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## THE NEXT GREEN REVOLUTION

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By Jennifer Marron

## The Growing Challenge Part 2:

# BEEF, BIOGAS, DAIRY AND DATA

When people are asked to name the most innovative industries in North America, Canada's beef and dairy sectors probably aren't the first ones to come to mind. But it turns out the agrifood business in our country has been undergoing a rapid and dramatic evolution for a number of years now—and it's going to need to keep on innovating if it's going to meet one of the most pressing challenges of our time: climate change. Because while the beef and dairy industries contribute more than \$40 billion to the economy, they're also a key source of methane, one of the most potent greenhouse gases. So which new technologies, data systems, and processes will be critical if Canada is going to meet the needs of a growing population while simultaneously reducing emissions?

That's the central question at the heart of this second episode in a special, three-part series, "The Growing Challenge", this fall on *Disruptors, an RBC podcast*. Join co-hosts **John Stackhouse** and **Trinh Theresa Do** as they share first-hand insights from their own experiences, and speak with guests working up and down the beef and dairy supply chain, like **Dr. Calvin Booker**, a veterinarian and General Manager for Services and Research at Telus Agriculture and Consumer Goods; **Alison Sunstrum**, the CEO of CNSRV-X Inc and General Partner of The51 Food and AgTech Fund; and **John van Logtenstein**, the vice-president of Dairy Lane Systems DLS Biogas, and **Kristjan Hebert**; managing partner of Hebert Grain Ventures.

Together, they discuss the skills, talent, technology, and innovation that are needed to maximize production while minimizing our environmental impact—and make Canada a world leader in sustainable agriculture without compromising on its Net Zero goals.

"Agtech is already playing a huge role in boosting productivity while reducing emissions from the meat and dairy industry. There are a number of fascinating tech revolutions underway, which is exactly where we're going to go today."

John Stackhouse  
*Disruptors, an RBC podcast*



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# SOYBEANS, CORN & WHEAT UPDATE

2023 may be a new year but, the volatility for corn, soybeans and wheat has continued.

As we head into spring, all eyes will be focused on the U.S. growing season. After two years of La Niña-influenced drought, trade will likely remain sensitive to longer-term weather forecasts. On top of supply side forecasts, demand shifts in world markets will add complexity to outlooks this growing season.

For soybeans, the 2023 growing season starts out once again with tight old crop-ending stocks and strong crush margins. La Niña once again brought a mixed bag of weather for South America, with historic drought hurting the Argentinian crop while neighbouring Brazil managed to pull off a massive crop. Going forward, it will be interesting to keep an eye on the U.S. growing season and world demand. Regarding the former, the U.S. has an opportunity to grow ending stocks year-over-year, presuming the growing season cooperates. One substantial difference year-over-year will be the exit of La Niña, which historically corresponds with a drier U.S. Midwest. Although it is still early, and predicting weather is fickle at best, this could help improve the odds of a favourable growing season for the U.S. On the demand side, the renewable fuel push and strong crush margins remain the largest demand drivers for the soybean market. Keep in mind, however, that this renewable fuel capacity will not be filled solely with soy oil as an input. Growth will also come from other veggie oils, waste products and fats, as well as the EPA-expanded wheat products that qualify to be used to create renewable fuels and generate RIN credits. This is still positive for the soy complex, but the benefit is not as simple as 1-to-1 demand. One area

of concern, however, heading into 2023 from a demand point of view, will be exports. U.S. exports have been strong the past two seasons, led by sales to China. However, this came after two Brazilian droughts. Now that Brazil has pulled off a record crop, there is a risk of China not returning to the U.S. as a buyer of soybeans until much later into the year. This scenario will be worth watching this summer and fall.

Similar to the soybean market, corn will start the 2023 growing season with tight old crop-ending stocks. Based on acreage, it does look like the U.S. will have the ability to build ending stocks on corn if mother nature can cooperate. The demand side of the balance sheet will come under a bit more scrutiny this growing season. First off, exports could be more of a wild card after China signed a new corn export deal with Brazil. Chinese purchases during the March through June time frame will be important to watch to see if China still takes U.S. corn in the quantities it has in the past year – or if they will opt to shift more to Brazilian origin. While weather for Brazil's second crop will of course be a determining factor, Chinese purchases of Brazilian corn have already started out at a strong pace since the signing of the deal. On the domestic side, relatively cheaper wheat in comparison to corn, along with smaller livestock herd, could weigh on feed demand year-over-year. Corn use for ethanol demand looks to be steady for now, but gasoline consumption has been lower year-over-year and concerns over driving habits into the summer, if recessionary fears grow, will be key to watch going forward.

