GENERAL AGREEMENT ON

TARIFFS AND TRADE

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SUBSIDIES

Notifications Pursuant to Article XVI:1

CANADA

The following notifications cover expenditures during the fiscal or crop year 1987-88 or more recently where available. It is not clear to what extent such programmes constitute subsidies within the meaning of Article XVI:I and whether an obligation exists to notify them given that their primary objectives are not trade related. In the spirit of openness, however, and out of recognition of the need for greater transparency in the use of subsidies which may have an effect on trade, Canada is notifying the following programs within the spirit of Article XVI:I.

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I. LIVESTOCK AND PRODUCTS

A. DAIRY PRODUCTS

1. Agricultural Stabilization for Dairy Products

(a) Nature and Extent of the Program

(i) Background and Authority

The Federal Government supports the price received by dairy farmers in two ways. A government agency, the Canadian Dairy Commission, supports the price of industrial milk through offering to purchase butter and skim milk powder at a price sufficient to maintain the target return set for dairy farmers. In addition, the Agriculture Stabilization Board pays a direct subsidy of $6.03/hectolitre for industrial milk produced within the National Market Sharing Quota. Milk production in Canada is restricted through farm level production quotas. The National Supply-Management system for industrial milk is governed by a joint federal/provincial agreement administered by the Canadian Dairy Commission.

(ii) Incidence

Federal dairy stabilization policy consists of supporting the market prices of butter and skim milk powder through an offer-to-purchase program and making direct payments under a quota system to farmers for milk and cream used for the manufacture of industrial dairy products.

(iii) Amount of Payment

In the 1987-88 dairy year, the amount of direct subsidy payments by the CDC on industrial milk and cream was $283.1 million at a rate of $6.03 per hectolitre of standard milk.

(iv) Support Prices

For the year 1987-88:

Butter	$5.10/kg
Skimmilk powder	$3.01/kg

(b) Effect of the Program

The fundamental objectives of the Canadian dairy support program are to provide milk producers with the opportunity to obtain a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of high quality dairy products.

B. LIVESTOCK AND MEAT PRODUCTS

1. Agricultural Stabilization Program for Lambs

(a) Nature and Extent of the Program

(i) Background and Authority

Under the authority of the Agricultural Stabilization Act, the national tripartite stabilization program stabilizes lamb prices through direct payment to producers to reduce income lost by producers from market risks. The program cost is shared equally between the federal government, the province and producers.

(ii) Incidence

Support prices are set at 95% of the indexed moving average price (IMAP). The IMAP is the national average market price of lambs, in the same quarter, in the preceding 10 years adjusted to account for inflation and changes in feed costs.

(iii) Amount of the Payment

Deficiency payments were triggered in the third and fourth quarters 1988.

A deficiency payment of $98,292 was received by lamb producers for the third quarter 1988, and $171,058 for the fourth quarter 1988. Government contributions account for 2/3 of total.

(iv) Payment Per Unit

The payment per head was $6.83 in the third quarter 1988 and $12.59 in the fourth quarter 1988.

(b) Effect of the Program

Payments help stabilize producers' income and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

2. National Tripartite Stabilization Program for Hogs

(a) Nature and Extent of the Program

(i) Background and Authority

Under authority of the Agricultural Stabilization Act, the national tripartite stabilization program stabilizes hog prices through direct payments to producers to reduce income lost by producers from market risks. The program cost is shared equally between the federal government, the province and producers.

(ii) Incidence

The support price is equal to the estimated national current cash costs of production in the quarter plus a percentage (90%-95%) of the difference (margin) between these cash costs and the national average market price of hogs in the same quarter for the preceding 5 years. This is called the guaranteed margin approach.

(iii) Amount of the Payment

Deficiency payments of $6 million, $44.7 million and $77 million were received by hog producers in the first, third and fourth quarters respectively. Government contributions account for 2/3 of total.

(iv) Payment Per Unit

Payments per head were $3.14 in the first quarter, $23.53 in the third quarter and $37.08 in the fourth quarter.

