

June 1, 2001

Drought disaster declared, assistance announced for farmers

Edmonton—Extreme dry conditions and lack of significant precipitation has prompted the province to declare a drought disaster and respond to the immediate need of livestock producers. The province will provide assistance of \$4 per acre through the Native Forage component of the Farm Income Assistance Program 2001 (FIAP 2001).

The province is suffering from a lack of moisture not seen for more than 130 years. Below normal precipitation in late summer, fall and winter did not replenish moisture reserves and lack of spring rainfall and high winds have increased the problem. Livestock producers across most of the province are dealing with poor pasture growth and very low to dry dugout levels.

"This is a critical issue across the entire province and many producers are being forced to sell off their herds," said Shirley McClellan, Deputy Premier and Minister of Agriculture, Food and Rural Development. "It takes years to build up a herd. To be forced to sell off your cows because you can't feed them is absolutely devastating for farmers."

Since March 1, 2001, more than 80,000 cow/calf pairs have been sold off from farmers' herds.

The severe drought is threatening to impact a \$7.3 billion primary agricultural industry in Alberta of which livestock accounts for 60 percent. Alberta has 40 percent of the Canadian beef cow herd and more than 65 percent of Canada's beef cattle are finished in Alberta.

"We are providing this drought relief to allow farmers to use the money in a way they determine will best meet their immediate needs," McClellan added.

The province's honey producers, also affected by the severe drought conditions, will receive \$4 per operational hive in 2001 under the Honey component of FIAP 2001.

In total, \$73 million will be made available under the FIAP 2001 program for the province's livestock and honey producers. As well, in order to help Alberta farmers better prepare for drought in the future, an additional \$20 million will be allocated to the Alberta Farm Water Program (AFWP) to help farmers develop long-term, on-farm water supplies.

"It's clear that we need to develop a long-term approach to drought management for farmers," said McClellan. "We will continue working with the Prairie Farm Rehabilitation Administration and Alberta Environment to help farmers improve their ability to secure long-term water supplies. The AFWP will be a significant component of that solution."

The AFWP will pay for one-third of development costs, to a maximum of \$5000 per producer, for eligible water supply projects. Farmers will need to apply for this program. Projects will need to be completed by March 31, 2002 and the deadline for submitting applications for the AFWP is May 31, 2002. Approved applicants must submit a long-term water supply management plan to Alberta Agriculture, Food and Rural Development (AAFRD).

Application forms for the FIAP 2001- Native Forage and Honey components will be mailed directly to producers who applied for these programs last year. Those who did not claim previously can obtain forms at any AAFRD district office or on the Internet at www.agric.gov.ab.ca after June 10, 2001. Deadline for receiving these applications is October 31, 2001. Tame hay and tame pasture are not eligible under this program because these crops are eligible under the \$10.29 per acre Canada-Alberta Farm Income

Assistance Program announced April 27, 2001.

Application forms and details for the AFWP are now available at any AAFRD district office or on the Internet at www.agric.gov.ab.ca/farmwater.

More information on these programs is available by calling Alberta Connects toll-free at 310-4455.

For more information regarding the extent of the provincial drought situation, visit the Government of Alberta web site at www.gov.ab.ca.

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Note to Editors:

background information attached.

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Backgrounder

Questions and Answers

Q. Why do we need a drought package now that it has started raining?

The rain we have received over the past few days, while helpful for crops and pasture, will not fill dugouts, and has resulted in only trace amounts of precipitation in many parts of the province. In many areas, dugouts are empty, and without water, farmers will not be able to put cattle on pasture even if it greens up. Farmers are incurring great expenses to haul water and feed or to haul cattle to areas with better feed and water. Farmers are also thinking long-term and want to improve their water supply for future drought situations.

Q. How bad are conditions province-wide?

Alberta suffered one of the driest winters on record in 2000/2001. Below normal precipitation in late summer, fall and winter did not replenish moisture reserves, and lack of spring rainfall and high winds has contributed to drying out the soil. Approximately 100 mm of moisture is required to bring many areas back to normal soil moisture conditions.

Livestock producers across most of the province are dealing with poor pasture growth and very low to dry dugout levels.

