

consultation and consensus on industry recommendations to government. It co-ordinates activities to increase Canada's share of world markets and for efficient use of grains and grain products in Canada. 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 the federal government and industry members.

The government established Grain 2000, in April 1988, to foster greater industry involvement in the development of national grain policies. Producers and other participants in the grains industry work on contract or interchange assignments with the National Grain Bureau in Winnipeg.

Production. Agriculture Canada conducts research in plant breeding and production methods to improve varieties, yields and quality of marketable grains. The Minister of State for Grains and Oilseeds provides grain and oilseed producers with information on world market conditions, on an annual basis, in March, in advance of spring seeding. Studies on production and market potential are conducted or funded by the agriculture development branch.

Marketing. The Grain Marketing Bureau provides policy advice to the government, and information and trade promotion assistance for grains and oilseeds and their products through contact with the Canadian Wheat Board, other agencies concerned with grain marketing, trade commissioners abroad, and the private trade sector. Trade promotion includes organization of missions and trade fairs in Canada and abroad. The Department of External Affairs provides cost or risk sharing to exporters for projects designed to increase sales of grains and oilseeds, which would not be realized without incentives.

Credit. Canada has been selling grain on credit since 1952. In the 1986-87 crop year, credit sales, which are on terms of three years or less, accounted for 7.5% of Canadian grains and oilseeds exports. The bulk of these sales were of western wheat and barley marketed by the Canadian Wheat Board and financed under the Canadian Wheat Board Act with a government guarantee of repayment. Sales of other grains on credit are insured under the Export Development Act.

Food aid. The Canadian food aid program has expanded from \$2 million in 1962-63 to \$439 million in 1987-88. Most of the food aid sent to about 85 countries consists of wheat and wheat products; corn, canola oil, skim milk powder, pulses and fish are also included. Canada's

minimum annual grain and grain products aid commitment under the Food Aid Convention of the International Wheat Agreement is 600 000 tonnes.

The Prairie Grain Advance Payments Act (PGAPA) provides for cash advances to producers in the Canadian Wheat Board's 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. Interests are repaid through deductions from the sales receipts for their deliveries.

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

Western Grain Stabilization Program, based in Winnipeg, protects grain, oilseed and special crop producers, in the Canadian Wheat Board's designated area, by cushioning the effect of sharply reduced cash flow caused by disruptive price, market and production cost factors. By the guarantee that net cash flow from the sale of eligible crops in any one crop year period does not fall below the average net cash flow for the previous five years on an aggregate and per tonne basis, producers are assured a minimum net cash flow level. Net cash flow is the difference between total receipts from the production and sale of the designated cereal, oilseed and special crops and their cash costs of productions.

Program participation is voluntary and its operation is jointly funded by western producers and the federal government. Under 1988 amendments to the Western Grain Stabilization Act, funding provisions require producers to contribute levies ranging from 2% to 4% of their eligible crop proceeds up to an individual maximum of \$60,000 in realized receipts and require the federal government to contribute an amount equal to the producer levy, plus 2%.

9.5.3 Canadian Grain Commission

Established in 1912 as the Board of Grain Commissioners, the Canadian Grain Commission is responsible to the Minister of Agriculture, who reports to Parliament on its activities. The Commission administers the Canada Grain Act, which establishes standards of quality for Canadian grains and regulates grain handling in Canada.

Reporting to the Commission, the supervisor of the Grain Futures Act supervises grain futures trading in Canada. The Grain Appeal Tribunal also reports to the Commission and is responsible for examining appeals on grain grading.