(b) Effect of the Program

Payments help stabilize producers' income and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

3. National Tripartite Stabilization Program for Cattle

(a) Nature and Extent of the Program

(i) Background and Authority

Under authority of the Agricultural Stabilization Act, the national tripartite stabilization program stabilizes slaughter/feeder cattle and cow calf prices through direct payments to producers to reduce income lost by producers from market risks. The program cost is shared equally between the federal government, the province and producers.

(ii) Incidence

The support price for slaughter/feeder cattle was equal to the estimated national current cash costs of production in the quarter plus 90% of the difference (margin) between these cash costs and the national average market price of slaughter/feeder cattle in the same quarter for the preceding 5 years. This is called the guaranteed margin approach. Support prices for cow calf are set at 85% of the indexed moving average price (IMAP). The IMAP is the national average market price of feeder calves in the preceding ten years adjusted to account for inflation.

(iii) Amount of Payment

Feeder cattle producers received a deficiency payment of $522,033 in the third quarter 1988 and $558,224 in the fourth quarter 1988. In 1988, slaughter cattle producers received the following deficiency payments:

Q1	$10,235,077
Q2	12,670,019
Q3	38,557,503
Q4	22,838,141
Total	84,300,740

Government contributions account for 2/3 of total. There was no deficiency payment triggered for cow calf producers in 1988.

(iv) Payment Per Unit

In 1988, payments per head were as follows:

Program

	Q1	Q2	Q3	Q4
		$/head		
Feedercattle	0.00	0.00	32.79	38.56
Slaughter cattle	37.91	42.45	100.95	87.92
Cow calf	0.00	0.00	0.00	0.00

(b) Effect of the Program

Payments help stabilize producers' income and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

4. Feed Freight Assistance Program

(a) Nature and Extent of the Program

(i) Background and Authority

Under this program, the Federal Government pays a portion of the transportation costs incurred in shipping feed grains to users in feed deficit areas of British Columbia, the Yukon, Northwest Territories and parts of Eastern Canada. This program is administered by the Canadian Livestock Feed Board.

(ii) Incidence

The freight assistance rates are set for various zones or regions based upon the weighted average cost of transportation over the least cost route.

(iii) Amount of the Payment

Expenditures on feed grains freight assistance during the crop year 1987-88 were $17.8 million for the shipment of 1.86 million tonnes of grain, about 6.7 percent of the feed used in Canada. Expenditures by Province are as follows:

Province	1987-88 Expenditure Cdn $ -
Yukon and Northwest Territories	3,339
British Columbia	5,483,338
Ontario	260,989
Quebec	2,924,653
New Brunswick	2,196,160
Nova Scotia	3,061,166
Prince Edward Island	999,026
Newfoundland	2,810,007
TOTAL	**17,828,678**

(iv) Estimated Payment Per Unit

During the 1987-88 crop year, the average expenditure was $9.56 per tonne shipped under the program.

(b) Effect of the Program

The feed freight assistance program reduces the freight cost of transporting feed grains to eligible areas.

II. CROPS AND PRODUCTS

A. GENERAL

1. Advance Payments for Crops Program

(a) Nature and Extent of the Payments

(i) Background and Authority

The Advance Payments for Crops Act (APCA) was enacted in 1977. It applies to all storable crops grown in Canada, except wheat, oats and barley grown in the Canadian Wheat Board designated area. It provides eligible producer organizations with guaranteed interest free loans to make advance payments, based on a portion of expected market prices, to their members. The producer can then store his crops until market conditions improve. During 1988-89, advance payments were made to producers of potatoes, carrots, rutabagas, onions, cabbage, apples, pears, sunflower seeds, oats, corn, barley, honey, rye, tobacco, soybeans, canola, alfalfa seed, leeks and flax. This program is administered by Agriculture Canada.

(ii) Incidence

Agriculture Canada guarantees repayment of 98 percent of the amount a producer organization borrows from a bank. In addition to paying the interest on the bank loans made in accordance with the Act, Agriculture Canada also prescribes the rate of advance per unit of crop and determines the maximum guarantee.

