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**FOR IMMEDIATE RELEASE**

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### **CROP INSURANCE TRADE-OFFS UNACCEPTABLE**

**SWIFT CURRENT, Sask.**—“The 2002 Saskatchewan Crop Insurance program gives with one hand, but takes away with the other. The end of spot-loss hail coverage is a real hit to farmers and will force them to buy higher-priced hail insurance,” said NFU President Stewart Wells.

“The NFU supports effective insurance for livestock pasture, but feels that it is inappropriate to ‘trade-off’ spot-loss hail coverage and the variable-price option. Such a move amounts to diverting funds away from grains and oilseeds producers to livestock producers—robbing Peter to pay Paul. The NFU has repeatedly called for increased and adequate Crop Insurance funding,” said Wells.

The NFU praised the province for increasing its funding, even while criticizing its decision to cut program components. Provincial projections claim that Saskatchewan’s contribution will increase about 15% over last year. “The province says that it has increased its funding. The problem seems to be miserly federal funding,” said Wells. The Federal Government share of 2002 Sask. Crop Insurance will fall from its traditional 33% level. Adjusted for inflation, overall federal spending on agriculture is at its second-lowest level in 17 years.

“A large part of the problem with Crop Insurance is the federal funding formula, the ‘Fredericton Formula,’ which awards safety-net dollars on the basis of agricultural production value. This, in effect, sends federal dollars to regions that need them the least and diverts funds away from those areas that need them the most. With this formula, if prices or production fall significantly, so does federal funding,” said Wells.

Wells concluded: “In the end, the biggest culprit is the Federal Government and its lack of understanding of, and commitment to, the hardworking farmers of Saskatchewan. It looks like the province has come to the table with extra money and the federal government has walked away.”

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