

The Agricultural Products Board was established in 1951 to administer contracts with other countries for the purchase or sale of agricultural products and to perform other commodity operations as Canadian needs may dictate. The Board's recent activities have included the purchasing of surplus Canadian commodities with resulting improvement in producer prices. Some of these commodities have been processed, packaged and delivered to the World Food Programme as part of Canada's commitment to the Food and Agriculture Organization of the United Nations.

The Crop Insurance Act was passed in 1959 (RSC 1970, c.C-36) to permit the federal government to assist the provinces in making all-risk crop insurance available to farmers across Canada on a shared-cost basis under the terms and conditions of federal-provincial agreements. Crop insurance is intended to protect the farmer against unforeseen losses by spreading their impact over a number of years. The initiative for establishing crop insurance rests with the provinces and schemes may be organized to meet provincial requirements for insurable crops and areas.

Under the Act, as amended, the federal government contributes a portion of premium costs and/or administration costs and shares the risk by providing loans or re-insurance when indemnities greatly exceed premiums and reserves. Commencing with the 1973 crop year the farmers pay 50% of the total premiums required to make the schemes self-sustaining. The remainder is contributed by the federal government if the province elects to pay all administrative costs, and is shared equally between the provincial and federal governments if the province elects to share the administrative costs equally.

In the 1974-75 crop year 85,000 farmers purchased some \$660 million in crop insurance coverage. Premiums totalled \$62.0 million (including government contributions) and indemnities to be paid out are estimated at \$620 million, for a loss-to-premium ratio of 1.00. The number of farmers participating increased by 16% over 1973 while coverage increased by 80% to \$677 million. The most significant increase in participation and coverage occurred in Saskatchewan.

Yields of many crops in all provinces were substantially reduced by a variety of natural hazards throughout the 1974 growing season. A cold, wet spring across the Prairies delayed seeding of cereal and oilseed crops. Early fall frosts caused severe losses to these late seeded crops. Early frost also hit the apple crops in British Columbia and Nova Scotia and the potato crops in the Maritime provinces. There were also the usual localized losses resulting from drought, excessive moisture, hail and insects.

The Prairie Farm Assistance Act, 1939 (RSC 1970, c.P-16) was designed to provide for direct cash payments by the federal government on an acreage-and-yield basis to farmers in areas of low crop yield in the Prairie provinces and the Peace River area of British Columbia.

The program has been phased out gradually over a period of years. Collection of the levy was suspended in the 1971-72 crop year and beginning with the 1973-74 crop year benefits were limited to areas where a provincially operated crop insurance program was not available. This protection was extended to all areas of the Prairies for the 1974-75 crop year.

The Prairie Farm Assistance Administration was also responsible for administering the Grassland Incentive Program which provided a subsidy of \$10 an acre to farmers who increased their acreage of perennial forage. Payments to farmers under this program during its three years of operation have amounted to some \$57 million. The program terminated with payments made in 1974-75 on perennial forage acreage which was seeded in 1973.

The Canadian Dairy Commission was established by the Canadian Dairy Commission Act in 1966 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.