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national farmers union

In Union Is Strength

FOR IMMEDIATE RELEASE

JANUARY 27, 2009

BUDGET IGNORES STRUCTURAL PROBLEMS IN AGRICULTURE

The federal budget released by the Harper Government fails to address the deepening financial crisis facing Canada's family farmers, says Stewart Wells, President of the National Farmers Union (NFU).

In the budget, the Harper Government promised \$50 million over the next three years to expand slaughterhouse capacity. However, there is no provision to ensure these funds do not simply end up in the pockets of Cargill, Tyson and XL, the big three packing companies which together control over 80% of Canada's beef processing facilities. Meanwhile, the income crisis facing hard-pressed livestock producers is not addressed.

"Prices for cattle are at record low levels across the country. In fact, cattle are actually selling for half their historical value," stated Wells. "The big three packers manipulate prices at the farm gate through captive supply measures. The Harper Government should implement a ban on packer ownership of cattle, and put in place tax incentives to help reduce the size of the Canadian cattle herd. Those initiatives would limit the ability of the big packers to put downward pressure on cattle prices at the farm gate."

The crisis in the cattle sector is indicative of structural problems facing producers of other commodities, added Wells. "It all boils down to the fact that farmers need increased market power," he said. "But all the efforts of this government appear to be directed toward strengthening the power of big corporations which already dominate the industry."

Wells concluded that of the \$500 million earmarked for agriculture, only \$190 million is new money. The remainder is being taken from unallocated funds from the federal Agriculture department. "Either way, it's only a veritable drop in the bucket compared to the magnitude of the farm income shortfall."

- 30 -

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