

This capital was raised by amendment to the Act in 1972 from \$56 million to \$66 million. There were 68,104 loans to the amount of \$1,390 million outstanding as at March 31, 1974. During the 1973-74 fiscal year the Corporation approved 9,041 loans for \$400.6 million.

The Farm Syndicates Credit Act authorizes the Farm Credit Corporation to lend to qualified groups of farmers (referred to as syndicates). A syndicate is a group of three or more farmers, the majority of whom have farming as their principal occupation, who have signed an agreement acceptable to the Corporation with respect to the joint purchase and use of machinery, equipment or buildings which can be used profitably by them in their farming operations. Co-operative farm associations and certain farming corporations may qualify as syndicates for loans without the members entering into a formal agreement.

A syndicate may borrow up to 80% of the cost of machinery, buildings (including site and other improvements) and installed equipment suitable for joint use, to a maximum of \$15,000 a member or \$100,000, whichever is the lesser. Loans are repayable over a period not exceeding 15 years for buildings and installed equipment, and seven years for mobile machinery. The interest rate is based on the cost to the Corporation of funds advanced by the Minister of Finance, and its expenses in servicing loans. There is an initial charge of 1% on the amount of each loan. Security is provided by a promissory note signed by each syndicate member, and such other security as may be required. Up to March 31, 1974 the Corporation had approved loans for 936 syndicates totalling \$17.5 million. During the 1973-74 fiscal year the Corporation approved 238 loans for \$4.3 million.

The Small Farm Development Program, initiated by the Canada Department of Agriculture in 1971 with the establishment of a \$150-million fund to cover the first seven years of operation, is available to the provinces by agreement. It offers extended credit facilities to operators of small farms for the purchase of additional land to enable them to remain on the land and develop a profitable business; at the same time, the program benefits owners of small farms who choose to give up farming by allowing an adjustment grant in addition to the selling price of their land. Management and counselling services are also available.

The Land Transfer Plan of the Small Farm Development Program is administered by the Farm Credit Corporation acting as agent for the Canada Department of Agriculture. Under this Plan special credit is made available for the purchase of land under agreement for sale. Unless the federal-provincial agreement specifies otherwise, the maximum permissible sale price is \$20,000, with a down payment as low as \$200 and a repayment period of not more than 26 years. The purchaser must be a Canadian citizen or landed immigrant who is the owner of a farm or has been a tenant for at least three years and whose principal occupation is the operation of that farm. He must have less than \$60,000 of assets and must buy from a vendor who is eligible for the assistance grant under the Plan.

To be eligible for the grant, consisting of \$1,500 plus 10% of the sale price of the farm up to \$20,000 and not exceeding a maximum of \$3,500, a vendor must at the date of commencement of the program be the owner of a small farm and be principally occupied in the operation of that farm. He must be able to support himself and his family at least as well after the sale as before, and he must sell all or substantially all of his land to a Canadian citizen or landed immigrant who will not operate the property as a separate uneconomic farm. The vendor is not eligible for a grant if the property sale price exceeds \$20,000 or such other maximum as may be established in the agreement with a particular province. Grants may be in cash or in the form of an annuity.

The Corporation maintains a listing service in its field offices to help bring sellers and buyers together. In special circumstances where no other purchaser is immediately available, the Corporation may purchase farm land for future resale at a price not exceeding 90% of the Corporation's estimate of its market value within the limits prescribed for the province where the property is situated. The seller will be eligible for a grant of \$1,500 plus 10% of the Corporation's estimate of the market value to a maximum of \$3,500.

The first complete fiscal year of operations under the Land Transfer Plan was 1973-74. The Corporation approved \$5.3 million in vendor assistance grants for 1,778 farmers who were retiring or making an adjustment to other pursuits. Special credit assistance amounting to \$4.3 million was approved for 250 farmers to expand their holdings with land that became available under the Plan.