

# Agri-info

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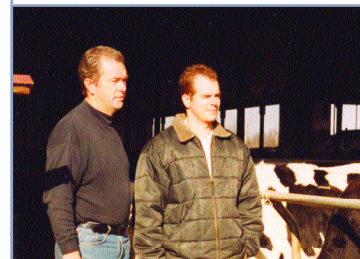
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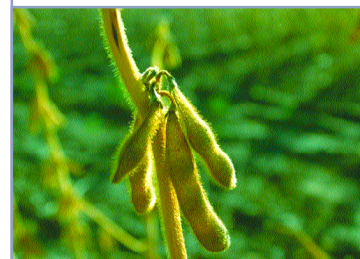
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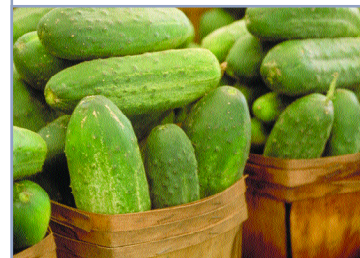
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## Canadian Agricultural Income Stabilization program now in place

The new Canadian Agricultural Income Stabilization (CAIS) program is in place across Canada. With this highly dependable and predictable program, producers now have protection from both small and large declines in farm margins. CAIS offers protection, even in disaster situations.

CAIS replaces the previous Net Income Stabilization Accounts (NISA) and the Canadian Farm Income Program (CFIP).

Program payments are shared between producers and government. When producers trigger withdrawals as a result of declines in farm income, they receive funds from their own program deposits and from government contributions.

The program targets government funds to the deepest losses: the larger the decline in farm income, the greater the proportion of the payment that will come from government.

To get access to CAIS protection, producers need to select their desired level of protection and make a deposit in a CAIS account at a participating financial institution. The size of a producer's deposit depends on the selected level of protection.

The deposit is not a payment to government. It belongs at all times to the producer, as does the interest that accrues, and it remains on deposit from year to year until it is used.

*continued on page 2*

### More information on CAIS is available as follows:

- In British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, and Newfoundland and Labrador, call toll-free 1 866 367-8506, or visit the CAIS program Web site at [www.agr.gc.ca/caisprogram](http://www.agr.gc.ca/caisprogram)
- In Alberta, call toll-free 1 877 744-7900, or visit the Agriculture Financial Services Corporation (AFSC) Web site at [www.AFSC.ca](http://www.AFSC.ca)
- In Ontario, call toll-free 1 877 838-5144, or visit the Web site of the Ontario Ministry of Agriculture and Food at [www.omaf.gov.on.ca](http://www.omaf.gov.on.ca)
- In Quebec, call toll-free 1 800 749-3646, or visit the Web site of La Financière agricole at [www.financiereagricole.qc.ca](http://www.financiereagricole.qc.ca)
- In Prince Edward Island, contact the P.E.I. Agricultural Insurance Corporation at (902) 368-4842, or visit the Web site at [www.gov.pe.ca/go/cais](http://www.gov.pe.ca/go/cais)



# Cull Animal Program accelerates assistance to producers

The Government of Canada introduced the Cull Animal Program in November 2003 to help producers face the challenges created by the closure of borders to live animals.

On February 16, 2004, the Government announced that it was adjusting the program by removing the original requirement that animals be slaughtered before producers received payment. This change allows producers to access funds even sooner, provides equal access to the program across Canada, and helps with feed costs until producers can move their animals to slaughter.



## *(continued from page 1)* **CAIS program**

In British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, and Newfoundland and Labrador, the deadline for producers to select their level of protection has been extended to April 30, 2004, and the deadline for making the accompanying deposit has been extended to December 31, 2004. These deadlines apply to the 2003 and 2004 program years. Producers in other provinces should contact their provincial delivery agent for information on program deadlines.

All funds remaining in NISA accounts, including producer deposits and government contributions, belong to producers, and are available for withdrawal now.

The Government of Canada has committed \$120 million to the program for all regions of Canada, and offered to share the cost of the program with the provinces. Each province has responded in its own way, based on respective provincial priorities.

The program covers 8% of beef cows and 16% of dairy cows that a producer owned on September 1, 2003. A comparable program is being offered to producers of other ruminants affected by border closures.

