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HOUSE OF COMMONS
CANADA

Maurice Vellacott, MP
Saskatoon-Wanuskewin

Conservatives provide immediate loan enhancements and propose long-term loan solutions through legislative amendments

For Immediate Release

May 18, 2006

OTTAWA – Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board Chuck Strahl today introduced amendments to the *Agricultural Marketing Programs Act* (AMPA) to improve cash advance programs for producers.

The government's amendments will:

1. Expand the coverage to include livestock and more crops
2. Increase the overall limit on advances from \$250,000 to \$400,000
3. Increase the amount of interest-free advances from \$50,000 to \$100,000
4. Consolidate the Advance Payments Program (fall) and the Spring Credit Advance Program, as a single program under the AMPA

“We’re doubling the interest-free loans farmers can get, we’re increasing the overall advance farmers can draw on, and we’re expanding the program so that more farmers can qualify,” said Minister Strahl. “These are practical changes to predictable and bankable programs, and we expect they will mean an additional \$600 million a year in cash advances to producers.”

Cash advance programs are available in the spring and the fall to help producers with loans secured by Production Insurance or the value of harvested crops.

To immediately assist producers while the AMPA changes are being made, Minister Strahl announced the Enhanced Spring Credit Advance Program earlier today.

The ESCAP program will:

1. Double the loan maximum for spring advances to \$100,000
2. Keep the loans interest-free
3. Extend the repayment period by nine months, to September 30, 2007

The enhanced spring advance will be available in June.

“These are practical steps we’re taking to help farmers this spring,” said Conservative MP Maurice Vellacott (Saskatoon-Wanuskewin). “These programs are good for producers because they are uncomplicated and bankable. This means more cash flow to farmers to help ease the spring planting cash crunch.”

Producers who have already taken their advance through the Spring Credit Advance Program (SCAP) will have the option to transfer their 2006 SCAP advance to ESCAP in order to take advantage of the higher interest-free limit and extended repayment period.

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For further comment, call (613) 992-1966 or 297-2249