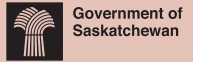


Program Bulletin



Fall 2004

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There is still time to apply for CAIS 2003 and 2004

You now have until November 30, 2004 to:

- complete and return your 2003 CAIS Options Notice (if you didn't receive an Options Notice, call the number below for more information on how to participate);
- complete and return your 2003 CAIS Supplementary Form;
- complete and return your 2004 CAIS Options Notice.

You have until March 31, 2005 to:

- open a CAIS program account at a participating bank or credit union;
- have the required deposit in your account.

To request a transfer of money from your NISA Fund 1 account to your CAIS account, please contact the CAIS program Administration toll-free at 1-866-367-8506.

CAIS program amendments are in place - here's what they mean to you

Several new features for the CAIS program are now in place. These include simplifying the deposit requirements, protection for negative margins, increasing the maximum government payments, and defining how the link between CAIS and Production Insurance will work.

(1) 2003 CAIS deposit requirements

If you have made a deposit: If you have already deposited one-third of your full account balance requirement into your CAIS account, no additional deposit or "top-up" is needed if you experience a decline in your 2003 program year margin. You would receive full government contributions in the event of a loss without having to deposit more money.

If you have not made a deposit: Because the deposit deadline is March 31, 2005, it is possible that you could receive a payment without having any money in your CAIS account. You just have to ensure that the balance in your CAIS account on March 31, 2005 is equal to one-third of your full account balance requirement for either 2003 or 2004, whichever is higher. This amount will be indicated on your Deposit Notice. The Deposit Notice is issued once 2003 processing is complete.

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CAIS PCSRA

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



Address Label Here



Continued from Page 1

Note: Further changes are being discussed relating to the 2004 deposit requirement. Once decisions are made, information on these changes will be available to you via mail, CAIS toll free, and the CAIS Web site.

(2) Protection for Negative Margins

The CAIS program has been amended to provide 60% protection for negative margins. If your program year margin is negative, you may be compensated for up to 60% of any portion of your margin that is below zero. (Note: Negative margins are covered at 60%; the protection level you chose applies to the portion of your margin that is above zero.) To be eligible for a negative margin payment, your reference margin must be above zero. In addition, if you did not sign up for either Crop or Production Insurance at the minimum 70% level, your negative margin benefit may be reduced by the Administration when your payment is processed.

(3) CAIS payment caps have increased

The CAIS payment cap for maximum government contributions has increased from \$975,000 to \$3 million per entity.

(4) Sign up for Production Insurance and CAIS

The CAIS program and Production Insurance (PI), formerly Crop Insurance, were designed to work together, however participation in both is not mandatory.

If you participate in PI and you receive a CAIS payment which is lower because of your participation in PI, you may receive a PI Premium Adjustment. This Adjustment will be automatically sent to you separately from your CAIS payment. (See - Protection for Negative Margins).

Reference Period Accruals

You now have the option to have your reference margin calculated on an accrual basis. If you choose this option, the CAIS Administration will use accrual numbers to calculate your reference period for as long as you participate in CAIS. You cannot switch back to the cash method of accounting once you have requested to use the accrual method.

Some producers may prefer using the accrual method under the CAIS program as calculations done on a cash basis may have a negative impact on their reference margin. Livestock feeding operations and beginning and expanding farm operations may prefer using the accrual method.

For more information on switching your method of accounting, call the CAIS Administration or visit the CAIS Web site at:

www.agr.gc.ca/caisprogram.

Early access to 2004 benefits

If you experience an income decline in 2004, you can access CAIS funds early. For more information, check the Web site at www.agr.gc.ca/caisprogram or call the CAIS Administration at **1-866-367-8506**.

CAIS Contact Information

Producers in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, and the Yukon can contact us at:

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

CAIS program toll-free information line:

**1-866-367-8506
(both languages)**

CAIS program Web site:

**www.agr.gc.ca/caisprogram
(English)
www.agr.gc.ca/pcsra
(French)**

In Alberta, Prince Edward Island, Ontario and Quebec, CAIS is delivered provincially.



CAIS Handbook

An updated version of the CAIS Handbook is now available. Look for it on the CAIS Web Site or call **1-866-367-8506** to obtain a copy.