### **For more information on the Cull Animal Program, producers should contact their provincial delivery agent:**

- In British Columbia, call toll-free 1 877 702-5585, or visit the Web site at [www.agf.gov.bc.ca./ahc/bse/](http://www.agf.gov.bc.ca./ahc/bse/)
- In Alberta, call toll-free 1 866 314-2054, or visit the Web site at [www1.agric.gov.ab.ca](http://www1.agric.gov.ab.ca)
- In Saskatchewan, call toll-free 1 866 621-3224, or visit the Web site at [www.agr.gov.sk.ca](http://www.agr.gov.sk.ca)
- In Manitoba, contact the local Manitoba Crop Insurance Agency office, or visit the Web site at [www.gov.mb.ca/agriculture](http://www.gov.mb.ca/agriculture)
- In Ontario, visit the Web site at [www.omaf.gov.on.ca](http://www.omaf.gov.on.ca)
- In Quebec, call toll-free 1 800 749-3646, or visit the Web site of La Financière agricole at [www.financiereagricole.qc.ca](http://www.financiereagricole.qc.ca)
- In New Brunswick, contact the local New Brunswick Department of Agriculture, Fisheries & Aquaculture Regional Office, or visit the Web site at [www.gnb.ca/0027/Index-e.asp](http://www.gnb.ca/0027/Index-e.asp)
- In Nova Scotia, call (902) 893-6510 or toll-free 1 866 844-4276, or visit the Web site at [www.gov.ns.ca/nsaf/prm/programs/nsrca.htm](http://www.gov.ns.ca/nsaf/prm/programs/nsrca.htm)
- In Prince Edward Island, call (902) 368-5609 or toll-free 1 866 734-3276 (ext. 5609), or visit the Web site at [www.gov.pe.ca/af/agweb](http://www.gov.pe.ca/af/agweb)
- In Newfoundland and Labrador, call (709) 637-2572, or visit the Web site at [www.gov.nf.ca/agric](http://www.gov.nf.ca/agric)

# CFBAS helps farmers chart a new future

Like the vast majority of business owners everywhere, Canada's farmers constantly have to deal with tough decisions. Diversify or stand pat? Seek new markets or secure old ones? Sell now or pass the farm on to the next generation? Fortunately, help for dealing with those questions—and others like them—is now available through the Canadian Farm Business Advisory Services, or CFBAS.

Not only does CFBAS help farmers meet their business goals, it provides the tools and information they need to succeed in modern agriculture. That's because the advisory services, offered under the Agricultural Policy Framework's renewal element, support producers' own efforts to keep pace with change and help them take full advantage of opportunities in the global market.

*"A business plan helps people stay on the right track, to keep their direction."*

– David Rose  
Agricultural finance specialist  
Canadian Imperial Bank of Commerce

For more information on CFBAS,  
call 1 866 452-5558,  
or visit [www.agr.gc.ca/renewal](http://www.agr.gc.ca/renewal)

## Services offered through CFBAS include:

**The Farm Business Assessment and Action Plan:** Provides up to five days' worth of consultation services to producers to use a consultant to review their financial situation, examine options to meet their profitability objectives, and put together an action plan.

**Specialized Business Planning (SBP) Services:** Provide financial support for producers to retain business planning professionals to help them develop comprehensive farm business plans. Among other things, the consultants will show farmers how to use their business plan as a management tool to obtain capital from financial institutions and investors. The service also provides funding for succession planning—including plans for retirement, successor training, and ownership transfer. SBP services are available to individuals or groups.

CFBAS is now available in most provinces, and will be available across the country in the near future.



## Path to prosperity begins with the environment

Paul Henderson's decision to attend an environmental farm plan (EFP) program did more than just help the environment—it gave him the knowledge and financial support he needed to make his operation more efficient. Applying what he learned through the EFP program, Henderson, along with his son and brother, identified and successfully addressed several environmental risks at their Eastern Ontario dairy and cash crop operation.

As a result of the program, the Hendersons installed a better seal on the well that supplies water to their dairy cattle to help ensure it never becomes contaminated by surface run-off. They also improved wastewater drainage for their milking operation, and took steps to stop barnyard run-off by building a storage shell for manure.

