The Act provides that, for each production year, the Board must support, at not less than 80 p.c. of the previous ten-year average market or base price, the prices of nine commodities (cattle, hogs and sheep; butter, cheese and eggs; and wheat, oats and barley produced outside the prairie areas as defined in the Canadian Wheat Board Act). Other commodities may be supported at such percentage of the base price as may be approved by the Governor in Council. Since the Act came into force, the following farm products, other than the nine named commodities, have been supported at one time or another: honey, potatoes, soybeans, sunflower seeds, sugar beets, tobacco, turkeys, apples, peaches, sour cherries, apricots, raspberries, asparagus, tomatoes, milk for manufacturing and skim milk powder. The Board may stabilize the price of any product by an offer-to-purchase, by a deficiency payment, or by making such payment for the benefit of producers as may be authorized.

In stabilizing prices of certain commodities by means of deficiency payments, the price stabilization program has been assisting the agricultural industry to make production adjustments from a position of excessive supply to one of more normal relationship between supply and demand. The institution of limited deficiency payments by the Board assists in the adjustment of production in a relatively short time. During the period of adjustment, the Board guarantees a minimum average return to producers for a limited quantity of product.

During the seven fiscal years that the Act was in operation prior to Mar. 31, 1965, the cost of stabilization programs averaged $57,000,000 a year and was little changed in the following fiscal year. The Board has available a revolving fund of $250,000,000. Losses incurred are made up by Parliamentary appropriations and any surplus is paid back to the Consolidated Revenue Fund. An Advisory Committee named by the Minister of Agriculture and composed of farmers or representatives of farm organizations assists the Board in its operations.

Crop Insurance Act.—To assist in making the benefits of insurance protection on crops available in all provinces, the Crop Insurance Act was passed in 1959. This Act does not set up any specific insurance scheme but rather permits the Federal Government to assist the provinces to do so by making direct contributions toward the cost of providing crop insurance. The initiative for establishing schemes to meet their own regional requirements rests with the provinces. Schemes may be organized on the basis of specific crops or areas within the provinces and agreements between the provinces and the Federal Government set out the terms of insurance coverage. By Sept. 12, 1966, crop insurance legislation had been passed by all provinces except Newfoundland and Quebec, and the latter province was preparing similar legislation.

Under the Act and amendments of 1964 and 1966, the Federal Government will pay 50 p.c. of the administrative costs incurred by a province and 25 p.c. of the amount of premiums required to make the scheme actuarially sound. In addition, the Federal Government may make loans to any province equal to 75 p.c. of the amount by which indemnities required to be paid under policies of insurance exceed the aggregate of the premium receipts for that year, the reserve for the payment of indemnities, and $200,000. As an alternative to such loans, the Federal Government may re-insure a major portion of the provincial risk in a program taken out under the Crop Insurance Act. Farmers insured under the Act are not eligible for payments under the Prairie Farm Assistance Act, nor are they required to pay the 1-p.c. levy on grain sales as provided for under that Act.

In 1965, 13,500 farmers received coverage under the Act for a total of $26,000,000.

Farm Improvement Loans Act.—The Farm Improvement Loans Act (RSC 1952, c. 110), administered by the Department of Finance, is designed to provide credit by way of loans made by the chartered banks to assist in almost every conceivable purchase or project for the improvement or development of a farm and includes the purchase of agricultural implements, the purchase of livestock, the purchase and installation of agricultural equipment or a farm electrical system, the erection or construction of fencing or works for