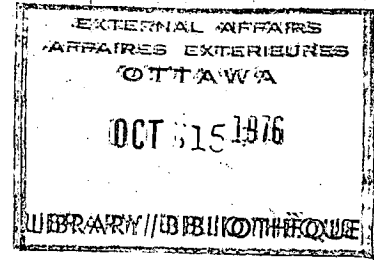


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Report on Canada's food aid
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REPORT
ON CANADA'S FOOD AID PROGRAMME:

ALLOCATIONS FOR 1975-76

by

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AND
MINISTER RESPONSIBLE FOR THE
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43-256-155

April 11, 1975

This progress report on Canada's Food Aid Programme seeks to inform the House of Commons of the detailed food aid allocations for the fiscal year 1975-76 recently approved by the Hon. Allan J. MacEachen, Secretary of State for External Affairs and Minister responsible for the Canadian International Development Agency. The report also provides up-to-date information on the government of Canada's continuing efforts to implement the pledges and commitments announced by Mr. MacEachen and his colleague the Minister of Agriculture, the Hon. Eugene Whelan, at the World Food Conference in Rome, in the Fall of 1974.

The food aid allocations for 1975-76 will amount to \$280 million, an increase of 41.4 per cent over 1974-75. These allocations have been prepared by the Canadian International Development Agency, in close cooperation with the Department of Agriculture, following a thorough assessment of the world food situation based on the most recent economic and technical data available. Canadian funds and foodstuff will be provided for the World Food Programme (WFP) and two other United Nations agencies. In addition, substantial allocations will be available, on a bilateral basis, for the Sahel and Indochina regions and at least 6 other countries where food shortages are the most acute.

The House will recall that five months have elapsed since the end of the World Food Conference in Rome, a conference called to seek the elimination of man's oldest scourge: hunger. Much work has been done, in developed countries, in developing countries, and in international agencies, to implement the World Plan of Action approved there by representatives of both rich and poor countries. An assessment of the work that has gone on at many levels gives some indication that the international community has not only recognized and identified the full

dimensions of the current world food problems but also begun effective action to provide short-term food aid, expand agricultural development and research programs and put in place institutional arrangements which will assist in long-term solutions.

The most recent information available to the Food and Agricultural Organization of the United Nations indicates that the short-term threat of famine has eased in the countries most seriously affected by food shortages and economic difficulties. Pledges of food aid by a number of producer countries, including Canada, have reduced the short-term requirement for food imports by the 33 countries identified by the FAO as the most seriously affected. Current import requirements total about four million tons, compared to 7.5 million tons in November 1974. While world production of grain fell by four per cent in 1974 and production of rice by one per cent, early indications are that there will be a substantial rise in grain production in 1975. Nevertheless, a world food emergency continues. Dr. A.H. Boerma, Director-General of FAO, stated as recently as a month ago, that the gap between production and supply remains "especially critical" and the international community must act with the greatest possible speed to relieve immediate distress and develop longer-term approaches.

Against this background it is the purpose of this statement to announce how Canada will fulfil the pledge made to the World Food Conference for a program of greatly increased food aid to relieve immediate distress, and to indicate the Government's resolve to place increased emphasis and hence a larger proportion of Canadian development assistance funds into agricultural and rural development projects, including fisheries.

FOOD AID IN 1975-76

Canada, it will be recalled, faced the challenges at the Rome Conference with concrete and substantial pledges of food aid, together with additional support for agricultural development in Third World countries. Briefly, the Canadian response was:

1) A minimum supply of one million tons of cereal grains (includes wheat and flour plus all coarse grains such as maize, barley, oats, sorghum, etc., suitable for human consumption), in 1975-76 to 1977-78 inclusive.

2) An increase in the provision of non-grain foods to approximately \$45 million annually for 1975-76 to 1977-78 inclusive. (Includes fish, milk powder, rapeseed, beans, egg powder, beef).

3) An increase in the proportion of food aid supplied through multilateral channels to approximately 20 per cent of total food aid.

4) A re-allocation of \$50 million in the current year to boost existing commitments to approximately \$173 million for immediate food aid and fertilizer shipments to countries in greatest need.