(iii) Cost of the APCA

During 1987-88 crop year, interest costs paid by the government amounted to $8.6 million.

(iv) Estimated Program Cost Per Producer

In 1987-88, 9,015 producers benefitted from this program. The average amount of program cost per producer was $957.43.

(b) Effect of the Marketing Program

This program is designed to maintain cash flow for farmers at harvest while allowing them to store commodities and market them to better advantage over the entire marketing year.

2. Crop Insurance

(a) Nature and Extent of the Program

(i) Background and Authority

The Crop Insurance Act of 1959 enables the Federal Government to enter into an agreement with any province to make contributions towards the premium, or the premium and the administration costs of that province's insurance scheme. Risk-sharing arrangements can also be made by way of loans or reinsurance of part of the province's liability whenever indemnities greatly exceed premiums and reserves.

(ii) Incidence

In 1987-88 shared cost agreements were operative with all ten provinces. For this period, federal contributions toward total administration costs were $8.2 million and premiums totalled $173.3 million. The programs operated on a joint basis with producers, provincial governments and the federal government sharing the cost of operating the programs. In Quebec and Newfoundland the federal and provincial governments each pay 25 percent of the total premium and share the cost of administering the program. The producers pay the remaining 50 percent. In all other provinces, farmers and the Federal Government each pay one half of the insurance premium and the provincial governments absorb the administration costs.

(iii) Amount of the Payment

The Federal Government contributed $181,474,829 million for the 1987-88 fiscal year.

(iv) Payment Per Unit

The Federal Government contributed an average of approximately $1,366 per insured farmer.

(b) Effect of the Program

This program is designed to reduce, at the farmer level, the detrimental economic effects of severe crop losses due to uncontrollable natural hazards. Due to the high cost of such protection, federal government contributions make the program available at an affordable cost and have the effect of reducing the need for emergency financial aid when disasters occur.

3. Western Grain Stabilization Program

(a) Nature and Extent of the Program

(i) Background

This voluntary program, recently amended in 1988, is designed to stabilize the income of western grain, oilseed and special crop farmers by protecting them against a sudden drop in cash flow. The program covers the seven main grains - wheat, barley, oats, rye, flax, canola, mustard seed - and a list of special crops including triticale, mixed grain, sunflower seed, safflower seed, buckwheat, peas, lentils, fababeans and canary seed grown in the Canadian Wheat Board area.

Participating producers pay a specified yearly levy rate ranging from a low of two percent to a high of four percent until an allowable individual maximum in eligible grain sale proceeds is realized. The federal government's contribution equals the levy rate paid by producers plus an additional two percent on all eligible producer proceeds. The program is administered by the Western Grain Stabilization Administration and the federal government pays all administrative costs.

(ii) Incidence

When the calculated aggregate net cash income to producers of the covered commodities is below the previous five year average, a payment approximately equal to the difference adjusted for producer participation is triggered from the Stabilization Fund. The share of the total payment accruing to each individual producer is directly in proportion to his contribution into the program over the last three-year period. Participating producers paid in 1987-88 a levy at a rate of 4 percent of eligible grain sale proceeds.

(iii) Amount of the Payment

The total stabilization payments made during the 1987-88 crop year amounted to $958 million.

(iv) Estimated Amount Per Unit

Payments issued in the 1987-88 crop year averaged $6,813 per recipient.

(b) Effect of the Program

While compensating producers for uncertainty and variation in their returns due to temporary market fluctuations, the program is neutral with respect to producers' choices of output and input.

4. Western Grain Transportation Act (WGTA)

(a) Nature and Extent of the Program

(i) Background

Until January 1984, freight rates on grains moving out of Western Canada were fixed at levels first set in 1897. Although these fixed rates originally covered the railways' costs of transporting grain, by the 1970's significant problems began to occur. These problems included large annual railway revenue losses on hauling grain, a lack of railway funds to invest in railway capacity and agricultural market distortions in Western Canada. The Western Grain Transportation Act (WGTA), which became effective January 1, 1984 was designed to alleviate these problems.

