

Chapter 11

Agriculture

11.1 Trends and highlights, 1973

Early in 1973 it was announced that Canada had exported \$2,135 million in agricultural products in 1972, exceeding sales of \$2 billion for the first time.

In March the federal government removed the 4 million-acre limit on total acreage eligible for the \$10 subsidy for added production under the three-year Grassland Incentive Program designed to encourage livestock producers to grow more forage. Maximum compensation payable for cattle slaughtered in disease control measures under the provisions of the Animal Contagious Diseases Act was increased to \$300 from \$200 for each purebred animal and to \$150 from \$120 each for grade cattle. Federal grants totalling approximately \$87,000 were awarded to the Maritime Provinces to help re-establish strawberry crops killed during the winter of 1971-72. In October a federal subsidy amounting to one third of the total construction cost, to a maximum of \$500,000, of new specialized fruit and vegetable storage facilities was announced.

The Farm Credit Corporation reported a substantial rise in farm lending. During the 1971-72 fiscal year loans increased 62.3% over the previous year and in 1972-73 they rose by another 115% to reach \$400.6 million. Three more provinces — Manitoba, Quebec and Saskatchewan — signed agreements with the federal government to implement the Small Farm Development Program. Established in February 1972, the program provides farm management and counselling services to participating farmers and extends credit to small farm operators to purchase land required to develop a profitable business.

A New Crop Development Fund was introduced at the Western Economic Opportunities Conference in Calgary, Alta. by the Minister of Agriculture. The federal government contributed \$1 million to the fund for the development of new crops, the adaptation of new varieties to farm conditions and the development of new protein sources.

As part of an interim national feed grains policy, the Agricultural Products Board offered to buy feed oats and barley in the Prairie Provinces at prices half way between the Wheat Board's initial price and its expected final price. The buying program was introduced to ensure that Prairie producers would not be forced by market conditions to dispose of their feed grains at depressed prices.

Permits were granted to 722 applicants to import 876 cattle from Europe, an increase of 109 applicants over the previous year. Canadian bovine semen was exported to Australia for the first time in 1973. A departmental report on artificial insemination showed that 1,216,928 cows were artificially bred in Canada in 1972, an increase of more than 94,000 over 1971.

Following the lifting of a retail price freeze on beef in the United States more Canadian beef was placed on the market and prices dropped. In the early fall an influx of American cattle depressed the Canadian market further and the government responded with a surtax on imported beef.

Tariffs removed in February were also reimposed later in the year when Canadian producers of specific commodities, e.g. cherries and tomatoes, were threatened with cheaper imports.

In the fall the government announced that it would pay a consumer subsidy of five cents a quart on fluid milk in an attempt to limit price increases at the retail level. By the end of the year all provinces had reached agreement with the federal government to implement the subsidy. Twice during the year the subsidy for manufacturing milk was raised; the payments, amounting to a total increase of about \$10 million, were intended to provide dairy farmers with cash to meet the costs of buying and storing feed needed to keep winter production up to demand.

A national Turkey Marketing Agency was established in December following a year of public hearings.

In June the Canada Department of Agriculture bought a farm near New Dundee, near Kitchener, Ont., as the site for a new Record of Performance testing station for boars. A new agricultural research and extension building was officially opened July 24 at Charlottetown, PEI.