As for the wheat market, to say 2022 was volatile would be an understatement! The Russia / Ukraine war, along with a poor U.S. winter wheat crop, led to new all-time highs in the price of wheat early in the year. Later, prices did nothing but disappoint as the market grappled with better-than-expected grain movement from the export corridor agreement as well as a larger Australian crop. 2023, however, looks to have its own set of challenges facing the wheat trade. Although the export corridor has been more successful than initially suspected, we are now into the 2nd year of war and plantings out of Ukraine are most likely going to fall year-over-year. And if war intensifies, a further risk will be how much can be harvested this summer and what other surprises/ supply disruptions could potentially be thrown at this market. Both will be key things to watch, especially with the smaller-than-expected Argentinian crop that was harvested this year. On the U.S. front, winter wheat conditions were the worst in history heading into dormancy. Correlation between pre dormancy crop conditions are poor, but without further demand reduction we need a near trend yield crop to prevent further stocks contraction. A key going forward will be to watch spring/summer weather, crop conditions and harvest yield data, along with export and feed demand.



The Simpson/Caputo Group  
of RBC Dominion Securities

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# SOUTHWESTERN ONTARIO LAND VALUES

This past year, farmland values across the 11 Counties in Southwestern Ontario increased by 25.65%, which is eerily close to the 25.63% increase from 2020 to 2021. This 2 year period is the highest increase since 2011-2012 when the same area increased by 29.71%.

The similarities between 2020-2022 and 2010-2013 remind us of the major factors that influence farmland values in Southwestern Ontario and beyond. Both timeframes saw rapidly decreasing interest rates, with the 2009 recession being the former catalyst and the 2020-2021 pandemic being the latter. The other common element was significantly elevated crop prices. Corn prices alone increased from an average of \$3.96 per bushel in 2010 to an average of \$5.64 per bushel in 2011-2012 (42% increase). Fast forward to recent history and corn prices increased from an average of \$4.62 per bushel in 2020 to an average of \$7.00 per bushel in 2021-2022 (52% increase) (source: OMAFRA new crop cash weekly prices). The correlation between farmland values and the interest rates-crop prices combination is undeniable.

This correlation of course leads us to thinking of our current situation. Crop prices are relatively unchanged, although there has been some minor softening from the 2021-2022 highs. The bigger changes have come from interest rates which have risen rapidly since early 2022. Tripling of interest rates has been a shock to our senses given the relatively low level of interest rates in the last dozen years. However, land values have not yet responded to this increased borrowing cost. Farmland values have remained strong. It is my opinion that they will continue to be strong this year, albeit at a lower annual increase, given good crop prices and prior year surpluses. Perhaps the current inversion of the interest rate market (long-term rates lower than short-term rates) is hinting to a rather short-term elevation of rates.

There remains significant optimism in the sector given the past 10-15 year period of relatively good margins and this is why we see so many young people involved in agriculture. It is this type of environment that has strengthened land values over the same period, and I believe that strength can be sustained as our young producers learn to manage new risks on the way to buying that next perfect farm.

