

technology for the production and marketing of agricultural products. Quebec provides two institutes of agricultural technology; chemistry, animal pathology, and food analysis and assessment laboratories and research stations and services. Among the many services provided by Ontario are financial assistance programs for farmers, education and research programs at five colleges of agricultural technology, and veterinary laboratory services for livestock producers and veterinarians. The Prairie provinces all conduct substantial market development activities, and programs to assist farm families. In Saskatchewan, a broad range of programs and services are provided to the province's rural community of approximately 65,000 farms. Numerous assistance programs are in place including crop protection loans, fuel rebates, livestock cash advances and tax credits, and incentives for agricultural diversification.

## 9.7 Product and marketing controls

Numerous measures have been enacted by both federal and provincial governments over the years to encourage a productive agricultural sector. Originally emphasis was on production increases and control of pests and diseases. As production and farm specialization increased, problems in marketing began to emerge.

Grading procedures and standards were established to ensure quality but periodic price collapses were caused by bumper crops and intensified by the general inability of producers to bargain on an equitable basis with far fewer buyers.

Voluntary marketing co-operatives were organized to provide bargaining power to producers. All provinces eventually passed legislation for incorporating co-operatives, and most of them provided assistance. Federally, the Agricultural Products Co-operative Marketing Act provided price guarantees to producers willing to market their crops on a pooling-of-returns basis. More information on co-operative organizations is given in Chapter 17.

Co-operative marketing was initially successful, but the voluntary aspect was a weakness. In good times many members dropped out to make their own deals. Needed were marketing organizations with the legal power to control all producer output of certain products in certain areas. As a result, marketing control legislation was adopted providing for various types of boards, agencies and commissions.

### 9.7.1 Product standards

Federal and provincial departments of agriculture co-operate in enforcing quality standards for

various foods. Agriculture Canada has some control over size and types of containers used and the Department of Consumer and Corporate Affairs enforces regulations on weights and measures.

Standards related to health and sanitation in food handling are developed at all levels of government. Examples are provincial and municipal laws pertaining to milk pasteurization, slaughter house inspection and sanitary standards in restaurants. Federal inspection of all meat carcasses traded interprovincially is required by the Department of Agriculture; the Department of Health and Welfare has wide responsibility for food composition standards; and the Department of Consumer and Corporate Affairs has jurisdiction over advertising.

### 9.7.2 Marketing controls

The Agricultural Products Co-operative Marketing Act (RSC 1970, c.A-6) was passed in 1939 to assist orderly marketing by encouraging establishment of pools for selling the product at the optimal time of year to give the producer equal value for product of like grade and quality.

The act guarantees to the co-operative marketing pool the payment of the initial payment to producers and the processing, carrying and selling costs to a fixed maximum. The amount of the initial payment is set at the discretion of the Minister of Agriculture, taking into account current and estimated market prices. This act has enabled many farmers to market their crops at a fair return in an organized and systematic manner. All agricultural products, except wheat produced in the area under Canadian Wheat Board jurisdiction, are eligible for such marketing assistance.

**The Canadian Dairy Commission**, established in 1966, was the first new national marketing agency since the Canadian Wheat Board was created in 1935. The Commission has the power to stabilize the market by offering to buy 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 these and other dairy products purchased by it. The Commission may also pay subsidies to producers of manufacturing milk and cream. These payments supplement market returns to producers and keep consumer prices at reasonable levels. A 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 of dairy products. Money for this is collected by provincial milk marketing agencies from producers in all provinces except Newfoundland and remitted to the Canadian Dairy Commission.