



Bulletin

Vol. 25, No. 12

March 25, 1970

THE WHEAT STOCK PRODUCTION PROGRAM

A statement by Mr. Otto Lang, Minister without Portfolio, in the House of Commons on February 27:

The carryover of wheat in Canada will be approximately 950 million bushels at July 31 of this year – equivalent to nearly two-years' disappearance. To reach a stock position in reasonable relation to normal sales volumes, production of wheat must be reduced substantially below sales level. The number of years during which production need be so reduced depends upon the vigor with which the problem is attacked.

Closely related to the surplus in wheat is a current shortage of cash among Western grain growers. The effects of a cash shortage are evident throughout the Prairies, but are particularly acute in Saskatchewan, whose farmers are now carrying more than two-thirds of the total stocks on farms.

Unless strong action is taken now, the prospect is for a heavy movement of acreage out of wheat and into coarse grains and oilseeds. The wheat producer

is in a position in which he must attempt to increase his cash return. In large measure, this would lead to increased acreage in other crops. Our stocks positions, particularly in oats and barley, are already high. A further increase in acreage in these crops this year would result in burdensome surplus and lower prices for these products. This would create extreme difficulties for producers whose incomes normally depend upon the sales of these crops.

In oilseeds, there is reason to believe that some increase can be accommodated without serious effects on prices and delivery levels available to producers. Indications are, however, that rapeseed acreages will be increased sharply this year to the point where surplus in this crop appears a likelihood.

SERIOUS SURPLUS OF WHEAT

We recognize that long-term adjustment programs are needed, and the Government is hard at work on these. In the meantime, we are faced with a serious wheat-surplus situation that must be relieved quickly if we hope to prevent this problem from seriously injuring the whole agricultural industry.

Producers on their own initiative reduced wheat plantings by 5 million acres in 1969. However, the current income and cash position of Prairie grain-producers make it unrealistic to expect that producers would reduce plantings to a desirable level in 1970, bearing this further major adjustment without direct government assistance.

Government leadership is necessary if adjustment is to take place without creating more serious problems, not only for wheat farmers but for farmers throughout Canada and by extension for the whole economy. Whatever government action is taken, the weight of the adjustment must be borne by wheat-producers themselves...and I believe they will accept the need to make the adjustment.

The Government proposes to implement a program to reduce wheat acreage and to encourage farmers in the Wheat Board designated region to hold

CONTENTS

The Wheat Stock Production Program.....	1
Stratford to Adelaide.....	2
Ottawa-Quebec Moroccan Project	3
Gallery Acquires Degas	3
Nesting Sites for Rare Geese	4
Higher Prices for Skim Milk.....	4
Indian Children Tutored	4
Arctic Trials for Giant 'Copter	5
Hot Water Freezes Faster	5
Kelsey Commemorative Stamp	5
Boost for Industrial Designers	6
Population Estimates	6
Teachers in Canada	6
Monthly Index.....	7