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national farmers union

In Union Is Strength

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GOVERNMENT ACKNOWLEDGES LIVESTOCK CRISIS, MORE ACTION NEEDED

The federal government has finally admitted the situation facing livestock farmers is serious and that action is required, says Jan Slomp, Alberta Coordinator of the National Farmers Union (NFU).

Recently, Federal Agriculture Minister Gerry Ritz announced the government will provide loans to livestock farmers. The loans will be capped at \$400,000 per producer, with the first \$100,000 to be interest-free.

The NFU has been calling on the federal government to provide an “immediate, short-term investment consisting of graduated payments of up to \$100,000” to allow family farmers to survive financially into next year. In addition, the NFU is seeking a public inquiry by the House of Commons Agriculture Committee into the cause of the financial crisis facing Canada’s livestock farmers. A resolution adopted at the recent NFU national convention calls on the Commons Agriculture Committee to “force the big packing companies and retailers to open their books” to determine if excessive profits are being made at the expense of farmers and consumers.

“The announcement of interest-free loans is welcome,” stated Slomp. “This will be very helpful to the smaller producer, because it means he will be able to pay some of his outstanding debts and not be forced to sell his animals at distressed prices.” Slomp added it is also significant that the loan program is capped, preventing large corporate operations from pocketing an excessive share. Unfortunately, added Slomp, loans are only a partial answer, and there is little in the way of direct financial aid. “If you’re in a financial crisis, the last thing you need is more loans with interest attached,” he said.

He said it is absolutely crucial that “the government should be addressing the real cause of this income crisis. It is not just the higher dollar or higher feed costs. Those are contributing factors, but the real issue is the structural imbalance in the marketplace. Farmers simply have no market power left because the big packers hold a monopoly.”

Dale Fankhanel, NFU Board member for Alberta, pointed out there are many farmers who still owe money from previous loan programs, and will find it difficult to pay back even interest-free loans at current market prices.

“Cattle and hog farmers can’t borrow themselves out of debt because that debt can’t be repaid for livestock that doesn’t even return the cost of production. Last week we got 65 dollars a hog and we need 130 dollars at least,” said Fankhanel.

Fankhanel used the example of Olymel, which is now the sole company slaughtering pigs in Alberta. “Farmers have no choice but sell to Olymel. They have to take whatever price Olymel sets,” he said. “Cargill owns 50% of the beef packing capacity in Canada. The government needs to break up these large corporations and somehow address their monopoly power. That step is crucial to solve the farm income crisis for livestock farmers.”

- 30 -

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