

The Market Development Program for Grains and Oilseeds, designed to extend the scope of initiative, particularly in the private sector, has been established, and a Market Development Fund of up to \$10 million annually has been created to promote the marketing of grains, oilseeds and other agricultural products. Assistance under the Program is available to Canadian companies, agencies, industry associations, universities, institutes, and similar entities for projects contributing to a sustained increase in grains and oilseeds sales. Projects have been implemented or are under consideration covering a broad range of activities, including grain handling, storage, processing, market testing of products, developing new products or processes, and conducting feasibility studies related to expansion of exports of grains, oilseeds and their products.

Credit. Canada has been selling grain on credit since 1952. Originally, terms of up to three years were offered at commercial rates of interest. The need for a broader and more competitive program was recognized and in 1968 the Prime Minister stated that the government would review and amend credit facilities for the sale of Canadian grain in order to improve its competitive position in export markets. Subsequently, Cabinet approved a revised and improved credit program which includes terms of up to three years at competitive interest rates, and concessional terms of over three years at subsidized interest rates.

Most credit sales of Prairie grain on terms of three years or less are financed under Section 12 of the Canadian Wheat Board Act. Credit sales not administered by the Board, including sales of other than western grains, on terms of three years or less and sales on terms of more than three years are insured under Section 27 of the Export Development Act. In the 1971-72 crop year, sales of almost 160 million bu of wheat, or about one third of total wheat exports, were made on credit. In addition, over 16 million bu of barley were exported on credit. A large volume of grain is being sold on credit in the 1972-73 crop year.

Food aid. The Canadian Food Aid Program has expanded sixfold since the early 1960s. For the years 1969-70 to 1971-72, an average of \$90 million annually was spent by the government on gifts of food, mainly wheat and flour, to needy countries. About 85% of the total food aid is given to foreign governments under a bilateral program. Any revenues that accrue to recipient governments are channelled to economic development activities in the recipient country. Most of the balance of the funds in the aid program is made available for purchases of Canadian wheat, flour and other foods by the World Food Programme of the Food and Agriculture Organization. Much of this food is distributed directly to workers abroad in full or part payment for their labour on economic development projects, but it may also be used for emergency relief and for special feeding projects, for example, in schools and in hospitals. In addition, Canada makes regular contributions, averaging \$1 million, in flour, to UNRWA for Palestinian refugees. Rapeseed is included in the aid program. In the current year some \$20 million of the food aid budget is being spent on rapeseed and rapeseed oil for India and Bangladesh.

11.8.1.2 The Canadian Grain Commission

The Canadian Grain Commission was established by the Canada Grain Act on April 1, 1971. It replaced the Board of Grain Commissioners for Canada which was originally established by the Canada Grain Act of 1912. It is composed of a Chief Commissioner and two Commissioners and is under the jurisdiction of the Canada Department of Agriculture. Headquarters of the Commission is at Winnipeg and other offices are situated across Canada, with the largest units at the port areas of Vancouver, Thunder Bay and Montreal.

The Commission is responsible for administration of the Canada Grain Act, including inspection, weighing and storage of grain; for fixing maximum tariffs for charges by licensed elevators; for establishing grain grading standards; and for operation of the Canadian government elevators located at Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge and Prince Rupert. All operators of elevators in western Canada and elevators in eastern Canada handling western-grown grain for export, as well as grain dealers in western Canada, must be licensed by the Commission and must file security by bond or otherwise as a guarantee for the performance of all obligations imposed upon them by the Canada Grain Act or by the Canada Grain Act Regulations. On a fee basis, the Commission provides mandatory official inspection, grading and weighing of grain, as well as registration of terminal elevator and eastern elevator receipts. The Economics and Statistics Division of the Commission is the basic source of information on grain handled through the Canadian licensed elevator system.