In accordance with these pledges, Canada will provide an estimated \$280 million in food aid and related shipping costs in 1975-76 to assist nations most seriously affected by food shortages. This sum would represent 30 per cent of Canada's total proposed international development expenditures of \$933 million for the 1975-76 fiscal year.

MULTILATERAL ALLOCATIONS

The increase in food aid allocations through multilateral channels, especially the World Food Programme (WFP), is considerable and represents a major shift in the structure of the Canadian Food Aid Programme. Total multilateral allocations will increase more than four-fold, from \$21.1

million in 1974-75 to \$98.5 million in the current fiscal year.

The Canadian Delegation at the recent meeting of the Intergovernmental Committee of the World Food Program, which was held in Rome March 17-25, gave a general indication that Canada was considering a substantial - indeed approximately a four-fold - increase in our contribution to the WFP. This news was welcomed by the WFP as well as by other members of the Intergovernmental Committee; and the WFP is proceeding with preparations to utilize these resources in its continuing efforts to mitigate the world food problem.

The Canadian allocation to the WFP is expected to increase from \$19.2 million last year to an estimated \$94.5 million in 1975-76. In effect, Canada will provide 400,000 tons of cereal grains worth \$71.5 million, \$13 million in other foods and \$10 million in cash for the various programs of the WFP. These programs serve as a catalyst to promote development activities in rural areas, which are essential if food production, population and employment are to be brought into balance.

The World Food Programme was established in 1963 under the joint auspices of the United Nations and the Food and Agriculture Organization (FAO). About two-thirds of WFP food resources have gone towards supporting employment-creating development projects.

The WFP, with a competent and experienced staff to supervise food-for-work projects and to ensure that food is not being wasted or lost can often promote development that is beyond the reach of Canada's bilateral programs. For instance:

a) the WFP encourages national and local authorities to take action on rural development and to make the required counterpart contributions;

b) It creates and promotes employment in rural areas. During 1972 WFP-assisted projects provided about 270 million work days of employment;

c) It provides complementary assistance, either directly or indirectly, to many development projects sponsored by other U.N. agencies or bilateral donors.

There has been a continuing debate about the value of food aid to underdeveloped countries over the years. On the one hand, many countries though afflicted with endemic hunger, are unable to absorb large volumes of food aid directly (bilaterally) from Canada. In some cases, influxes of bilateral food may even act as a disincentive to local food production. To an extent, both these problems can be overcome by channelling a larger proportion of food aid through multilateral channels such as the WFP.

Food aid through multilateral channels has been shown to be successful in ensuring that the food reaches vulnerable groups and people who are too poor to buy food, while preventing disincentive effects on local production. The "vulnerable groups" are those people who suffer most in developing countries where there are food deficits as a result of natural disasters such as droughts or floods, inflation, or the high cost of fuel and fertilizers. These are the people who are at the bottom of the income scale. They are the children, the pregnant and the nursing mothers who even at the best of times are seriously undernourished. The World Food Programme, UNICEF, and other multilateral channels, however, are able to zero in on such vulnerable groups with special feeding programs.

It is with these considerations in mind that we have vastly increased the allocation to the WFP and are initiating a special feeding program with UNICEF.

BILATERAL ALLOCATIONS

Under the bilateral program, Canada will distribute a minimum of \$118.5 million in food aid during the current fiscal year. The largest allocation, approximately \$56 million, will be made to India, which has suffered severe crop shortfalls as a result of drought. The second largest amount, approximately \$29 million, will be provided to Bangladesh, which is still recovering from three years of natural disasters.

Other countries receiving food aid in 1975-76 and the approximate dollar values are the Sahel region (Mauritania, Senegal, Mali, Niger, Chad, Upper Volta), \$7.6 million; Ghana, \$3.8 million; Tanzania, \$2.9 million; Sri Lanka, \$1.9 million; Indochina, \$2 million; and Honduras, \$500,000. There is also a bilateral Reserve fund of \$15 million to provide flexibility in matching Canadian supplies to the requirements of recipient countries, including such possible new recipients as Mozambique and Somalia. In addition, there remains a substantial amount - \$38 million - still to be allocated to either bilateral recipients or multilateral agencies, as need be. CIDA expects that both the Reserve fund and the resources still to be allocated will enable Canada to meet all foreseeable contingencies and emergency situations during the fiscal year.

