

Tax-Deferred Co-operative Share Program

CMC is advocating to make the Tax-deferred Co-operative Share Program (TDCS) program permanent, for the benefit of agriculture co-operatives throughout Canada.

The TCDS is a crucial capitalization and resilience mechanism for agriculture co-operatives. These co-operatives make an important contribution to regional development and Canada's rural economy. Their existence supports family farms and small agricultural businesses across Canada.

This program was created in 2005 for a 10-year period. However, it has been renewed twice due to the recognition of its importance: In 2015 for a period of five years, and in 2020. Its purpose is to help agricultural co-operatives meet their capitalization needs. It was based on the December 2004 report of the House of Commons entitled "Study on Small Business Tax Measures: Canada's Agricultural Co-operatives".

This \$5 million per year tax deferral program provides increased stability and helps the co-operative business model remain a viable option for agribusinesses. This, while allowing Canadian co-operatives to be stronger in the face of international competitors and current economic challenges.

CMC, with the support of Agropur, Sollio Cooperative Group, Exceldor, Gay Lea Foods and United Farmers of Alberta (UFA), representing more than 100,000 of producer-members among them, CMC advocates to make the TDCS program permanent before the next scheduled renewal in 2026.



About CMC

CMC is the national/bilingual apex organization with a mandate to support the development of Canada's national ecosystem of 7,000 small, mid-sized and large co-operative enterprises (businesses). Our members include some of Canada's largest financial and non-financial co-operatives, provincial/territorial co-operative associations, and national sector federations. In addition to representing some of the largest employers, CMC also provides a voice to

- the 52 per cent of active non-financial co-operatives who have no employees and
- the 99.1 per cent that do have employees and operate as small or medium enterprises (SME)¹.

¹Government of Canada, [Financial and non-financial statistics on Canadian non-financial co-operatives, 2019](#)