

the group as a whole barely meets the increased costs of modern farming. Prices of farm products generally have not risen as fast as the costs of the goods and services that farmers purchase. The impetus on the part of farmers is to continue to increase efficiency and to exert as much influence as possible in effecting higher returns for their products.

Farmer groups have entered extensively into the marketing and processing of farm products, through the formation of either co-operatives or marketing boards. Aided by government legislation, producer marketing boards have been established for many products with the avowed purpose of stabilizing prices. Direct government aids are also available through price stabilization, crop insurance and farm credit policies. Thus, the role of governments and of farmer-controlled companies in the marketing of farm products is expanding year by year. On the other hand, private industry still holds and likely will continue to hold an important place in the processing and marketing field. Geographical shifts in production have required the construction of new plants, especially for livestock slaughter, and in recent years a number of new plants have been built for the processing of fruit and vegetable crops. Progressive trends in agriculture have also had the effect of increasing demand for many industrially produced commodities and services such as machinery, electricity, fertilizers, antibiotics, pesticides and so on.

Although improvements in farm practices have certainly resulted in greater agricultural productivity in recent years and will continue to do so, it must not be forgotten that weather is still a dominant factor in agricultural output and can cause considerable variation from year to year in the over-all farming picture or in the output of certain localities or of certain crops. In 1966 the weather was particularly favourable for crop production with the result that the index of field crop output (1949=100) rose to 204.1, the highest level ever reached. In 1967, on the other hand, crop production was hampered by the lack of rainfall and, as a consequence, over-all agricultural production declined from 10 p.c. to 15 p.c.

Agricultural Highlights in 1966 and 1967

Agriculture experienced an impressive year in 1966. On the marketing front, strong external demand for Canadian wheat spurred farmers to plant a record acreage and, assisted by excellent growing conditions, to produce 827,000,000 bu., the largest crop ever harvested in Canada. On the income front, another record was reached when farm cash receipts passed the \$4,000,000,000-mark for the first time. On the legislative front, the establishment of the Canadian Dairy Commission and amendments to the Crop Insurance Act were important milestones in agricultural history.

Much attention was focused on the dairy industry during the year. In March, a new federal dairy policy was announced, aimed at raising producer income, stabilizing the industry, and protecting consumers against runaway prices. It provided farmers with an average return of \$4.00 per cwt. for manufacturing milk at the plant, as against the \$3.50 figure of the previous year. Later in the year the selling price of butter was increased by two cents and the average return for manufacturing milk reached \$4.08.

Also in March, Canada's sheep producers received notice of a 16.3-cents-per-lb. deficiency payment for wool, and 24,000 of them received payments from the federal treasury totalling \$655,000. A new price support program for eggs was brought in; reflecting the trend toward larger laying flocks, the program provided price support for a larger number of eggs marketed by the producer.

In April, in the field of research, announcement was made of the discovery and development of a new broad-spectrum antibiotic by a team of Canada Department of Agriculture (CDA) scientists. The new antibiotic, called *Mycin*, promises to be a major weapon against disease and has been hailed as a major scientific breakthrough.

In May, a program that takes its place as a 'first' in agricultural circles—the importation of cattle from Europe—was climaxed when 109 Charolais were released from CDA's maximum security quarantine station on Grosse Île, Que. These were the first cattle to come to Canada from France in this century. Late in the month, the Head of the