

control and eradication of pests and diseases. Gradually, however, with rising production and increasing specialization on the part of farmers, problems in marketing began to emerge.

To ensure quality, inspection and grading procedures and standards were established, but the periodic collapse of prices caused by bumper crops and intensified by the general inability of large numbers of producers to bargain on an equitable basis with far fewer buyers has been a much more difficult part of the marketing problem.

The first attempt to provide bargaining power to producers was the organization of voluntary marketing cooperatives. All provinces eventually passed legislation for incorporation of these cooperatives, and most of them also provided additional assistance in various forms. Federally, the introduction of the Agricultural Products Cooperative Marketing Act provided for financial guarantees to producers willing to market their crops on a pooling-of-returns basis. More information on cooperative organizations is given in Chapter 18.

Although much cooperative marketing was initially successful, it was found that the voluntary aspect represented a serious weakness. Many members dropped out in good times to make their own deals. A type of marketing organization was needed with the legal power to control the output of all producers of a certain product in a certain area, and as a result marketing control legislation was adopted providing for various types of boards, agencies and commissions.

11.7.2.1 Product controls

The federal and provincial departments of agriculture cooperate in establishing and enforcing quality standards for various foods. Some control over size and types of containers used for distribution of agricultural products is exercised by the Canada Department of Agriculture, and the Department of Consumer and Corporate Affairs enforces regulations pertaining to weights and measures.

Standards related to health and sanitation in food handling are developed and enforced at all three levels of government. Examples of provincial and municipal action include laws pertaining to pasteurization of milk, inspection of slaughter-houses and sanitary standards in restaurants. At the federal level, inspection by the Health of Animals Branch of the Canada Department of Agriculture of all meat carcasses that enter into interprovincial trade is required; the Foods and Drugs Directorates of the Department of National Health and Welfare have wide responsibility for food composition standards; and the Department of Consumer and Corporate Affairs has jurisdiction over advertising.

11.7.2.2 Marketing controls

The Agricultural Products Cooperative Marketing Act (RSC 1970, c.A-6) was passed in 1939 as a result of a federal government decision to assist orderly marketing by encouraging the establishment of pools that would give the producer the maximum sales return for his product, less a maximum margin for handling expenses agreed upon in advance. The Agricultural Products Cooperative Marketing Act now covers the marketing of all agricultural products except wheat produced in the Canadian Wheat Board area.

The purpose of this act is to aid farmers in pooling the returns from sale of their products by guaranteeing initial payments and thus assisting in the orderly marketing of the product. The government may undertake to guarantee a certain minimum initial payment to the producer at the time of delivery of the product, including a margin for handling; sales returns are made to the producer on a cooperative plan. Under an amendment to the act in 1975, the guaranteed initial payment may be set at a percentage of the estimated market price to producers for the production year. Previously the initial price was limited to a maximum 80% of the average producer price over the preceding three years. For 1975 crops, agreements were made for marketing winter wheat and beans in Ontario, apples for processing in Quebec, and rutabagas in Prince Edward Island.