

**Marketing.** The grain marketing office of the department of external affairs promotes sales and market development for grains, oilseeds and products, and maintains contact with the wheat board, other agencies concerned with grain marketing, trade commissioners abroad and the private trade sector. Trade promotion includes participation in missions and trade fairs abroad. The department also provides cost- or risk-sharing to projects, designed to increase sales of grains and other products, which would not be realized without incentives.

**Credit.** Canada has been selling grain on credit since 1952. Now all credit sales are on terms of three years or less. Credit sales of western wheat, barley and oats, marketed by the Canadian Wheat Board, are financed under the Canadian Wheat Board Act with a government guarantee of repayment. Credit sales of other grains are insured under the Export Development Act.

**Food aid.** The Canadian food aid program has expanded from \$2 million in 1962-63 to more than \$200 million. Most of the food sent to about 85 countries consists of wheat and wheat products; corn, canola/rapeseed and canola oil are also included. The Canadian International Development Agency administers 60% of Canada's food aid to foreign governments under multilateral programs, mainly the world food program and 40% through bilateral channels. Regular contributions of flour are made to the United Nations Relief and Works Agency. Canada's minimum annual grain and grain products aid commitment under the food aid convention of the International Wheat Council is 600 000 tonnes.

### 9.6.3 Canadian Grain Commission

This commission, established by the Canada Grain Act in 1971, has headquarters at Winnipeg and offices across Canada, the largest in Vancouver, Thunder Bay and Montréal.

The commission fixes maximum tariffs for charges by licensed elevators and establishes grain grading standards. All elevator operators in Western Canada and in Eastern Canada handling western-grown grain for export, and grain dealers in Western Canada, must be licensed by the commission. The commission provides official inspection, grading and weighing of grain, and registers terminal elevator and eastern elevator receipts. Its economics and statistics division is the basic source of information on grain handled through the Canadian licensed elevator system.

The commission also administers the Grain Futures Act which provides for supervision of grain futures trading. Its research laboratory surveys the quality of each year's grain crops and of grain moving through the system. It provides information on varieties and grades of grain to the inspection division, collaborates with plant breeders in studies

on new grain varieties and undertakes basic research on quality of cereal grains and oilseeds.

### 9.6.4 Canadian Wheat Board

Export sales of Prairie-grown wheat, oats and barley are negotiated by the Canadian Wheat Board, or through grain exporting companies acting as its agents.

This board was set up in 1935 as the sole marketing agency for Prairie wheat, and subsequently for oats and barley, sold interprovincially or internationally. Feed grains for domestic use were removed from exclusive wheat board marketing in 1974 and have since been 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.

The board's marketing program is accomplished in two stages. First, grain is delivered by the producer to the local elevator under a quota system to meet market commitments. The quota system allocates delivery opportunities among all grain producers. Second, the grain is moved by rail to large terminals in Eastern Canada, Thunder Bay, Churchill, and at the West Coast. Grain is also trans-shipped from Thunder Bay to eastern positions largely by lake vessels. The wheat board and the Grain Transportation Authority, another federal agency, jointly co-ordinate the movement of grain from country elevators to terminals on a weekly basis.

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 government guaranteed floor price. If the wheat board, in selling the grain, does not realize this price plus 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 it distributes any surplus in a final payment to producers.

Under the 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 the full price in contrast to the wheat board system of initial and final payments. 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; pending delivery 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