

Two types of long-term mortgage loans are available under the Farm Credit Act. Under Part II, loans may be made up to 75% of the appraised farm value not exceeding \$100,000 for any farmer alone or jointly with others in a single farming business. Under Part III, supervised loans may be made to young farmers up to 75% of the appraised value of land and chattels, not exceeding \$100,000 for any farmer alone or jointly with others in a single farming business; special provision is made under this Part for loans up to 90% of farm assets where the owner-operator is under 35 years of age and management will be considerably above average. Under both Parts, applicants must be principally occupied in farming and be of legal age to enter into a mortgage agreement. Individual applicants under Part III must be less than 45 years of age. Loans may be made only to Canadian citizens or those with landed immigrant status. The interest rate is set by Order in Council and varies with the cost of money to the Corporation. The repayment period for both Parts is up to 30 years.

The Corporation has 115 field offices at which are based 191 credit advisers responsible for informing local farmers about the services available, for pre-loan counselling on credit use, farm planning and farm management, for accepting applications and for making farm appraisals.

In addition to the amounts repaid by borrowers, funds for lending to farmers may be borrowed by the Corporation from the Minister of Finance. The aggregate amount of such borrowings outstanding at any time may not exceed 25 times the capital of the Corporation. This capital was raised by amendment to the Act in 1972 from \$56 million to \$66 million. There were 68,930 loans to the amount of \$1,200 million outstanding as at March 31, 1972. During the 1971-72 fiscal year the Corporation approved 4,035 loans for \$114.7 million.

The Farm Syndicates Credit Act authorizes the Farm Credit Corporation to lend to qualified groups of farmers (referred to as syndicates). A syndicate is a group of three or more farmers, the majority of whom have farming as their principal occupation, who have signed an agreement acceptable to the Corporation with respect to the joint purchase and use of machinery, equipment or buildings which can be used profitably by them in their farming operations. Co-operative farm associations and certain farming corporations may qualify as syndicates for loans without the members entering into a formal agreement.

A syndicate may borrow up to 80% of the cost of machinery, buildings (including site and other improvements) and installed equipment suitable for joint use, to a maximum of \$15,000 per member or \$100,000, whichever is the lesser. Loans are repayable over a period not exceeding 15 years for buildings and installed equipment, and seven years for mobile machinery. The interest rate is based on the cost to the Corporation of funds advanced by the Minister of Finance, and its expenses in servicing loans. There is an initial charge of 1% on the amount of each loan. Security is provided by a promissory note signed by each syndicate member, and such other security as may be required. Up to March 31, 1972, the Corporation had approved loans for 730 syndicates totalling \$11.2 million. During the 1971-72 fiscal year the Corporation approved 134 loans for \$1.9 million.

The Small Farm Development Program, initiated by the Canada Department of Agriculture in 1971 with the establishment of a \$150 million fund to cover the first seven years of operation, is available to the provinces by agreement. It offers extended credit facilities to operators of small farms for the purchase of additional land or equipment to enable them to remain on the land and develop a profitable business; at the same time, the program benefits owners of small farms who choose to give up farming by allowing an adjustment grant in addition to the selling price of their land. Management and counselling services are also available.

The Land Transfer Plan of the Small Farm Development Program is administered by the Farm Credit Corporation acting as agent for the Canada Department of Agriculture. Under this Plan, special credit is made available for the purchase of land under agreement for sale. Unless the federal-provincial agreement specifies otherwise, the maximum permissible sale price is \$20,000, with a down payment as low as \$200 and a repayment period of not more than 26 years. The purchaser must be a Canadian citizen or landed immigrant who is the owner of a farm or has been a tenant for at least three years and whose principal occupation is the operation of that farm. He must have less than \$60,000 of assets and must buy from a vendor who is eligible for the assistance grant under the plan.

To be eligible for the grant, consisting of \$1,500 plus 10% of the sale price of the farm up to \$20,000 and not exceeding a maximum of \$3,500, a vendor must at the date of commencement