



News Release

For immediate release

Government of Canada Supports BC Livestock Producers Affected by Drought

Ottawa, Ontario, October 20, 2010 - British Columbia food producers suffering from drought conditions are getting help from the Government of Canada's tax deferral program.

"Our Government is committed to addressing the challenges that our farmers are facing," said Agriculture Minister Gerry Ritz. "This tax deferral program will help BC farmers struggling due to the dry, cold conditions they've had this year by increasing the money available to replenish their breeding stock for the following year."

The tax deferral allows eligible producers in designated areas to defer income tax on the sale of breeding livestock for one year to help replenish breeding stock in the following year. Proceeds from deferred sales are included as income in the next tax year, when they may be at least partially offset by the cost of reacquiring breeding animals. In the case of consecutive years of designation, producers may defer sales income to the first year in which the area is no longer designated.

To defer income, the breeding herd must have been reduced by at least 15 per cent. Thirty per cent of income from net sales can be deferred if the breeding herd has been reduced by at least 15 per cent. In cases where the herd has been reduced by more than 30 per cent, 90 per cent of income from net sales can be deferred.

Eligible producers will be able to request this deferral when filing their 2010 income tax returns. Livestock producers are advised to contact their local Canada Revenue Agency Tax Services Office for details on the income tax provisions.

Preliminary designation has been established based on spring moisture and summer rainfall, supplemented with estimates of forage yield. Final decisions and any needed adjustments will be made when all forage yield information is available, usually in December. Early designation of eligible areas will help producers make informed decisions about their fall and winter livestock management decisions.

Northern British Columbia experienced very dry conditions, well below normal temperature and low precipitation, resulting in very poor soil moisture conditions and pasture and forage development.

Assessment of the drought situation will continue throughout the fall and, as more data about forage yields are known, tax deferral areas could be expanded.



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For more information on the extent of the drought or programs to assist farmers, see the AAFC Drought Watch site at www.agr.gc.ca/drought.

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Newly Designated British Columbia Tax Deferral Areas

Census Subdivision Bulkley-Nechako B
Census Subdivision Bulkley-Nechako C
Census Subdivision Bulkley-Nechako D
Census Subdivision Bulkley-Nechako E
Census Subdivision Bulkley-Nechako F
Census Subdivision Cariboo A
Census Subdivision Cariboo B
Census Subdivision Cariboo C
Census Subdivision Cariboo D
Census Subdivision Cariboo E
Census Subdivision Cariboo F
Census Subdivision Cariboo I
Census Subdivision Cariboo J
Census Subdivision Cariboo K
Census Subdivision Fraser-Fort George A
Census Subdivision Fraser-Fort George C
Census Subdivision Fraser-Fort George D
Census Subdivision Fraser-Fort George E
Census Subdivision Fraser-Fort George F
Census Subdivision Fraser-Fort George G
Census Subdivision Fraser-Fort George H
Census Subdivision Peace River B
Census Subdivision Peace River C
Census Subdivision Peace River D
Census Subdivision Peace River E

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