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MINISTERS ANNOUNCE TRANSITION MEASURE FOR 2007 AGRINVEST

OTTAWA, Ontario, February 6, 2009 B Canadian farmers will soon start receiving government contributions under AgrilInvest without any requirement to make matching producer deposits for the first year. Federal, provincial and territorial governments are waiving the deposit requirement as a transition measure for 2007 AgrilInvest.

Beginning with the 2008 program year, farmers who make deposits to their AgrilInvest accounts will receive matching government contributions.

AgrilInvest is a business risk management program under *Growing Forward*, the policy framework for Canada's agriculture. With AgrilInvest accounts, producers who make a deposit based on a percentage of their allowable net sales will receive a matching government contribution. Matching government contributions are cost-shared on a 60/40 basis by federal and provincial or territorial governments. Producers have the flexibility to use the money to cover small margin declines or for investments to mitigate risk.

In Quebec, where AgrilInvest is delivered provincially, accounts will not be moving to financial institutions and will continue to be held by La Financière agricole du Québec (FADQ). However, Quebec producers will also benefit from the transition measure announced today and do not have to make a 2007 AgrilInvest deposit to take advantage of the program.

For more information, producers in all provinces and territories except Quebec can call toll free 1-866-367-8506 or visit the AAFC web site at www.agr.gc.ca. In Quebec, producers can call 1-800-749-3646 or visit the FADQ web site at www.fadq.qc.ca.

- 30 -

For more information, media may contact:

Media Relations

Agriculture and Agri-Food Canada
Ottawa, Ontario
613-759-7972
1-866-345-7972

BACKGROUND AGRIINVEST - WHAT PRODUCERS NEED TO KNOW

AgrilInvest is a new program under *Growing Forward*. With AgrilInvest accounts, producers who make a deposit based on a percentage of their allowable net sales will receive a matching government contribution. Matching government contributions are cost-shared on a 60/40 basis by federal and provincial or territorial governments. Producers have the flexibility to use the money to cover small margin declines or for investments to mitigate risk.

AgrilInvest is being implemented in the following stages:

- **AgrilInvest Kickstart** – In December 2007, \$600 million in federal funding started going to producers to get their AgrilInvest accounts up and running. The bulk of these funds have been delivered and are held in the Agriculture Canada's Consolidated Revenue Fund.
- **2007 AgrilInvest** – Producers do not need to make a deposit in order to receive matching government funds for the 2007 program. This is a transition measure while the federal government works toward having accounts held in financial institutions as the program is intended. Federal, provincial and territorial governments are all in agreement.
- In March, producers can expect to receive information by direct mail on the 2007 government contribution to their AgrilInvest account with information on their options. Producers have the option to either leave the funds on account or make a withdrawal. To withdraw funds, producers can complete and send in the form included with their notice or call toll free at 1-866-367-8506 in federal delivery provinces and territories or 1-800-749-3646 in Quebec.
- The final deadline for producers to apply for 2007 AgrilInvest was December 31, 2008.
- **2008 AgrilInvest** – Starting with the 2008 program year, producers will have to make a deposit to their AgrilInvest account in order to receive a matching government contribution.
- Most producers will receive information by direct mail on how to apply for the 2008 program. The deadline to apply without penalty is September 30, 2009 and the final deadline with penalty is December 31, 2009.

For more information, producers in all provinces and territories except Quebec can call toll free 1-866-367-8506 or visit the program web site at www.agr.gc.ca/agriinvest. In Quebec, producers can call 1-800-749-3646 or visit the program web site at www.fadq.gc.ca.