At the outset, mention was made of an additional \$50 million re-allocated towards food aid and fertilizer shipments in last year's budget (1974-75). This sum has now been totally allocated as follows: Bangladesh, \$5 million; Sahel region, \$19 million; Tanzania, \$5 million; Ethiopia, \$3.5 million; India, \$5 million; Indochina, \$2.5 million; Honduras, \$1 million; Sri Lanka, \$1 million and Pakistan, \$9.4 million.

The House may notice that no food aid has been allocated at this time for Ethiopia and a few other past recipients, while current allocations to Bangladesh and the Sahel are considerably lower than they were last year. It should therefore be emphasized that the present allocations are preliminary and will be revised as both CIDA and the Department of Agriculture obtain adequate information to assess the real needs of prospective recipients. It should also be recognized that the changes in the allocations follow from the shift in the structure of the Canadian Food Aid program, since some countries' requirements, which were met last year with bilateral allocations, will be satisfied this year by multilateral agencies to which Canada's contributions, as noted earlier, have more than quadrupled.

Moreover, some improvement in both the crop and food supply situations of some recipients has fortunately been registered recently. In Ethiopia, for example, good crops have obviated the need for as much food aid as was originally planned. 5,000 metric tons of wheat, credited to CIDA's 1974-75 budget, will be delivered in May for distribution in southern Ethiopia, where a modest shortage still exists. The food situation in Ethiopia is being monitored very closely and if more Canadian aid is required and conditions permit its delivery and distribution this year, the reserve fund could be used to provide such assistance. It should be noted that recent disturbances in Ethiopia have made deliveries highly problematic, since only one port, Djibouti, is not controlled by insurgents and since this port has limited handling capacity.

The substantial decrease in the food aid level presently recommended by CIDA for the Sahel region in 1975-76 results from several factors:

- a) Approximately half of the 1974-75 allocation of \$34.5 million for food and transportation is an advanced shipment to meet next year's needs before the rainy season virtually shuts down inland transportation.
- b) FAO and CIDA's own mission reports indicate that the crop situation is much better than last year and the present on-going food shipments are being used to build up stocks.
- c) CIDA is concentrating its efforts more on increasing nutritional levels, with milk powder, rather than alleviating calorie deficiencies through wheat shipments.

In the Sahel, once again, the food shortage is being monitored closely by CIDA and any deterioration could be met by further allocations from the large Reserve fund. Indeed, the Secretary of State for External Affairs will personally review the food and crop situation in the Sahel during his official visit to Ouagadougou, the capital of Upper Volta, later this month. Mr. MacEachen is scheduled to meet with officials of the Comité Inter-Etats de lutte contre la Sécheresse au Sahel (CILSS), which is based in Ouagadougou, as well as United Nations representatives and Canadian experts in the field.

Similarly, Canada will be willing and able to extend food aid during the current fiscal year to countries where there is some preliminary indication of possible shortages, such as Haïti. The government of Canada must ensure, however, that delivery and distribution systems will operate in such a way that Canadian food aid will in fact reach the people in need.

BANGLADESH

The House will recall that a CIDA Mission headed by the Agency's President, Mr. Paul Gérin-Lajoie, recently returned from Bangladesh. The Canadian food aid allocation to that country over the last three years has averaged approximately 250 thousand tons per year, or roughly twelve percent of total foodgrain imports into Bangladesh. In dollar terms, this amounted to an average of forty million dollars per year and counted for approximately seventy-five percent of total Canadian aid disbursements to that country. The \$29.0 million Bangladesh allocation for 75/76 should be compared with an original contribution of \$20 million for last year, rather than with the year-end total of \$60.0 million for 74/75. The difference of \$40.0 million was for additional emergency shipments of food throughout last year, due to severe floods in that country which caused widespread damage. Those additional allocations included shipping costs and some rapeseed.

Because food aid represents such a large component of our aid program to Bangladesh and because food aid and food production are critical not only to human welfare but also to long-term development, the CIDA Mission focused much of its attention towards this area. In general terms, the conclusions of the Mission are outlined below.

