

The Prairie Farm Assistance Administration was also responsible for administering payments under the Grassland Incentive Program which offers a subsidy of \$10 an acre to farmers who increase their acreage of perennial forage. Payments made to farmers under this program to December 31, 1973 amounted to \$42.2 million on about 4.39 million acres.

The Canadian Dairy Commission was established by the Canadian Dairy Commission Act and became operative on April 1, 1967. The affairs of the Commission are directed by three Commissioners, and its objects are "to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality".

To perform its functions, the Commission is authorized to stabilize prices of major dairy products through offers to purchase at fixed prices, thus establishing stable prices in the interests of both producers and consumers. The Commission may borrow from the Minister of Finance the funds required for such purchases to a maximum of \$100 million, which must be repaid.

The Commission administers the payment of funds provided by the government for subsidies to producers of manufacturing milk and cream. These payments supplement returns to producers from the market and permit market prices to be kept at reasonable levels. Each producer is eligible for subsidy on shipments covered by his market share quota. The Commission, indirectly, pools returns to producers from products sold on the domestic and export markets through an export equalization fund. Money for this is collected by levies from producers in provinces under the Market Sharing Quota Program — Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia — and remitted to the Commission. The funds are used to equalize export prices with domestic prices, for any products that must be exported below domestic prices. Further details on the activities of the Commission with regard to marketing may be found in Section 11.8.2.2.

The Livestock Feed Assistance Act established the Canadian Livestock Feed Board, which is a Crown agency reporting to Parliament through the Minister of Agriculture. The Board has four main objectives: to ensure that feed grain is available to meet the needs of livestock feeders; that adequate storage space in eastern Canada is available for feed grain to meet the needs of livestock feeders; that the price of feed grain in eastern Canada and in British Columbia remains reasonably stable; and that there be fair equalization of feed grain prices in eastern Canada and in British Columbia.

To these ends, the Board may make payments related to the cost of feed grain storage and transportation. Feed grain transportation assistance payments have been made since 1941. Under the Feed Grain Assistance Regulations of the Appropriations Act, the original program was initiated in October 1941 to provide a market for western feed grains and to enable livestock feeders in eastern Canada and British Columbia to obtain supplies at a cost that would maintain livestock and poultry production at a high level. Since April 1967, the freight subsidy has been administered by the Canadian Livestock Feed Board under the authority of the Livestock Feed Assistance Act. This program has been modified over the years to encourage better utilization of both transport and storage facilities. Initially, it was applied only to feed grains produced in the Prairie Provinces and designated for domestic livestock consumption in eastern Canada and British Columbia. More recently it has been extended to the movement of Ontario corn and wheat into the Atlantic Provinces and Ontario wheat into Quebec. The total subsidy of approximately \$20 million a year covers roughly half the transportation and handling costs of moving about 3 million tons of eligible feed grains.

The Livestock Feed Assistance Act also contains provisions for the Board to buy, transport, store and sell feed grains when authorized by the Governor in Council.

The Farm Credit Corporation was established in 1959 as successor to the Canadian Farm Loan Board set up in 1929. The Corporation, a Crown agency, reports to Parliament through the Minister of Agriculture.

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;