## Southwestern Ontario Land Values

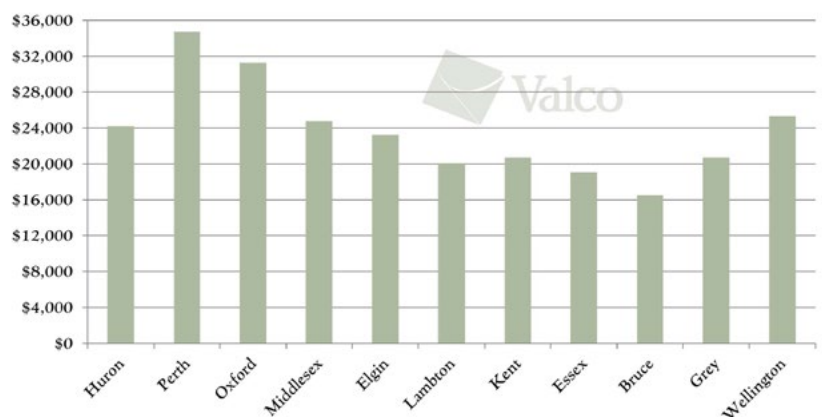


Figure 1: Median 2022 Land Value for each County



Figure 2: Median Land Value each year for the 11 Counties



Figure 1: Average 2021 to 2022 Change among all the Counties

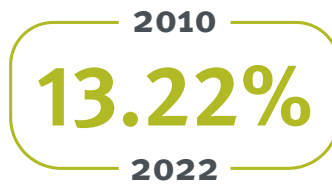


Figure 2: Average 2010 to 2022 Change among all the Counties

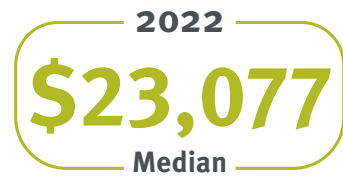


Figure 3: Median 2022 Land Value

## Change in Values

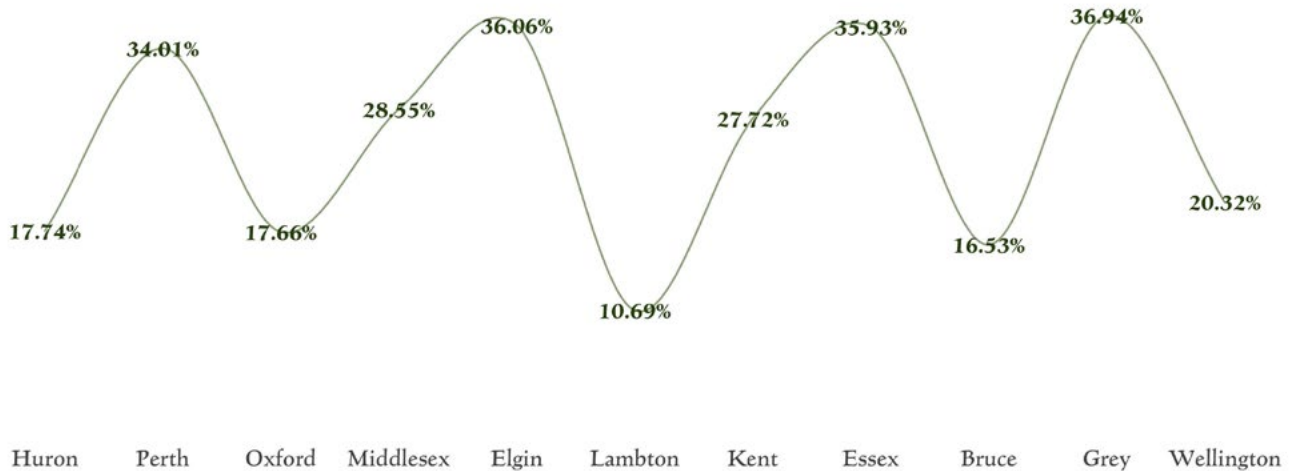


Figure 1: Average Change from 2021-2022

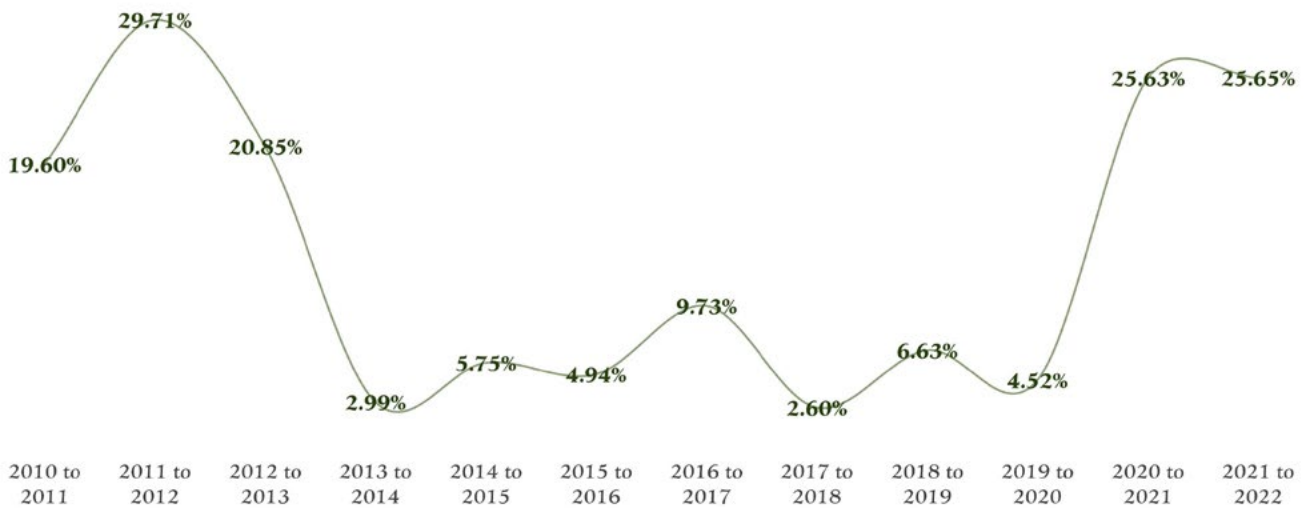


Figure 2: Average Annual Change Among All Included Counties

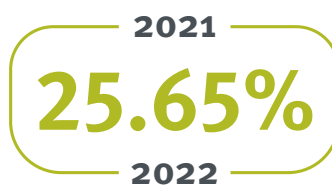


Figure 3: Average Annual Change among all included Counties



# HURON COUNTY

2021  
**17.74%**  
2022

2010  
**11.92%**  
2022



Figure 1: Median land values for Huron County each year from 2010 to 2022



Figure 2: Low and High land values for Huron County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Hogs \$307,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn	171
Soybeans	52
Winter Wheat	90



# PERTH COUNTY

2021  
**34.01%**  
2022

2010  
**12.30%**  
2022



Figure 1: Median land values for Perth County each year from 2010 to 2022

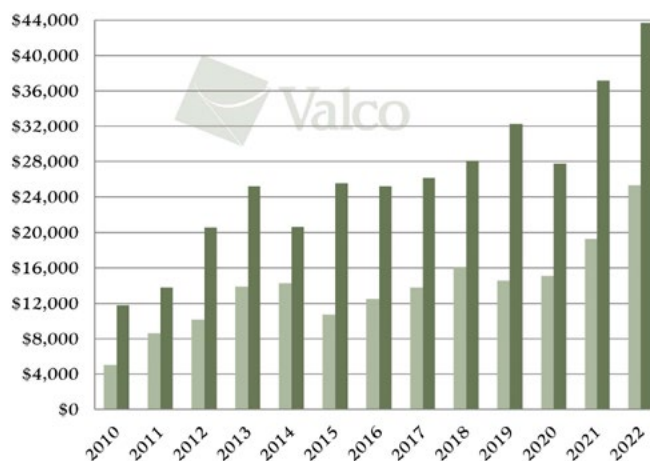


Figure 2: Low and High land values for Perth County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Hogs \$303,650,000

