

commodity operations as Canadian needs may dictate. The board's activities have included purchasing surplus Canadian commodities with resulting improvement in producer prices. Some of these commodities have been processed, packaged and delivered to the world food program as part of Canada's commitment to the Food and Agriculture Organization of the United Nations.

The Crop Insurance Act passed in 1959 (RSC 1970, c.C-36), permits the federal government to help the provinces in making all-risk crop insurance available to farmers on a shared-cost basis under federal-provincial agreements. Crop insurance can protect the farmer against unforeseen losses by spreading their impact over a number of years. The initiative for establishing crop insurance rests with the provinces and programs are developed to meet provincial requirements.

The federal government contributes a portion of premium costs or administration costs and shares the risk by providing loans or reinsurance when indemnities greatly exceed premiums and reserves. Farmers pay 50% of total premiums required to make the programs self-sustaining. The remainder is contributed by the federal government where the province elects to pay all administrative costs, or the province may elect to share the remaining premium and administrative costs equally with the federal government.

In the 1977-78 crop year, 112,000 farmers purchased some \$1.5 billion in crop insurance coverage. Premiums totalled \$148 million (including government contributions). The number of farmers participating increased by 16% over 1976-77 while coverage increased by 28%.

There was widespread threat of drought over most of the Prairies in late 1976 and early 1977, but timely rains during the 1977 growing season alleviated this situation except in Southern Alberta and southwestern Saskatchewan. Some \$100 million would be paid out in indemnities on the 1977 crops with wet weather during harvest the major cause of loss in all provinces.

The Canadian Livestock Feed Board, established by the Livestock Feed Assistance Act (1966), is a Crown agency reporting to Parliament through the agriculture minister. It has four main objectives: to ensure that feed grain is available to meet the needs of livestock feeders; that adequate storage space in Eastern Canada is available for feed grain to meet the needs of livestock feeders; that the price of feed grain in Eastern Canada and in British Columbia remains reasonably stable; and that there is fair equalization of feed grain prices in Eastern Canada and in BC.

The board may make payments related to the cost of feed grain storage and transportation, the latter payments having been made since 1941. Since April 1967, the freight subsidy has been administered by the livestock feed board. Initially, it was applied only to feed grains produced in the Prairie provinces and designated for domestic livestock consumption in Eastern Canada and British Columbia. Subsequently it was extended to the movement of Ontario corn and wheat into the Atlantic provinces and Quebec.

The feed freight assistance program underwent substantial changes as part of the domestic feed grain policy. These changes, which became effective in August 1976, included reductions of \$6.61 a tonne in rates of assistance to Ontario and Western Quebec (as far east as Montreal), with lesser reductions east of there. Rates of assistance to Eastern Quebec and the Atlantic provinces remain unchanged. Expenditures under the program were reduced from recent levels of about \$20 million a year to about \$10 million. Effective 1977, for a period of up to five years, the board may make payments against carrying charges for feed grains stored at feed mills in Eastern Canada and BC. The purpose of this federal program is to encourage expansion of grain storage in grain deficient areas.

The Farm Credit Corporation. This corporation (FCC) is responsible for the administration of the Farm Credit Act and the Farm Syndicates Credit Act and is an agent of the agriculture department in administering the land transfer plan of the small farm development program. Responsibility for lending decisions and operations is