

and use of farm machinery, buildings and installed equipment.

The Commodity-Based Loans Program is intended to reduce the number of farm failures among Farm Credit Corporation (FCC) clients by correlating loan payments with commodity price fluctuations. A client under this program is defined as an FCC borrower who under current farm commodity prices is unable to produce sufficient income to pay operational expenses, living costs, provide for replacement of capital, and meet all debt payments at contracted interest rates. By charging a lower rate of interest and by relating the annual debt servicing costs to commodity prices for an enterprise, the commodity-based loan attempts to make the servicing of debt easier for lower equity farmers. Agriculture Canada will reimburse FCC if the operation of this program results in a deficit.

The Farm Debt Review Assistance Program provides assistance to farmers in financial difficulty through participation by the Farm Credit Corporation (FCC) in financial arrangements between farmers and their creditors. Agriculture Canada makes contributions to farmers payable to the FCC in amounts equal to concessions made by the FCC under arrangements arrived at pursuant to the Farm Debt Review Act.

The Advance Payments for Crops Act (APCA) is a marketing incentive program designed to encourage producers to place their crop in storage at harvest time and sell it out over the remainder of the marketing season while maintaining a cash flow.

This incentive is intended to allow the producer to increase returns, supply the Canadian market with Canadian produce and allow sufficient stock in storage for development of export markets. This is accomplished by advancing individual producers up to \$30,000; partnerships, co-operatives and corporations receive a maximum of \$90,000 at harvest time. This advance assists in harvest time financial obligations so that the producer is able to store the crop. It is repaid as the crop is sold at the same rate per unit as the advance was made. Agriculture Canada pays all interest charges on the bank loan made by the producer organization administering the program for its producer members and also guarantees repayment of up to 98% of the advance payments made by the producer organization.

The Agricultural Products Co-operative Marketing Act (APCMA) is a market development program designed to assist and encourage co-operative marketing of agricultural products. This is accomplished by providing a minimum average price guarantee to a co-operative marketing pool prior to the crop year. The price guarantee is divided into two segments, an initial payment guarantee

to producers and a maximum cost guarantee to the co-operative which covers the costs of marketing the crop. At the end of the marketing period for that crop year, if the average price received by the co-operative is less than the level of price guarantee, the government makes payment for the difference to the co-operative.

New crop development fund. Agriculture Canada is helping the private sector and universities in their efforts to broaden Canada's agricultural base. The objective is to help stimulate the development and acceptance of new crops and varieties, new uses for crops grown in Canada, and new more efficient production methods. It plays a prominent role in bridging the gap between basic research and commercial production.

Examples of complete and ongoing projects financed in part by the fund can be found in all regions of Canada. For example, a five-year project examined the introduction of new asparagus varieties and cultural practices across Canada. The Ontario strawberry processing research corporation has conducted feasibility trials on mechanical harvesting of strawberries in a joint project with growers, processors and the provincial government. The lakeland forage association in Alberta compared the production of forage using three major range improvement methods.

9.6 Provincial services

Provincial departments responsible for agriculture have regional offices and extension programs with qualified professional representatives working in rural centres to provide advice on farm management, farm labour, home design and home economics, education and development for 4-H and youth groups. Advice is available in veterinary services, livestock improvement and crop management.

Engineering services provide advice on rural water and sewer systems, farm machinery and such projects as irrigation and land drainage in the Prairies and in parts of Ontario.

Marketing activities are carried out to expand domestic and foreign markets and encourage increased food processing. Market development programs supplement those of the federal government.

In several provinces, loans, grants and services are available to farmers to enable them to upgrade or expand their operations. Services provided by New Brunswick include the potato seed farm at Bon Accord, marketing seminars for potato shippers and initiatives in the following areas: land improvement and soil conservation; market development; and accelerated adoption of