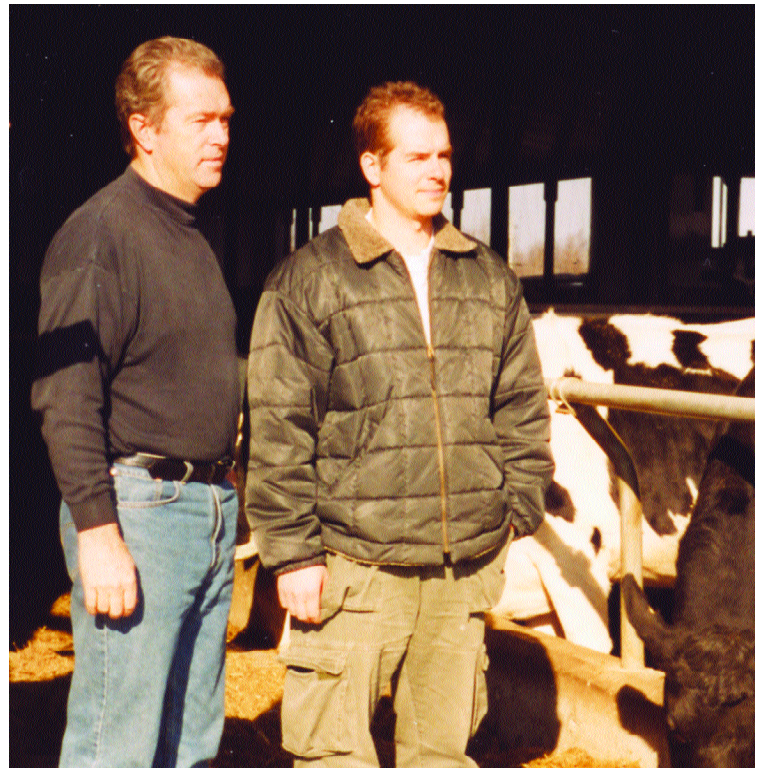
Those changes not only improved the safety of the animals' drinking water, they helped cut farm costs and boosted overall efficiency. For example, says Henderson, by improving manure storage and spreading, "we've cut down on the use of fertilizer. We had 100 acres of corn that we didn't need to put any fertilizer on at all, just the manure."

There was more good news for the Hendersons—because they identified and implemented the improvements through the EFP program in Ontario, they received financial assistance for their environmental improvements. Little wonder Henderson says that "it (the EFP program) was good for us, and it was good for the environment."

Until now, EFP programs have only existed in some provinces. Under the environmental element of the Agricultural Policy Framework, the Government of Canada and provincial and territorial governments are committing financial and technical assistance to producers over the next four years to help implement EFPs across the country.

This national EFP initiative promises to deliver significant benefits in several areas by:

- ensuring that the industry can respond positively to consumer demands that the food they eat is safe, high in quality, and produced in an environmentally sustainable way;
- helping to position Canada as a world leader in environmentally responsible production; and
- improving air, water, and soil quality, and conserving biodiversity.



**Paul Henderson and his son Andrew**  
Kenora Farms, Spencerville, Ontario

In addition, the confidential EFP program will help producers identify and assess environmental risks and benefits on their farm lands, and develop a plan to mitigate risk. The voluntary program provides farmers with information to support on-farm stewardship, and provides them with a tool to support an ongoing evaluation of their environmental performance.



The EFP process will vary from province to province. Some will begin with an examination of existing management practices; others with a series of workshops. EFPs will also cover a wide variety of environmental issues—including water use and management, nutrient management, manure storage and handling, pesticide storage and management, and livestock production.

***“If we do not take care of our land and environment today, it will not be able to take care of us tomorrow.”***

– Tom Angiers

President, Lake Melville Agricultural Association in Labrador

Producers who complete the process can access funding through federal-provincial-territorial programs for environment-related farm upgrades. Those who have a reviewed EFP are eligible for cost-shared incentives through the National Farm Stewardship Program.

For more information on environmental farm plans, contact Jim Tokarchuk, National Program Manager, at (204) 984-3695.

***“Going through the environmental farm planning process pointed things out that I didn’t see before. We are producing cheap and safe food, but we also have to show our neighbours we are good stewards of the land and care about the environment.”***

– Ray Arsenault

Chairman, Prince Edward Island EFP steering committee

## Cashing in on the soybean’s economic magic

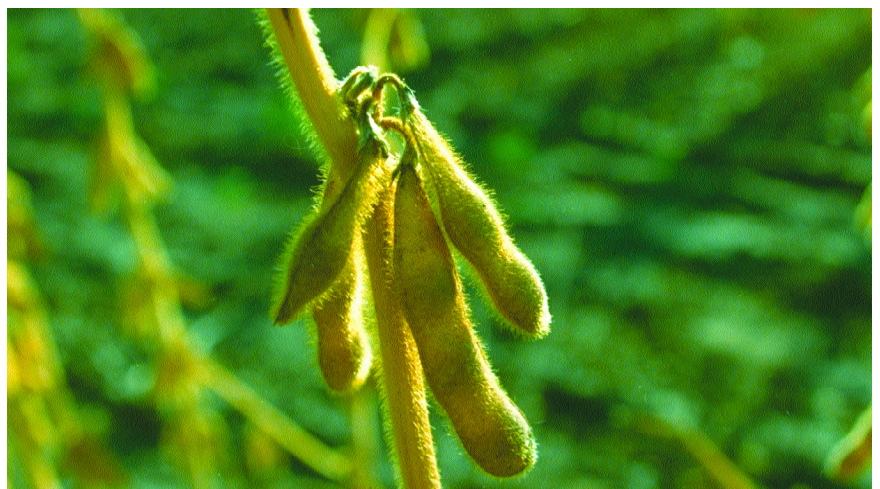
These days, you’ll find soybeans in practically everything—from meat substitutes to bio-fuels. In fact, within the next 16 years, more than half of Canada’s crop is expected to be sold in soybean markets that don’t even exist today. The challenge today for Canada, whose farmers have been growing soybean for decades, is to capture those new markets, and the profits and new jobs that come with them.

