



A Certified Seed Tax Incentive

Ontario Seed Growers Association

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CSTA ACCS

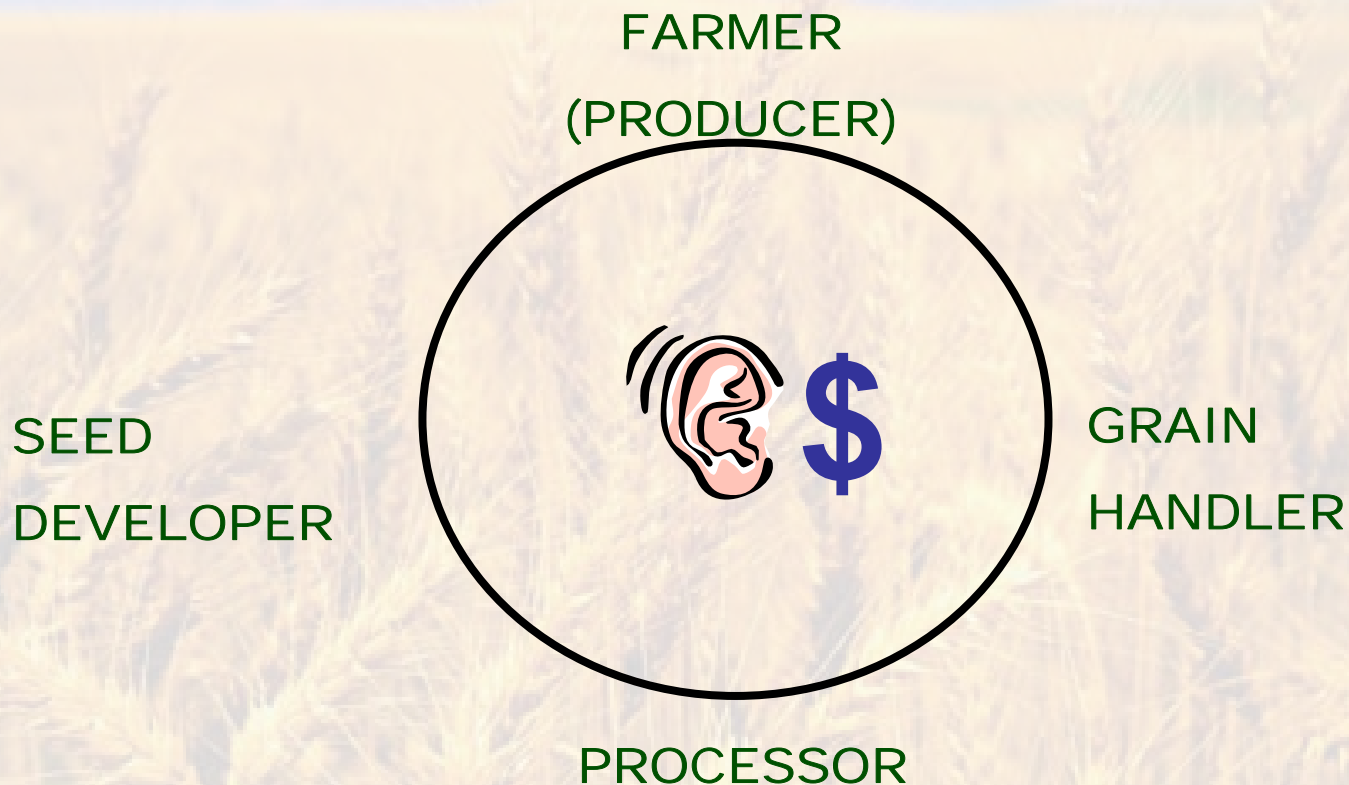
Certified Seed Tax Incentive

- **What led to the idea**
- **The Idea**
- **Pursuing the Idea**



What Led to the Idea

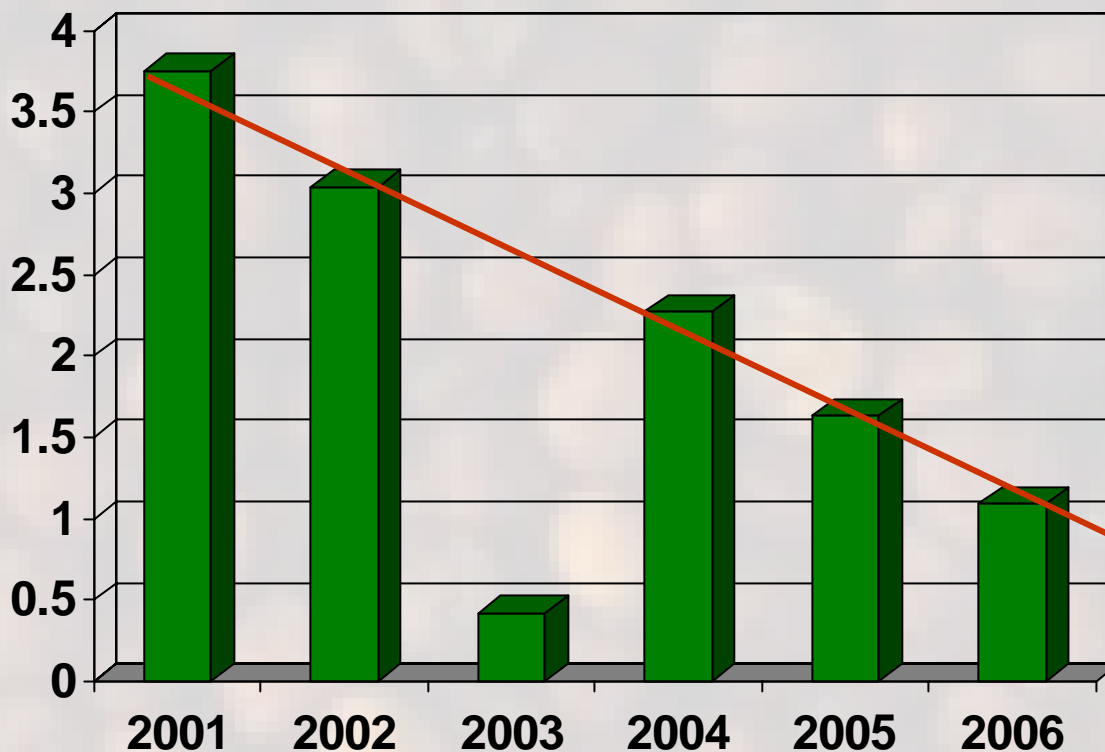
The Value Circle



- If one point on the circle fails, the circle fails

What Led to the Idea The Value Circle was Breaking Led by Farm Income

Realized Net Farm Income 2001-2006



Source: Statistics Canada

What Led to the Idea

- **Innovation increases opportunity**
 - Environmental protection and preservation
 - Health promotants
 - Bio-fuels
- **Seed driven innovation is proven**
 - Ontario Corn Yield ↑ 59% in 15 years
 - Canola Yield ↑ 32% in 30 years
 - Ontario Winter Wheat Yield ↑ 62% in 15 years

What Led to the Idea

- Investment in seed driven Innovation will drive wealth for the entire circle
- In Canada, the primary source of investment funds is the sale of certified seed.

Crop	% Certified Seed	% of investment 2012
Canola	92%	74%
Corn	98%	12%
Soybeans	75%	10%
Cereals	19%	2%

The Idea

- **Currently, about 30% of farmers carry the costs of innovation**
 - **Those who purchase certified seed**
- **The idea – to share the costs of seed driven innovation amongst all who benefit**
- **A tax incentive of 55% for all producers who purchase certified seed**
 - **All of society shares in the cost of innovation**

How It Works

