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In Union Is Strength

FOR IMMEDIATE RELEASE

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FEDERAL PROGRAM SHORT-TERM ANSWER TO LONG-TERM PROBLEM

The federal government's \$1 billion Farm Income Payment Program is a short-term response to a long-term disaster, says Stewart Wells, President of the National Farmers Union (NFU).

Responding to the announcement of the ad-hoc payment to cash-strapped grains, oilseeds and livestock farmers this spring, Wells said "the size of the payment doesn't equal the size of the problem." While the program should get emergency funds into farmers' hands this spring, it won't be long before that money is funneled into the pockets of large input suppliers and processors.

The latest ad-hoc payment comes on the heels of a similar program for the livestock sector implemented at this time last year. This proves the Canadian Agricultural Income Stabilization (CAIS) Program is incapable of providing a long-term safety net for farmers and ranchers. "It's time to scrap CAIS and implement a program based on cost-of-production to guarantee farmers adequate returns from the marketplace," said Wells. "Ad hoc programs fail to address the underlying problem of a market that's stacked against the farmer."

So far, there has been no indication of the federal government's long-term plan to address the structural problems which depress farm income levels, said Wells. The NFU laid out a sixteen-point plan to turn the farm income crisis around at cross-country hearings conducted earlier this year by Wayne Easter, Parliamentary Secretary to Agriculture Minister Andy Mitchell.

Wells estimated that even if all provinces contributed additional money to the program, which is unlikely, the emergency payments to grain producers, based on eligible net sales (ENS), would likely amount to less than \$7.50 per cultivated acre. The ENS criteria also tends to discriminate against farmers that have the most need.

Payments to cattle farmers, based on their inventory as of December 23, 2003, would be \$19 per head on breeding stock. Wells expressed concern over the possibility that livestock payments could once again go to Cargill and Tyson, the two giant US-owned meat packing companies which own a significant percentage of cattle in Alberta feedlots.

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