

the books and records of those engaged in the industry, to issue and revoke licences and to establish a price for milk; and authority to require a bond and periodic reports from distributors, payments to be made to producers by a certain date each month, distributors to give statements to suppliers or to give notice before ceasing to accept milk from any producer, and producers to give notice before ceasing to deliver milk to any distributor.

The Ontario Milk Marketing Board, a producer-controlled agency, was officially established by the Milk Commission of Ontario on November 1, 1965. Certain powers were assigned to it by the Commission regarding the production, marketing and transportation of milk and it also has the power to set the prices that milk processors must pay to their suppliers.

The Canadian Dairy Commission, established in 1966, was a new departure in the area of agricultural marketing because it was the first national marketing board to be established since creation of the Canadian Wheat Board in 1935. The Commission has the power to purchase any dairy product and package, process, store, ship, insure, import, export, or sell or otherwise dispose of any dairy product purchased by it. The Commission may also make payments to producers of milk and cream for the purpose of stabilizing the price of these products.

A comprehensive milk marketing plan was agreed to by the Canadian Dairy Commission and the milk marketing agencies of Ontario and Quebec in January 1971 establishing a market-sharing quota system for industrial milk and that portion of milk shipped by fluid producers which is used for manufacturing purposes. The agreement also covered cream shippers in Quebec, and cream shippers in Ontario entered the plan on April 1, 1971. Prince Edward Island was the third province to enter into the program, which became operative in that province on December 6, 1971. Producers in Alberta entered on April 1, 1972 and Manitoba and Saskatchewan came under the program on July 1, 1972. More than 95% of the manufacturing milk and cream sold in Canada now comes under the market-sharing program. With the market-sharing arrangement, each producer receives a market price related to Canadian price support levels for deliveries up to his market share. Prices for deliveries over market share are related to world prices for surplus dairy products.

Additional information on the role of the Commission with regard to dairy production and income stabilization is given in Section 11.2.2.

Producer marketing boards were introduced during the 1930s to give agricultural producers legal authority under certain conditions to control the marketing of their produce. The Natural Products Marketing Act of 1934 attempted to provide this power at the federal level but the courts ruled that the subject was outside federal jurisdiction. The subsequently introduced Natural Products Marketing (British Columbia) Act, 1936 was found to be within the powers of provincial governments and it has since been used as a model for marketing board legislation as it evolved in all ten provinces.

While marketing board legislation has been revised from time to time on the basis of experience and there are variations in detail from province to province, the same basic powers are given to producers in all provinces. These include authority for a duly constituted producer board to control the marketing of 100% of a specified commodity produced in a designated area. A producer board, in at least some provinces, may set production quotas for each farmer. One producer board may control the marketing of several related commodities and the designated area may be either the whole or part of a province. A producer vote is usually required to establish a producer marketing board whose powers are delegated either by a provincial marketing board, which has certain supervisory authority, or by the Lieutenant-Governor in Council.

The powers of a producer marketing board provided by provincial legislation are necessarily limited to trade within the province. Under the Agricultural Products Marketing Act (RSC 1970, c.A-7), the federal government may delegate to a marketing board powers with respect to interprovincial and export trade similar to those it holds under provincial authority with respect to intraprovincial trade. This Act also gives the Governor in Council the right to authorize a provincial marketing board to impose and collect levies from persons engaged in the production and marketing of commodities controlled by it for the purposes of the board, for the creation of reserves and for the equalization of returns.

The federal Farm Products Marketing Agencies Act was passed in January 1972 and is the enabling legislation for the creation of national marketing agencies or boards. National agencies may be set up, when producers and provincial authorities desire it, for any