



# The KAP Alert

## New Incentive Programs for Producers

News Release September 4, 2009

Keystone Agricultural Producers (KAP) welcomes the Growing Forward announcement that application forms for the Environmental Farm Action Program (EFAP), Manitoba Sustainable Agriculture Practices Program (MSAPP) and the Business Skills Suite of programs are now available to producers.

The EFAP and MSAPP incentive programs will be delivered jointly through the workshop process by Manitoba Agriculture, Food and Rural Initiatives. These programs are reminiscent of the previous generation of Environmental Farm Plans (EFP) with more emphasis on manure handling and greenhouse gas reduction.

"We're pleased that the programs have been rolled out," said Ian Wishart, KAP President. The EFP were popular among producers and there have been a lot of questions about the new programs."

The federal and provincial governments have generally incorporated some of the suggestions that KAP put forward on improvements to the beneficial management practices (BMPs), such as including straw choppers and improvements for off-stream livestock watering. Producers work to manage their land in a sustainable way and

### Activities

**Wednesday, September 2:**  
Farmers' Share news conference at the KAP office.

### Events

**September 5:** Dauphin Agricultural Heritage Club Threshing Day. Features binding, stooking, threshing demonstrations, equipment displays, horse competitions, old time music, and food. Phone 638-7632.

**September 11 - 13:**  
Beausejour Fair & Rodeo.

**October 3:** Roland Pumpkin Fair. [Website](#)

**October 15:** KAP General Council, Canad Inn Portage la Prairie.

**October 23 - 25:** Wheat City Stampede, Keystone Centre, Brandon.

Manitoba producers have contributed over \$68.5 million for projects that were implementing EFP on their farms.

“We like the EFAP program and we hope there will be enough funding for the demand we know is there,” said Wishart.

Producers look forward to working with these new incentive programs to accomplish environmental improvements on the farm.

## KAP Comments on the Proposed HST

KAP has received numerous phone calls from concerned producers regarding the idea of combining the GST and PST in Manitoba into a Harmonized Sales Tax (HST), similar to what B.C. will be doing in 2010.

This type of change would have a significant impact on farm operations and other businesses. KAP suspects, as the British Columbia Agriculture Council does ([http://www.bcac.bc.ca/News\\_Detail.asp?ID=289](http://www.bcac.bc.ca/News_Detail.asp?ID=289)), that the change could result in more of our inputs being exempt from both taxes. However, the development of an HST is a unique agreement between each province and the federal government. Manitoba will have a different experience compared to other provinces that have adopted an HST.

KAP will be engaging Manitoba Finance if further details about HST emerge. KAP will be supportive of any measure that will reduce input costs and keep more money in producers' pockets.

## The Farmers' Share

**November 5 - 8:** Manitoba Livestock Expo, Keystone Centre, Brandon. [Website](#)

**January 19 - 21, 2010:** Manitoba Ag Days, Keystone Centre, Brandon. [Website](#)

### Member Benefits Corner

#### *Thinking Ahead – Farm Estate Planning*

Although we try to plan, life can often throw us some unexpected curves. Is your estate plan in order and does it offer the best and fair solution for all of your family members? Planning ahead helps everyone deal with these curves and also gives us greater peace of mind today.

With the KAP Estate Planning program through the specialist at Daystar Financial and their professional advisors for KAP members, Wealth Planning Group, Pereux Financial Services, Pallister Insurance & Financial Services and WorkPlace Solutions, you will receive professional advice and better understand the unique nature of farm estate and succession planning. It will help provide that peace of

KAP held a news conference on Wednesday, September 2, to release the 2009 Farmers' Share study. We would like to thank our project partners Agricultural Producers Association of Saskatchewan (APAS), and Wild Rose Agricultural Producers (WRAP) of Alberta who also hosted events.

A special thank you to David Northcott, Executive Coordinator of Winnipeg Harvest, for joining us to speak about the cost of food and the impact on Manitobans.

KAP appreciates the wonderful support for the event from our Commodity Group Members. We thank the following representatives for joining us: Theresa Bergsma (Manitoba Corn Growers Association), Darcelle Graham (National Sunflower Association), Roxanne Roels (Manitoba Pulse Growers Association), Bill Ross (Manitoba Canola Growers Association), Jim Campbell (Manitoba Beekeepers Association), David Wiens (Dairy Farmers of Manitoba).