## 5 Year Average Crop Yields (bushels/acre)

Corn	175
Soybeans	54
Winter Wheat	94



# OXFORD COUNTY

**2021**  
**17.66%**  
**2022**

**2010**  
**10.31%**  
**2022**



Figure 1: Median land values for Oxford County each year from 2010 to 2022



Figure 2: Low and High land values for Oxford County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Dairy \$296,670,000

## 5 Year Average Crop Yields (bushels/acre)

Corn	180
Soybeans	54
Winter Wheat	96



# MIDDLESEX COUNTY

**2021**  
**28.55%**  
**2022**

**2010**  
**13.36%**  
**2022**



Figure 1: Median land values for Middlesex County each year from 2010 to 2022



Figure 2: Low and High land values for Middlesex County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Corn \$221,530,000

## 5 Year Average Crop Yields (bushels/acre)

Corn	178
Soybeans	52
Winter Wheat	89





# ELGIN COUNTY

2021  
**36.06%**  
2022

2010  
**14.92%**  
2022



Figure 1: Median land values for Elgin County each year from 2010 to 2022

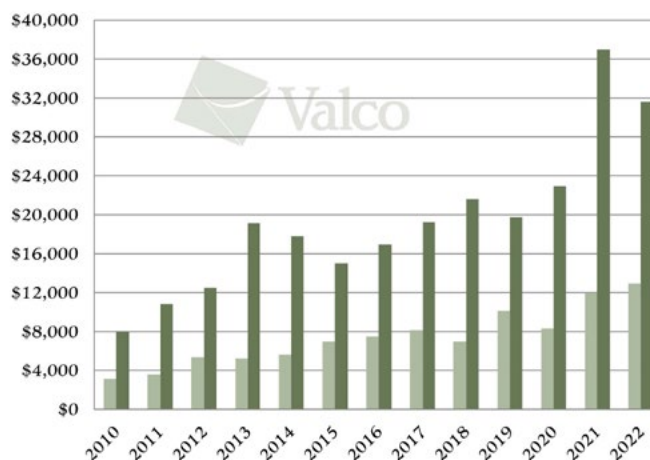


Figure 2: Low and High land values for Elgin County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Corn \$130,930,000

## 5 Year Average Crop Yields (bushels/acre)

Corn	176
Soybeans	50
Winter Wheat	88



# LAMBTON COUNTY

2021  
**10.69%**  
2022

2010  
**14.69%**  
2022



Figure 1: Median land values for Lambton County each year from 2010 to 2022



Figure 2: Low and High land values for Lambton County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Hogs \$160,970,000

## 5 Year Average Crop Yields (bushels/acre)

Corn	177
Soybeans	50
Winter Wheat	80





# KENT COUNTY

**2021**  
**27.72%**  
**2022**

**2010**  
**11.11%**  
**2022**



Figure 1: Median land values for Kent County each year from 2010 to 2022

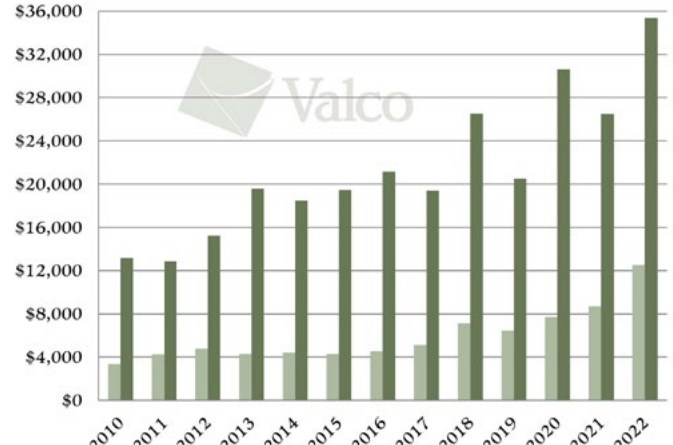


Figure 2: Low and High land values for Kent County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Field Vegetables

\$212,130,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 185

Soybeans 53

Winter Wheat 92



# ESSEX COUNTY

**2021**  
**35.93%**  
**2022**

**2010**  
**11.69%**  
**2022**



Figure 1: Median land values for Middlesex County each year from 2010 to 2022

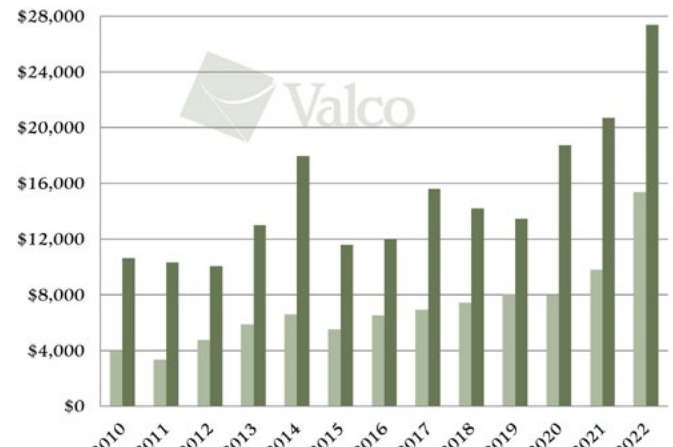


Figure 2: Low and High land values for Middlesex County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Greenhouse Vegetables

