



“The Voice of Manitoba Farmers”

1-1313 Border St. ~ Winnipeg MB ~ R3H 0X4

ph: (204) 697-1140 ~ fax: (204) 697-1109

kap@kap.mb.ca ~ www.kap.mb.ca

Government Needs to Build a Better Foundation for Agriculture

May 11, 2007

By David Rolfe, KAP President. Cell: (204) 483-0502.

If a house is built on a bad foundation, you might not notice it at first. The walls can be made straight, the roof can be brand new, and from all appearances it might look to be perfectly acceptable. Eventually cracks will appear, the house will shift and become uneven, and leaks will ruin the interior.

The same thing has happened with business risk management, like the Canadian Agricultural Income Stabilization (CAIS) program. Over time, the flaws have become even more apparent and, during this election campaign, farmers need to know what government will do to repair and rebuild our failing foundation.

CAIS has proven to be a “buyer-beware” program since it was first introduced. It’s not predictable, not bankable, and not meeting the needs of the farmers it was meant to help. Major renovations are needed, and we need to know how each of the parties vying to be the next government plans to tackle the job.

Governments keep promising a fix, but the work never seems to be completed. In the meantime, farmers are left waiting to hear from CAIS on their applications because the program is simply not responsive. Even the recent report from Canada’s Auditor General cited the sluggish administration as a major concern. If farmers are left in the lurch, then KAP believes that the province should be held responsible for their past mistakes. When there are administrative delays beyond a reasonable timeframe, farmers should be paid interest. Governments are more than willing to charge farmers on any delay in payments, but which party asking for your vote supports a fair turn-around of this policy?

The federal government recently unveiled a plan to develop a new contributory-style program that will help farmers to self-manage their own risk. It’s a positive step forward, and one that has been recommended by farm organizations like Keystone Agricultural Producers (KAP) for years. We need to know that the provincial government will also contribute to this new program and, since farmers will also be putting their money on the line, it’s only fair that the 0.45% administration fee that we currently pay to CAIS be removed once it comes into effect.

Even when our foundation is solid, disaster can still strike at any time – whether that is because of trade, weather, or the mysteries of the international agricultural markets. Farmers need to know that the provincial government will be there to help weather the storm, by developing and funding disaster programs that will help to protect and rebuild.

At the heart of the issue is whether the provincial government will slap a coat of paint over the cracks and wait for the house to fall down, or commit to the complete overhaul that our business risk management programs truly need.