

Although much co-operative marketing was initially successful, the voluntary aspect was a 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. As a result, marketing control legislation was adopted providing for various types of boards, agencies and commissions.

11.6.1 Quality standards

Federal and provincial departments of agriculture co-operate in establishing and enforcing quality standards for various foods. Some control over size and types of containers used is exercised by Agriculture Canada, 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 levels of government. Examples of provincial and municipal action include laws pertaining to milk pasteurization, slaughter house inspection and sanitary standards in restaurants. At the federal level, inspection is required by the health of animals branch of the agriculture department of all meat carcasses that enter into interprovincial trade; the health and welfare department has wide responsibility for food composition standards; and the consumer and corporate affairs department has jurisdiction over advertising.

11.6.2 Marketing controls

The Agricultural Products Co-operative 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 establishment of pools that would give the producer the maximum sales return for his product, less a margin for handling expenses agreed upon in advance. All agricultural products except wheat produced in the Canadian Wheat Board area are eligible for marketing assistance under this act.

The purpose of this act is to aid farmers in pooling 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 co-operative plan. Amount of the initial payment is set at the discretion of the minister taking into account current and estimated market prices. Since its inception this act has enabled many farmers to market their crops at a fair return in an organized and systematic manner.

The Canadian Dairy Commission, established in 1966, was the first national marketing agency to be established since creation of the Canadian Wheat Board in 1935. The commission has the power to stabilize the market by offering to purchase major dairy products, butter and skim milk powder, at fixed prices and to package, process, store, ship, insure, import, export or sell or otherwise dispose of any dairy product purchased by it. The commission may also pay subsidies to producers of manufacturing milk and cream. These payments, up to \$260.7 million in 1978-79, supplement returns to producers and permit market prices to be kept at reasonable levels. Each producer is eligible for subsidy on shipments covered by his market share quota. The commission administers an account to cover the cost of export marketing operations. Money for this is collected by levies from producers in all provinces except Newfoundland under a market-sharing quota program and remitted to the commission. The funds are used to equalize export prices with domestic prices for products exported below domestic prices.

A comprehensive milk marketing plan, to balance demand and supply and equalize export assistance, was agreed to by the Canadian Dairy Commission and the milk marketing agencies of Ontario and Quebec in January 1971, establishing a market-sharing quota (MSQ) system for industrial milk and cream and that portion of milk, shipped by fluid producers, which is used for manufacturing purposes. Cream shippers in Quebec, Ontario and Prince Edward Island entered the plan in 1971. Producers in Alberta, Manitoba and Saskatchewan came under the program in 1972, British Columbia in 1973, and Nova Scotia and New Brunswick in 1974. All manufacturing