

Minister
of Agriculture and
Agri-Food
and Minister for the
Canadian Wheat Board



Ministre
de l'Agriculture et de
l'Agroalimentaire
et ministre de la
Commission canadienne du blé

Ottawa, Canada K1A 0C5

AGOUT
AUG 10 2010

Quote: 149708, 150070

Mr. Greg Marshall
President
Agricultural Producers Association of Saskatchewan
100-2400 College Avenue
Regina, Saskatchewan S4P 1C8

Dear Mr. Marshall:

Thank you for your letter requesting assistance for Saskatchewan producers who have been adversely affected by excess moisture conditions, and for your email forwarding a copy of the resolution regarding AgriInvest. I was pleased to note your support for the action that has been taken to date.

As you mention, on July 8, 2010, my provincial counterparts and I announced AgriRecovery assistance of \$30 per acre for producers in Alberta, Saskatchewan, and Manitoba who have been unable to seed a crop or have seeded a crop that has been subsequently flooded. This is the largest and fastest AgriRecovery relief package to date for Prairie farmers dealing with excess moisture and flooding, and it equates to \$450 million of assistance to help affected crop producers take immediate steps to rehabilitate their cropland.

The Saskatchewan Crop Insurance Corporation offers forage insurance and establishment benefits for forage producers who have experienced production losses due to excess moisture conditions. AgriStability also provides significant coverage for income losses, including those that are weather related. Governments recognize the unique circumstances that producers are experiencing and the seriousness of the flooding's impact on farm income.

Federal and provincial officials are monitoring the effects of excess moisture conditions on forage and livestock producers, as the full scope of the effects is not yet known. We will continue to follow the situation as it develops over the coming months. When the full impact on forage and feed production is clear, governments will determine whether further assistance for the livestock sector should be considered. I want to assure you that governments are working together to ensure that producers receive the necessary support and financial assistance to manage the effects of the excess moisture conditions in 2010.

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Canada

I would like to address the resolution concerning AgriInvest. The AgriInvest program was specifically designed to be a contributory-style program where governments provide a matching contribution based on a producer's deposit (up to a maximum of the producer's allowable net sales). Producers are invited to use the funds in these accounts as they see fit, whether to manage small income declines or to use toward investments to mitigate on-farm risks. Under the program, governments and producers share in building up funds for these purposes.

To facilitate the implementation of the program, federal, provincial, and territorial governments agreed to waive the deposit feature for 2007 as a transitional measure. For the 2008 program year, producers were required to make a deposit in order to receive a matching contribution. It should be noted that the program does not have any triggers, which means that producers are able to withdraw their savings at any time. Deeming the deposit requirements for the 2009 program year and beyond would undermine the purpose of AgriInvest.

I trust that this information is of assistance to you. Again, thank you for writing on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gerry Ritz".

Gerry Ritz, PC, MP