Q. What land will be eligible under the native forage program?

- Fenced native forage designated for livestock grazing in 2001.
- Native forage designated for hay production in 2001.
- Land registered under a PFRA Permanent Cover Program contract.
- Crown grazing leases within the province of Alberta.

- Special Areas grazing leases within the province of Alberta.

Q. Why is honey included?

Honey production is largely dependent upon flowering associated with forage growth conditions. Lack of forage growth due to the severe drought is also having an impact on honey producers.

Q. Why arent crops, tame hay or tame pasture included under this program?

Cultivated crops and tame hay and pasture are covered under crop insurance for risks such as drought. Many of these producers also recently received a payment of a \$10.29 per acre.

Q. What projects will be eligible under the Alberta Farm Water Program (AFWP)?

Any permanent farm water supply project that reduces drought risk due to water supply shortages will be eligible under the AFWP. Eligible projects could include farm wells, stock watering dams, cisterns, buried pipelines, spring development, remote watering system components, dugouts and other projects

Q. What projects are not eligible under the AFWP?

Short-term emergency measures such as water hauling, replacement of existing equipment (unless it improves a previously unusable source) and payment for production equipment.

Q. Who can apply for assistance under the AFWP?

If you are a bona-fide farmer (minimum \$10,000 annual production) residing in Alberta and the eligible project is completed between January 1/01 and March 31/02, you can apply to AAFRD for payment under the AFWP.

Q. How much will the government contribute to my water supply project?

The Alberta government will pay up to one-third of your eligible costs, to a maximum of \$5000 per producer.

Q. Is there technical assistance available for farmers?

Yes, technical assistance is available from AAFRD Water Specialists. Please call your local AAFRD District office to get in touch with a specialist.

A small component of the funding for this program (\$1.3 million) will be devoted to improving our scientific capability. This will result in improved monitoring and forecasting of drought based weather patterns.

Q. Will applications for the AFWP have to be accompanied by a long-term drought plan?

Applicants will need to commit to follow-up with AAFRD as to how the project will fit into their long-term plans for drought risk management on their farm.

Q. What is the role of Alberta Environment in the AFWP?

Alberta Environment (AENV) is the regulatory body in Alberta for surface and ground water under the *Water Act*. All work done under the AFWP must comply with AENV regulations.

Q. What government programs are available to help farmers through a drought?

The AAFRD Water Pumping Program is a service designed to assist producers by providing pumping equipment to help them obtain water for domestic and livestock use. Alberta producers who are experiencing water shortages for domestic and livestock use are eligible to use the equipment. This year, rental rates for the equipment have been reduced by 50 per cent.

The provincial and federal governments each contribute to a comprehensive safety net package designed to see Alberta farmers through low-income periods. At the core of the package is the **Crop Insurance** program, which guarantees a minimum yield to participants. Crop and hay insurance is available to cover the farm operator for a loss in production due to unavoidable natural causes, including drought. Producers are encouraged to contact their local Agriculture Financial Services Corporation (AFSC) office for more information.

Alberta farmers also have access to the **Farm Income Disaster Program (FIDP)**, a whole farm income support program that provides income support to actively farming Alberta producers when, for reasons beyond their control, there is an extreme reduction in their farm income. Disaster loans for multiple years of income loss are also available through the **Farm Income Disaster Loan Program**. Individuals can contact their local Agriculture Financial Services Corporation (AFSC) office for further information.

In a drought year, the Alberta government applies to the federal government for **tax deferral** on breeding livestock sold due to drought. Municipalities are designated as eligible for tax deferral after a review of soil moisture, precipitation levels and forage yield estimates during the growing season. If the review reveals an impact on area forage yields, farmers can apply for deferral of income tax on the sale of breeding stock in the drought year.

Farmers can get information on drought and risk management related topics by logging on to the following web sites:

AAFRD Ropin the Web Drought Management Website
<http://www.agric.gov.ab.ca/navigation/sustain/agdisaster/index.html>

Alberta Environment Website
<http://www.gov.ab.ca/env/>

PFRA Drought Watch Website
<http://www.agr.ca/pfra/drought.htm>

* Maps outlining moisture conditions are available for downloading on the government website at www.gov.ab.ca

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