

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, Nova Scotia, New Brunswick, 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 exported below domestic prices. More 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; special provision is made under this Part for loans up to 90% of farm assets where the owner-operator is under 35 years of age and management will be considerably above average. Under both Parts applicants must be principally occupied in farming and be of legal age to enter into a mortgage agreement. Individual applicants under Part III must be less than 45 years of age. Loans may be made only to Canadian citizens or those with landed immigrant status. The interest rate is set by Order in Council and varies with the cost of money to the Corporation. The repayment period under both Parts is up to 30 years.

The Corporation has 117 field offices at which are based 222 credit advisers responsible for informing local farmers about the services available, for pre-loan counselling on credit use, farm planning and farm management, for accepting applications and for making farm appraisals.

In addition to the amounts repaid by borrowers, funds for lending to farmers may be borrowed by the Corporation from the Minister of Finance. The aggregate amount of such borrowings outstanding at any time may not exceed 25 times the capital of the Corporation.