Enter Soy 20/20, a pilot project of Agriculture and Agri-Food Canada, the Ontario Ministry of Agriculture and Food, the Ontario Soybean Growers, and the University of Guelph. Soy 20/20 seeks to become a model of innovation by bringing together farmers, researchers, industry, and government to capitalize on new opportunities for soybean production.

Certainly, the soybean deserves all the attention it is getting. Protein-rich and cholesterol-free, it is credited with a number of health benefits, such as reducing the risk of heart disease. Dozens of small Canadian firms are already producing a wide range of soy foods, from tofu and soy milk to soy pasta. “But the majority of the market is supplied by large companies, and their products are largely produced outside of Canada,” says Greg Penner, project director of Soy 20/20.

Soy 20/20 is looking at projects that can compete with foreign manufacturers of soy products. By doing so, Canada can create and access potential new markets. For Canada’s soybean farmers, that will mean stable prices and the opportunity to grow value-added varieties for specific products, like bio-diesel. Made from vegetable oils or animal fats, bio-diesel produces fewer emissions than regular diesel, reducing urban smog and greenhouse gases. Soy 20/20 is now working with companies planning to start manufacturing operations.

Canadian farmers have already emerged as world-class growers of the ancient bean, which has been used in China for more than 5,000 years.



# For Canada's farmers, the road to success is PAVE

Every year, a growing number of Canadian farmers consider launching or expanding a value-added enterprise. Whatever the enterprise—be it agri-manufacturing, food processing, or something entirely new—the fact is that many farmers never get past the contemplation stage. Too often, they lack the resources to conduct feasibility studies or put together effective business plans. The Planning and Assessment for Value-Added Enterprises program, or PAVE, will help farmers overcome that hurdle.

Part of the Agricultural Policy Framework's renewal element, PAVE gives farmers the financial assistance required to conduct professional feasibility assessments and develop comprehensive business plans. PAVE pays up to 50% of the cost of a business consultant to prepare a project proposal. For an individual applicant, the maximum available per proposal is \$10,000; for two participants, the maximum is \$20,000; for three or more, it is \$25,000. To be eligible, farmers must have a minimum of \$10,000 in gross farm sales per year and must clearly demonstrate that their project would add value to a

primary product. Projects can include on-farm or off-farm sites and involve the manufacture of food or non-food products.

Although outside investment is encouraged, and non-farmers may be members of a project, only farmers are eligible for PAVE funding.

PAVE has been introduced in some provinces, and will soon be available across the country. Call 1 866 452-5558 or visit [www.agr.gc.ca/renewal](http://www.agr.gc.ca/renewal) for details.



## For more information

*Agri-info* is produced by Agriculture and Agri-Food Canada, in partnership with Canada's provinces and territories.

For more information on programs and services, please visit the Web site at [www.agr.gc.ca](http://www.agr.gc.ca) or call: 1 800 O-Canada (1 800 622-6232) TTY: 1 800 465-7735

## Managing Farm Business Risk



The Canadian Farm Business Management Council is pleased to offer the Managing Farm Business Risk publication **free of charge** to all Canadian farmers (valued at \$29). This booklet is a practical resource for farm managers to plan for and respond to the risks that they find in managing their business. This publication identifies six categories of risk:

- Production risk
- Public policy risk
- Legal risk
- Marketing risk
- Human resource risk
- Financial risk

To obtain this free publication, fill out and mail the attached order form to:  
Canadian Farm Business Management Council  
650 Woodlawn Rd W, Unit 8A  
Guelph, Ontario N1K 1B8

Or, order online at [www.farmcentre.com](http://www.farmcentre.com).

The deadline to order this booklet is May 31, 2004.  
Please allow 8-10 weeks for shipping after the deadline date.

## Order Form: Managing Farm Business Risk

Name: \_\_\_\_\_

Occupation: \_\_\_\_\_

Street Address: \_\_\_\_\_

City/Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Language Preference:  French  English