

Payments to an individual farmer are calculated on the basis of his seeded acreage of these commodities and on representative regional yields derived from crop insurance data. Provision has been made to pay on summerfallow in the West. Payments to honey producers will be made on the basis of the number of hives in excess of 25. As well, irrigated land is eligible for higher payments, reflecting higher yields. The maximum payment to any one producer is \$25,000.

The Program was first announced in December 1986 for implementation in 1987 on the 1986 crop. A \$300 million disbursement was made to producers in January 1987 with the remaining \$700 million of the \$1 billion national scheme paid in June 1987. The Program has been extended for an additional year; a \$1.1 billion payment will be made in 1988 on the 1987 crop, with \$800 million to be paid by 31 March 1988 and the remaining \$300 million by 30 June 1988.

Witnesses appearing before the Committee focused on two aspects of the Special Canadian Grains Program: the nature of the Program with regard to such factors as the total funds allocated and the degree to which the Program will be on-going; and the manner in which funds are allocated to individual farmers.

Only one witness advocated establishing a specific time frame for such a program, while the Canadian Federation of Agriculture stated that:

... this type of program, although expensive, is important in maintaining Canadian industry. If we look ahead in the short run, I think we would be less than honest if we did not recognize that this may well not be the last year in which we will have to deal with this type of program. The type of investment that we made to try to maintain our grains and oilseeds sector will have to be protected by some additional payments. (Mr. Don Knoerr, Canadian Federation of Agriculture, Issue 18:17, December 15, 1987.)

The National Farmers Union had a criticism of the program in that it felt that:

... the Canadian government was wrong last year in terms of just basically pulling a billion dollars out of the air and not backing it up, as the Auditor General said, with substantial documentation. We would prefer to go the route of what our injury in Canada is as Canadian farmers and establish target prices at cost of production. We think that on that basis we can justify to Canadian consumers why that kind of a deficiency program should be put in place. (Mr. Wayne Easter, National Farmers Union, Issue 13:19, November 17, 1987.)