



# The KAP Alert

September 25, 2009

## KAP Applauds Tax Deferral Initiative

News Release September 24, 2009

Keystone Agricultural Producers (KAP) welcomes the passage of the federal tax deferral on breeding livestock initiative as part of a ways-and-means-motion in the House of Commons.

The tax deferral is a tool producers in designated areas can use to lessen the financial burden caused by excess moisture conditions. The one-year deferrals on income on the sale of breeding livestock will allow producers to build up their stock in the following year.

"We're pleased the government has recognized the severe challenges facing producers in the Interlake and that the tax deferral is part of government policy going forward—not only for drought but also excess moisture situations," said Ian Wishart, KAP President.

KAP lobbied the federal government for months in 2008 and 2009 to expand the tax deferral (Section 80.3 of the Income Tax Act) to include excess moisture situations, which was previously only to be used for producers affected by drought.

### Looking for your EFP Certificate?

If you are a producer who has misplaced your Environmental Farm Plan Statement of Completion and you need another copy, please contact Christine at KAP at 697-1140 or [kap@kap.mb.ca](mailto:kap@kap.mb.ca).

### Activities

**Monday, September 21:** President Ian Wishart met with Agriculture Critic and MLA for Lakeside Ralph Eichler and the PC Ag Caucus as well as MP for Selkirk-Interlake James Bezan to discuss beneficial management practices (BMPs) under the Environmental Farm Action Program (EFAP)

“We knew the tax deferral existed for drought situations, and we worked to have excess moisture included. We are pleased that the government heard KAP’s voice and made a change which will work for more producers,” said Wishart.

Producers may contact a Canada Revenue Agency Tax Services office for information on the deferral and 2009 income tax returns.



## Who Owns the Carbon Credits?

**September 21, 2009**

Keystone Agricultural Producers has received numerous phone calls since the announcement regarding beneficial management practices (BMPs) under the Environmental Farm Action Program (EFAP) and Manitoba Sustainable Agriculture Practices Program (MSAPP) on September 2, 2009. The calls were regarding confusion about who owns the project related carbon credits.



In the terms and conditions of the application form it states that carbon offsets (if any) achieved from greenhouse gas reductions and removals through BMPs incented by MSAPP and/or EFAP will be owned by the Province of Manitoba and the applicant(s) in proportion to the original contributions provided for the project by same until the retirement or sale of the credits.

“We interpret this to mean if they fund 70 per cent of a project, they own 70

and Manitoba Sustainable Agriculture Practices Program (MSAPP).

**Wednesday, September 23:**

President Ian Wishart and Executive Member Kyle Foster met with MP for Selkirk-Interlake James Bezan, Agriculture Critic and MLA for Lakeside, Ralph Eichler, MLA for Interlake Tom Nevakshonoff, and representatives from the RMs of Bifrost, Coldwell, Gimli, and Fisher in Arborg to discuss the Interlake situation.

**Thursday, September 24:**

President Ian Wishart participated in an International Institute for Sustainable Development conference call regarding the Copenhagen negotiations on carbon offsets.

**Thursday to Friday:**

GM Yvonne Rideout attended the Canadian Federation of Agriculture General Managers'

per cent of the credits for the duration of the Growing Forward agreement—which is four years,” says Ian Wishart, KAP President.

This provides the producer an opportunity for the first time to get real value for the carbon offsets they create. The dramatically higher percentage of funding in this round of BMPs and all of the extra funding under MSAPP is directly connected with the province’s desire to collect some of the agricultural offsets to meet their commitment to be “greener” in government practices.

“By the time the Growing Forward agreement ends we hope a national offset system will be created,” says Wishart. “At the very least with a recovering economy value will have come back to international offset markets.”

To provide some clarification, KAP has asked the province to put together some examples to illustrate the intent of the statement and how it will work for producers.

### ***MSAPP Example 1: Increased Perennial Legumes in Annual Crop Rotation***

Converting sensitive lands from annual crop rotation to perennial forages reduces greenhouse gas (GHG) emissions by reducing nitrogen fertilizer rates and increasing carbon sequestration. Program funding supports cost of establishment and restoration of tame or native species to its objectives.

MSAPP will pay 75% up to \$15,000. Therefore, the province will retire the proportion of carbon credits associated with the provincial contribution to the project (75% up to \$15,000). The ownership period is the same as the project duration—up to the end of 2012. After this period, the producer will be free to make use of the offsets.

### ***MSAPP Example 2: Reduced GHG Emissions from Manure***

meeting in P.E.I.

