

*Private Members' Business*

for which data is difficult to obtain, we would have to base payments on production. In that case, yield data would be essential to this kind of formula.

Individual yield histories may be difficult to obtain, we think, and that would leave regional yield averages as the base for the program. Using that kind of data would create inequities because the producers with high yield could be penalized and those with low yields could very well be over-compensated.

There are other problems with a production-based WGSA or ASA. First, a production-based program could result in stabilization payments at times when livestock returns are adequate or higher than average.

It would also remove some of the protection that producers now have from low marketings when export opportunities are reduced. For instance, the WGSA is designed to trigger payments when farmers' delivery opportunities are reduced and they cannot market very much of their grain. A production-based program would not provide that kind of protection.

We could look at other ways to include farm-fed grain in the stabilization framework. One of those would be to include the cost of grain production in livestock support programs. Currently, the market price of grain is usually included in the calculations to determine support.

Dairy programs, at least to some degree, include the cost of producing grain in support calculations. Including the cost of producing grain in the livestock support calculations would cause livestock support prices to rise when the cost of producing grain increases. The positive note in this option is it would provide an incentive for some producers to produce both grain and livestock in order to be eligible for grain stabilization payments. The downside is that it would work against producers who buy feed for the livestock that they are raising.

Another option that has been discussed is to stabilize revenues from grain and livestock operations jointly. This type of program would be targeted at over-all situations instead of looking at grain and livestock separately. It would have to be operated at the farm level to take into account differences in the importance of each enterprise.

These are some of the options that have been discussed in the past. Farm-fed grain is clearly an issue that

should be addressed. But this government is examining grain stabilization in the context of a review of all agriculture stabilization programs.

Over a year ago, representatives of this government, led by the hon. Minister of State for Grains and Oilseeds, held a series of regional meetings with farm leaders to discuss grain safety nets. A subsequent meeting was held in Winnipeg in January, 1989. At that time, farm leaders from all regions of Canada gathered to discuss five options for a national stabilization program which were developed by Agriculture Canada's National Grains Bureau in Winnipeg.

These five options included an ASA type of program in which federal and provincial governments, as well as producers, would share program costs. Other options include a program of individual price guarantee contracts, a full cost of production guarantee, an individual farm gross revenue guarantee, and an individual net revenue stabilization plan.

The individual net revenue stabilization plan was designed under the Grains 2000 program, so it is commonly referred to as the Grains 2000 option.

Grains 2000 is a federal program designed to bring industry and government together to work on policy options for agriculture. The first Grains 2000 task force produced a report on opportunities for value-added production in Canada. It included the net revenue stabilization option as part of this report. That option, along with several others, is now being examined by the grains safety net committee. This group comprised of federal and provincial government representatives and farmers was formed as a result of the agriculture policy review conference that was held last December.

The committee is led by Dennis Stephens, the assistant deputy minister responsible for the National Grains Bureau. This group has met and begun the process of reviewing the options. Their goal is to identify a couple of options, to look at how they may determine the most workable options, and to then present these to the Minister of Agriculture later this spring.

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The establishment of the National Grains Bureau was a major step by the government in drawing industry into the discussions on policy development options for agri-