

Some feed mills do not have an agreement with us; consequently when they are in short supply, they buy their grain from the board at board prices. But when there is grain available in the district in surplus, they buy from the producer at prices less than the board prices; they usually buy at a price less than the board price, because they can always buy from the board itself at board prices.

Mr. FORBES: That seems rather unusual. If a man is selling within the wheat board, he can sell it within his quota, and he does not benefit by the wheat board plan.

Mr. MONK: The reason for the application of the quota is twofold: first, there are not feed mills at all points. There are comparatively few feed mills, for instance, in Saskatchewan. And if you have a position where the producer is delivering to feed mills outside of his quota, and delivers his quota to other commercial facilities, to that extent he gains an advantage over the person either at his own point, who cannot get his grain into a feed mill, or other producers at other points where there is no feed mill.

Mr. FORBES: That seems to be one of the irregularities in our whole setup—that is, that some of them are representatives of the wheat board, while others are not. May I interject another thought here?

Mr. MONK: The reason for the application of quotas to these mills is that if they can buy what we call cheap wheat from the producers—and I do not speak disparagingly in that sense—they can manufacture feed at prices which are less than other feeds can be manufactured at mills which buy from the Canadian Wheat Board.

That has the effect that our customers who buy our grain are in a position where they have to compete with feed produced by these mills, made from grain bought at much lower prices, and it has a marked effect on prices which is quite disproportionate to the amount involved, because there is just enough feed sold at the lesser prices to destroy the market for people who have bought their grain from us.

Mr. FORBES: They could all be licensed to buy wheat, acting as agents for the wheat board, or else to buy it on the open market.

A year ago at our committee we had considerable discussion about certain feed mills collecting under PFAA. Here is a case where some of these feed mills would not be collecting under PFAA. Would the same apply to export feed wheat to the United States? I think that is something further which should be investigated at this committee while we are sitting.

I now return to the point that, in order to clear up this situation, all these feed mills should be licensed and act as agents of the wheat board.

Mr. McNAMARA: There is another point which should have been brought out in this reference.

Mr. Monk dealt with the position of feed mills. But within the province, and subject to provincial legislation enacted by the legislatures of the three prairie provinces, producers may sell to feeders in that province; or they may sell to a man operating a feed lot.

I think the advertisement which you referred to may be in connection with a feeder who does not operate a feed mill, who does not have commercial facilities, but who is feeding livestock.

These feeders of course provide a form of competition for the feed mills who also try to merchandise feed in that area. That is another aspect of this problem which should be considered.

Mr. KINDT: I would like to get clarification on that point. For instance, at Midland, we have a number of local feeders who have feeding establishments. They buy grain from the wheat farmers in the adjacent areas.