

Subsection 1.—General Policy and Price Stability

All the activities of the Department of Agriculture are directed toward the production of marketable farm products. Apart from the initial research and experimentation in connection with operations on the farm itself, it is essential that processing, grading and inspection of farm products should be of a high standard if markets both at home and abroad are to be retained and new ones developed. It is with this end in view that the inspection and grading activities of the Department have become of increasing importance. By inspection and grading the buyer is able to obtain a product suited to his requirements; the producer is compensated according to the grade of his product and is thus encouraged to produce a high-quality commodity.

The results of experimental and research work and the policies of the Department, in general, are made available to farmers and to the public through bulletins, the press, radio and screen. Releases on market conditions and prices are a regular feature of this publicity.

The Federal Government has passed a number of Acts designed to give price stability in marketing agricultural products. The most important of these is the Agricultural Prices Support Act, 1944, which permits the Federal Government to stabilize the price of any agricultural product, except wheat and coarse grains which are marketed under other legislation, by outright purchase or by underwriting the market through guarantees or deficiency payments. The following products have been supported under the Act when occasion arose: potatoes, apples, dried white beans, extracted honey, dry skimmed milk, creamery butter, shell eggs, cheese, hogs and cattle.

Another Act under which price support may be extended is the Agricultural Products Co-operative Marketing Act, 1939. Under this Act the Government assists in financing initial payments made by co-operatives to primary producers on delivery of the products for sale. Initial payments are subject to negotiation between co-operative and government but may not exceed 80 p.c. of the average returns for like grades and qualities during the previous three years. The procedure is for the Government to guarantee banks against loss in advancing funds to co-operative organizations with whom agreements have been signed. The legislation has been used extensively by co-operatives, and agreements through the years have covered onions, potatoes, corn, many seed crops and ranch-bred fox and mink pelts.

There is a third piece of federal legislation that has a bearing on price support. A number of provincial governments have legislation providing for the establishment of a Board to regulate or control the marketing of agricultural products sold within the province concerned. Under the British North America Act, a provincial government cannot legislate with regard to products marketed outside the province or in export trade. Under the Agricultural Products Marketing Act, 1949, the Federal Government may, at discretion, permit such marketing legislation to be applied in whole or in part to the marketing of agricultural products outside the province concerned and in export trade.