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 the West Coast. Grain is also transshipped from Thunder Bay to eastern positions largely by lake vessels. The Wheat Board and the Grain Transportation Agency, 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 Prairie Grain Advance Payments Act (PGAPA) provides for cash advances to producers in the Canadian Wheat Board designated area when quota delivery opportunities are restricted. Advances to grain producers under the act are interest free and are made by the Canadian Wheat Board using its line of credit with the chartered banks. Interest cost on monies advanced is borne by the federal government. As producers deliver grain, their advance payments are repaid through deductions from the sales receipts for their deliveries.

Individual producers can receive up to $30,000, and partnerships, co-operatives and corporations can receive a maximum of $90,000.

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 program, Winnipeg, protects producers against declines in net income from the sale of the seven major grain and oilseed crops in Western Canada. The support given prevents the net income from falling below the average net income in the previous five years on an aggregate and per-tonne basis. The net income is the difference between total receipts from the production and sale of cereals and oilseeds and the cash costs of production, in each crop year.

Under this voluntary program, grain producers contribute a levy ranging from 1% to 2.5% of their grain sales up to maximum sales of $60,000 a year to the western grain stabilization fund. The federal government contributes an equal amount to the producer levy, plus 2%.

9.5.5 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, provides 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 are administered by Agriculture Canada or by the agencies responsible to the Minister of Agriculture.

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