

National Office  
2717 Wentz Ave.  
Saskatoon, Sask., S7K 4B6  
Tel (306) 652-9465  
Fax (306) 664-6226



**FOR IMMEDIATE RELEASE**

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**LACK OF FARM INCOME TARGETS IS KEY DEFECT  
IN NEW POLICY FRAMEWORK PROPOSAL**

**SASKATOON, Sask.**—On Friday, Federal and Provincial Ministers of Agriculture released “Growing Forward,” their blueprint for Canada’s new agriculture policy. ([http://www.agr.gc.ca/pol/grow-croiss/index\\_e.php](http://www.agr.gc.ca/pol/grow-croiss/index_e.php)) A crippling defect of governments’ new policy path, however, is the continued omission of goals or targets by which to measure progress in securing net farm income.

The worst five years in Canadian history in terms of farmers’ abilities to generate positive net incomes from the markets have been the most recent five years—2003-2007. Those are also the five years of the Agricultural Policy Framework (APF). (Please see Backgrounder graph.)

If governments had properly monitored the performance of their APF—using clear targets for net farm income—they would have quickly seen that it was failing, and they could have made mid-course corrections. But because the APF lacked targets, no one made the corrections. The result has been the five worst farm income years in Canadian history,” said NFU President Stewart Wells.

He continued: “Any future farm policy framework must have, at its core, a commitment to measure and *increase* farmers’ net incomes from the markets. Thus, Federal and Provincial Ministers must remedy an oversight in their framework proposal: they must include clear targets for net farm income, commit to evaluating their policy framework in relation to its ability to meet those targets, and commit to adjusting their policies to ensure they meet those targets.”

“The biggest problem in Canadian agriculture today is that farmers’ net incomes from the markets are at record lows. Remediating that problem must be ‘job one’ for any new policy framework. Our current APF has created a net income disaster. Governments must make a clear and measurable commitment to reverse that situation,” said Wells.

He concluded, “Farmers will always need effective risk management programs. And those programs must be sustainably funded by better balancing the ability of federal and provincial governments to pay: the current 60/40 funding split doesn’t work. But even after we design effective programs, and even after we find a way to properly fund them, the primary focus must still be on restoring farmers’ profitability. The business risk management programs in place now are failing; the ones under discussion will fail similarly, unless we fundamentally change our policies to restore farmers’ abilities to earn positive returns from the markets.”

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For More Information:

Stewart Wells, NFU President: (306) 773-6852  
Darrin Qualman, Director of Research: (306) 652-9465

## Backgrounder to the NFU's July 3, 2007 News Release

The five-year period of the Agriculture Policy Framework (APF) covers 2003 to 2007. These five years stand out as unprecedented in terms of farmers' losses.

The following two graphs show the same Statistics Canada data; the first graph adjusts for inflation, the second does not.

