

Agriculture

sector. Moneys paid out to agricultural producers under the various federal stabilization programs are limited to a given volume of production per farmer or farm in the case of corporations. Thus, government aid is aimed at farmers who are directly dependent on the market for their income, and not at big corporations we all know in the food business.

As of March 31 of this year, the federal government had paid over \$3.5 billion under the Agricultural Stabilization Act, which included payments made by the Canadian Dairy Commission. These stabilization payments have helped put Canadian producers in a better competitive position on the market and promote the development of stable Canadian sector. There are several other federal programs aimed at providing a more reasonable return for Canadian farm producers by enabling them among other things to obtain better prices on the market while guaranteeing that market prices also take production costs into account.

Under the provisions of the Agricultural Products Marketing Act, the National Farm Products Marketing Council monitors the activities of the national egg, turkey and chicken marketing agencies which were created under this act in 1972, 1975 and 1978 respectively. These agencies co-ordinate the activities of provincial boards as concerns supply and prices during the three previous years. Under these programs, Canadian egg, turkey and chicken producers get a return that is proportionate to their production costs, their work and their investments. Costs, such as prices of poultry feed and interest rates, are taken into consideration in the pricing formula for these products. While there is no guarantee that the prices will cover all production costs, prices have not fallen below cash production costs since the establishment of these agencies.

Other federal programs are designed to achieve the basic objective of the Canadian government's agricultural policy, which is to protect the Canadian agricultural food production sector and promote its development and efficiency. I am thinking about another extremely important piece of legislation for this sector concerning crop insurance. Under the Crop Insurance Act, the provinces receive certain amounts to provide a comprehensive insurance plan for farmers. While some of the elements of the plan may vary from province to province, the objectives at the national level remain the same, namely to stabilize the annual income of farmers and minimize income fluctuations resulting from a decrease in production due to unforeseeable natural causes. Crop insurance is offered to all farmers in the ten Canadian provinces and covers most major crops. In 1980-81, for instance, over 113,000 Canadian producers were insured for a coverage of over \$2.3 billion. Farmers were eligible last year to compensation exceeding a quarter billion dollars or \$254 million. The federal contribution to the crop insurance plan for 1980-81 is now just under \$100 million.

The Advance Payments for Crops Act also helps Canadian producers to sustain larger inventories for a certain period of

time and to take advantage of better market conditions later in the season. The act has been in effect since 1977 and enables groups of storage crop producers to benefit from interest-free loans in order to pay advances or advance payments to their members. Thus, producers can pay production bills right after the harvest, as if they were selling their crops at that time. And consumers can buy fresh Canadian products over an extended marketing season. So far this year, the federal government has paid a total of some \$3 million interest on amounts advanced to farmers.

Another program which has promoted marketing of Canadian farm products by helping producers financially is a federal financial assistance program for the construction of fruit and vegetable cold storage facilities. Under this program, groups of producers receive substantial financial assistance for the construction or renovation of storage facilities for fruits and vegetables. Many farm groups have benefited from this program which was started in 1973. So far, the government has spent more than \$15 million towards completion of nearly 200 projects.

I could go on for quite some time if I wanted to enumerate all the federal programs and policies aimed at providing financial assistance to Canadian farmers and at helping them to become more efficient and to operate within the open economic system that is typical of the North American food market. Our farmers are efficient, and besides being able to compete with many imported products, they also are able to compete successfully on various foreign markets.

There is a whole array of measures in this session's legislative program that are designed to provide increased help to the Canadian agri-food industry. These are not novel measures and will surprise no one. A number of them are at the second reading stage, such as the measure to amend the Farm Credit Corporation Act to allow the corporation to seek funds on the private financial markets in order to better meet the credit needs of Canadian farmers. Everyone knows also that there is a piece of legislation to establish the Agricultural Export Corporation, the so-called Canagrex.

In July last, the Minister of Agriculture (Mr. Whelan) published a discussion paper on an agri-food strategy, which refers to the growth potential in that sector over the next two decades, and identifies current constraints to growth. Canada could increase its food production by two thirds before the year 2000, doubling this year's current dollar value.

This document proposes a strategy based on market development, increased research and the strengthening of the supply base. The federal proposal has been very favourably accepted by the various parties in the agri-food industry and also by the Canadian provinces. The Minister of Agriculture and his officials met with most provincial ministers of agriculture, to discuss that strategy and priorities to be allocated to the various proposals in order to eliminate constraints to growth in the Canadian agri-food industry. Meetings have also been held