



I.D.E.A. Industry Update - September 12, 2003

Saskatchewan Announces Further BSE Assistance

The Government of Saskatchewan has unveiled an assistance package that will provide \$20 million to extend the BSE recovery program and \$20.8 million to support loans and cash advances.

"I will not stand by and let Saskatchewan producers go under because the federal government refuses to provide the support necessary to get our livestock industry through this crisis," Premier Lorne Calvert said. "Today I am sending the federal government an invoice for \$12 million for their share of the program and Minister Serby will be discussing the need for additional federal support at a meeting of Federal-Provincial-Territorial Ministers of Agriculture on September 22nd."

In total, the package of programs will enable producers to access \$20 million in compensation for the balance of slaughter cattle on feed as of May 20th, 2003, and make available through financial institutions access to \$140 million split between a loan program for cows and cash advance programs for backgrounders and calves. Assistance for sheep, goats, bison and domestic game farm animals will also be available. (Source: Saskatchewan Agriculture, Food and Rural Revitalization)

Producers Encouraged to Exercise Caution When Selling Greenhouse Gas Offset Credits

The Canadian Pork Council (CPC) is urging agricultural producers to exercise caution when signing agreements to sell greenhouse gas offset credits. In response to Canada's ratification of the Kyoto protocol, a domestic emissions trading system is being proposed which would allow agricultural industries to contract greenhouse gas credits which could be sold to large industrial emitters. The risk is farmers may not be eligible for as many credits as they expect which would mean they could be required to buy credits to make up any shortfall.

CPC Greenhouse Gas Mitigation Coordinator Cedric MacLeod says there is a lot of interest and some contracts are being signed. "The domestic emissions trading system is fledgling and it's just getting off the ground. It's definitely in the planning stages but a lot of the specifics haven't been worked out so it's kind of up in the air as of yet who will be providing the credits and how they'll be verified. There's a lot of questions still surrounding the system. A lot of the numbers that are being used and talked about now aren't necessarily representative of the Canadian condition. Although the numbers are being used internationally to set up greenhouse economies in Canada and inventories, to use those numbers to set up actual credits is a dangerous proposition right now. I would probably recommend that producers just hold on for another year or so until we start to get some of these numbers being developed through the greenhouse gas mitigation program. Ag Canada and their scientific working group is working on doing these measurement and verification procedures and we will have hard and fast numbers to use in the future for which more accurate credits will be able to be awarded to producers."

MacLeod says there are several opportunities for farmers to reduce greenhouse gas emissions and earn offset credits but he recommends sitting tight until there is a clearer indication of the number of credits they'll be eligible for. (Source: Farmscape)

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