



38–4th Avenue NE | Box 2280
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June 1, 2017

Re: Response to the Government of Canada's Consultation on Cash Purchase Tickets

Dear Sir/Madam,

The Manitoba Wheat and Barley Growers Association (MWBGA) respectfully submits the following comments concerning the Federal Government's Consultation on Cash Purchase Tickets. The MWBGA represents approximately 7,450 spring wheat farmers and 1,050 barley farmers in Manitoba. The MWBGA uses check off dollars to grow the potential of wheat and barley as profitable and sustainable crop choices for Manitoba through investments in research and market development.

The MWBGA largely focuses on research and market development. We also comment on specific agricultural policy issues as representatives of the spring wheat and barley growers of Manitoba. The MWBGA provides input to agricultural policy issues as a Commodity (Producer) Organization Member of the Keystone Agricultural Producers (KAP) and with other wheat and barley commodity associations in Western Canada.

The MWBGA believes there will be a significant impact to producers with the loss of the tax tool of deferred cash purchase tickets. Every growing season is unique and farmers face numerous uncertainties such as weather, disease pressure, storage requirements and market fluctuations. Each year, farmers require the flexibility to make the best business decisions possible, allowing for maximum profitability for the listed grains they are selling. The deferred cash purchase ticket option allows grain farmers to sell their grain when the market is offering prices that allow them to be profitable, and yet maintain a relatively consistent level of taxation.

During the consultation period on Cash Purchase Tickets, the MWBGA contributed our perspective to KAP's submission. We urge you to strongly consider the reasons provided by KAP as a reflection of our interests and concerns. The MWBGA strongly agrees with KAP's reasons to retain deferred cash purchase tickets, including:

- deferred cash purchase tickets are an important income stabilization tool for farmers,
- deferred cash purchase tickets help structure the current grain handling system. Removing this tax tool would likely lead to unintended consequences including disruption of grain movement.

In addition to KAP's submission, the MWBGA strongly disagrees with the Finance Department's statement that the historical rationale for the tax deferral of cash purchase tickets relates to the Canadian Wheat Board's (CWB) former position as the sole purchaser of listed grain in Manitoba, Saskatchewan and Alberta. The CWB was never the sole purchaser of Western Canadian rye, flaxseed, rapeseed or canola, and oats were removed from the CWB in 1989. Therefore, the argument that the deregulation of single desk marketing for wheat and barley indicates there is no longer a clear policy rationale for maintaining the tax deferral accorded to deferred cash purchase tickets is not valid.



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The MWBGA expresses gratitude for the opportunity to participate in this consultation and invite you to contact us should you have any questions with respect to our submission.

In summary, farmers use of deferred cash purchase tickets allows them to make better marketing decisions, plan for income stability and more accurately predict their tax liabilities from year to year. Use of this tool also supports the grain handling and marketing system by offering not only farmers but grain companies flexibility. The MWBGA joins KAP and other industry stakeholders in strongly urging the Government of Canada to retain this tax tool for farmers.

Sincerely,

A handwritten signature in black ink, appearing to be "Fred Greig". The signature is fluid and cursive, with a large loop at the end.

Fred Greig, Chair
Manitoba Wheat and Barley Growers Association