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**national farmers union**

***In Union Is Strength***

**FOR IMMEDIATE RELEASE**

**MARCH 18, 2009**

## **SASKATCHEWAN BUDGET LAYS OUT OPTIMISTIC PROJECTIONS**

The Saskatchewan government's budget lays out increases in spending for agriculture, infrastructure, education and health. But those spending increases appear to be based on very optimistic predictions for royalty revenues from potash and other resource commodities.

The provincial government predicts a growth rate 3.5 times higher than that projected by the country's major chartered banks. Potash buyers may have difficulty sourcing credit for purchases.

The budget's projected decline in oil revenues from \$1.5 billion to \$573 million is a reminder that commodity prices are in sharp decline, and there is no guarantee they will recover, says Glenn Tait, Saskatchewan Coordinator of the National Farmers Union (NFU). That could translate into problems down the road, he added.

Tait said the provincial government's decision to shift a greater percentage of responsibility for education funding from property taxes is welcome. The Province will now pay for 63 percent of total pre-Kindergarten to Grade 12 education operating costs, compared to 51 percent last year. He said the province-wide uniform mill rate was somewhat surprising, given that the redistribution of boundaries for school divisions four years ago already had the effect of nearly equalizing mill rates between school divisions.

He also said the 58 percent increase in funding for the Ministry of Agriculture's budget is welcome, but questioned whether the bulk of that funding should go to federal-provincial programs that have not been successful in the past. "They're spending more, but perhaps they should be spending more wisely," he stated.

Tait said the long-term answer for farmers is to take control of their industry and increase their market power, so they can increase their net income from the marketplace. The NFU works to empower farmers by fighting to reduce corporate control of the beef sector and increasing public sector research for grains.

"Agri-Invest and Agri-Stability are basically a recycled CAIS program, and they're paying out even less to farmers than CAIS did," Tait said. "Cattle producers are suffering

serious income shortfalls, but they won't be able to count on those programs to provide much in the way of assistance.”

He noted the budget contains a number of positive spending initiatives, including those for rural infrastructure initiatives, health care and seniors' income support.

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