(ii) Incidence

Under the WGTA, the federal government is required to pay a basic portion of total railway costs of transporting grain that is based on the difference which existed in 1981-82 between the total cost of transporting grain and what producers were then paying for transporting their grain. The government can also be required to pay an additional amount as a result of an inflation sharing provision of the WGTA. A safety net was also established which limits producers freight rate increases so that freight rates do not exceed a fixed percentage of average grain prices.

(iii) Amount of the Payment

In the 1987-88 crop year ending July 31, 1988, the railways received $825.9 million from the federal government for transporting grains and oilseeds.

(iv) Estimated Amount Per Unit

In the 1987-88 crop year, government payments under the WGTA to the railways averaged about $23.55 per tonne.

(b) Effect of the Program

The program increases the portion of transportation costs paid by prairie grain producers; provides the railways with adequate revenues to invest in new plant and equipment thereby improving and expanding the grain handling and transport system; and partially reduces the distortions affecting prairie agriculture because more crops and products benefit equally from below cost freight rates.

B. GRAINS AND GRAIN PRODUCTS

1. Agricultural Stabilization for Grains and Grain Products Outside the Canadian Wheat Board Designated Area

(a) Nature and Extent of the Program

(i) Background and Authority

Under authority of the Agricultural Stabilization Act, the Agricultural Stabilization Board must support the prices of named commodities including: corn, barley, oats and wheat grown outside the Canadian Wheat Board designated area. Support prices are set at a minimum of 90 percent of the previous five-year average market price, indexed for changes in the cash costs of production. Other commodities can be designated for similar support from time to time.

(ii) Incidence

A statutory payment is made directly to producers when the support price falls below the five-year average market price for named commodities. During the 1988-89 fiscal year, corn, oats and barley marketed during the 1987 crop year were designated for support at 100% of the previous five-year average market price.

(iii) Amount of the Payment

The total cost of the 1987 program was $61 million.

(iv) Payment Per Unit

	$/tonne
1987 Grain corn	11.85
1987 Oats	0.51
1987 Barley	19.77
1987 Canola	81.25

(b) Effect of the Program

Agricultural Stabilization Board payments help stabilize producers' incomes and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

2. Prairie Grain Advance Payments Act (PGAPA)

(a) Nature and Extent of the Marketing Program

(i) Background and Authority

The PGAPA provides for cash advances to producers in the Canadian Wheat Board designated area when quota delivery opportunities are restricted. Advances to grain producers under the Act are interest free and are made by the Canadian Wheat Board using its line of credit with the chartered banks. Interest costs on monies is borne by the Federal Government. As producers deliver grain, their advance payments are repaid through deductions from the sales receipts for their deliveries. This program is administered by Agriculture Canada and the Canadian Wheat Board.

(ii) Incidence

Advances are made for farm held grain to be repaid on delivery of the grain to the Canadian Wheat Board. The maximum advance in 1987-88 was $30,000 per individual permit holder. Partnerships were eligible for advances up to $60,000 while multi-farmer units of three or over were eligible for advances of up to $90,000. The time limit of the advance is variable as repayment must begin as soon as grain can be delivered to elevators under the quota.

Rates of advance payments for the 1987-88 Program were:

Wheat	$73 per tonne
Barley	$40 per tonne
Oats	$33 per tonne

Advances made to producers totalled $563.5 million in the 1987-88 crop year.

The Government bears the interest on money advanced and assumes liability for defaulted advance accounts. Administration costs are borne by the producer through a charge on the Canadian Wheat Board's pool accounts.

(iii) Amount of Interest Payments

Interest cost paid by the Federal Government for the 1987-88 crop year amounted to $19.9 million. Payments for defaulted accounts totalled $850,000 for the 1987-88 fiscal year.