\$964,120,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 175

Soybeans 52

Winter Wheat 77



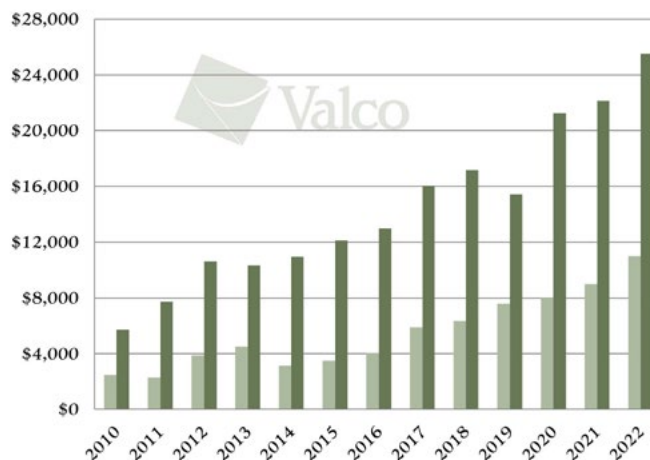
# BRUCE COUNTY

2021  
**16.53%**  
2022

2010  
**16.13%**  
2022



Median land values for Bruce County each year from 2010 to 2022



Low and High land values for Bruce County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Beef \$203,860,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 164  
Soybeans 48  
Winter Wheat 87



# GREY COUNTY

2021  
**36.94%**  
2022

2010  
**16.62%**  
2022



Figure 1: Median land values for Grey County each year from 2010 to 2022

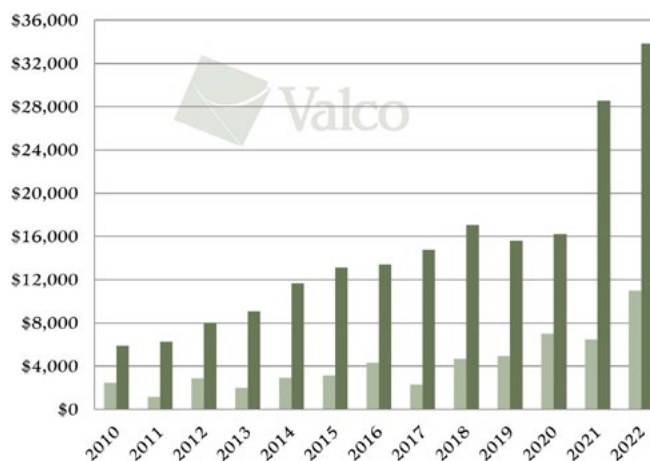


Figure 2: Low and High land values for Grey County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Beef \$160,630,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 155  
Soybeans 46  
Winter Wheat 84



# WELLINGTON COUNTY

2021  
**20.32%**  
2022

2010  
**12.34%**  
2022



Figure 1: Median land values for Wellington County each year from 2010 to 2022

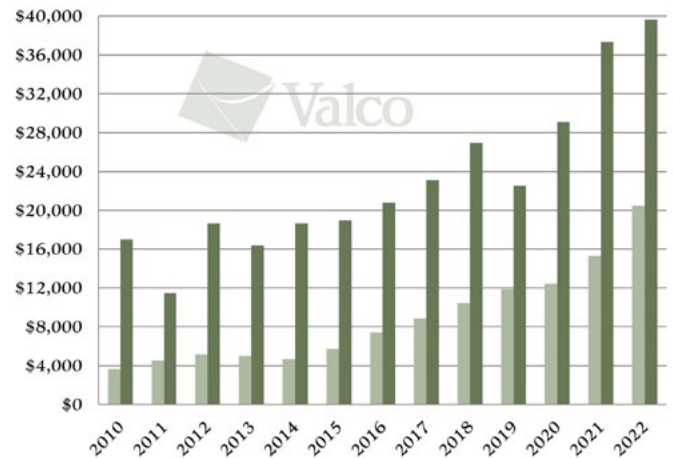


Figure 2: Low and High land values for Wellington County each year from 2010 to 2022

## 2021 Top Farm Cash Receipt

Dairy \$296,670,000

## 5 Year Average Crop Yields (bushels/acre)

Corn	167
Soybeans	50
Winter Wheat	89

## Parameters

This study has been completed to provide information on agricultural land values in the general Southwestern Ontario region. The Counties of Huron, Perth, Oxford, Middlesex, Elgin, Lambton, Kent, Essex, Bruce, Grey and Wellington have all been analysed in this report.

