

transportation, processing, packaging and retailing have risen and the farm gate price of farm products has become a declining proportion of the final consumer price. When the costs of food processing and distribution are added to the costs of inputs produced off the farm, the proportion of the consumer food dollar that represents a return to the farmer's land, labour and capital is slightly more than 10%.

The bulk of the economic activity involved in supplying food to the consumer does not take place on the farm and has contributed to employment in towns and cities; yet the farmer remains a key player. In an industry dispersed over tens of millions of hectares, the human challenges have been great, depending in the end on the competence, innovation, decision-making and co-operation of tens of thousands of individual producers.

A major portion of agricultural production in Canada is exported. In 1985, 51% of all Canadian agricultural production was exported; 70% of the agricultural products exported were grains and oilseeds. Wheat holds the prime place in Canada's agricultural exports: approximately half of all agricultural exports is wheat.

During the 1980s, world grain prices declined and produced a period of great financial stress for farmers, due to compounded interest rates during the high inflation years of 1981 and 1982 — exacerbated by drought and grasshoppers in the Prairie provinces in 1984 and widespread drought in 1987/88.

The role of government — federal, provincial and municipal — has been crucial, for research, extension, credit, regulation, inspection, orderly community development, and services of many kinds. In agriculture, government has had a unique pervasiveness and intimacy because of the extremely dispersed nature of farming, and the very limited size of the individual enterprise. Agriculture has been so fundamental and vital to the nation's development that its progress could not be left to chance.

From the early days of settlement, farmers recognized a need to take organized action to serve their economic, social and professional needs. For example, they organized to press for government legislative and policy action, to form their own co-operative marketing and supply businesses, to assist in acquiring the knowledge and skills so essential for survival in a new and often unfamiliar environment, to take legal action when their rights were threatened, and to associate for improvement in animal breeding, cultivation methods and seed growing.

The farmer's organizational needs were not only to help him learn to do his job better, but to protect himself from economic exploitation and damaging instability. They were also to help ensure that there was orderly regulation and inspection for grading, quality control, and protection from infectious diseases.

The history of farm organizations in Canada makes a long, complex and often dramatic story. The issues and problems are not all settled today, nor is the drama lacking. The dramatic and complex debate surrounding the federal government's move to restructure western grain transportation policy and Crow's Nest Pass statutory rates in the early 1980s and the trade negotiations and agreements of the late 1980s provide cases in point.

As the number and proportion of farmers declined, the role of farm organization has seen important changes. When farmers represented a large proportion of the population and the problems of isolation of the farmer were greater, farm organization functioned in the field of general social policy more actively than it does today, for example, in adult education, public broadcasting and health care. Particularly at the federal level, its role in these areas has been reduced, with its work much more generally focused on strictly agricultural concerns. This is less true at the provincial level and even less at the community level.

The Canadian Federation of Agriculture (CFA) is a federation of provincial farmer organizations and commodity groups. The CFA is the only comprehensive umbrella farm organization in Canada. Its membership is comprised of provincial farm organizations, farmer owned co-operatives, commodity associations and national marketing boards. Although the CFA does not always represent the strong views and beliefs held by each individual farmer, it does represent the consensus of the majority. The Canadian farming industry holds very diverse views and interests.

9.2 Agricultural resources

Agriculture is a major industry in Canada. About 67.8 million hectares are cultivated; 46.0 million hectares are improved land. Farm cash receipts were just under \$20.4 billion in 1986 and agricultural and food exports totalled \$8.4 billion, accounting for 7.2% of Canada's total exports.

Including the processing, wholesale and retail sectors, agriculture accounts for approximately 10% of Canada's economic activity.

9.2.1 Agricultural regions

There are four main types of farms in Canada. Livestock farms include those specializing in the