(iv) Estimated Amount of Payment Per Unit

For the crop year 1987-88, approximately 37,785 applications were accepted averaging $526 in interest costs per applicant.

(b) Effect of the Program

As a result of this program, farmers were able to obtain an interest free advance payment for their wheat, oats and barley at harvest time when delivery opportunities were restricted. This minimizes the burden of borrowing money at commercial interest rates during such periods when cash flow to the grains sector is critical.

3. At and East Grain and Flour Subsidy Program

(a) Nature and Extent of the Program

(i) Background and Authority

The At and East Grain and Flour Subsidy Program, which is administered by the National Transportation Agency, provides subsidies to the railways on:

- grain moving for export, received at ports on Georgian Bay, Lake Huron, Lake Ontario and the upper St. Lawrence as far as Prescott, and transported by rail to ports east of and including Montreal; and

- flour moving for export from points east of Thunder Bay, and transported by rail to ports east of and including Montreal.

(ii) Incidence

Subsidies were paid out for 1987-88. The amount of the subsidy is equal to the difference between the revenues received by the railways from freight rates frozen at the level which were in effect in the 1960s, and the actual costs which they incur on these movements.

(iii) Amount of Payment

Payments were $34.3m for calender year 1987 and $32.1m for calender year 1988.

(iv) Payment per Unit

1987	Flour	$78.89/tonne (average)
	Grain	$26.90/tonne (average)
1988	Flour	$69.25/tonne (average)
	Grain	$27.71/tonne (average)

(b) Effect of the Program

This program evolved in response to a 1959 rate reduction by U.S. railways for grain movements from points "at and east" of Buffalo, New York to Atlantic ports. The intent of the program was to ensure that Canadian grain and flour shipments would continue to be exported through Canadian east coast ports, rather than through competing U.S. ports. This competitive concern no longer exists since the cost of shipping by rail to U.S. ports is now considerably higher than the cost of shipping by water through the Great Lakes/St. Lawrence Seaway. The subsidy has the effect of diverting traffic away from the Seaway in favour of subsidized rail movements, and is inconsistent with the government's market-oriented transportation policy. These programs were terminated effective July 15, 1989 and are expected to result in annual savings of about $40 million.

4. Freight Charges Equalization Program

(a) Nature and Extent of the Program

(i) Background and Authority

Section 272 of the Railway Act froze the "stop-off" rate to flour mills in Eastern Canada "for the purpose of encouraging the continued use of the Eastern Ports for the export of grain and flour". Appropriations under the Freight Charges Equalization program are designed to equalize freight charges between eastern and western Canada on the transport of flour for export markets. This program is administered by Agriculture Canada.

(ii) Incidence

Payments are issued to millers in Western Canada in order to equalize the freight "stop-off" charges between Eastern and Western Canada on grain which is processed into flour for export.

(iii) Amount of the Payment

Payments under this program for the 1987-88 fiscal year totalled $634,000.

(iv) Estimated Payment Per Unit

Approximately 91,506.9 tonnes of flour processed in Western Canada benefitted from the Freight Charges Equalization scheme. The average subsidy was $6.24/tonne.

(b) Effect of the Program

This payment provides Western and Eastern Canadian millers with equal access to flour export markets. It removes the disadvantage faced by western millers who would be constrained by the higher compensatory "stop-off" rates on the transport of raw grain vis-à-vis eastern millers who pay a fixed rate of 66 cents per tonne.

5. Special Canadian Grains Program

(a) Nature and Extent of the Program

(i) Background and Authority

Under the authority of Agriculture Canada, the Special Canadian Grains Program reduced the impact of the European Community/U.S. subsidy war on Canada's grain sector by enhancing the cash flow of Canadian grain producers.

(ii) Incidence

The special cash payment was made on the 1987 crop, with payments to producers in 1988. Payments were calculated on the basis of seeded acreage of eligible crops and average yields. Assistance rates reflected the relative price declines that arose in each commodity from the EC/U.S. trade dispute.

