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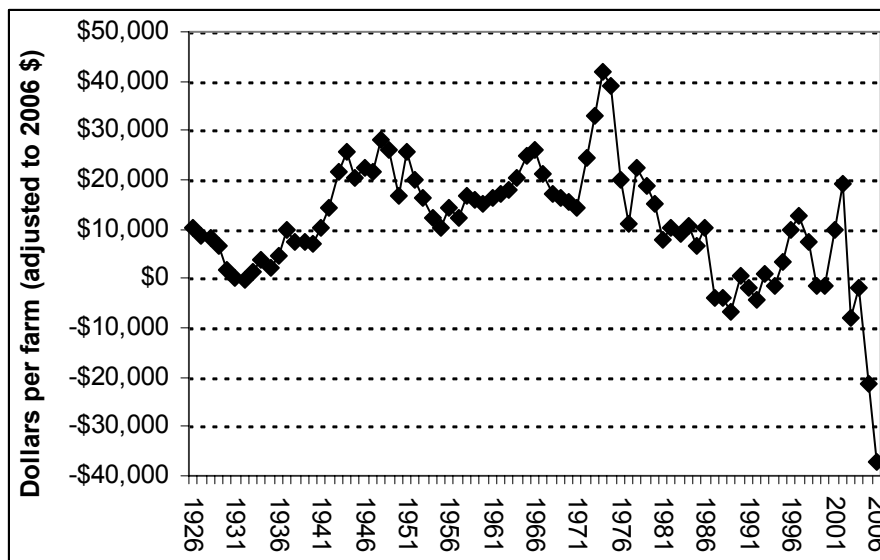
CRASH!!! MANITOBA NET INCOME DISASTER INTENSIFIES

ROSSENDALE, Man.—Recently released data from Agriculture and Agri-Food Canada shows Manitoba net farm incomes in free fall. “We’re having a meltdown here,” said Manitoba NFU Coordinator Fred Tait.

Ag. Canada projects that in 2006 the average Manitoba farmer’s net income from the markets will be *negative* \$37,000. 2006—like 2005 and 2004—will be far worse than the Great Depression.

The following graph uses Ag. Canada and Stats. Canada Realized Net Income numbers, subtracts government payments to show net income from the markets, divides net income by the number of farmers, and adjusts those per-farm net incomes for inflation to allow comparability with past years.

Manitoba Realized Net Incomes from the market,
per farm, adjusted for inflation: 1926-2006



2005 was the worst year in history for Manitoba farmers. And if Ag. Canada predictions hold true, 2006 will be even worse. “What’s causing this collapse?” asked Tait. He responded: “The BSE crisis is over. Bad weather certainly played a part, but the collapse clearly started many years ago. And the 1930s certainly had some bad weather, but our net incomes from the markets are lower today.”

Tait also dismissed those who would blame a rising Canadian dollar. “If a high dollar is bad for farmers, then the worst year in our history should have been 1974—when our dollar peaked at \$1.02 US. The value of our dollar has some influence, but the dollar’s value really correlates to nothing—it doesn’t correlate to commodity prices, net income, or any other measure relevant to farmers,” said Tait.

Tait did point out one correlation that could explain the plummeting fortunes of farmers—record corporate profits. “Does anyone besides me find it strange that just as farmers’ profits are hitting record lows, agribusiness profits are hitting record highs? Might the ever larger profits they take from the system be cutting into our net incomes?”

The NFU’s report entitled *The Farm Crisis and Corporate Profits* lists the profits of nearly every agribusiness corporation that plays a significant role in the Canadian agri-food economy. That report finds that in recent years, farmers have posted their lowest profits in history and agribusiness has posted its highest. That report can be accessed at www.nfu.ca/briefs/corporate_profits.pdf

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