansion of eligibility is crucial for ensuring the incentive can apply to all farmers who own qualified farm property regardless of their business structure. These adjustments will make it more accessible to the farming community, better supporting farm succession planning and the continuity of family farms in Canada.

We further welcome the federal government's increase to the Lifetime Capital Gains Exemption, which provides much-needed relief for farmers during the transfer of farm assets and will help facilitate smoother transitions from one generation of farmers to the next.

OFA's farm business confidence survey revealed that the number one issue concerning Ontario farmers is an unsustainable tax burden on farmers. Even with the changes to the lifetime exemption and entrepreneurs' incentive, the increased inclusion rate will further add to the tax burden, negatively impact cash flow, and threaten financial stability of farmers across Canada and Ontario. For these reasons we strongly recommend the government reconsider increasing the capital gains inclusion rate for farmers.

OFA appreciates the opportunity to provide our feedback and perspectives on farm taxation. We look forward to working to find policy solutions that support the agri-food sector and ensure the stability and sustainability of Ontario's family farms, now and in the future.

Sincerely,



Drew Spoelstra  
President

cc:   OFA Board of Directors  
      The Honourable Lawrence Macaulay, Minister of Agriculture and Agri-Food  
      The Honourable Lisa Thompson, Minister of Rural Affairs  
      The Honourable Rob Flack, Minister of Farming Agriculture, and Agribusiness  
      Keith Currie, President, Canadian Federation of Agriculture  
      Kody Blois, Member of Parliament, Chair of the Standing Committee on Agriculture and Agri-Food  
      John Barlow, Member of Parliament, Vice Chair of the Standing Committee on Agriculture and Agri-Food