Crops covered under the program were wheat, barley, oats, rye, mixed grains, corn, soybeans, canola, flax and sunflower seeds, specialty crops and honey.

Payments were also made on summerfallow within the Canadian Wheat Board designated area. Grains used for silage, forage seed, green feed and hay were excluded. payments were limited to $25,000 per producer.

(iii) Amount of Payment

Under the 1987 program assistance of $1.067 billion was paid to 214,559 recipients.

(iv) Estimated Payment per Unit

Average payment per recipient was $4,976.

(b) Effect of the Program

The Program helped offset low world grain prices caused by the EC/US subsidy war by enhancing cash flow of Canadian grain producers.

6. Two-Price Wheat Program

(a) Nature and Extent of the Program

(i) Background and Authority

Under the authority of the Canadian Wheat Board the original objective of the two-price wheat program was to provide a measure of price stability to sales of milling wheat for use in Canada by insulating the domestic price for wheat from levels existing internationally. Protection was thereby afforded to consumers against high world prices and to producers against depressed prices.

The two-price wheat program was eliminated as of August 7, 1988. It was replaced with a one-year transitional program entitled "Two-Price Wheat Assistance Payments". This program was designed to maintain the same level of domestic sales as there otherwise would have been.

(ii) Incidence

Since April 1, 1986, the Canadian Wheat Board has maintained the domestic price to millers at $7.00 per bushel. The corresponding export price was approximately $4.00 per bushel. The difference between the domestic price and the world price has been paid by consumers.

The price of wheat domestically is now based on the North American market price for wheat. Payments under the traditional program were made to producers equivalent to that they would have received with two-price wheat and what they actually received form the market.

(iii) Amount of Payment

Total payment for the crop year 1988/89 were $87m.

(iv) Estimated Payment per Unit

Red Wheat	$36.90/tonne
White Wheat	$47.97/tonne
Durum Wheat	$ 3.83/tonne

(b) Effect of the Program

The program helps protect consumers against high world prices and producers against depressed prices.

C. OILSEEDS AND OILSEED PRODUCTS

1. Agricultural Stabilization for Oilseeds and Oilseed Products

(a) Nature and Extent of the Program

(i) Background and Authority

Under authority of the Agricultural Stabilization Act, the Agricultural Stabilization Board must support the prices of named commodities including soybeans. Support prices are set at a minimum of 90 percent of the previous five-year average market price, indexed for changes in the cash costs of production. Other commodities such as canola can be designated for similar support from time to time.

(ii) Incidence

For named commodities, deficiency payments are made directly to producers for the difference between the annual average market price and 90 percent of the previous 5-year average market price for each commodity.

(iii) Amount of the Payment

During the 1987-88 crop year, payments for canola amounted to $1.48 million. No payments were made for soybeans.

(iv) Estimated Payment per Unit

The estimated payment per unit is $81.25/tonne.

(b) Effect of the Program

Agricultural Stabilization Board payments help stabilize producers' incomes and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

D. FRUITS AND VEGETABLES

1. Agricultural Stabilization for Fruits and Vegetables

(a) Nature and Extent of the Program

(i) Background and Authority

Under the Agricultural Stabilization Act fruits and vegetables can be designated for support. While the programs are specified for a particular crop year or harvest period, payments are not made until after the end of the corresponding marketing year when market prices, returns and costs are available. Designated commodity prices are generally supported at the same level as named commodities, each program level is decided on its own merits.

One of the functions of the Agricultural Products Board, as established under the Agricultural Products Board Act, is to take action in support of stabilization activities of the Agricultural Stabilization Act. By buying surplus commodities and selling them later, the Board's activities help stabilize farm incomes. The Board can sell products at prices lower than the purchase price plus handling and storage, only if authorized by the Governor-in-Council.

(ii) Incidence

Under the Agricultural Stabilization Act deficiency payments are made directly to producers for the difference between the annual average market price and declared support price based on a percentage of the previous five-year average market price for each product, indexed for changes in cash costs of production.