Storage and Transportation

The Mission reviewed the production, procurement and distribution system with officials of the Bangladesh Government as well as with other major food aid donors and multilateral organizations. The mission also visited the port facilities at Chittagong (the major port for food imports), its grain storage facilities, as well as the grain transportation facilities and the outer anchorage where larger ships are offloaded.

Grain storage facilities in the country are adequate. Storage capacity in foodgrain silos near major centres is 225,000 tons while 12 central supply depots and 320 local supply depots around the country can hold another 800,000 tons. This capacity is sufficient to handle food aid wheat stocks as well as locally procured rice.

The Chittagong port has a 100,000 ton bulk storage capacity for grain in one modern silo. It also has a covered storage space for 120,000 tons of cargo, part of which can be used for grain in bags. Shoals at the mouth of the river restrict the size of vessels which can enter the port. Average size ships must be lightered in an outer anchorage about two miles from the river mouth. Super-tankers must off-load onto lighters at a distance of up to fifty miles from the port. The lightering ships must in turn off-load onto mini-bulkers to get the cargo into port. This lightering system provides some opportunity for leakages. The Government of Bangladesh is aware of, and concerned about, this problem and is taking steps to police the system. However, for this to be effective additional resources such as patrol boats and fuel, are required.

From the port, grain is moved into the silo. This silo has modern equipment, much of which, however, is quickly wearing out because of the large volumes of grain being handled. From this point the grain is moved to government storage facilities throughout the country. Transportation to these storage facilities presents the second area for leakages. Much of the grain is moved by hand at various points along the system by labourers making a minimum subsistence wage. As explained to us by one government official, it is extremely difficult to stop these labourers from taking a little extra grain to feed their families.

The Mission also observed the operations of a unit train, a concept recently introduced to Bangladesh by a team of Canadian experts under CIDA technical assistance. This unit consists of specially designed grain cars which provide maximum security against pilferage. The train pulls nothing but food grain; it can move directly therefore from the port silo to inland storage areas at a much quicker and more efficient rate. This system has proven so successful that the Government of Bangladesh has requested additional Canadian assistance to extend its application into other areas.

The Government of Bangladesh is aware of and concerned with the level of leakage of imported food assistance. The President of CIDA expressed Canadian concern at the possibilities of loss from this system to the President of Bangladesh, and a number of Government Ministers and officials, as we felt that leakage does occur at one or more of the various stages of the process from lightering at anchorage, transport to storage. A number of other donors have been concerned with this problem and have studied ways of controlling shipments in a more positive way. If this approach is to be used, however, it would seem that a multilateral agency should handle the study in close cooperation with the Government of Bangladesh.

Rice Procurement

The Government system for public distribution of foodgrains has, in the past, relied almost exclusively on imported wheat. The level of food distributed under this system does not necessarily relate to the level of local production. A discrepancy may result, therefore, between imports needed to meet the requirements of the ration system and that needed to meet actual shortfalls of production versus consumption. Areas of surplus may result and there will be a tendency either to hoard this surplus or move it over the border into higher demand areas.

The Government has undertaken a rice procurement scheme to deal with this problem. The procurement scheme, if successful, would reduce the country's reliance on imported foodgrains as well as help stabilize prices and thus ensure a more equitable distribution of foodgrains. It would also help reduce foodgrain leakages into India.

Procurement during 1973, the first attempt in some ten years, accumulated a maximum of only 70,000 tons of rice. The first procurement for 1974 began in November on a voluntary basis. As the market price in some areas dropped below the procurement price farmers were willing to sell their surplus to the purchasing centres or to the government appointed authorized grain dealers. By December 11, 1974 only 6,500 tons had been purchased under this voluntary scheme at which time the government introduced a compulsory program. Large landholders were served with Demand Notices requiring them to deliver a percentage of surplus rice to specific purchasing centres within a certain time limit. The Demand Notice could be appealed to the Deputy Commissioner or to the Controller of Food within ten days; after that they were required to sell their rice. If they fail to do so, the government could obtain a court order to seize their surpluses.

