

Government aid and controls

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The role of government in the grains industry

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Government's interest and involvement in the grains industry predates Confederation and is a record of policies relating to land use and settlement; transportation; grain elevators, storage, handling and forwarding; marketing methods and opportunities; income security; and the many ramifications of international competition and the search for international cooperation in the sale of grain. The federal government's role in the grains industry is carried out by the Department of Agriculture, the Department of Industry, Trade and Commerce and two semi-autonomous bodies which report to Parliament through Ministers of the Crown: the Canadian Grain Commission and the Canadian Wheat Board.

Three other agencies also play integral roles in the Canadian grains industry: the Canadian International Grains Institute, the Canada Grains Council and the Special Advisory Group on Grains (Grains Group). The Canadian International Grains Institute contributes to the maintenance and expansion of markets for Canadian grains and oilseeds and their products in Canada and abroad. The Canada Grains Council provides a forum for coordination, consultation and consensus on industry recommendations to government. The Special Advisory Committee on Grains (Grains Group) is charged with coordinating, reviewing and recommending federal policies on grains.

Grains Group

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In 1970 the minister responsible for the Canadian Wheat Board organized the Special Advisory Group on Grains (known as the Grains Group) made up of policy advisers representing the Department of Agriculture, the Department of Industry, Trade and Commerce and the Ministry of Transport. Under the minister's direction the Grains Group examines the problems of the grains industry in the areas of production, transportation and handling, and marketing. It coordinates, reviews and recommends federal policies for these areas. 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.

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 (30 933 km) of rail lines on the Prairies. Under new Orders in Council 12,413 route miles (19 977 km) 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 (845 km) which are no longer used. The balance of the network, about 6,300 miles (10 139 km), will be the subject of regional inquiries to determine their status and future. The Hall Commission on grain handling and transportation and the Snively Commission on grain transportation costs were expected to present reports in 1977.

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