

total advance may not exceed \$15,000 for any individual for the crop year. The act also provides for special advance payments for unharvested grain and for drying of grain.

A new domestic pricing system for wheat was introduced in 1978. Wheat other than durum is sold to Canadian millers at world prices within the range of \$183.72 to \$257.20 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. For durum wheat there is a minimum selling price of \$183.72 a tonne but no maximum.

Canadian International Grains Institute, in the Canadian Grain Commission Building, Winnipeg, was incorporated in 1972, and is affiliated with the wheat board and the grain commission. Financial responsibility is shared by the federal government and the wheat board. The institute helps to maintain and enlarge markets at home and abroad for Canadian grains, oilseeds and their products. In its classrooms, conference rooms and laboratories it offers instructional programs to participants from countries purchasing these commodities and to Canadians associated with the grain industry. The institute includes an 8.16 tonne, 24-hour-capacity flour mill and a pilot bakery.

Canada Grains Council was established in 1969 to improve co-ordination on recommendations to government. It co-ordinates activities to increase Canada's share of world markets and efficient use in Canada of grains and grain products. Membership is open to all non-governmental organizations and associations whose members are engaged in grain production, processing, handling, transportation or marketing. Administrative costs are shared by federal government and industry members. The 29 member organizations represent thousands of individuals.

Western grain stabilization administration, Winnipeg, protects producers against declines in world grain prices or in sales of Canadian grain, increases in cash costs of producing grain or any combination of those factors. The support given prevents the net cash flow from falling below the average net cash flow in the previous five years. The net cash flow is the difference between total receipts from the production and sale of cereals and oilseeds and the cash costs of production, in each calendar year.

Under this voluntary program, grain producers contribute a levy of 2% of their grain sales up to maximum sales of \$45,000 a year to the western grain stabilization fund. The federal government contributes an equal amount to double the contributions.

9.6.5 Canagrex

Canagrex is a federal Crown corporation established by an act of Parliament in June 1983 to assist agri-

cultural export expansion. Led by a team of professional, international, marketing and sales experts, Canagrex serves all sectors of the Canadian agri-food industry, including farmers, co-operatives, marketing boards, associations and Canadian companies. It may provide managerial, technological, marketing or other counselling and consulting services, assistance in promotion and marketing representation, in co-operation with other government services available to exporters. Canagrex is able to engage in state-to-state transactions, undertake joint ventures, make grants, contributions and loans, give guarantees and engage agents in Canada and abroad. The corporation will assist in purchasing, processing, storing, shipping, insuring, export selling or otherwise disposing of agricultural and food products. It does not deal in any dairy products handled by the Canadian Dairy Commission, grain handled by the Canadian Wheat Board, or fish products or byproducts as defined in the Fisheries Act. The head office of Canagrex is in Ottawa.

9.6.6 Farm assistance

Federal farm assistance programs help ensure stability of the agriculture industry and the supply of food for Canadians. Price-support programs help producers to secure a fair return for their labour and management, provide stability of income, and remain in business during times of depressed prices. Crop insurance, through programs operated provincially with the federal government contributing financially, provide farmers protection against crop losses caused by natural forces such as hail, drought and insects. Availability of credit is important for farmers to improve or expand their operations. Among other assistance programs are those for marketing and feed grain. The assistance programs, and the special measures that may be established to meet emergency conditions, are administered by Agriculture Canada or by the agencies responsible to the agriculture minister, except for programs carried out under the Prairie Grain Advance Payments Act, administered by the wheat board, and the Agriculture and Rural Development Act (ARDA) and the Prairie Farm Rehabilitation Act.

The Farm Improvement Loans Act (1945) is administered by Agriculture Canada. The government may guarantee loans by chartered banks and other designated lenders to farmers for a wide range of purposes. The maximum which a borrower may have outstanding is \$100,000. Loans may be repayable over a period up to 10 years for all purposes, except land purchase for which a 15-year term is permitted.

Farm improvement loans must be secured. Borrowers are required to provide a certain portion of the cost of a purchase or a project from their own resources. The maximum rate of interest on loans is based on the prime lending rate of the chartered banks, plus 1%.