Farmers were allowed to retain from their crop an equivalent of thirty-five pounds of rice per month per member of the family over three years of age to provide for their own requirements until the harvesting of the next crop. Farmers were also allowed to retain specified amounts for seed and special purposes such as weddings and farm labour. After making allowances for these amounts farmers were required to sell to the government fifty percent of their surplus up to 200 mounds (one mound equals 82.2 pounds) and one hundred percent of the surplus over 200 mounds in border areas but only 75 percent of the surplus elsewhere.

Procurement under this scheme during the November to January harvest was limited to some 150,000 tons. From Mission discussion with various officials it would appear that the scheme was less than successful for a variety of reasons including an inadequate administrative structure, poor records of land holdings, and the influence of local interest groups.

Food Rationing System

The Government of Bangladesh distributes imported foodgrains as well as locally procured rice through a complex ration system. In general, food is distributed through authorized ration shops to ration card holders. The system provides foodgrains, at a highly subsidized rate, on a priority basis to defence forces, industrial workers and government institutions, then as a second priority to the five major urban areas and finally to the rural areas. There had been evidence of considerable distortion inspired by the large discrepancy between uncontrolled and ration prices, a large number of fraudulent ration cards being in circulation. The Government of Bangladesh has taken steps however to control these abuses and is distributing a new set of ration cards with much stricter control over their issuance. The degree of subsidization, the difference between ration prices and normal prices, should be kept under close review.

The ration system was originally intended to ensure sufficient foodgrains at moderate prices for the urban areas. It still has a large bias towards serving the urban areas, which by Bangladesh standards is basically middle class. Its effectiveness in terms of feeding the poor during times of scarcity or as a mechanism to stabilize price fluctuations could be improved substantially.

At present a disproportionate amount of food aid goes to the urban centres at a subsidized price and because the Government's rice procurement scheme does not produce a significant volume of foodgrains, imports must meet the needs of the ration system. The combination of these two factors, the high level of government subsidy on food distributed through the ration system and the large foodgrain imports required to meet the needs of this system places a severe strain on the economy, both on its budgetary and its foreign exchange resources.

The problems related to food distribution are extremely complex and can only be dealt with by domestic policy changes. A donor's role must be one of supporting those actions which the Government takes to improve the system. This was the approach taken by the Canadian delegation to the last Bangladesh Aid Group Meeting in October 1974 when the Government's efforts towards increased rice procurement and an increased level of food distribution to the poorer elements of society was supported. This action was based on the assumption that Canadian food assistance should meet two basic criteria: first, it should support economic growth, especially agricultural production; and second, it should promote social welfare.

Conclusions

The proposed course of action for future Canadian food aid to Bangladesh will be based on:

- (a) the understanding that Bangladesh has a legitimate claim on our food assistance. This new country has one of the lowest per capita incomes in the world and is plagued by drought, floods and cyclones. The level of our food aid allocation should be based increasingly on shortfalls in production as compared to consumption rather than on the needs of the present ration system with the difference between shortfalls and ration needs being met either through local procurement

or through cuts in ration distribution;

- (b) the conclusion that the Government of Bangladesh is taking positive steps to improve the usage of foodgrains and that Canadian food aid can help those Government programs which result in such improved usage as well as in meeting general developmental objectives.

On this basis Canada should continue its discussions with the Government of Bangladesh, along the lines taken at the Aid Group Meeting, to encourage a reduction in leakages of locally grown rice, to increase local procurement of rice and to direct more foodgrains to the poorer elements of society. We should also encourage other donors to support these initiatives. Canada should take special steps to ensure that the foodgrain deliveries are timed to meet demand. This, together with increased local procurement, will help stabilize food prices and help reduce starvation during emergencies.

FOOD CONFERENCE

While Canadian food aid is a major contribution towards helping reduce the crisis situation facing the people of the hungry nations, food aid alone is not enough to combat the long-term problems that inevitably face the international community. The urgency of the short-term crises created by the rapidly deteriorating world food situation must not overshadow the need to start immediately the building of a framework to overcome the spectre of long-term food shortages.

Toward this end, in addition to the aforementioned pledges of food aid, Canada was an active participant in discussions during the Rome Food Conference which called for the creation of new international machinery, under United Nations' auspices, to bridge the gap between existing bodies and the need for co-ordinated international measures to keep in abeyance the spectre of hunger that threatens so many of the world's citizens.

