

Program Bulletin

Canadian Agricultural Income Stabilization (CAIS) Program

Working to Serve You Better

In response to your concerns, we're making changes to serve you better. We are taking steps to simplify the application process. Coming soon:

- **CAIS Harmonized Form**

We are working toward combining the CAIS Supplementary Form and the T1163 - Statement A form into a single form called the CAIS Harmonized Form.

- **For individuals:** Starting with the 2005 program year, you will receive the CAIS Harmonized Form - a combination of the CAIS Supplementary Forms and your income tax forms. That means one form, one deadline. For the 2005 program year, the deadline will be June 15, 2006 for individuals.
- **For corporations, cooperatives and special individuals:** We are also working toward a CAIS Harmonized Form for corporations, cooperatives and special individuals. For operations with a non-calendar year-end that have met the eligibility requirements, it will be available this fall. For the 2005 program year, the deadline for corporations, cooperatives, and special individuals will be June 30, 2006.

- **E-filing**

Moving toward a harmonized form means you will have the option of filing your forms electronically via the Internet. To make the application process easier and help the administration process forms more quickly, e-filing will be available for individuals for the 2005 program year.

Remember the Deadlines

2004 Supplementary Form

September 30, 2005

Submit to CAIS Administration
(participants must also file a T1163 - Statement A to Canada Revenue Agency [CRA] in order to be eligible)

2005 Interim application

March 1, 2006

Submit to CAIS Administration

2005 CAIS Harmonized Form

June 15, 2006

(for individuals)

June 30, 2006

(for corporations, cooperatives and special individuals)

Submit to CRA



BRITISH COLUMBIA
Government of Saskatchewan



Manitoba
GOVERNMENT OF NEWFOUNDLAND AND LABRADOR



NOVA SCOTIA
NOUVELLE-ÉCOSSE
New Brunswick
Brunswick



Yukon
Government
Canada



CAIS
PCsRA

CAIS Administration
P.O. Box 3200 Station Main
Winnipeg, MB
R3C 5R7

Address Label Here



2005 Interims Are Available

2005 Interim Applications are available on the CAIS program Web site or by calling our toll-free line. When you apply for an interim payment, you must submit a final application to the CAIS program.

You may want to consider applying for an interim payment if you have experienced a loss this year and would like to receive a portion of your 2005 CAIS payment before your final payment is calculated. The application is a simple two-page form. Our goal is to process interim applications within 30 days.

You may receive a program benefit if your income for the program year is estimated to decline by 15 per cent or more, relative to your reference margin. To be eligible for the 2005 CAIS Interim, 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. However, the six months of farming activity and production cycle requirements may be waived if they could not be met due to disaster circumstances.



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

- **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.
- **Provide the most accurate estimate possible for your production.** Read the guide carefully to ensure you understand the methods for reporting production.
- **Enter all income (e.g. Crop Insurance payments, Farm Income Payment [FIP])** when you are completing the application. Payment from other programs may also be considered as income. There are more details in the Guide to the 2005 CAIS Interim Application.

Look for the **Guide to the 2005 CAIS Interim Application** on the CAIS Web site at www.agr.gc.ca/caisprogram under "Publications and Forms" or call CAIS toll free at 1-866-367-8506.



National CAIS Committee in Place

A national committee including producers and representatives of both levels of government was established in April 2005 to review and suggest improvements to the CAIS program.

The National CAIS Committee (NCC) includes 22 producer representatives and 15 federal, provincial and territorial representatives. The committee has held two meetings and will meet again this fall.

The NCC will:

- Make recommendations on proposed changes to CAIS
- Advise CAIS Administrations on issues related to the ongoing operation of the program
- Manage the process of hearing appeals from program participants who feel that program policies have not been correctly applied in the verification of their application

The appeal process is now in place. For more information look for the **Appeals Process fact sheet** on the CAIS Web site at www.agr.gc.ca/caisprogram or call CAIS toll free at 1-866-367-8506.



Help Us Help You - Application Tips

We have reviewed our approach to processing applications for the 2003 program year and are making changes to process applications more quickly for the 2004 program. There are also ways *you* can help us to speed up the process.

