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**FOR IMMEDIATE RELEASE**

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**THE ONE-THIRD-OF-ONE-PERCENT SOLUTION**

**SASKATOON, Sask.**—Minister Strahl and Prime Minister Harper’s announcement today of one billion dollars over the coming years is, of course, welcome news for farmers struggling in the worst farm income crisis in Canadian history.

The money, however, does not even begin to do what the government claims it might do: make a significant contribution to farmers’ efforts to deal with rising farm input costs.

The Conservatives promised, before the last election, to create new support programs based on farmers’ costs-of-production. “I certainly hope that this is not their idea of a cost-of-production program,” said Wells.

The government’s announcement listed “\$400 million to producers this year to help address high production costs over the last four years.” But farmers’ input costs are up \$2.6 billion over that period, driving farmers’ net incomes from the markets toward record lows.

Worst of all, the government’s announcement promises “\$100 million annually to address cost-of-production issues when they occur.” “\$100 million per year will cover input cost increases only if those increases are limited to one-third-of-one-percent per year,” said Wells.

Similarly, the government’s commitment to put \$600 million into a resuscitated NISA program is not a real solution for farmers. An early 2003 analysis of NISA Account balances showed that while there was nearly \$4 billion in those accounts at that time, 8% of program participants held 52% of NISA funds. “NISA feeds the full. Further, when those accounts contain significant balances, even if the money is held by a small minority of farmers, the government uses those billions as an excuse not to provide critical aid to farm families. A modest injection into a discredited program is not the way to end the farm crisis,” said Wells.

Wells reiterated that the federal money is welcome. “What the money is not, however, is any sort of legitimate attempt to actually help farmers deal with rapidly rising input costs. Nor is it even the beginning of the end of the farm crisis. In addition, farmers should be worried—the same farm organizations that were over the moon about the CAIS Program are now welcoming this new program with the same enthusiasm,” concluded Wells.

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Farmers demonstrate support for the Canadian Wheat Board and opposition to the federal government's policies outside the farm near Saskatoon where Stephen Harper and Chuck Strahl made their announcement.