Only sales that occurred in 2022 were selected for the 2022 study. The majority of the sales chosen had no building improvements (vacant land), with the exceptions being minimally improved properties (i.e. older house and shed) which have had the value of the improvements extrapolated. Also, the sales utilized were considered to be used solely for farming purposes. The sales have been analysed on a per tillable acre basis, as this rate is believed to be the most accurate reflection of the value of agricultural land.

In stating land values in this report, the median unit of measurement was used rather than the mean, as the median tends to better protect against outliers in the sales data. The same study was completed from 2010 to 2021, with those results also shown in this report.



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The information contained in this report was obtained from sources believed to be reliable. Certain information in this report has been accepted at face value; especially if there is no reason to doubt its accuracy. Certain empirical data required interpretive analysis pursuant to the objective of this report. However, I have not verified its accuracy and make no guarantee, warranty or representation regarding it. The specific sales data provided is subject to the possibility of errors, omissions, mistakes in calculation of total and tillable acre sizes, as well as error in reported sale price and/or sale date. Although an attempt has been made to find every pertinent sale in the areas described, it is not possible to confirm that this is the case.

### Disclaimer

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# THE NEXT GREEN REVOLUTION: How Canada can produce more food and fewer emissions

It's reshaping the economy, as food prices take inflation higher. It's redefining national security, as countries reckon with the prospect of strategic supplies. And it's resetting the climate conversation, as producers and consumers grapple with the need for more food with fewer emissions.

*John Stackhouse, Senior Vice President,  
RBC Economics and Thought Leadership*

*Keith Halliday, Director, BCG Centre for  
Canada's Future*

*Evan Fraser, Director, Arrell Food Institute  
at the University of Guelph*



The world needs a new Green Revolution, and Canada can play a leading role. Indeed, we must.

By 2050, we must increase our food production by a quarter just to maintain our contribution as the world's population swells. We need to grow more for humanity, with less impact on the planet. This can be Canada's moonshot for 2030 and beyond, if we can harness the imagination and enterprise of Canadians in every sector and geography.

The coming age of disruption, in agriculture and food systems, compelled RBC, BCG Centre for Canada's Future and Arrell Food Institute at the University of Guelph to take on this project, to help inform and inspire Canadians to see both the urgent need and growing opportunity that will come with more sustainable food systems.

The following report outlines how we can build those systems by:

- + Using breakthrough technologies as well as some well-established practices,
- + Attracting and training a new generation of farm and food innovators,
- + Investing in farmers to develop new economic incentives that reward what they produce as well as what they preserve,
- + And boldly declaring to the world that Canadian agriculture can help everyone move more quickly to a world that has solved the climate crisis.

How we grow, process and consume food is not the key cause of our climate crisis. It can be a key solution. And with the right investments, it can become a made-in-Canada, farmed-in-Canada solution for the world.



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Open your camera app and scan the QR code.



Read more at [thoughtleadership.rbc.com](https://thoughtleadership.rbc.com)

## Key Findings

93<sup>MT</sup>

Canada's agriculture and food systems produce 93 megatonnes or just over 10% of our national greenhouse gas emissions annually.<sup>1</sup>

+26%

If Canadian farmers maintain current practices and market share, these emissions could rise to 137 megatonnes as the world's population increases 26% by 2050.<sup>2</sup>



Key technologies and approaches that can cut emissions include carbon capture, utilization and storage, feed additives, anaerobic digesters, and precision technology.



Nature-based solutions that sequester carbon will also be critical. Soil carbon has the potential to be one of our most powerful tools, raising the amount of carbon stored in soil to as much as 35MT.

-40%

By engaging these technological and management solutions, and mobilizing finance and policy to support farmers, Canada can cut up to 40% of potential 2050 emissions



New models are needed to reward the adoption of these solutions, to execute them at scale and to reduce uncertainty and risk for farmers.



A Canadian standard for measuring the impact of emissions-cutting activities could provide a vital tool for both compensating farmers and empowering policymakers and financial institutions to support activities.



A national effort, tailored to regional contexts and focused on the key pillars of technology, finance, skills and public policy, will be essential to increasing our production while also cutting emissions.

## 2023 HANDY FINANCIAL PLANNING FACTS

### TFSA<sup>1</sup>

Maximum annual contribution limits	\$5,000 each year 2009 – 2012 \$5,500 each year 2013 – 2014 \$10,000 for 2015 \$5,500 for 2016 – 2018 \$6,000 for 2019 – 2022 \$6,500 for 2023
Maximum contribution limit since inception	\$88,000 from 2009 – 2023, if born in 1991 or earlier and resident of Canada during those years

1) You automatically accumulate contribution room each year (starting in 2009) if you were a tax resident of Canada at any time during the year and you were at least 18 years of age at any time during the year.