## **Events**

**October 3:** Roland Pumpkin Fair. [Website](#)

**October 15:** KAP General Council, Canad Inn Portage la Prairie.

**October 23 - 25:** Wheat City Stampede, Keystone Centre, Brandon.

**November 5 - 8:** Manitoba Livestock Expo, Keystone Centre, Brandon. [Website](#)

**December 7:** The 34th Manitoba Conservation Districts Association Convention and Tradeshow, Keystone Centre, Brandon, MB. Theme: "Our Environment: The Co\$t of Doing Nothing" with a kick off on Monday evening at the Tradeshow Reception. [Website](#)

**January 19 - 21, 2010:** Manitoba Ag Days, Keystone Centre, Brandon. [Website](#)

### ***Storage – Slurry Storage Covers***

Covering liquid manure storage facilities can be an effective way to reduce GHG emissions. Eligible costs for constructing new or upgrading existing manure storage infrastructure will include engineering design, contractor fees, materials and labour.

MSAPP will pay 90% of the costs of the BMP, or up to \$100,000. Therefore, the province will retire the proportion of carbon credits associated with the provincial contribution to the project (90% or up to \$100,000). As for the ownership of the carbon offsets associated with this BMP, the province will retain ownership for a period of 10 years. After that period of time, the producer will be free to use the offsets.

### ***EFAP Example: Manure Solid-Liquid Separation***

Manure treatment can reduce odour and pathogens, reduce GHG emissions, and increase efficiency of nutrient management. Program funding will pay 50% of the costs up to \$150,000. Therefore, the province expects to retire the proportion of carbon credits associated with the provincial contribution to the project (50% up to \$150,000). The province will retain ownership of the carbon offsets for the duration of the project (i.e. until March 31, 2013).

“With the exception of lagoon covers, the percentage of funding provided will be the percentage of ownership by the province to the end of the program,” says Wishart. “For MSAPP that is until the end of 2012, however, under the Environmental Farm Action Plan (EFAP) it is to March 31, 2013, which is the end date for that program.”

During meetings with the province, KAP lobbied for higher percentage amounts for BMPs and considered that since the province was paying for a portion of the project it could own the percentage amount of the carbon credit for the term of the program. Since there is currently limited value for

### **Value Chains 101: What They Are and How They Can Boost Your Business**

**October 13:** The Value Chain Manitoba Initiative is hosting a two-part Value Chains 101 Video-conference at the MFPA/Urban GO office (Unit #13 – 59 Scurfield Blvd) in Winnipeg. These two three-hour sessions will be available at various videoconference sites across the province free of charge. If you are unfamiliar with value chains, or have heard a bit and want to learn more, this is the perfect workshop for you!

Don't miss this opportunity to learn the five W's of creating successful value chains: Who, What, When, Where and Why. Business consultant Terry Ackerman will facilitate both sessions.

**Part 1** – 9:00 a.m. - 12:00 p.m.: Using real-

credits and very limited market opportunities for trading, the higher percentage helps producers and the limited ownership of the credits helps the province.

---

## Upcoming AgriStability Deadlines

### AgriStability Program

#### **September 30, 2009**

**\* Deadline to submit the 2008 AgriStability/AgrilInvest Harmonized Form without penalty.**

#### **December 31, 2009**

**\* Deadline to submit the 2008 AgriStability/AgrilInvest Harmonized Form with penalty.**

**\*\*If you miss the September 30, 2009 deadline, you can still submit the form until December 31, 2009 with a \$500/month reduction to your payment.**

---

## Open House

To celebrate their 10th Anniversary, the Canadian Science Centre for Human and Animal Health (the national



life examples, Terry will explain what value chains are, the difference between supply chain management and value chain management, and how more businesses across the agri-food industry are using the value chain business model to collaborate and gain a competitive edge.

**Part 2** – 1:30 p.m. - 4:30 p.m.: Terry will explain how to start a value chain and help participants understand the various elements required to launch a successful value chain.

Terry has worked on producer, processor and retailer-initiated value chains and helped develop, launch and market over 200 consumer and 10 industrial products. He has also managed distributors in 22 countries. Recently he was responsible for helping to build the Organic Meadow brand of organic dairy products into the largest and most profitable organic dairy

lab on Arlington St.) is opening its doors on October 3, 2009 from 11:00 a.m. to 4:00 p.m. to offer the public a special peek inside this state of the art facility. Don't miss this very rare opportunity for a glimpse inside a world renowned infectious laboratory facility--one of only a handful in the world with Containment Level 4 laboratories.

***Special highlights of the Open House include:***

- an exhibit on how they are able to work so safely with infectious materials including equipment, protective clothing, unique construction, etc.
- information on the various lab programs and the important role they play
- a peek inside a high-tech communication centre where the lab response to outbreaks is coordinated
- the mobile lab equipment that scientists can take to remote areas of the world to fight outbreaks
- presentations on the Community Liaison Committee, the labs, and work with various infectious diseases
- a live video link into a Level 4 laboratory with the chance to ask a scientist in the lab questions

***Event poster***

**Please note:**

- bring photo identification
- cameras are not allowed
- bags and purses are subject to search

**Call 789-2000 for more information.**

---

brand in Canada.

The Canadian Value Chain Network workshop series, starting November 2 and 3 in Steinbach, will also be broadcast province-wide via the Manitoba Entrepreneurial Learning Network Sites.

For more information [email](#) Eugene Warwaruk or call Toll Free: 1-800-216-9767.