Fill out the forms and send them in early. The applications are processed on a first-in, first-out basis. Consider this:

- The CAIS Administration received 22 per cent, or over 12,000 applications, for the 2003 program year in the last two days before the deadline. When you leave your application until the last minute, it may be one of thousands waiting for processing.



Keep good records and ensure you submit accurate information. *You know your farm best.* The administration must contact you or your accountant when there is information missing, and that slows down the processing of your application.

- Count and record inventory at the beginning of your fiscal year and again at year end. Also, keep track of purchases and sales throughout the year.
- When filling out your application, refer to your Calculation of Benefits Notice. Record your ending inventory from the previous year, as your starting inventory for the current program year.

Use the current codes from the 2004 Program Price and Code list.

- Codes may change or be added from year to year. For instance, for 2004 the quality of feed wheat and feed barley changed, and two new codes were added.
- The list is available on the CAIS Web site or on request from the CAIS Administration.

If you had poor production, provide a separate note explaining why.

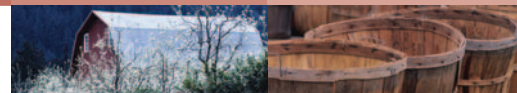
- By providing a written explanation with your application, you can help speed up the process, because the administration may not have to contact you for more information.
- If you had unseedable acres, be sure to report all acres that you would normally have seeded in the program year, but were unable to seed, beside "Unseedable Acres." Report all summerfallow, pasture and wasteland acres on the designated lines.

If you're not sure, call the CAIS Administration and ask! Our staff will be glad to help.

Look for the **Tips for Completing the CAIS 2004 Supplementary Form fact sheet** on the CAIS Web site at www.agr.gc.ca/caisprogram or call CAIS toll free at **1-866-367-8506**.

Information Sessions and Trade Shows

The CAIS Administration will be holding information sessions in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, and the Yukon in October/November. In October, check the CAIS Web site at www.agr.gc.ca/caisprogram or your local news publications for locations near you. Also look for us at upcoming trade shows.



Structural Change

If your farm operation has changed, a structural change calculation may be applied to your reference margin. An adjustment is applied to a producer's reference margin if there has been a change in the earning power (or productive capacity) of the producer's farm. This can happen because of a shift in the size of the farm, the commodities produced, or other factors.

If your farm undergoes a structural change, the administration adjusts your reference margin to reflect what it would have been, had you had the

same farming capacity in the previous five years. This ensures you receive a payment based on a reference margin reflective of your farm's productive capacity. Without this adjustment, a farm that has increased in size may not trigger a CAIS payment because its reference or historic margin is based on the income for a smaller farm.

Structural change is also applied when a farm is downsized to prevent producers from triggering a program payment simply because they have reduced the size of their operation.

If a structural change occurred as a result of a disaster (i.e., if a flood resulted in fewer acres seeded), the structural change adjustment may be waived.

For the 2004 program, structural change calculations will be included on the Calculation of Benefits Notice.

Look for the **Structural Change fact sheet** on the CAIS Web site at www.agr.gc.ca/caisprogram or call toll free at **1-866-367-8506**.

The Numbers Add Up

STATISTICS IN THE PROVINCES AND TERRITORIES WHERE THE FEDERAL GOVERNMENT DELIVERS CAIS		
2003 CAIS Program	2004 CAIS Program	2005 CAIS Program
Number of payments: 30,800	Number of payments: 3,994 - interim 13,501 - Special Advance 441 - final	Program participants: 60,143
Payments to date: \$606.8 million	Payments to date: \$118.6 million - interim \$95.4 million - Special Advance \$219.2 million - final (includes interim, Special Advance & final benefits)	Value of reference margins protected: \$4.675 billion

Figures valid as of July 24, 2005



Contact Information

- In British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Yukon visit our Web site at www.agr.gc.ca/caisprogram or call toll free at **1-866-367-8506**.
- In other provinces, the CAIS program is delivered by provincial administrations.

