



CA20N
A 1

P870521
C-2

Ontario

Ministry of
Agriculture
and Food

Ministère de
l'Agriculture et
de l'Alimentation

PROVINCIAL BUDGET SLATES RECORD
\$563 MILLION FOR AGRICULTURE

For Release: May 21, 1987

TORONTO - The Ontario government announced five major initiatives to help the agricultural industry, setting aside a record \$563 million for the Ministry of Agriculture and Food in the new provincial budget.

In his budget statement, Treasurer Robert Nixon said low commodity prices, declining farm asset values and high debt loads are still squeezing Ontario's agricultural sector.

"The budget reconfirms our continued commitment to the financially distressed agricultural sector. Since taking office, this government has increased spending on agriculture by 72 per cent," he said.

"The initiatives announced in the budget are practical programs aimed at putting money into the pockets of the farmers that need it," said Agriculture and Food Minister Jack Riddell. "In the face of the continuing credit and commodity price crunch, farmers have been forced to let some parts of their operation go unattended."

A Farm Management Safety and Repairs program will provide \$50 million to assist farmers with farm analysis and planning, farm safety, machinery repairs and shop equipment, and on-farm feed and grain storage. Under this program, the government will pay up to \$2,500 per farmer. All farmers with a gross farm income of at least \$12,000 per year are eligible for the program which runs from June 1, 1987 to May 31, 1988.



Another new initiative for agriculture is a Land Stewardship Program. This program will provide \$40 million over three years to encourage sound land management practices. The program will provide financial assistance to farmers for restoring soil productivity and reducing environmental damage on productive and marginal lands.

"This will improve the stewardship of Ontario soil and water resources which will be needed for future generations," said Riddell.

The popular Ontario Family Farm Interest Rate Reduction (OFFIRR) program, which provides interest rebates on long-term and operating farm debt, will be continued at a level of 100 per cent for the 1987 program year. The program was to have geared down to the 70 per cent support level September 1, 1987.

The Treasurer also announced changes, valued at \$18 million which will increase the total value of farm tax rebates by 17 per cent. The amended Farm Tax Rebate Program increases the level of farm tax rebate on agricultural land and buildings from 60 per cent to 100 per cent. The farm home and one acre will be assessed at the farm property tax rate. To speed the rebate process, farmers will receive the annual rebates in two instalments beginning in 1988. Also, the prepayment requirement to qualify for a rebate is being eliminated.

The budget also makes a commitment to extend the Beginning Farmers Assistance Program for five years.

Agricultural spending in Ontario rose from expenditures of \$328 million in 1984-85 to an estimated \$475 million last year.

Ref: Bob Seguin

Tel: (416)965-1064