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In Union Is Strength

FOR IMMEDIATE RELEASE

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AUDIT OF CAIS PROGRAM REVEALS FUNDAMENTAL FLAWS

The Auditor General's report on the Canadian Agricultural Income Stabilization (CAIS) program shines a much-needed light on the reasons underlying the program's failure, says Colleen Ross, National Farmers Union (NFU) Women's President.

"Farmers have been very vocal in their criticism of the CAIS program for years," Ross stated. "The NFU has also pointed out the structural flaws of CAIS – such as the lack of a reasonable cap on payments and the need for transparency. But this report reveals that the problems with CAIS were even more serious than anyone could have predicted."

The Auditor General's report documented instances where CAIS staff people involved in processing applications violated federal public service conflict-of-interest provisions by also acting as paid consultants to help producers prepare their CAIS applications. CAIS staff people also frequently altered application information without the knowledge or consent of producers. Farmers did not know whether they would receive a CAIS payment, or how much it would be, until after their applications were processed. If they disagreed with the CAIS administration's decision, the onus was on producers to prove their case. However, the lack of transparency in the processing of applications made it virtually impossible for producers to appeal decisions.

The structural problems with the CAIS program led to huge inequality. A single company, Saskatchewan Wheat Pool, collected \$4.9 million in CAIS payments. At the same time, many farmers were denied payments for unspecified reasons. Still others were forced to repay "overpayments" months after funds had been spent. Farmers were also unable to rely on potential CAIS payments as security for bank loans.

Ross noted the federal government's latest program, entitled "Cost of Production Payments", was announced the same day as the Auditor-General's report was released. Payments under this program are based on payments made under the discredited CAIS program, so the unfairness continues.

She concluded that the answer to the farm income crisis is to restore more market power to farmers so they can gain higher prices for their commodities from the marketplace.

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