

is carried out by the railways. The Wheat Board determines the kinds and grades of grain that are required at the different terminal destinations to meet its sales commitments and informs the elevator companies and the railways of these needs. The maximum tariffs are set by an agreement between the railways and the Government of Canada.

The fourth major step—storing and handling of the grain at terminal elevators—is done in privately or co-operatively owned elevators. Maximum charges are established for this service by the Board of Grain Commissioners.

In the case of oats and barley, the Board's operations are less extensive than those relating to wheat. These two grains are sold in store positions at the terminal elevators at Fort William-Port Arthur and Vancouver. Oats and barley are marketed either on a straight cash basis at prices quoted daily by the Board or on the basis of exchange of futures concluded through the facilities of the Winnipeg Grain Exchange. The Board controls the movement of coarse grains to the Lakehead. The private trade is responsible for the movement of oats and barley from Lakehead or Vancouver positions.

The producer receives payment for his wheat, oats and barley in two or three stages. An initial payment price is established early in the crop year by Order in Council. The initial payment price less the cost of handling grain at the local elevator and the transportation costs to the Lakehead or Vancouver is the initial price received by the producer. This price is a guaranteed floor price in that if the Wheat Board, in selling the grain, does not realize this price and the necessary marketing costs, the deficit is borne by the Federal Treasury. However, with very few exceptions, the Wheat Board has operated without financial aid from the Federal Treasury.

After the end of the crop year, but prior to the final payment being made, if the Wheat Board can confidently foresee a surplus accumulating and if authorized by Order in Council, an interim payment is made to producers. This interim payment is the same amount per bushel to all producers of the same grade of grain. When the Board has sold all the grain or otherwise disposed of it in accordance with the Canadian Wheat Board Act, the Board, if authorized by Order in Council, makes a final payment to producers.

Under the Prairie Grain Advance Payments Act, administered by the Board, producers may receive, through their elevator agents, cash advances on farm-stored grain in accordance with a prescribed formula. The purpose of this legislation is to make cash available to producers pending delivery of their grain under delivery quotas established by the Board. Cash advances are interest-free as far as producers are concerned.

Western Canadian producers receive the price for their grain that the Wheat Board receives, less its operating costs including carrying charge, and the general level of prices received by the Board is determined by competitive conditions in world markets. The only subsidy received by the farmer in the Canadian wheat marketing system is the part payment of storage costs for wheat made by the Government of Canada. Under provisions of the Temporary Wheat Reserves Act, the Minister of Finance, out of the Consolidated Revenue Fund, pays to the Wheat Board the storage costs on wheat in storage at the end of the crop year in excess of 178,000,000 bu.

Subsection 2.—Controls Over Farm Products Other Than Grain*

With the growing complexity of agricultural marketing caused by the fact that the producer is more and more becoming a specialist and produces more for marketing off the farm than for his own needs, a substantial and continuing change in the approach to marketing problems is evident.

With the exception of tobacco, little or no attempt at production control has been introduced in Canada, although in some countries this also forms part of a broad program

* Prepared in the Economics Division of the Administration Branch, Department of Agriculture, Ottawa. A more detailed statement on this subject, including the history of developments leading to the present situation, appears in the 1960 Year Book, pp. 961-966.