**KAP in Net News**

**Warm, dry September sows new harvest of hope** [LINK](#)  
*Winnipeg Free Press*

**Man. clarifies ownership of farm carbon offsets** [LINK](#)  
Farm Business Communications

**CN Partially Reverses De-listing Decision** [LINK](#)  
*PortageOnline.com*

**CN Reconsiders Closure of Producer Car Sites** [LINK](#)  
*PortageOnline.com*

## How much of your food is actually Canadian? Watch this video!

[www.eatrealeatlocal.ca](http://www.eatrealeatlocal.ca)



---

## Trade Memo on National Variety De-registration Protocol

*Posted on the Canadian Grain Commission website*

### **National variety de-registration protocol**

The following is to advise you that the Canadian Grain Commission and the Canadian Food Inspection Agency have adopted a National Wheat Variety De-registration Protocol. The protocol means that grain producers and industry participants will now be informed of upcoming changes to the registration status of wheat varieties in advance.



The National Wheat Variety De-registration

Protocol follows the removal of kernel visual distinguishability (KVD) as a registration requirement for all Western Canadian wheat classes. After the removal of KVD on August 1, 2008, the grain industry implemented a declaration system to maintain the integrity of the Canadian wheat quality assurance system. In this new non-KVD environment, grain producers could experience financial losses if they seed varieties that are no longer eligible for milling grades and top payment.

The Canadian Grain Commission and the Canadian Food Inspection Agency agreed that it would be beneficial to more widely communicate proposed variety de-registrations to provide sufficient advance warning to producers through a new protocol. Under the new protocol, when a variety de-registration request is received for a wheat variety, a minimum three-year phase-out period begins.

During this period, varieties proposed for de-registration will remain on the Canadian Grain Commission's "Variety Designation Lists" and the Canadian Food Inspection Agency's "List of Varieties which are Registered in Canada". The phase-out period allows sufficient time to clear the entire value chain of all seed and grain of that variety. A variety de-registration notification date will be standardized. De-registration notices for wheat will be released on August 1 each year.

For more information, wheat producers and industry participants can check the variety designation lists on the Canadian Grain Commission's web site: [www.grainscanada.gc.ca](http://www.grainscanada.gc.ca), or the lists of varieties which are registered in Canada on the Canadian Food Inspection Agency's web site: [www.inspection.gc.ca](http://www.inspection.gc.ca).

In addition, the Canadian Grain Commission would appreciate if you could communicate the changes mentioned above to the members of your organization.

**If you have any questions, please contact:**

Norm Woodbeck  
Acting Chief Grain Inspector of Canada  
Canadian Grain Commission  
Telephone: (204) 983-2780  
Email: [norm.woodbeck@grainscanada.gc.ca](mailto:norm.woodbeck@grainscanada.gc.ca)

## Member Benefits Corner

*Save on your parts and tool supplies*

Need some harvest parts?  
Remember that KAP members  
receive discounts from  
**Acklands-Grainger.**



Now with their new stores in  
Steinbach and Winkler, **Acklands-Grainger** has 14 locations in Manitoba!

For **fall specials** [\[click here\]](#), or simply call a branch and ask for group  
code 253321 (or simply "the KAP Discount").

To go directly to this fall's specials [\[click here\]](#).

### **Branch phone numbers:**

#### **Branch**

Brandon 727-3301  
Dauphin 638-4811  
Flin Flon 687-3451  
Portage La Prairie 856-2400  
Selkirk 482-6158  
Steinbach 326-9009  
Swan River 734-3481

The Pas 623-6451  
Thompson 677-4561  
Winkler 325-0007  
Winnipeg (17 Terracon Place) 944-7777  
Winnipeg (1075 Keewatin St.) 944-3808  
Winnipeg (199 St. James St.) 944-3850  
Winnipeg (19 Scurfield Blvd.) 944-3811

## Benefits Reminder

*After harvest, is one of your objectives to put in place an effective estate and/or retirement plan?*

For professional advice on tax-effective and strategic farm estate and retirement planning, call our Member Benefits line at 1-866-527-0123, ext. 2.



For information on other benefit programs, please call our Member Benefits line at 1-866-527-0123, go to our [website](#) or email [kapbenefits@stratabenefits.ca](mailto:kapbenefits@stratabenefits.ca).

By participating in these programs, KAP members provide further strength to KAP in improving its other benefit programs for farmers.

You're receiving this email from KAP to keep you updated on Manitoba's agricultural news & events. You may have contacted us directly to subscribe, opted in from our web site, or entered one of our draws.

[Unsubscribe](mailto:communications@kap.mb.ca) communications@kap.mb.ca from this list.

Our mailing address is:  
Keystone Agricultural Producers  
203-1700 Ellice Avenue  
Winnipeg, Manitoba R3H 0B1

[Add us to your address book](#)

Copyright (C) 2008 Keystone Agricultural Producers All rights reserved.

[Forward](#) this email to a friend

[Update your profile](#)