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## NCFA Statement on Capital Gains

**June 14, 2024** - The National Cattle Feeders' Association (NCFA) is disappointed with the Government of Canada's decision to proceed with changes to the capital gains inclusion rate despite calls from Canadian farmers to delay the implementation. Announced in the federal budget, these changes are set to take effect on June 25<sup>th</sup>. This does not provide Canadian farm businesses appropriate time to fully assess the implications for farm succession tax planning and to make necessary adjustments.

NCFA urges the government to pause the implementation of these changes to allow further dialogue with the Canadian agriculture sector. The government must understand the detrimental effects these changes will have on farmers, the next generation of farmers, and consequently, Canada's rural economy.

While the Lifetime Capital Gains Exemption (LCGE) has been increased to \$1.25 million, the capital gains inclusion rate has also been raised from one half to two thirds. The NCFA is concerned that this increase in the capital gains inclusion rate undermines the benefit of the higher LCGE threshold creating a profound generational barrier for young Canadians who want to take over the family farm.

If the proposed capital gains increases are implemented without meaningful consultation, our sector faces the risk of many farmers retiring without viable succession plans. These changes have the potential to make intergenerational family farm transfers unattainable for the next generation.

“The government is unnecessarily rushing these significant tax changes through at the expense of farm families and businesses,” said Will Lowe, Board Chair of NCFA. “The government must allow time for a responsible examination of the impact of these changes on the future of Canadian farms, food security and food affordability”.

The NCFA urges the federal government to pause the implementation and thoroughly examine the impact of the proposed changes on Canadian farms.

Janice Tranberg  
President & CEO  
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