### RRSP / RRIF

RRSP maximum annual deduction limit	18% of the prior year's earned income to a maximum of: \$30,780 for 2023 – deadline February 29, 2024 \$29,210 for 2022 – deadline March 1, 2023		
Withholding tax on RRSP withdrawals or payments over the annual minimum for a RRIF	Amount	All provinces except Quebec	Quebec
	\$0 – \$5,000	10%	20%
	\$5,001 – \$15,000	20%	25%
	Over \$15,000	30%	30%

### SPOUSAL RRSP / RRIF

Spousal RRSP/RRIF attribution	<ul style="list-style-type: none"> <li>Attribution of a withdrawal from a spousal RRSP/RRIF to the plan annuitant's spouse (the "contributor") will apply if the contributor made a contribution in the year of withdrawal or in the two previous tax years.</li> <li>An exception applies to RRIF minimum payments, which are not subject to attribution.</li> <li>The amount attributed is limited to the total amount of the spousal RRSP contributions made by the contributor during the three-year period.</li> </ul>
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### IMPORTANT PERSONAL TAX DEADLINES<sup>2</sup>

Personal income tax instalments	March 15, 2023 June 15, 2023 September 15, 2023 December 15, 2023
Personal income tax return filing	May 1, 2023
Self-employed income tax return filing	June 15, 2023
Balance owing for taxes payable	May 1, 2023

2) When the due date falls on a Saturday, a Sunday or a public holiday recognized by the CRA, your payment or return is considered on time if the CRA receives it or it is postmarked on the next business day.

### OTHER DEADLINES

Prescribed rate loan interest payment due by	Jan. 30, 2023 for 2022 interest; Jan. 30, 2024 for 2023 interest
Last trade date for Canadian and U.S. stocks	December 27, 2023, assuming a 2-day settlement

### IPP

Employment earnings required to contribute the maximum	\$175,333 for 2023; \$171,000 for 2022
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### PENSION AMOUNTS

YMPE – yearly maximum pensionable earnings	\$66,600
CANSIM rate	3.02%

### U.S. THRESHOLDS

Lifetime U.S. estate and gift tax exemption <sup>3</sup>	US \$12,920,000
Annual U.S. gift tax exemption – non-U.S. married spouse	US \$175,000
Annual U.S. gift tax exemption – children / others	US \$17,000

3) A Canadian resident (non U.S. person) with > U.S. situs property US \$60,000, and a worldwide estate US \$12.92 million, may have exposure to U.S. estate tax. A Canadian resident with U.S. situs property > US \$60,000, must file a U.S. estate tax return.

### RESP – per beneficiary:

Maximum contributions	Lifetime limit of \$50,000. No annual limit.			
Maximum lifetime CESG limit	\$7,200			
Contribution deadline	December 31			
Maximum annual basic CESG	Income level from 2020	CESG%	Max contribution to attract CESG	Max CESG
Maximum annual basic CESG if unused carry-fwds	Any	20%	\$2,500	\$500
	Any	20%	\$5,000	\$1,000
Maximum annual additional CESG	\$53,359 or less	20%	\$500	\$100
	\$53,359 to \$106,717	10%	\$500	\$50

### RDSP – per beneficiary:

Maximum contributions	Lifetime limit of \$200,000. No annual limit.		
Maximum lifetime CDSG and CDSB limit	\$70,000 for CDSG and \$20,000 for CDSB		
Maximum annual CDSG and CDSB if unused carry-fwds	\$10,500 for CDSG and \$11,000 for CDSB		
Contribution deadline	December 31st		
Annual CDSG limit	Income level from 2021	Max contribution to attract CESG	Max CDSG/ CDSB
	\$106,717 or less	\$1,500	\$3,500
	Above \$106,717	\$1,000	\$1,000
Annual CDSB limit	\$34,863 or less	N/A	\$1,000
	Between \$34,863 and \$53,359	N/A	\$1,000 prorated
	Over \$53,359	N/A	\$0

CANADA PENSION PLAN and QUEBEC PENSION PLAN		
Maximum amounts:	CPP	QPP
Retirement benefit at age 65	\$1,306.57/mo	\$1,306.57/mo
Post-retirement benefit at age 65	\$40.25	N/A
Retirement benefit supplement	N/A	\$31.72
Early retirement benefit at age 60 (36% max reduction or 0.6% per month)	\$836.20/mo	\$836.20/mo
Deferred retirement benefit at age 70 (42% max increase or 0.7% per month)	1,855.33/mo	\$1,855.33/mo
Disability benefit	\$1,538.67/mo	\$1,537.13/mo
Survivor's benefit – younger than 65	\$707.95/mo	See chart below
Survivor's benefit – 65 and older	\$783.94/mo	\$804.13/mo
Children of disabled CPP/QPP contributors	\$281.72/mo	\$89.45/mo
Children of deceased CPP/QPP contributors	\$281.72/mo	\$281.72/mo
Combined survivor's and retirement benefit at age 65	\$1,313.13/mo	\$1,315.95/mo
Combined survivor's and disability benefit	\$1,542.77/mo	N/A
Death benefit (one-time payment)	\$2,500.00	\$2,500.00
Employee and employer contributions	\$3,754.45/yr	\$4,038.40/yr
Self-employed contributions	\$7,508.90/yr	\$8,076.80/yr

CHART – QPP SURVIVOR'S BENEFIT – younger than 65		
Age	Situation	QPP
Under 45	Without any dependent children	\$649.20/mo
Under 45	With one or more dependent children	\$1,027.88/mo
Under 45	Disabled, with or without dependent children	\$1,064.81/mo
Between 45 and 64	All situations	\$1,064.81/mo

OLD AGE SECURITY	
Maximum benefits as of Q1:	OAS <sup>4</sup>
Benefit at age 65	\$642.25/mo
Deferred benefit at age 70 (36% max increase or 0.6% per month)	\$873.46/mo
Clawback rate	\$0.15 for every \$1 of net income above \$81,761; the full OAS is eliminated at a net income of \$133,141, as of Q1

<sup>4</sup> Seniors age 75 and over will receive an automatic 10% increase to their OAS pension.

