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national farmers union

In Union Is Strength

FOR IMMEDIATE RELEASE

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LIVESTOCK INITIATIVES, CAIS AMONG FEW ITEMS FOR FARMERS IN BUDGET

SWIFT CURRENT, SK – Farmers' expectations will remain low after the federal budget unveiled February 23rd by Finance Minister Ralph Goodale.

"We're disappointed there was little recognition of the plight of farmers, who are facing a very severe financial crunch," commented National Farmers Union President Stewart Wells. "Farmers' net incomes have been driven down by a dysfunctional marketplace, and the farmers' needs will far outstrip the plans outlined in today's budget."

At the same time, however, there were initiatives that will provide some help. "It appears the federal government has come around to agreeing with us on one of the flaws in the Canadian Agricultural Income Stabilization (CAIS) Program," stated Wells. "The government is now on record as agreeing that producers should not be required to put funds on deposit annually in order to be eligible for the program." He said the NFU will continue to press the government to recognize the other problems with CAIS, including the \$3 million cap which benefits only very large corporate feedlots and industrial hog operations. "Also, CAIS is fundamentally flawed because it's based on continually-declining returns," he said. "What farmers need is a cost-of-production program."

Wells was also optimistic the reallocation of \$17 million to the federal ruminant Loan Loss Reserve Program will help speed up development of slaughter capacity in Canada. "That money must go to new facilities operated by farmers and farmer co-ops, and not to bolster the monopoly position of Cargill and Tyson," he said. "This assistance is welcome but there will have to be ongoing support to keep these smaller plants viable over the long term."

The NFU President suggested the introduction of a cash advance program for livestock producers was also long overdue. "The grain cash advance program has served farmers well over the years, and we're pleased to see that extended to family farm livestock producers in 2006." One of the NFU's predecessors, the Saskatchewan Farmers Union, was instrumental in pushing for the grain cash advance program in 1957.

An additional \$21 million in funding to the Canadian Grain Commission (CGC) to allow it to maintain its quality assurance system for grain exports was also welcome, concluded Wells.

While the federal budget makes a pitch for increased productivity and efficiency as the key to economic prosperity for each sector, Wells pointed out that a recent NFU study proves Canadian farmers have led the way in becoming the most productive sector of the Canadian economy. "The farm income crisis is not due to inefficiency," he said. "It is time that the governments started looking at corporate and marketplace inefficiency."

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