

FARMING MATTERS

AgriInvest Deposit Notices

AgriInvest deposit notices, outlining matchable deposit amounts and current account balances, are now being mailed. Producers have 90 days from the notice issue date to make deposits with the government. Deposit amounts are based on a percentage of Allowable Net Sales. The federal and provincial governments match the producer's deposit. Funds may be withdrawn from accounts at any time.

Government Support for the Pork Industry

On August 15, 2009 the federal government announced three initiatives to assist pork producers in an effort to return to profitability:

- 1) A \$17 million International Pork Marketing Fund to find new markets.
- 2) Government backed long term loans issued by financial institutions at market interest rates to viable hog operations. Loans are to be first used to repay outstanding Advance Payment Program emergency advances. Lenders must ensure the borrower has a credible business plan allowing for repayment.
- 3) Producers who agree to keep barns out of production for three consecutive years will receive a negotiated amount based on barn capacity.

Producers will find it difficult to utilize these initiatives until the government provides more information. We believe these initiatives are inadequate to address the structural problems within the industry.

Advance Payments Program (APP)

The APP is a financial loan guarantee program giving producers easier access to credit through cash advances, limited to \$400,000 in total, with the first \$100,000 interest-free. Repayment is normally required within 18 months; however, a stay of default is allowed for cattle and pork producers, who have until September 30, 2010 to repay 2008/2009 cash advances.

Non-defaulting producers, with less than \$400,000 outstanding under the 2008/2009 program, continue to be eligible for advances under the 2009/2010 APP. They must meet all conditions, including having sufficient inventory to secure both 2008/2009 and 2009/2010 advances. Non-defaulting producers are eligible to receive up to \$200,000 of their advances interest-free. However, if they are already at the \$400,000 maximum from 2008/2009 advances, they cannot increase the interest-free portion of their loans.

Applications must be postmarked no later than February 28, 2010.

Government Programs and Services for Farmers

Available government programs are listed on the Government of Canada, Agriculture & Agri-Food Canada website at:

http://www.agr.gc.ca/index_e.php.

The site provides a complete listing of programs and services by geographic region.

Ontario's program details are located on the provincial agriculture website at:

<http://www.omafra.gov.on.ca/>.