

export market demands. It also co-ordinates, reviews and recommends federal policies for grains and grain production. Implementation of recommended policies subsequently adopted by the government is through government departments or other agencies concerned with the grains industry.

**Production.** The Canada Department of Agriculture conducts a research program in plant breeding and production methods to improve varieties, yields and quality of grains for which there is a domestic and export demand. A recent innovation has been the provision, well in advance of spring planting, of information on initial prices to be guaranteed to farmers for the new crop of wheat, oats and barley, and on minimum deliveries to be accepted by the Canadian Wheat Board during the crop year. These are announced by the Minister responsible for the Canadian Wheat Board in March of each year.

The Grains Group developed the Two-Price Wheat Program which will remain in effect until mid-1980.

**Transportation and handling.** A freeze on the abandonment of railway track in the Prairie network was declared by the federal government in 1967. Modifications were made effective in 1975, following expiry of the freeze at the end of 1974. There are 19,221 miles of rail lines on the Prairies. Under new Orders in Council 12,413 route miles were declared basic railway network and applications for abandonment are prohibited until the year 2000. The railways are now free to apply to abandon 525 route miles which are no longer used. The balance of the network, about 6,300 miles, will be the subject of regional inquiries to determine their status and future.

Additional studies are scheduled to consider the action required to modernize the grain handling and transportation system.

**Marketing.** To broaden the assistance provided for sales and market development of grains, oilseeds and products, the pertinent services of the Department of Industry, Trade and Commerce are consolidated in the Grain Marketing Office. Regular contact is maintained with the Canadian Wheat Board, other agencies and organizations concerned with grain marketing, trade commissioners abroad and the private trade sector. A program of trade promotion that includes participation in missions and trade fairs abroad is also maintained.

The Grains and Oilseeds Marketing Incentives Program provides assistance in the form of cost or risk sharing to a variety of projects designed to increase the sales of grains, oilseeds and their derivatives. Assistance is normally provided to worthwhile projects which would not be realized without incentives. Canadian companies, agencies, industry associations, universities, institutes and similar bodies are qualified applicants. Projects implemented or under consideration cover various fields, including grain handling, storage, processing, market testing of products, developing new products or processes, feeding trials and demonstrations and feasibility studies related to expansion of exports of grains, oilseeds and their products.

With the co-operation of the processing industry, provincial governments and universities, a \$5 million pilot plant in Saskatoon is due to open in 1976. The POS Pilot Plant Corporation (Protein, Oil and Starch) is a non-profit corporation (directed by subscribing members) which provides unique pilot-plant facilities to the Canadian grains and oilseeds processing industry.

**Credit.** Canada has been selling grain on credit since 1952. The original program provided for grain sales on terms of up to three years at commercial rates of interest. In 1968 the government approved a broadened and improved program for the sale of Canadian grain on credit to improve its competitive position in export markets. The new program allowed exporters to respond quickly to export opportunities in developing countries on more favourable credit terms in some circumstances.

Most credit sales of western grains are on terms of three years or less, financed under Section 12 of the Canadian Wheat Board Act with a government guarantee. Credit sales of other than the western wheat, oats and barley which are marketed by the Wheat Board, or any sales on terms of more than three years, are insured under Section 27 of the Export Development Act. In the 1973-74 crop year 117 million bu of wheat and flour, more than one quarter of total Canadian wheat exports, were sold on credit.