

11.7 The marketing of agricultural products

11.7.1 The grain trade

Minor modifications were made in delivery quota policies for the 1972-73 crop year. However, the general framework of the quota system introduced for the 1970-71 crop year remained unchanged.

The modifications introduced for the 1972-73 crop year were largely designed to give producers greater flexibility in adjusting quota acres assigned to specialty markets and allowed their quota acres for particular grains to be shifted from deliveries under regular quotas to specialty markets and vice versa. In the previous crop year producers were allowed to transfer quota acres only from specialty markets to regular quotas but not from regular quotas to specialty markets.

As a result of the heavy exports, producers were given the opportunity to deliver all their available grain well before the end of the crop year. Open delivery quotas were authorized for flaxseed and rye in early March 1973 and for rapeseed in early April. On April 30, 1973 open quotas for wheat, barley and oats were authorized in 22 shipping blocks. These quotas were gradually extended to other blocks and other grains as space permitted and on June 4, 1973, the Wheat Board removed the last remaining quota restrictions by placing the deliveries of all Prairie grains on an open quota. For additional details regarding delivery quota policies see Statistics Canada publication *Grain trade of Canada* (Catalogue No. 22-201). Supply and disposition of Canadian grain for the crop years ending July 31, 1972 and July 31, 1973 are shown in Table 11.36.

11.7.1.1 The 1972-73 crop year

Estimated domestic supplies of wheat, oats, barley, rye, flaxseed and rapeseed totalled 2,393 million bu in the crop year 1972-73, an increase of 11% over the 1971-72 total of 2,687 million bu.

Wheat. Domestic supplies of wheat in 1972-73 amounted to 1,117.1 million bu, 12% below the 1971-72 total of 1,263.7 million bu. The 1972 production of wheat was 533.3 million bu, 1% above the 529.6 million bu in 1971, and carryover stocks were 583.8 million bu compared with 734.2 million bu the previous year. Exports of wheat and flour in terms of wheat during the 1972-73 crop year, at 576.6 million bu, were 14% above the 503.8 million bu exported in 1971-72, 75% higher than the long-term average of 329.6 million bu and 37% more than the 10-year average of 420.7 million bu.

During the crop year 1972-73, marketing of western Canadian wheat was again conducted by the Canadian Wheat Board on a one-year Pool basis. The initial payment commenced the crop year at \$1.46 a bu basis No. 1 C.W. Red Spring in store Thunder Bay or Vancouver. On October 16, 1973 an adjustment payment of 30 cents a bu was announced by the Board being retroactive to August 1. On November 6, 1973 a final payment of .394 cents a bu was also announced involving the distribution of \$263.2 million on wheat delivered by producers during the 1972-73 crop year.

Grain exports. The 1972-73 exports of bulk wheat, at 552.8 million bu, were 74.7 million bu higher than the preceding year's total of 478.1 million bu and also above the recent 10-year average of 387.3 million.

The USSR with purchases of 147.9 million bu (a 62% increase from last crop year) was the largest market for Canadian wheat in 1972-73, receiving 30% of the export shipments. The People's Republic of China, destination of 144.1 million bu, fell to second position after four years as Canada's largest customer, notwithstanding that this figure is 44% higher than that recorded in 1971-72. Shipments to Japan — 50.6 million bu — approximated the 1971-72 clearances to maintain that country as the third largest market for Canadian wheat. Britain remained in fourth position with reduced imports of 42.9 million bu.

Exports of Canadian wheat flour during the 1972-73 crop year amounted to 10.2 million cwt (23.4 million bu of wheat equivalent), slightly below the 1971-72 total of 24.7 million bu.

Combined exports of oats, seed oats, barley, rye, flaxseed and rapeseed (including customs exports of oatmeal and rolled oats, malt in terms of grain equivalent) amounted to 250.4 million bu during the crop year 1972-73. This figure was 21% less than the comparable 1971-72 level of 320.2 million bu but sharply above the 10-year (1961-62-1970-71) average of