

RESOLUTION 3: PERPETUATION OF THE TAX DEFERRED CO-OPERATIVE SHARES (TDCS) PROGRAM

PRESENTED BY: SOLLIO COOPERATIVE GROUP

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WHEREAS:

1. Canada's agriculture and agri-food sector is a major contributor to the Canadian economy;
2. Agricultural co-operatives make an important contribution to regional development and the rural economy and play a key role in Canada's agricultural sector in that their presence supports family farms and small agricultural businesses in all rural areas of Canada;
3. The TDCS mechanism was adopted following the December 2004 report of the House of Commons Standing Committee on Finance, which recommended that the government take immediate measures to allow the agricultural cooperative sector to meet its capitalization needs;
4. The Tax Deferred Co-operative Shares program is an essential component of the capitalization capacity of agricultural cooperatives;
5. The Tax Deferred Co-operative Shares program is a low-cost and stable measure for the federal government. In 2019, projected annual costs in terms of dollars were \$5 million for the years 2017 to 2020 while in 2005 it was estimated at \$30 million;
6. Adopted in 2005, the TDCS mechanism was planned for a 10-year period, but was renewed twice, in 2015, for a period of five years and again in the fall of 2020 until 2026;

7. It is under the aegis of CMC that Agropur, Sollio Cooperative Group, Exceldor, Gay Lea Foods and United Farmers of Alberta (UFA) took steps to make the TDCS program permanent before the renewal of the measure until 2026 was announced.

BE IT RESOLVED THAT:

1. CMC take steps to ensure the perpetuation of the TDCS program before its scheduled 2026 deadline.

CMC consult and coordinate with the relevant cooperatives to take steps with the federal government to ensure the perpetuation of the TDCS program.