



## NEWS RELEASE

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### “The Voice of Manitoba Farmers”

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## Tax Deferral Good News for Livestock Producers

**Winnipeg** – Keystone Agricultural Producers (KAP) appreciates the announcement regarding 2009 federal tax deferrals on breeding livestock. The tax deferral is a tool producers in designated areas can use to lessen the financial burden caused by excess moisture conditions in the spring. Many affected producers are still facing challenges due to excess moisture in 2008.

The one-year deferral on income on the sale of breeding livestock will allow producers to build up their stock in the following year. The federal government announced that producers in four areas may be eligible for the tax deferral including the Rural Municipalities of Armstrong, Bifrost, Fisher, and Gimli.

“We’re pleased to see the government announce the tax deferral at this point in the year, rather than later,” said Ian Wishart, KAP President.

KAP lobbied the federal and provincial governments 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 were previously only to be used for producers affected by drought.

“The expanded deferral is proving to be valuable because it gives livestock producers another option to consider when they’re making decisions about their winter feed supplies,” said Wishart.

Breeding herds must have been reduced by at least 15 per cent in order for producers to defer income. Producers may contact a Canada Revenue Agency Tax Services office for information on the deferral and 2009 income tax returns.

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Keystone Agricultural Producers is Manitoba’s largest general farm policy organization, representing over 7,000 farm families and 22 commodity groups throughout the province. Our strength is our democratic structure, and our mission is to represent and promote the interests of the province’s farm families.