

H & K Communications

72 Elvaston Avenue
Nepean, Ontario
K2G 3X9

Phone: (613) 829-1800
Fax: (613) 829-2449
E-mail: hturkow@rogers.com

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PRIME MINISTER'S ANNOUNCEMENT IN SASKATOON

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Phone (613) 829-1800 Fax (613) 829-6181 E-mail hturkow@home.com

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(APPLAUSE)

RT. HON. STEPHEN HARPER (Prime Minister of Canada):

Thank you. Thank you very much. Good morning. Bonjour. Thank you for that very warm welcome. Thank you, Chuck, and also our Minister here for their kind words of introduction today. And thank you, ladies and gentlemen, for all coming out today, for taking time from I know what are busy lives to spend a few minutes with us. Before I begin, I'd like to also express my gratitude to both Don and Diane Côté and their family for hosting us at their beautiful farm here today and for bringing us such warm weather. (LAUGHTER) We appreciate it also. Thanks for the western hospitality. (APPLAUSE)

Now friends, it's a great pleasure to be back among the stewards of the prairies, the farmers who till the soil, raise the livestock and grow the good food we give thanks for at our tables. In every region of our great country, the Maritimes, Quebec, Ontario, British Columbia, right here on the prairies, Canadian farmers are producing the food that keeps Canada growing. But as you all know well, farming is more than just food production. It's a way of life, one rooted in the commitment to the land, to family and to community. The farmer's work ethic is second to none. You know about long hours and strenuous labour. You know about managing costs and risks, and you know what it's like to win against tough competition. It's common knowledge that it takes a sharp business mind and an entrepreneurial spirit to be a successful farmer. These are the necessities of farming life, as much as irrigation, good soil, the right amount of sun, a patient banker, (LAUGHTER) but more than anything else, farming takes commitment. There's no get rich quick formula; you're in it for the long haul. And friends, Canada's new government knows about commitment. In our first Speech

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from the Throne, we recognized the unique challenges faced by those who make their living off the land, and we made a commitment that we would take action to help farmers secure a prosperous future for Canadian agriculture after years of neglect. We said we would respond to short-term needs by creating separate and more effective farming come stabilization and disaster relief programs, and that we would work with producers and other partners to achieve long-term competitiveness and sustainability.

La raison de cet engagement est simple: les agriculteurs canadiens ont besoin d'un vrai allié à Ottawa.

The reason we made these commitments is simple: Canadian farmers deserve an ally in Ottawa, and that's what... (APPLAUSE) And that's what they have in Canada's new government. Since taking office, we provided emergency payments to the grain and oil seeds producers who needed it in time for last spring's planting. We introduced the major new disaster relief framework.

Nous allons protéger les producteurs canadiens contre les importation de concentrés de protéines laitières.

We committed a billion and a half dollars in new spending for agriculture in budget 2006, and we started the process of reforming and replacing the Canadian Agricultural Income Stabilisation program. These are all important steps in the right direction, but our government recognizes that more needs to be done, especially about rising costs of production. During the past 15 years, prices for key farm inputs including machinery, fuel, labour, pesticides, fertilizers, have dramatically output...excuse me, have dramatically outpaced increases in farm income. Input prices have risen over three times faster than product prices. This

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imbalance has caused hardship for farmers across the country, and that's what brings me here today.

J'ai le plaisir d'annoncer que notre gouvernement va investir 1 milliard \$ afin d'aider les agriculteurs à supporter l'augmentation des coûts de production. Cette initiative est une autre étape majeure de notre engagement de remplacer le PCSRA par un soutien plus prévisible et plus sûr permettant d'atténuer le resserrement de la marge de profits.

I'm pleased to announce today that our government is committing \$1 billion, new money, to help farmers cope with soaring costs of production. (APPLAUSE) This initiative represents another major step forward toward fulfilling the promise we made to replace CAIS with support that is more predictable, bankable and responsive to the cost price squeeze. We're already working with the provinces on enhancements to production insurance, improvements to the margin-based program, and a new disaster relief framework.

Mais l'élément clé de l'annonce faite aujourd'hui est une étape importante de l'évolution de la stabilisation de revenus inspirés des comptes d'épargne bancaires conventionnels. Trois cinquièmes de ce nouveau financement serviront à lancer ce programme, et pour atténuer les pressions qui subissent les agriculteurs immédiatement, le solde sera remis directement aux producteurs admissibles afin de les aider de l'augmentation des coûts de production.

But the centrepiece of today's announcement is an important step in the evolution of income...of income stabilization modeled on conventional bank savings accounts. Three-fifths of the new funding will be used to kick start these accounts in this new program, and to respond to the pressures that farmers are facing now, the remainder will be paid directly to eligible producers to provide

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immediate relief from the rising costs of production. On top of these measures, we are committing to an annual cost of production benefit to be paid out every year of the next five when there is a net increase in production costs. Our government is hopeful that the provinces will join us in a cost sharing approach that lies at the heart of new farm savings programs. And we'll be looking forward to working with the provinces quickly so producers will be able to benefit as soon as possible. All of these new benefits, of course, are contingent on the passage of budget 2007. It will be tabled ten days from now and it must be passed by the end of the month, but in order for that to happen, our minority government is going to need support from the opposition, so I urge the opposition parties to think of our farmers when determining how to vote on that budget.

Ces courageux canadiens produisent les aliments qui font du Canada un pays fort, sain, indépendant et libre. Ils ne méritent rien de moins que notre soutien continu.

These hardworking Canadian farm men and women grow the food that keeps our great country strong, healthy, independent and free; they deserve nothing less than our full support. So thank you again; merci beaucoup. (APPLAUSE) Thank you (inaudible). Carol, thank you Carol.

UNIDENTIFIED: Thank you so much.

DIMITRI SOUDAS (Prime Minister's Press Secretary):

So we'll start in just a few sec...

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