GOVERNMENT CONTACT INFORMATION	
CRA general help line for individuals	EN: 1-800-959-8281; FR: 1-800-959-7383
Phone number for CPP and OAS queries	EN: 1-800-277-9914; FR: 1-800-277-9915
Phone number for QPP queries	1-800-463-5185

GUARANTEED INCOME SUPPLEMENT as of Q1		
For those receiving a full OAS pension:	GIS <sup>5</sup>	Income cut-off
Single, widowed or divorced	\$1,026.96/mo	\$20,832/yr (individual)
If your spouse receives the full OAS pension	\$618.15/mo	\$27,552/yr (combined)
If your spouse does not receive an OAS pension	\$1,026.96/mo	\$49,920/yr (combined)
If your spouse receives the Allowance <sup>6</sup>	\$618.85/mo	\$38,592/yr (combined)
Allowance <sup>7</sup> : If your spouse receives GIS and the full OAS pension	\$1,305.71/mo	\$38,592/yr (combined)
Allowance for the survivor <sup>7</sup> : If you are a surviving spouse	\$1,556.51/mo	\$28,080/yr (individual)

*Any reference to a spouse in this section also includes a common-law partner.*

<sup>5</sup> The GIS is a monthly non-taxable benefit to OAS recipients who have a low income. It is added to OAS.

<sup>6</sup> The Allowance is available to low-income individuals aged 60 to 64 who are the spouse of a GIS recipient.

<sup>7</sup> The Allowance for the Survivor is available to people aged 60 to 64 who have a low income, and whose spouse has died.

MARGINAL vs AVERAGE TAX RATE	
Marginal tax rate	Tax rate applicable to the last dollar of income earned. It does not consider deductions and credits.
Average (or effective) tax rate	Actual tax rate paid. It considers deductions, credits and graduated tax brackets.

FEDERAL TAX CREDITS	BASE AMOUNT	TAX CREDIT
Basic personal amount <sup>8</sup>	\$13,521 to \$15,000	\$2,028 to \$2,250
Spouse or common-law partner amount <sup>8</sup>	\$13,521 to \$15,000	\$2,028 to \$2,250
Age amount	\$8,396	\$1,259
Net income threshold for age amount	\$0.15 for every \$1 of net income above \$42,335; the full age amount is eliminated at a net income of \$98,308	
Disability amount	\$9,428	\$1,414
Disability supplement amount (for minors)	\$5,500	\$825
Pension income amount	\$2,000	\$300
Medical expense tax credit	Lesser of 3% of net income or \$2,635	

<sup>8</sup> The federal basic/spouse/common-law partner amounts range from \$13,521 to \$15,000 for taxpayers with taxable income below \$165,430. The benefit of the increased amounts gradually declines until it is eliminated when taxable income reaches \$235,675.

LIFETIME CAPITAL GAINS EXEMPTION (LCGE)		FEDERAL DIVIDEND TAX RATES	GROSS-UP
For qualified small business corporation shares	\$913,630	Eligible dividends	38%
For qualified farm or fishing property	\$1,000,000	Non-eligible dividends	15%

FEDERAL CHARITABLE DONATIONS		
Donation amount	For individuals not taxed at the highest federal rate of 33% <sup>9</sup>	For individuals taxed at the highest federal rate of 33% <sup>10</sup>
First \$200	15%	15%
Excess over \$200	29%	33% or 29% <sup>9</sup>

<sup>9</sup> Highest federal rate begins when income is over \$235,675.

<sup>10</sup> A 33% donation tax credit is available for donations to the extent an individual has income that is subject to the 33% top marginal tax rate. A 29% donation tax credit is available on the remaining amount of the donation.

# Farm succession planning services

Every farm tells a story,  
with each generation adding  
a chapter to the book.



## 1. Discovery

We listen and fully understand what is important to you and your family, as well as the future of your family's farm.



## 2. Deliverable

We create a highly personalized plan that incorporates the future of the farm, your personal wealth and most importantly, what you and your family want out of life.



## 3. Implementation

We work with your existing team of professionals to implement planning strategies, capturing every opportunity, so you and your family can enjoy greater financial peace of mind.



It starts with getting to know *you*,  
your *family* and your *business*.

*Let's connect & chat.*

## MEET THE TEAM

Contact us today at **519-747-5541**

*Your comfort is our priority. We're happy to meet  
virtually for your convenience.*

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