

The Agricultural Products Board was established in 1951 to administer contracts with other countries for the purchase or sale of agricultural products and to perform other commodity operations as Canadian needs may dictate. The Board's recent activities have included the purchasing of surplus Canadian commodities such as eggs and turkeys, with resulting improvement in producer prices, to be processed, packaged and delivered to the World Food Programme as part of Canada's commitment to that organization.

The Crop Insurance Act was passed in 1959 (RSC 1970, c.C-36) to assist in making the benefits of insurance protection on crops available in all provinces. 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.

Under the Act and amendments of 1964, 1966 and 1971, the federal government will pay 50% of the administrative costs incurred by a province and 25% 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% 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 operated 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% levy on grain sales as provided for under that Act.

In the year ended March 31, 1972, 46,325 farmers purchased insurance worth \$131.5 million under 89 different crop insurance plans. Premiums charged totalled \$9.7 million (including the federal share) and indemnities paid out were approximately \$7.8 million compared with \$6.8 million in 1970. The number of farmers who purchased crop insurance in 1971 was 13% less than in 1970, but the insurance coverage was 12% more than in 1970. The main reduction in numbers of participating farmers occurred in Alberta, Saskatchewan and Quebec. The wheat inventory reduction program instituted in 1970 carried through to 1971 with the introduction of the Grassland Incentive Program and this may account for decreases in farmer participation in Alberta and Saskatchewan where wheat is the main crop; participation was lower in Quebec because of administrative difficulties. In 1971, crops were generally average across Canada. Major crop losses occurred in specific areas of Canada due to a variety of causes, such as fruit-set failure in apples in the Okanagan Valley of British Columbia, hailstorms and excess moisture during the harvest period in the prairie grain area, excess moisture during harvest in Ontario, mid-season drought in Quebec, and a late spring and wind and rain during August from Hurricane Beth in Nova Scotia and Prince Edward Island.

The Prairie Farm Assistance Act, 1939 (RSC 1970, c.P-16) provides for direct cash payments by the federal government on an acreage-and-yield basis to farmers in areas of low crop yield in the Prairie Provinces and in the Peace River area of British Columbia. Its purpose is to assist in dealing with a relief problem that faces municipalities when widespread crop disasters reduce crop yields over a large area. The per-acre payments are intended to assist farmers to seed a crop in the following year. Payments for the year ended March 31, 1972 totalled nearly \$5 million.

Payments are made from the Prairie Farm Emergency Fund to which farmers contribute 1% of the value of all sales of wheat, oats, barley, rye, flaxseed and rapeseed. In the period 1939 to 1972, receipts from the levy totalled \$215.6 million while payments to farmers were \$393.2 million. The additional funds required were provided from the federal treasury. Since August 1, 1971 the 1% levy on grain sales has been discontinued by authority of the Governor in Council as part of the progressive phase out of this program. The balance in the Prairie Farm Emergency Fund at April 1, 1972 was \$14.4 million.

Farmers operating land in the spring wheat area, and not covered by a federal-provincial crop insurance scheme, are eligible for awards. Crop failure and natural causes preventing seeding and summerfallowing are taken into account in making awards. These may not exceed