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national farmers union
In Union Is Strength

FOR IMMEDIATE RELEASE

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FIX CAISP, THEN REPLACE IT: NFU TO ALBERTA GOVERNMENT

EDMONTON, Alta—“In the very short term, governments need to make five major repairs to the CAIS Program. But in the medium term, the Program has to be replaced,” NFU member Tom Cliff told Alberta Minister of Agriculture Doug Horner. The NFU and other organizations met Horner today in Edmonton.

Five defects in the CAIS Program need to be fixed, these fixes include:

- Scrapping the deposit requirement;
- Reducing the cap on payments to individual operations from its current \$3 million level to a much more appropriate \$400,000;
- Changing the way that the Program handles changes in inventory values—such as the cattle value decline that followed the discovery of BSE;
- Instituting a more fair and transparent formula for assessing “structural change” when farmers expand or scale back their operations; and
- Scrapping the 60/40 funding formula that puts an unmanageable burden on some provinces.

“Because it’s the only program we have to work with now and in the next year or two, CAISP must be fixed, made more responsive and more fair,” said Cliff.

But Cliff pointed out that even a perfectly designed and perfectly functioning CAIS Program would fall far short of the need created by our intensifying farm income crisis. “Guaranteeing 70% of ‘normal market returns’ isn’t enough, because most farmgate prices are far below our costs of production. We need a program that deals with the abnormal market returns we’ve seen over the past decade, a program based on our costs of production,” said Cliff.

NFU President Stewart Wells echoed Cliff’s criticism of the fundamental design principles underlying the CAIS Program. “The whole language about ‘safety nets’ is not appropriate any more because farmers have not been up on the high wire for about 20 years now,” said Wells.

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