

Adjournment Debate

The government will monitor world grain markets closely throughout the crop year. Initial payment levels will be increased if market conditions warrant an increase. This is not uncommon. In the current crop year, initial payments for spring wheat and barley were increased once to reflect changes in the world market. Initial payments for designated barley were increased twice in this crop year. Initial payments for designated barley were set last April at \$115 a tonne. The current level, after the two adjustments, is \$170 a tonne.

When initial payments are adjusted, this increase is paid to farmers on their grain deliveries since the beginning of the crop year in the form of an adjustment payment.

The setting of the initial payments has to be done cautiously. When the government sets these payments, it is trying to forecast developments in the world market for the next 18 months. The initial payments are guaranteed by the federal government. They cannot be set higher than what is realistic without risking a deficit in

the wheat board pool accounts. Initial payments cannot be lowered once they are set for any particular crop year. Any loss must be covered by the federal government. Rather than risk such a loss the government will watch grain markets closely and adjust payments if conditions improve.

In the meantime the hon. member is very aware of the programs this government has brought forward, with the \$500 million assistance program for this year and the provinces coming up with programs to help match that. We hope that will assist and give the farmers the confidence required to plant the crops that are so necessary this year and in anticipation that the prices will improve.

[*Translation*]

Madam Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.23 p.m.