- The producer claims 155% of the cost of certified seed as an expense for income tax
- The reduction in taxable income offsets the extra cost of buying certified seed
- **The result:**
 - All farmers get access to new innovation
 - Funds available for investment in innovation increase
 - The costs of innovation are shared

For Government

- If all seed used was certified, the cost would be \$179 million
- But the government benefits too:
 - Healthier agriculture economy – less strain on safety nets
 - Better position and reputation internationally
 - Returns through sales of publicly developed varieties



Collect More Taxes – for example:

2547 SR Wheat

- Yield boost = 10 bushels/acre
- Planted on 150,000 acres
- At \$ 6 per bushel = extra \$ 9 million in revenue
- Additional tax paid by farmers = \$2.79 million
- Additional Tax paid by elevator system = \$ 97,000

5602 HRS Wheat

- Yield boost = 3.4 bushels/acre
- Planted on 216,000 acres
- At \$ 6 per bushel = extra \$ 4.4 million in revenue
- Additional tax paid by farmers = \$1.54 million
- Additional Tax paid by elevator system = \$43,000

Just two varieties = extra \$4.5 million in taxes



A Good Idea That Needs to Be Supported

- **Contact your M.P. and your MLA**
 - **Write a letter**
 - **Make a call**
- **Help Build Support**
 - **Speak to other farmers and farm groups**
 - **Get them to write letters to their M.P.s and MLAs**
- **Together we can deliver innovation for farmers and end users.**



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