

## 8.3 Programs Determined to Confer Subsidies

While the following programs were determined to be subsidies and were therefore countervailable under U.S. trade law, the total estimated net subsidy for each product under investigation was found to be *de minimis*.

### 8.3.1 Federal Programs

#### 8.3.1.1 Farm Improvement and Marketing Cooperative Loans Act (FIMCLA)

Product	Total Estimated Net Subsidy
Live cattle .....	0.04% <i>ad valorem</i>

The Government of Canada provided guarantees on loans extended by private commercial banks and other lending institutions to farmers across Canada. The purpose of this program was to increase the availability of loans for the improvement and development of farms, and for the marketing, processing and distribution of farm products by cooperative associations. Any individual engaged in farming in Canada and any farmer-owned cooperative was eligible to receive loan guarantees covering 95% of the debt outstanding for projects related to farm improvement or increased farm production.

The maximum amount of money that an individual could borrow under this program was \$250,000. For marketing cooperatives, the maximum amount was \$3 million. Beef and hog farmers received approximately 18% to 27% of all guarantees between 1994 and 1998, while poultry, fruit-and-vegetable and dairy producers received less than 10% of the guarantees. The specificity analysis examined disproportionality by reference to actual users of the program. The share of the subsidy received by producers of the subject merchandise was compared to the shares received by other agricultural producers. The disproportionality analysis focused on the level of benefits provided rather than on the number of subsidies given to different industries. Commerce concluded that the beef and hog industries received a disproportionate amount of assistance under the FIMCLA program during the period of investigation. FIMCLA was therefore found *de facto* specific to the beef and hog sectors.

### 8.3.2 Provincial Programs

#### 8.3.2.1 Alberta Feeder Associations Guarantee Program

Established in 1938 to encourage banks to lend to cattle producers, this program was administered by the Alberta Department of Agriculture, Food and Rural Development. Under the program, up to 15% of the principal amount of commercial loans taken out by feeder associations for the acquisition of cattle was guaranteed. Eligibility for the guarantees was limited to feeder associations located in