



NEWS RELEASE

“The Voice of Manitoba Farmers”

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The Good, the Bad, and the Ugly

Winnipeg – The farm income numbers released today can be split into three easy categories, according to Keystone Agricultural Producers (KAP): the good, the bad, and the ugly.

On the good side of things, grain and oilseed prices continue to go up and the net farm income for the crops sector rose 20% in 2007. This positive trend is expected to continue in 2008. After years of extremely depressed prices, things are finally ‘good’ for grain farms in Manitoba.

“Good grain prices mean that farmers can reinvest in their operations, pay down expenses or debt, and make plans for the future,” says KAP President Ian Wishart. “It also helps to renew optimism for grains and oilseeds farmers, something that was sorely lacking only a few years ago.”

Livestock producers already know that they’re on the bad side of the equation. The combined impact of a high Canadian dollar and increasing feed costs (due to high grain prices) mean that any income from cattle or hogs will be minimal in 2007 and actually negative in 2008.

“We need to take action now to help our livestock sector,” says Wishart. “While we’re doing that, governments also need to think about how we can structure agriculture so that grain and livestock producers can thrive at the same time and create more wealth for our farm families.”

The “ugly” side of the farm income forecast is the looming threat of increasing costs for fertilizer and other inputs. In 2007, Agriculture & Agri-Food Canada says that fertilizer prices rose 20% to record highs, and predicts that this trend will continue for 2008.

“Fertilizer prices are out of control, and they could very well eat up many of the financial gains that farmers are expecting from higher prices,” says Wishart. “It’s very clear that input costs are going to be a major factor in a farmer’s bottom line and it’s up to all of us to hold the line.”

- 30 -

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