This machinery is charged with the dual role of not only mobilizing food aid, but of grappling with the issue of managing existing world food resources and of increasing food production in developing countries.

The food crisis has resulted in the creation of some new bodies under the United Nations. Canada is or will be an active participant in these new bodies and this is an opportunity to provide some of the details of our contribution. First, Canada is lending its support to, and indeed is a founding member of the 36-nation World Food Council which is envisioned as an umbrella structure to coordinate the activities of the many international organizations concerned with agriculture. The Council, scheduled to hold its first meeting in June, would function as the overall coordinating body for international policies concerning the vital matters of food production, nutrition, food security, and food aid. This Council would also review major problems and policies affecting the world food situation and consider remedial steps proposed by governments and UN organizations, in an effort to resolve them, and recommend any further actions on such matters.

Canada is also participating in an important adjunct to the World Food Council in its support for the newly-founded Committee on Food Aid Policies and Programmes within the World Food Programme, established on the recommendation of the World Food Conference. This committee is envisaged as a reconstitution of the existing Intergovernmental Committee of the WFP, of which Canada is a longstanding member. The new committee, which will report to the World Food Council is to function as a much-needed forum for intergovernmental consultations on both bilateral and multilateral food aid programmes, and to discuss ways such programmes can be improved.

Canada also supports the goal of world food security, and to this end is a supporter of the FAO Committee on World Food Security which is expected to be established later this year in fulfillment of a World Food Conference resolution. The functions of this vital committee include the keeping under continuous review, current and prospective demand, supply, and stocks of basic foodstuffs to determine their adequacy. This committee is also to review steps taken by governments in implementing the International Undertaking on World Food Security as adopted by the FAO Council. The Canadian government has adhered to the undertaking and will be guided by its objectives, policies, and guidelines.

Pending establishment of the Committee, Canada has been participating under FAO auspices in ad hoc consultations on world food security. Further consultations on this subject will be held in Rome May 19-23. Discussions on this subject have also been taking place under the auspices of the International Wheat Council. It is hoped that a system of world food security can be based on a coordinated system of rationally-held cereal reserves.

The Food Conference resolution calling for the establishment of a Global Information and Early Warning System on Food and Agriculture is regarded by the international community as a key element in the world food security proposal and, accordingly, the FAO has received a mandate to expand its work in accord with the World Food Conference resolution in cooperation with other international organizations involved in food supply monitoring, such as the long-established International Wheat Council.

All governments participating in this newly-expanded information and early warning system are expected to furnish, on a regular basis, as much current information and forecast as possible. The proposed system would initially cover basic food products, especially wheat, coarse grains, soybeans, and livestock products, and to the extent it is practicable, it would also cover other important food products and other relevant areas such as prices and production of agricultural inputs and equipment, the food industry, and livestock health.

Canada also supports the World Food Conference's call for increased funding for agricultural production in the developing countries. An International Fund for Agricultural Development to which all countries would be asked to contribute on a voluntary basis, was approved by the Conference. The next step in establishing this fund as a viable operation, would be the calling of a pledging conference by the Secretary-General of the United Nations. Such a fund would become operative when the Secretary-General deemed that sufficient funds had been pledged to provide a reasonable prospect of continuity for the fund's operation.

In accord with our interest in encouraging agricultural production in the developing countries, Canada will participate in the exploratory discussions on forming a Consultative Group on Food Production and Investment as proposed by the World Food Conference. This Consultative group, under the auspices of the World Bank, the United Nations Development Program, and the FAO and modelled along the lines of the existing Consultative Group on International Research, would improve coordination among multilateral and bilateral donors in technical and financial assistance, establish priorities in agricultural production, and mobilize increased resources for agricultural production in the developing nations.

RURAL DEVELOPMENT AND FOOD PRODUCTION PROGRAMS

As both Mr. MacEachen and Mr. Whelan stated at the World Food Conference, Canada emphatically supports the development of increased food production capacity by developing countries as the key to any strategy to reduce hunger. Conservative estimates indicate that 500 million people suffer continuing hunger and half of this number are children. Placing more food on the tables of the poorest of the poor and improving the nutritive quality of their diets encompasses a broader range of activities than programs of agricultural development.

