

June 2006

# Accord Newsletter

Accord Business Solutions Inc. (888) 791-1589

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## ENHANCED SPRING CREDIT ADVANCE

### Enhanced Spring Credit Advance and other announcements

by Kevin Hursh

Federal Agriculture Minister Chuck Strahl held a news conference on Thursday, May 18, 2006 to announce an Enhanced Spring Credit Advance Program, as well as longer-term changes to expand the cash advance program. He also had more information on the retro-active changes being made to the CAIS program.

Strahl says the Enhanced Spring Credit Advance Program (ESCAP) should be available in a matter of days. The loan maximum for spring advances is being doubled to \$100,000 and the loan will remain interest-free. The repayment period is being extended to September 30, 2007.

Producers who have already taken their spring advances will still be able to take advantage of the higher interest-free limit and extended repayment period. To implement the changes, Agriculture and Agri-Food Canada will work with farm organizations that administer the advance including the Canadian Canola Growers Association, the Canadian

Wheat Board, the New Brunswick Potato Agency and the Federation des producteurs de cultures commerciales.

Strahl has also introduced amendments to the Agricultural Marketing Programs Act to expand cash advance programs to cover livestock as well as more crops. The overall limit on advances will be increased from \$250,000 to \$400,000. The interest-free portion will increase from \$50,000 to \$100,000.

The changes are expected to mean an additional \$600 million a year in cash advances to producers.

The Agriculture Minister also commented on the retroactive changes being made to CAIS for 2003, 2004 and 2005. Changes to inventory valuation are expected to provide an additional \$900 million to producers. The expanded rules for negative margin coverage are expected to mean an additional \$50 million.

Additional payments will be capped at \$500,000 for particular farm operation. The payments will be prorated to fit within the \$900 million envelope. The

calculations are being made with no need for producers to apply or provide additional information.

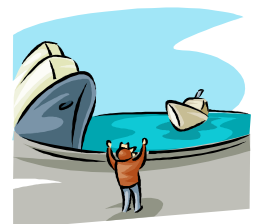
Payments resulting from the changes are expected to begin flowing this fall.

## Just For Fun

*A bearded man is standing on the beach of a deserted island waving his hands at the ship passing nearby.*

*"Who is he?" one of the passengers asks the captain.*

*"I don't know, but every time we pass this island he flails his arms like that."*



## Ontario Crop Info Through Podcasts



All it takes is three easy steps and Ontario crop producers can have an innovative and dynamic new tool at their disposal to access the latest information from the provincial crop specialist team. The popular CropLine update feature from the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) has expanded its profile and producers can now access the information on-line through Podcasts.

Although Mike Cowbrough, OMAFRA's weed management field crops program lead and a key player in the CropLine Podcast development, recognizes that not all producers may be familiar with the Podcast technology, he says it is simply an audio file accessible through a variety of mediums and he describes the newly-launched format as quite user friendly.

Essentially, the crop update information available through the CropLine phone-in service has been converted to audio files and further broken down into tracks, which he describes as essentially chapters or topics. In this new format, producers can access the latest issue of CropLine, view the selection of available topic areas and only select those that are of interest to them.

And it is as easy as downloading, searching and subscribing.

To access the information, producers will need to download the free, online media player software from the i-Tunes website ([www.itunes.ca](http://www.itunes.ca)). While on the browser window, Cowbrough says producers simply need to type in OMAFRA and it will automatically take them to the CropLine Podcast. Once there, producers will be able to see a description of the Podcast, a description of what it is about and a "subscribe" button.

Although producers are able to access the Podcast without subscription, Cowbrough says a bonus of subscription is that when the computer is online, it will recognize if there is a new CropLine Podcast posted and it will be downloaded automatically.

Podcasts can be viewed through computer, burnt onto a CD or downloaded from MP3 players. Some newer cellular phones also have the ability to download audio files.

A notable advantage of this new format is that it has allowed the crop team to integrate the various type of medium to provide a comprehensive information package for producers. During the presentation of a particular topic on the Podcast, the crop team has the ability to include more information, through clickable icons, that will take producers directly to

other sources of information on the topic.

Launched in mid-April, Cowbrough says that feedback to the new format has exceeded the crop team's expectations.

CropLine will also continue to be available through the toll-free telephone service (1-888-449-0937, where available).

## Just For Fun

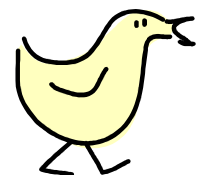
*A waiter asks a man, "May I take your order, sir?"*

*"Yes", the man replies.*

*"I'm just wondering, can you tell me exactly how you prepare your chickens?"*

*"Nothing special, sir. We just tell them straight out that they're going to die."*

Maia Haeberle-Savard, 12, Montreal (As Kids Tell It, Reader's Digest)



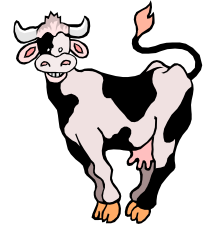
## Two Million Birthdates Verified

by Kevin Hursh

The Canadian Cattle Identification Agency's Age Verification website continues to see dramatic increases in participation. As of April 24, over two million birthdates had been entered into the system.

