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**national farmers union**  
*In Union Is Strength*

**FOR IMMEDIATE RELEASE**

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## **NFU URGES ONTARIO RURAL MUNICIPALITIES TO OFFER TAX RELIEF**

Ontario rural municipalities should implement measures to defer penalties and interest on farm property tax for up to three years as a way of helping farmers cope with cash flow difficulties this spring, says the National Farmers Union (NFU).

In a letter to the Association of Municipalities in Ontario this week, NFU Ontario Coordinator Don Mills said farmers are facing a serious cash flow crunch, and tax deferral could provide some breathing room until short and long-term solutions to the farm income crisis are implemented.

Mills said a recent decision by the City of Ottawa (whose boundaries include farmland) to implement a six-month farm property tax deferral should prompt other municipalities to extend some tax relief to hard-hit farm families. The NFU adopted a resolution at its annual regional meeting last month advocating a 3-year tax deferral timeframe. The resolution reads:

*WHEREAS the farm crisis is having a profound negative impact on all farmers in Canada, and  
WHEREAS the small amount of relief offered to farmers by the provincial and federal governments in the spring of 2006 is inadequate to meet current financial obligations and pay anticipated input costs, and  
WHEREAS most farmers are not in a position to be able to take on additional debt financing in either the short or long term, and  
WHEREAS payment of municipal taxes is impossible for many farmers at this time,  
THEREFORE BE IT RESOLVED that the NFU request all municipalities to forgive the interest that would otherwise be owed on the tax not paid, for a period of up to 3 years, as a sign of solidarity with farmers in Canada.*

Mills acknowledged that property tax relief will not solve the farm crisis. “Long-term solutions require a fundamental restructuring of the current dysfunctional marketplace to provide farmers with greater economic leverage,” he said. He blamed corporate concentration in the marketplace as a major cause of the “cost-price squeeze” which has led to a sharp decline in realized net farm income.

Mills concluded that municipalities which implement tax deferral measures proposed by the NFU would be “doing a tremendous service to their citizens.”

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