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national farmers union

In Union Is Strength

FOR IMMEDIATE RELEASE

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NISA WRONG WAY TO DISTRIBUTE AID

ROSSENDALE, Man.—"Using the NISA program to distribute \$600 million in ad hoc funding will result in extreme inequities in support, the largest farms getting the bulk of the money, and most of the money being sent to farmers outside of the drought zone," said NFU Vice-President Fred Tait.

"The NISA mechanism fails to target money to farmers hit by drought. The government has chosen to give as much aid, or more, to farmers with good crops yields to those with crop failures; as much to those with surplus cattle feed as to those with none," said Tait.

Using NISA to distribute funds also has the perverse effect of giving the least aid to the farmers that need the most. "Those who've had two or three years of poor crops and low revenues over the past five years will also have low eligible net sales and, thus, will receive smaller federal payments. Using NISA has the intolerable effect of starving the needy and feeding the full," said Tait.

In October 2001, 2% of NISA participants (2,281 farmers) controlled 21% of NISA funds—nearly \$652 million. Their average account balances were \$285,000 each. "The NISA program pays out its benefits extremely inequitably and it is not only blind to need, but decreases support as need increases," said Tait.

Tait noted that paying out the money through the NISA program would also put a great deal of money in the hands of corporate-controlled hog barns. "This payment amounts to a 4¼% revenue bonus to corporate hog producers," said Tait.

Tait concluded: "Some aid is better than none. The federal government, however, has wasted an opportunity to help the maximum number of farm families. By using the NISA program to distribute aid, it will pay a large amount of the money to a few farmers. What is needed is capped, targeted aid that reaches those suffering with drought and those who need it most. The proposed NISA allocation scheme perpetuates a pattern of directing federal aid money away from those most in need."

— 30 —

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