During the 1988-89 fiscal year, payments were made under the Agricultural Stabilization Act for pears, peaches, prunes and sour cherries produced in 1987.

The Agricultural Stabilization Board made payments pursuant to the Agricultural Act for apples. Payments were made to red delicious apple producers for their 1987 crop and to Nova Scotia producers to pay for costs of transporting their 1988 crop to Ontario. During the 1988-89 fiscal year, the Agricultural Products Board provided assistance for Ontario grapes and Quebec maple syrup.

(iii) Amount of the Payment

1987 B.C. Pears: Pears grown in British Columbia marketed by June 30, 1988 were designated for support under Order-in-Council P.C. 1988-2590 dated November 17, 1988. The support price was set at 90 percent of the e previous five-year average market price, adjusted for changes in the cash costs of production. The support price was $27.61 per 100 kilograms. Support at this level triggered a deficiency payment of $9.96 per 100 kilograms. Total payments made during the fiscal year 1988-89 amounted to $1,290,362.

1987 B.C. Peaches: The 1987 British Columbia peach crop was also designated for support during 1988-89. Under Order-in-Council P.C. 1988-2589 dated November 17, 1988, a deficiency payment of $23.16 per 100 kilograms was approved. This payment represented the difference between the support price of $39.45 per 100 kilograms set at the 90 percent level and the market price established at $16.29 per 100 kilograms. Total payments amounted to $2,205,101 in 1988-89.

1987 B.C. Prunes: The 1987 British Columbia prune crop was designated for support under Order-in-Council P.C. 1988-2591 dated November 17, 1988. The support price was set at 90 percent of the previous five-year average market price, adjusted for changes in the cash costs of production. The support price for the marketing period ending on June 30, 1988 was calculated at $22.11 per 100 kilograms. This resulted in a deficiency payment of $11.98 per 100 kilograms. During the fiscal year 1988-89, total payments amounted to $366,069.

1987 Sour Cherries: Sour cherries marketed by June 30, 1987 were designated for support under Order-in-Council 1988-1460 dated July 21, 1988. The support price of 71.99¢ per kilogram was set at the 90 percent level. Support at this level results in a deficiency payment of 29.62¢ per kilogram. Total payments in 1988-89 were $2,156,207.

1987 Red Delicious Apples: An assistance program was set up under the authority of the Agriculture Act for red delicious apples sold from August 1, 1987 to August 31, 1988. Under Order-in-Council P.C. 1988-2/2583 dated November 17, 1988, assistance was set at 2¢ per pound. Total payments made in 1988-89 amounted to $4,194,637.

(iv) Payment Per Unit

1987 Red Delicious Apples	4.40¢/kg
1987 Sour Cherries	29.62¢/kg
1987 Peaches	$23.16/100 kg
1987 Pears	$ 9.96/100 kg
1987 Prunes	$11.98/100 kg

(b) Effect of the Program

Agricultural Stabilization Board payments help stabilize producers' incomes and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of long-term resource adjustment resulting from short-term price or income stimuli. As long-term price movements are allowed to prevail, the long-term viability of the industry should be enhanced.

2. Canadian Agricultural Market Development Initiative (CAMDI)

(a) Nature and Extent of the Contribution

(i) Background and Authority

CAMDI resulted from the amalgamation, into one program of the various grant and contribution programs, including the former Fruit and Vegetable Storage Construction Financial Assistance Program and the Canadian Agricultural Market Development Fund. The establishment of one "new" program is intended to ensure greater flexibility and responsiveness of the initiative to industry needs, and to increase operating efficiency. The CAMDI terms and conditions will be in effect until March 31, 1990.

(ii) Incidence

Projects which are eligible for CAMDI funding include:

(A) Commercial and technical feasibility studies and market identification projects.

(B) Development projects which may include a broad range of marketing initiatives in the areas of promotion, transportation, facilities, distribution, and product/process development, involving new or improved food products or processes which would lead to increased sales.

(C) Canadian capability projects which aim to establish a required technical, production or marketing ability or skill currently unavailable in Canada.

