

Information for Manitoba Farmers Affected by Excess Moisture or Flooding

How to Access 2005 CAIS Benefits Early:

If your farm income drops this year because of excess moisture or flooding, you may want to consider applying for a Canadian Agricultural Income Stabilization (CAIS) program interim payment. Interim payments can provide you with earlier access to your CAIS payment. If your estimated income declines by 15 per cent or more relative to your reference margin, you may be eligible.

The 2005 CAIS Interim Payment Application is a simple two-page form, and is available on the CAIS Web site at www.agr.gc.ca/caisprogram or by calling our toll free line. Once your application is received, our goal is to process it within 30 days.

To be eligible for an interim payment, you must have completed six months of farming activity and a production cycle, and be filing farm income or loss to the Canada Revenue Agency (CRA). However, the six months of farming activity and production cycle requirements will be waived if they could not be met due to disaster circumstances such as flooding. If this is the case, attach a letter to your application to explain that this situation applies to your case.

Things to Remember When Applying for a 2005 Interim Payment:

- You can apply for a 2005 interim payment before your 2004 CAIS Supplementary Form has been processed. However, in order to process your 2005 Interim Application, a detailed breakdown of your 2004 income and expenses is required. When submitting your 2005 Interim Application, please attach a copy of your 2004 T1163, Statement of Farming Activities (or Statement A) as filed for 2004 tax purposes. If you have not yet filed your 2004 income taxes, please contact the CAIS Administration to request a 2004 Reference Year Worksheet, which requests a breakdown of your 2004 income and expense information. The 2004 Reference Year Worksheet is also available on the CAIS Web site and is listed under Worksheets in the Publications and Forms section.

Because the interim payment is based on an estimate of your income, an overpayment may occur. Any overpayments made to you must be paid back the administration. Here are some tips to keep in mind to avoid an overpayment:

1. **Consult the Guide to the 2005 CAIS Interim Application**, especially when answering the questions regarding structural change and the combining of applications. Include in your application whether your farm has increased or decreased in size through a structural change, or if you have a combined operation due to shared income and expenses. If you do not account for these factors, you may receive an overpayment.



2. **Provide the most accurate estimate possible for your production.** Read the guide carefully to ensure you understand the methods for reporting production.
3. **Enter all crop insurance and/or un-seeded acreage payments under “Crop/Hail Insurance”** on page 2. In addition, the Guide to the 2005 CAIS Interim Application includes a list of program payments that should be entered under “Other Program Payments”.

How to Report Flooded or Unseedable Acres on the final 2005 CAIS Form:

While the Interim Payment Application asks you to estimate your 2005 production, you will need to provide your actual (final) production information when you complete the 2005 CAIS program forms in 2006. Follow these tips when reporting flooded, unseedable, or unharvestable acres on Part 2 (Crop Inventory Valuation) of the 2005 CAIS form:

Part 2 - Crop Inventory Valuation

- **Note 3:** If your acres were flooded or were too wet to seed, check the “Yes” box for a decrease in productive capacity. This will identify that your operation’s productive capacity has decreased specifically because of a disaster. A decrease in productive capacity means a decrease in the overall amount that you can produce.

For example, a producer who decides to sell or rent out a portion of their land in the program year is making a decision to reduce the amount of farm production, and therefore should check “No” to the decrease being due to disaster circumstances. However, a producer who was unable to seed or harvest some or all of their land due to excessively wet conditions should check “Yes” to a decrease being due to disaster circumstances.

- **Unseedable Acres:** Be sure to report all acres that you would normally have seeded in the program year, but were unable to seed, beside “Unseedable Acres” on Part 2. Report all summerfallow and pasture/ wasteland acres on the designated lines.
- **Unseedable Acres:** Be sure to report all acres that you would normally have seeded in the program year, but were unable to seed, beside “Unseedable Acres” on Part 2. Report all summerfallow and pasture/ wasteland acres on the designated lines.
- **Unharvestable Acres:** If you seeded a crop but weren’t able to harvest some or all of those acres because of excess moisture or flooding, indicate the amount of acres seeded and the amount produced on the Crop Inventory valuation section. If the acres were completely flooded, report zero under “Quantity Produced”.

Note: Forage and hayland should be reported in the Crop Inventory valuation section as well. If the acres were completely flooded, report zero under “Quantity Produced”.

For more information about the CAIS program, contact us toll-free
at **1 866 367-8506** or visit the program Web site
at **www.agr.gc.ca/caisprogram**.