

hear appeals against grading of grain by the commission's inspectors; decisions of these tribunals are final.

#### 11.2.4 The Canadian Wheat Board

This board was set up under the Canadian Wheat Board Act of 1935. The wheat board became the sole marketing agency for Prairie wheat, oats and barley sold interprovincially or internationally. With the introduction of a new domestic feed grains policy in August 1974, marketing of feed grains for domestic use was removed from exclusive wheat board jurisdiction and these grains are now traded on the open market. The wheat board remains the sole purchaser and seller of feed grains for export. Other crops, such as rye, rapeseed, flaxseed, buckwheat and mustard are marketed by the private grain trade.

Sale of Prairie-grown wheat, oats and barley is carried out through sales negotiated by the wheat board, or through grain exporting companies acting as its agents.

Delivery of the kinds, grades and quantities of grain needed by customers is essential to the board's marketing program. This is accomplished in two stages. First, grain is delivered by the producer from his farm to the local country elevator under a quota system required to meet market commitments, which allocates delivery opportunities equitably among all grain producers. Second, the grain is moved from country elevators to large terminals in Eastern Canada, at Thunder Bay, Churchill, and the West Coast by the railways. Grain is shipped from Thunder Bay to eastern positions largely by lake vessels. Extensive planning and a high degree of co-ordination within the grain handling and transportation industry are required. The wheat board, which co-ordinates the entire movement, programs rail shipments from country elevators to terminals on a weekly basis according to sales requirements.

The producer receives payment in two stages. An initial price is established by order-in-council before the start of a crop year; this price, less handling costs at the local elevator and transportation costs to Thunder Bay or Vancouver, is in effect a guaranteed floor price. If the wheat board, in selling the grain, does not realize this price and the necessary marketing costs, the deficit is borne by the federal treasury; after the end of the crop year when the board has disposed of all the grain in accordance with the Canadian Wheat Board Act, it makes a final payment to producers.

Since implementation of the new domestic feed grains policy, a producer delivering feed grains to a country elevator has the option of selling the grain to the wheat board or on the open market. In the latter case he will, on delivery, receive a payment representing the final price in contrast to the wheat board system of initial and final payments. As a result of a modification effective in August 1976 the wheat board offers feed grains to the domestic market at a price competitive with US corn.

**The Prairie Grain Advance Payments Act**, administered by the wheat board, provides that producers may receive through their elevator agents interest-free cash advances on farm-stored grain. The purpose is to make cash available to producers pending delivery of their grain under the quotas established. An advance of up to \$45,000 (depending on the number of producers involved in the operation) may be issued to multi-farm operations, such as partnerships, co-operative and corporate farms. The maximum total advance prescribed by regulation may not exceed \$15,000 for any individual for the crop year. The act also contains provisions for special advance payments to maximums of \$7,500 for unharvested grain and \$1,500 for drying of grain.

**Two-Price Wheat Act.** The federal government has paid more than \$375 million under the Two-Price Wheat Act. The subsidy which protected consumers from high world wheat prices was paid on wheat sold for domestic consumption during the period September 1973 to November 1978. In conjunction with the subsidy, the price to millers for wheat was fixed at \$119.42 per tonne.

The subsidy was eliminated on wheat sold after November 1978, and a new pricing system was introduced. Under the current domestic pricing system, wheat is sold to Canadian millers at world prices within the range of \$146.98 to \$183.72 a tonne. Canadian consumers are protected when world prices rise above the upper limit while producers are protected against low world prices by the minimum domestic price.