The comprehensive new strategy of Canadian development assistance now nearing completion will place increasing emphasis upon improving the quality of life among the rural poor through rural development programs. This means, above all, support for productive agriculture. But it also means projects to improve rural water supplies, to improve rural access roads, to install rural electrification systems, to undertake land resource surveys and support projects in the forestry sector and to mount projects of agricultural credit, storage and applied agricultural research. Also, many developing countries have untapped fisheries resources offering relatively inexpensive and important protein. This is a sector offering potential for Canadian assistance.

These sectors have always represented a considerable area of concentration within the Canadian program. In fact, in fiscal year 1974-75 more money was spent in the agricultural sector than in any other sector of the entire bilateral development program. Agriculture, fishing, and related forestry programs are expected to represent approximately 23 per cent of the total bilateral program disbursements. More than 110 agricultural and fisheries projects are now being implemented and another 100 are under consideration.

In the same sector, Canada is providing more than 400 scholarships or training grants to students of agriculture, fisheries or related subjects and 76 Canadians are serving abroad as advisers in these subjects. These projects represent a very carefully calculated swing towards food production and rural development in the Canadian aid program. Some examples are illustrative of the variety of assistance we are providing.

Indian and Canadian scientists are working together to adapt our dryland agricultural technology to Indian conditions. The Government of Alberta and CIDA are assisting in developing a master plan for rural development in East Indonesia. In Sri Lanka, we are helping to improve the poultry flocks of small farmers. In Ghana, Holstein cattle have been provided to establish a dairy demonstration herd. In Kenya, a team of Canadian plant breeders and agronomists is developing a wheat research station while another Canadian team is helping to establish bee-keeping as a viable rural industry. In Colombia we are assisting in development of the fishery industry by providing specialists in navigation, boat construction and fishing techniques, and in Peru we are assisting in setting up a school for bakers to improve standards of bread production.

Yet a word of caution must be said about Canada's capacity to rapidly increase involvement in food production sectors. While we have expertise in agricultural production, we do not have extensive experience in the kind of farming conditions found in developing countries. Experience has also shown that skilled technical assistance personnel from the agricultural field are in short supply in Canada. This problem is compounded by the need for a relatively long stay in developing countries, if agricultural programs are to be developed effectively.

A further constraint which we must recognize is the level of commitment within developing countries themselves to increase their agricultural potential. Priorities must be examined in developing countries, as much as in our own development program, and in many cases much greater resources must be directed to assisting the rural poor who represent the majority of the population and to improving food production.

Recently, in London, at a Commonwealth Ministerial Conference on food production and rural development, a Canadian proposal to establish a special Food Production and Rural Development Division was endorsed; is now to be established to enhance Commonwealth collaboration in this area by acting as a clearing house for information flows, as a source of advice on manpower and training and in support of project planning activities. In broader terms, this meeting brought a consensus amongst Commonwealth agriculture and development assistance ministers that increased food production and rural development must have the highest priority in national and multilateral programmes in the light of the persistence of great poverty and hunger and malnutrition in the developing world. The conclusions of the London conference have been referred to the forthcoming Commonwealth Heads of Government meetings.

AGRICULTURAL RESEARCH

Canada has traditionally placed a high priority upon agricultural research, a world-wide effort to help find long-term solutions to chronic food shortages in low-income countries. Research is, for the people of the developing world, the key to a better life. It has potential to solve age-old problems, to produce economic benefits infinitely greater than its cost, to help the developing nations reach the take-off point for self-generating progress.

In the fiscal year 1975-76, CIDA will continue to support the research programs of six agricultural research stations, strategically located in the Third World, as well as the Ottawa-based International Development Research Centre.

Funds allocated are as follows: International Institute for Tropical Agriculture in Nigeria, \$850,000; International Crop Research Institute for Semi-Arid Tropics in India, \$800,000; International Potato Centre in Peru, \$320,000; International Laboratory for Research on Animal Diseases in Kenya, \$400,000; West African Rice Development Association, \$100,000 and the International Genetic Resources Project, \$100,000. The latter two projects are receiving Canadian funds for the first time.