Age verification is necessary to identify animals that are under 20 months of age for servicing the Japanese beef market. Some analysts expect price premiums for age verified calves sold this fall. Alternatively, there could be price discounts for animals that are not age verified.

Age verification is free and is offered to producers across the country. Birthdates are submitted at [www.canadaid.ca](http://www.canadaid.ca). Producers who do not have Internet access can assign a third party to submit information on their behalf.



## Scientific Research and Experimental Development (SR&ED)

In a June 30, 2005 Release (Guide 2000-02R), CRA provides five pages of information for filing SR&ED claims.

The Guidelines discuss the rules and responsibilities of the claimant, the CRA research and technology advisor, and the CRA financial reviewer. The Guidelines also discuss ways of resolving concerns that arise during the various stages of processing an SR&ED claim.

## Scientific Research and Experimental Development (SR&ED) – Stock Option Benefits

In a June 9, 2005 CRA Release, CRA notes that employee stock option benefits will be allowed as “salary or wages” entitled to an SR&ED investment tax credit if:

- i) the employee was involved in SR&ED activities;
- ii) prescribed Form T661 is filed within the required eighteen-month deadline and includes all prescribed information;
- iii) the stock options were received by reason of the employees’s employment, not shareholding, and
- iv) all, or a portion, of the employee’s normal salary was an allowable SR&ED expenditure.

The stock option benefits will be allowed as SR&ED in the same proportion (percentage) that the employee’s salary was claimed as SR&ED.

## Just For Fun



*Our neighbours had put much time and effort into training their large dog to jump into the back of their SUV on command. One morning I noticed John, the husband, with a look of frustration, holding the cell phone to the dog's ear. Suddenly the animal leaped into the vehicle. "He wouldn't move," explained John, "so I phoned my wife to give the command. He always obeys her!"*

Ann Downie, Oakville, ON (Life's Like That, Reader's Digest)



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### ***About Our Organization...***

We are a full service financial company that provides flexible services plans to meet the unique needs of each of our clients. Our accountants provide our clients the expertise to optimize their tax position, maximize their available credits, utilize appropriate government programs, and assist in monthly record keeping. Our Investment and Insurance division provides estate planning, wealth preservation and retirement planning that is designed around our clients present needs and future goals.

## On the Web

Check out [www.fitday.com](http://www.fitday.com)

Included in this website are:

- a diet & fitness journal,
- a calorie & nutrition counter,
- a weight loss tracker.



When using this *free* system, you are able to *select the items that you have eaten* during a given day. The program will then *provide a break down of the different types of fats, carbs, proteins and alcohols in your system* and compare it to items such as your age, weight, and daily physical activity level. From this you will be able to *track your daily intakes by category* and find the right *patterns for healthy eating and/or weight loss*.

Thank you to *Tyler Rice* of *Young Parkyn McNab LLP* in Lethbridge, Alberta for this winning submission.

### **Web Browser Alternative: Mozilla's Firefox**

If you use a *web browser* that causes you problems, slows you down, or is continually affected by viruses, why not try an alternative. *Mozilla's Firefox* could be the answer for you. Containing the traditional look of browser's such as Microsoft's Internet Explorer, this browser also boasts *Automatic Updating, Tabbed Browsing* (multiple web pages in a single browser window), *Pop-up Blocking*, and a *Private Data Clearing function*.

One might note that it is a *good idea to have an alternative browser just in case a bug or virus affects your current one* such that you are not able to access the internet to download remedies or newer versions.

To find more information on this free browser, go to:

<http://www.mozilla.org/download.html>

Thank you to *Tamar Levanoni*, of *Collins Barrow Chartered Accountants* in Waterloo, Ontario for this winning submission.

## Tax News - Agricultural Land Reserve

In an October 25, 2005 *External Technical Interpretation* (2005-0125521E5, Erskine, Eliza, 1-613-954-3199), CRA notes that where a residence is on an ***agricultural land reserve*** which ***cannot be subdivided*** and has been used on a ***continuous basis*** for the ***home***, these are very ***strong factors*** to indicate that the ***entire property*** is eligible for the ***principal residence exemption*** even though it is in excess of one-half hectare.

CRA also note that ***other factors*** that indicate that land in excess of one-half hectare may be eligible for the principal residence exemption include:

- (i) the size or character of the housing unit together with its location on the lot;
- (ii) whether the extra land is necessary for access to and from public roads; and
- (iii) where there is a minimum lot size or a severance or subdivision restriction associated with the lot.