

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

CANADA

Agricultural Products

The following revisions to the previous notification (L/2601/Add.11) relate to the subsidies paid during the fiscal year 1966/67.¹

I. GRAIN AND GRAIN PRODUCTS

Feedgrain assistance regulations

(c) Amount of subsidy

The estimated freight expenditure was \$21 million on 2.6 million tons shipped in the fiscal year 1966/67.

(d) Estimated amount per unit

Freight payments averaged \$8.08 per ton in 1966/67.

Storage on temporary wheat reserves

(c) Amount of subsidy

In 1966/67 the Board received \$24.3 million as the Treasury payment of carrying charges on about 127.6 million bushels of wheat. The Board allocated \$7.9 million of this amount to the 1965/66 pool account and \$16.5 million to the 1966/67 pool account. The total allocation up to and including the 1966/67 pool account was \$445.3 million. In 1967/68 the Federal Government will pay \$35 million on stocks of 179.6 million bushels.

(d) Estimated amount per unit

In the 1966/67 crop year, the per unit subsidy received by producers on the basis of their total deliveries of wheat to the Canadian Wheat Board averaged 3.88 cents a bushel.

¹For information on subsidies paid in 1965/66, see L/2742/Add.10.

Crop failure assistance

The Crop Insurance Act and the Prairie Farm Assistance Act are designed to aid farmers in the event of a crop failure. Producers insured under the Crop Insurance Act are not eligible for assistance under the Prairie Farm Assistance Act.

Crop Insurance Act

(c) Amount of subsidy

In 1967/68, 33,432 producers paid premiums of \$5,340,708 while the Federal Government's contribution to premiums was \$1,783,192. The Federal Government also paid \$886,844 in administrative expenses.

(d) Estimated amount per unit

The total Federal Government contribution under the Crop Insurance Act was \$2,670,036 or about \$79.86 per farmer in 1966/67.

Prairie Farm Assistance Act

(c) Amount of subsidy

The amount collected from producers from the 1 per cent levy on their grain deliveries was more than three times the amount needed to pay claims. Therefore, no Federal contribution was required.

II. LIVESTOCK AND PRODUCTS

Hog quality premiums

(c) Amount of subsidy

The estimated expenditure for carcasses graded in the fiscal year 1966/67 was \$8.8 million.

(d) Estimated amount per unit

The average payment per hog graded was \$1.23 in the fiscal year 1966/67.

Lamb quality premiums

(c) Amount of subsidy

Premium payments on carcasses graded during the 1966/67 fiscal year totalled \$323,903.

(d) Estimated amount per unit

The average payment for all lamb carcasses graded during 1966/67 was \$1.11 each.

III. DAIRY PRODUCTS

General policy

In 1966/67, the Federal dairy policy was designed to support the price of manufacturing milk at \$4.10 per 100 lb. In order to achieve this price, the Agricultural Stabilization Board was authorized:

- (1) to continue its offer-to-purchase programme for Cheddar cheese at the basic price of 38 cents per lb. and support programme for butter at 59 cents per lb.; and
- (2) to make a direct subsidy payment of 85 cents per 100 lb. on manufacturing milk and surplus fluid milk, basis 3.5 per cent butterfat with an equivalent payment on a butterfat basis for cream; 10 cents of this amount was held in a fund for purposes of export assistance, the unused portion of which was returned to producers.

The cost of these programmes in 1966/67 was as follows:

Direct dairy subsidy payments

Direct payment by the Board to dairy producers in 1966/67 amounted to \$75.9 million. Additional payments carried over from the 1965/66 programme amounted to \$351,292.

Butter and butterfat price support

(c) Amount of subsidy

The Agricultural Stabilization Board's net loss on the 1966/67 butter programme totalled \$642,723, including subsidy payments carried over from 1965/66 of \$454,483 for the butterfat in milk and cream.

During 1966/67, the Agricultural Products Board also purchased dry skimmed milk, evaporated and condensed milk, dry whole milk and dry casein for resale and export at a loss of \$6.6 million.

(d) Estimated amount per unit

Not available on butter as some of the butter on which Stabilization Board losses occurred in 1966/67 was acquired during previous marketing years. Average losses by the Agricultural Products Board were - dry skimmed milk 4.48 cents per lb., evaporated and condensed milk 1.15 cent per lb., dry whole milk 5.14 cents per lb., and casein 18.07 cents per lb.

Cheddar cheese price support

(c) Amount of subsidy

The support programme on an "offer-to-purchase" basis was continued for 1966/67 but the Agricultural Stabilization Board did not acquire any cheese stocks during the year. In 1966/67 export assistance of \$1,347,731 was paid on cheese exported to Britain and Caribbean ports.

(d) Estimated amount per unit

On the basis of total shipments to the British market and the Caribbean, the loss averaged 4.3 cents per lb. on cheese exported.

Cheese quality premiums (Cheddar)

(c) Amount of subsidy

For the fiscal year 1966/67, Federal expenditure on quality premiums on cheese was \$1.58 million.

(d) Estimated amount per unit

The expenditure during 1966/67 averaged 1 cent per lb. of cheese graded and 0.95 cent per lb. of cheese produced.

IV. SUGAR BEETS

(c) Amount of subsidy

Deficiency payments made by the Agricultural Stabilization Board on sugar beets delivered to refineries during the fiscal year 1966/67 amounted to \$10,150,000.

(d) Estimated amount per unit

The average payment for a standard ton of beets yielding 250 lb. of sugar was \$5.78.

V. OTHER CROPS

A support price by deficiency payment was provided for a number of other agricultural products during the 1966/67 fiscal year but market prices for each of them were above the support level so no payments were made. These products included cattle, hogs and lambs, eggs and wheat, oats and barley grown outside the Canadian Wheat Board area.

VI. SUPPLIES

Agricultural lime assistance

(c) Amount of subsidy

The expenditure during 1966/67 was \$1,600,308.

(d) Estimated amount per unit

The Federal share of this assistance in 1966/67 averaged \$1.20 for a ton of lime transported.