CIDA funds allocated for the IDRC are assisting vital research in agriculture, food and nutrition sciences.

In addition, Canada is a member of the Consultative Group on International Agriculture Research, a coordinating group set up in 1971 to ensure that programs are properly reviewed and that adequate support is available from its members.

This progress report has attempted to bring the House of Commons and the Canadian public up-to-date on developments of the world food situation and the Canadian Food Aid program during the 5 months that have elapsed since the Rome Conference. The government feels that it is of crucial importance that Canadians be very well informed of the real "facts of life" - literally - in the Third World, of the constant threat of food supply disruption and famine which remains even when the ominous signs of crisis have somewhat receded. For only a well-informed public can support actively the substantial contributions that the government of Canada must continue to make, through both CIDA's multilateral and bilateral assistance programs, if the right to a decent

subsistence of the half billion people who presently are under-nourished is to be upheld.

The international community cannot afford to rest on the limited achievements that so far have followed the Rome Conference. The commitments made by Canada and other countries at that Conference and the initiatives taken since then to honour these commitments must be followed through. Food production and agricultural development will be one of the key subjects on the agenda of the Commonwealth Heads of Government Meeting in Jamaica, at the end of the month, which the Prime Minister of Canada will attend. The Council of the Food and Agriculture Organizations (FAO) is to meet again in Rome at the beginning of June, and soon afterwards the World Food Council is scheduled to meet in that city. The government of Canada will participate actively in these meetings and will keep this House and the Canadian public informed on the major developments that are expected - or at least hoped - to follow.

FOOD AID - 1975-76

Following is an approximation of allotments for 1975-76:

A. Cereal Grains

1. <u>Multilateral</u>	<u>Tonnage</u>	<u>Estimated Cost</u> <u>(\$ millions)</u>
World Food Programme	400,000	71.5
UNRWA	8,000	2.0
Sub-total	408,000	73.5
2. <u>Bilateral</u>		
Bangladesh	130,000	20.8
India	300,000	48.0
Sahel	35,000	5.6
Tanzania	18,000	2.9
Sri Lanka	12,000	1.9
Ghana	18,000	3.8
Honduras	3,000	0.5
Reserve Fund	76,000	15.0
Sub-total	592,000	98.5
Total Bilateral Plus Multilateral	1,000,000	172.0

B. Non-Grain Food

1. <u>Multilateral</u>	<u>\$ Millions</u>
WFP - Cash	10.0
- Foodstuffs (milk powder, beans, fish, beef, etc.)	13.0
UNICEF (Cash and Kind)	2.0
Sub-total	25.0
2. <u>Bilateral</u>	
a) <u>Rapeseed</u>	
India	8.0
Bangladesh	8.0
b) <u>Milk Powder</u>	
Sahel	2.0
Indochina	1.5
c) <u>Fish</u>	
Indochina	0.5
Sub-total	20.0
Total Bilateral plus Multilateral	45.0

FOOD AID - 1974-75 and 1975-76

<u>Multilateral</u>	<u>\$ Millions</u>	
	<u>1974-75</u>	<u>1975-76</u>
	Estimates	
WFP	19.2	94.5
UNRWA	.9	2.0
UNICEF	-	2.0
	<u>20.1</u>	<u>98.5</u>
 <u>Bilateral</u>		
India	47.8	56.0
Bangladesh	60.0	28.8
Sahel	34.5	7.6
Ghana	4.9	3.8
Ethiopia	7.3	-
Tanzania	7.0	2.9
Algeria	3.0	-
Morocco	2.0	-
Tunisia	2.0	-
Sri Lanka	2.0	1.9
Indochina	5.4	2.0
Burma	1.0	-
Honduras	1.0	.5
Reserve Fund	-	<u>15.0</u>
	<u>177.9</u>	<u>118.5</u>
To be allocated	-	<u>38.0</u>
TOTAL CIDA	198.0	255.0
Shipping		<u>25.0</u>
	(\$25.5 million of grant funds for shipping are included in the above 1974-75 figures)	
TOTAL (Including Shipping)	198.0	280.0

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