

11.8.1.3 The Canadian Wheat Board

The Canadian Wheat Board was established under the Canadian Wheat Board Act of 1935 for the purpose of "marketing in an orderly manner, in interprovincial and export trade, grain grown in Canada". The legislation established the Wheat Board as the sole marketing agency for Prairie wheat, oats and barley sold interprovincially or internationally. Other crops, such as rye, rapeseed, flaxseed, buckwheat and mustard are marketed by the private grain trade.

The sale of Prairie-grown wheat, oats and barley is carried out in one of two ways: sales negotiated directly by the Wheat Board, and those negotiated through grain exporting companies acting as its agents.

Delivery of the kinds, grades and quantities of grain needed by customers is essential to the Wheat Board's marketing program. This is accomplished in two stages: the first involves the delivery of grain by the producer from his farm to the local country elevator; the flow of grain from farms to country elevators is regulated under a delivery quota system which enables the Wheat Board to call for the delivery of the kind and grade of grain required to meet market commitments, and, at the same time, to allocate delivery opportunities equitably among all grain producers. The second stage involves the movement of grain from country elevators to large terminals in eastern Canada, at Thunder Bay, Churchill, and the west coast. The transportation of grain to terminals on the west coast, Thunder Bay and Churchill is carried out by the railways under maximum tariffs established under the terms of the National Transportation Act. The forwarding of grain from Thunder Bay to eastern positions is done largely by lake vessels under freight rates negotiated by the Wheat Board and by private shippers with lake vessel operators. Extensive planning and a high degree of co-ordination within the grain handling and transportation industry are required to carry out the complex task of moving grain from country elevators to forward positions. The Wheat Board, which co-ordinates the entire movement, programs rail shipments from country elevators to terminals on a weekly basis in accordance with sales requirements.

The producer receives payment for his wheat, oats and barley in two stages. An initial payment price is established by Order in Council before the start of a crop year; this price, less handling costs at the local elevator and transportation costs to Thunder Bay or Vancouver, is the initial price received by the producer and is, in effect, a guaranteed floor price. If the Wheat Board, in selling the grain, does not realize this price and the necessary marketing costs, the deficit is borne by the federal treasury; after the end of the crop year when the Board has sold all the grain or otherwise disposed of it in accordance with the Canadian Wheat Board Act, the Board, if authorized by Order in Council, makes a final payment to producers.

Under the Prairie Grain Advance Payments Act, administered by the Board, producers may receive, through their elevator agents, interest-free cash advances on farm-stored grain in accordance with a prescribed formula. The purpose of this legislation is to make cash available to producers pending delivery of their grain under the quotas established.

The federal government makes a separate payment to the Canadian Wheat Board of up to a maximum of \$1.75 a bu for bread wheats and \$2.00 a bu for durum wheat. This payment represents the difference between the domestic and export price of Canadian wheat.

11.8.1.4 The Canadian International Grains Institute

The Canadian International Grains Institute was incorporated in July 1972; it operates in affiliation with the Canadian Wheat Board and the Canadian Grain Commission and financial responsibility is shared by the federal government and the Canadian Wheat Board. It is designed to contribute to the maintenance and enlargement of markets at home and abroad for Canadian grains, oilseeds and their products, and offers instructional programs to foreign participants selected from countries purchasing these commodities and to Canadians associated with the grain industry. Courses are offered in grain handling, transportation, marketing, flour milling, bread baking and macaroni manufacturing, and lectures and practical training are given in analytical methods used in processing and utilization of grains and oilseeds. The Institute is located in the Canadian Grain Commission Building in Winnipeg. Facilities include classrooms, conference rooms, offices, library, laboratories, a nine-ton, 24-hour-capacity flour mill and a pilot bakery.

11.8.1.5 The Canada Grains Council

The Canada Grains Council was established in 1969 to improve co-ordination and to