Other guests included Chris Albi (Winnipeg Harvest), Maureen Fitzhenry (CWB), and media such as Golden West Radio, Manitoba Cooperator, CTV Winnipeg, CBC TV, The Winnipeg Sun, The Interlake Spectator, and FCC.

Thank you to all who attended the event.

mind--that things really are in order.

Daystar supports its professional advisors by offering the strategic farm tax knowledge of Doug Markevich. Doug has been in the financial services industry for over 20 years and specializes in the complicated farm estate planning area. Doug is a Chartered Financial Consultant and an active member of the Canadian Tax Foundation and the Society of Trust and Estate Practitioners. He speaks regularly to groups of insurance and tax professionals, has published several papers and industry articles and is well respected by his peers in tax strategies and estate planning.

Working as a team, your Daystar Financial KAP benefits specialists have a wealth of knowledge, understand farming issues, and have years of experience helping farm families overcome farm estate planning issues. They can show you options and share their experiences with you.

To arrange for a personalized consultation after harvest at your farm, call: 1-866-527-



Above L to R: Dr. Alma Kennedy (Researcher), David Northcott (Executive Coordinator, Winnipeg Harvest), Kadin Yankoski (Grade 4 Student) and Ian Wishart (KAP President).

## From Grocery Store Back to the Farm Gate

News Release September 2, 2009

To view the full release with background information [CLICK HERE](#)

The rising cost of food is a hot topic in the news and Prairie farm organizations want consumers to know what percentage of their food dollar goes back to the farms where food is produced.

The Farmers' Share research project conducted in August 2008



0123, or email

[kapbenefits@stratbenefits.ca](mailto:kapbenefits@stratbenefits.ca).

For information on other benefit programs, please call our Member Benefits line at 1-866-527-0123, or go to our website [\[click here\]](#), or email [kapbenefits@stratbenefits.ca](mailto:kapbenefits@stratbenefits.ca).

By participating in these programs, KAP members provide further strength to KAP in improving this and other benefit program for farmers.

showed that an average of only 27 per cent of the cost of an entire week's worth of groceries for a family of four goes back to the farm gate. A 2009 study by Dr. Alma Kennedy was commissioned by Keystone Agricultural Producers (KAP) of Manitoba, Agricultural Producers Association of Saskatchewan (APAS), and Wild Rose Agricultural Producers (WRAP) of Alberta. The results showed that the average farmers' share decreased by about one per cent.

There was a rise in the cost of groceries by 3.2 per cent from 2008 to 2009, and this money was not passed on to the farmer. In fact, producers received 1.7 per cent less money than in the previous year. In the end, the consumer was paying \$6.01 more for groceries, the farmer received \$0.86 less, and the middleman received \$6.87 more. Depending on the food group, the farmers' share percentage ranged from 5 per cent for grain products, to 53 per cent for milk and alternatives.

"In Canada we have access to some of the most affordable food in the world, but when you take a look at the portion of the cost that goes back to the farm gate, it's a relatively small amount," said Ian Wishart, KAP President.

Greg Marshall, President of APAS, noted that the vast majority of the farmers' share is simply the cost of doing business. "Farmers' expenses and inputs account for about 86 per cent of their revenues. Rising feed, fuel and fertilizer costs continue to erode what little share we do receive at the farm gate."

The menu selections for the study were based on Canada's Food Guide to Healthy Eating for two adults, a teenager, and a child. This year, the total food cost (before taxes) was \$194.23, which is up from \$188.22 in 2008. In this study, 89 per cent of the foods analyzed are listed as being produced in Canada. The farmers' share ranges widely

between food products, often depending on the number of steps in the chain between the farm and the grocery store. Less-processed foods such as vegetables often showed a greater return to the farmer. In the case of bread or other grain products, the actual return to the farm gate is extremely small.

The study highlighted a concern for livestock producers in regard to the rise in the cost of meat at the grocery store. "Given that Canadian cattle producers are liquidating their herds to survive and that the federal government just announced millions of dollars to restructure the pork sector, it's a surprise to see an increase in prices yet a decrease in the farmers' share," said Humphrey Banack, President of WRAP.

Canadian consumers can choose what portion of their dollar is going back to support farm families by pausing to consider the farmers' share when selecting items at their local grocery store.

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