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national farmers union
In Union Is Strength

FOR IMMEDIATE RELEASE

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FEDERAL DROUGHT AID MISSES DAIRY FARMERS

RIMBY, Alta.— The federal government recently made \$ 600 million available to Canadian farmers through the Net Income Stabilization Account (NISA) program. This money was partly intended to help farmers struggling with drought. Dairy farmers, however, will not receive any of that money because dairy farmers cannot participate in NISA.

“It is only reasonable that the federal minister should make drought aid available for dairy farmers in drought stricken Saskatchewan and Alberta as well,” said NFU Alberta Board member and dairy farmer Jan Slomp.

Because dairy farmers participate in a supply-management system which pays them based on cost of production and which stabilizes prices, Slomp agreed that dairy farmers do not normally need income stabilization programs such as NISA. However, for dairy farmers in most of Saskatchewan and Alberta, this year has been an extraordinary one: they face drastically higher feed cost, and they will recover only a fraction of those higher costs through higher milk prices.

Slomp has already paid out tens-of-thousands of dollars in increased costs for hay and straw. And because of averaging and lags within the cost-of-production formula used to set milk prices, Slomp estimated that he would recover only 15% of his increased expenditure through increased milk prices.

“Like other farmers, dairy farmers are being hurt by the drought and squeezed by rising feed costs. Dairy farmers, however, have been completely neglected by the federal government when it apportioned drought relief. It is critical that the federal government rectify this oversight and send aid to dairy farmers struggling in drought-stricken areas,” concluded Slomp.

The NFU has noted previously that distributing drought aid through NISA 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. 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.

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