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NFU CALLS ON PARLIAMENT TO TARGET POLICIES TO FAMILY FARMERS:

OTTAWA - A proposal to cap Canadian Agricultural Income Stabilization (CAIS) Program payments at \$3 million would hurt family farmers.

National Farmers Union (NFU) President Stewart Wells, speaking at a news conference in Ottawa today, said this amendment to the new safety net program actually undermines rural communities by accelerating the trend toward larger corporate livestock operations.

"A three million dollar cap just doesn't fit family farmers," stated Wells. To illustrate the point, a specially-made oversized ball cap which virtually completely covered a farmer was used as a backdrop. "A multi-million dollar cap would effectively eliminate any upper limit on payments to individual businesses," he added. The proposal to raise the CAIS Program payment cap from \$975,000 per farm to \$3 million is one of several amendments which the federal government is attempting to implement.

Raising the ceiling for payments is designed to benefit only a few very large corporate mega-barns and feedlots. Meanwhile, 95% of Canada's farm operations would be fully covered by a cap of about \$400,000.

While other CAIS amendments, including a proposal to cover a portion of farmers' negative margins, are improvements to the Program, they should not be tied to raising the payment cap, stated Wells. "This high threshold is simply a way of funneling public money to large corporate operations, which will eventually undermine both the farm safety net program itself, and taxpayer support for such initiatives."

Wells renewed the NFU's call for an emergency debate on the farm income crisis in the House of Commons, saying corporations are capturing an increasingly large share of the wealth produced by farm families. He also called for increased bridge funding for cow-calf producers affected by the bovine spongiform encephalopathy (BSE) crisis. This increased funding would buy time for financially-pressed farmers until the CAIS Program becomes fully functional.

The NFU President said the sharp drop in livestock prices at the farm gate over the past year is not solely the result of the closure of the American border to live cattle exports due to BSE. "The high level of corporate concentration in the packing industry, combined with the current oversupply of cattle, allows the big packers to manipulate prices," he said. "In the period September 22, 2003 to February 16, 2004, packer margins are 200% higher than for the same period one year ago, and 107% higher than what is currently the case in the United States."

Wells concluded the emergency debate on the farm income crisis should examine the full extent of corporate concentration in all aspects of the food sector, from farm inputs to transportation, wholesaling and retailing.

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