(iii) Amount of the Contribution

Funding may be provided up to 50% of eligible project costs, to a maximum of $250,000 annually or $750,000 over the life of the initiative. Where there is more than one source of government assistance,the level of support from all federal sources will not exceed 50% of eligible costs, nor will support from all government sources (provincial and federal) exceed 75% of eligible costs.

(iv) Estimated Contribution Per Unit

Actual levels of assistance offered are often lower than the maximum 50% rate and, on average, are less than $50,000 over the life of the project. In 1987-88, $723,470 was committed towards 26 projects, for an average contribution of $27,825 per project.

(b) Effect of the Program

The CAMDI has facilitated improvements in the marketing of Canadian agricultural and food products by providing financial assistance for selected projects concerned with market development for traditional and new or improved projects in both established and new markets.

3. Agricultural Stabilization for Apples

(a) Nature and Extent of the Program

(i) Background and Authority

Under the authority of the Agriculture Stabilization Act, the National Tripartite Stabilization Program stabilizes apple prices to reduce income lost by producers from market risks. The support price for apples is based on the indexed national average market price (IMAP). This is the national average market price over the preceding 10 years, adjusted for inflation.

The support price for any given year will equal 85% of the IMAP. The program cost is shared equally between the federal government, the province and producers.

(ii) Incidence

A deficiency payment was triggered for the 1987 crop.

(iii) Amount of the Payment

A deficiency payment of $15,338,000 was received by apple growers for the 1987-88 crop. Government contributions account for 2/3 of total.

(iv) Payment per Unit

The payment per unit for 1987 apples was $3.55 per tonne.

(b) Effect of the Program

Payments help stabilize producers' income and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

4. Agricultural Stabilization for White Pea Beans and other Dry Edible Beans

(a) Nature and Extent of the Program

(i) Background and Authority

Under the authority of the Agricultural Stabilization Act, the National Tripartite Stabilization Program stabilizes white pea bean and other dry edible bean prices to reduce income lost by producers from market risk. Support is based on the guaranteed margin approach. The support price for a year will equal the cash costs of production in the current year plus 90% of the average margin in the preceding 7 years. The program cost is shared equally between the federal government, the province and producers.

(ii) Incidence

Deficiency payments were triggered for the 1987-88 crop year.

(iii) Amount of the Payment

A deficiency payment of $27,012,000 was made for white pea beans; $773,000 for kidney beans and cranberry; $2,215,000 for other coloured beans for 1987-88. Government contributions account for 2/3 of total.

(iv) Payment per Unit

The payments per unit for 1987-88 were:

$237.25/tonne for white pea beans
$ 66.92/tonne for kidney beans and cranberry
$112.85/tonne for other coloured beans.

(b) Effect of the Program

Payments help stabilize producers' income and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in the market conditions, this program helps prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

E. SUGAR AND RELATED PRODUCTS

1. Agricultural Stabilization for Sugar Beets

(a) Nature and Extent of the Program

(i) Background and Authority

Under authority of the Agricultural Stabilization Act, the national tripartite stabilization program stabilizes sugar beet prices to reduce income lost by producers from market risks. Support prices are set at 75% of the current cash cost of production plus 20% of the indexed moving average price received for sugar beets during the previous 15 years. The program cost is shared equally between the federal government, the province and producers.

(ii) Incidence

A deficiency payment was triggered for the 1987 crop.

(iii) Amount of the Payment

A deficiency payment of $14.60 per field tonne was triggered. As of March 31, 1989, final expenditures amounted to $14.4 million.

(iv) Payment Per Unit

The payment per unit for 1987 sugar beets was $13.36 per standard tonne yielding 125 kg of sugar or $14.60 per field tonne yielding 136.63 kg of sugar.

(b) Effect of the Program

Agricultural Stabilization Board payments help stabilize producers' incomes and minimize the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this program helps prevent the misallocation of long-term resource adjustment resulting from short-term price or income stimuli. Long-term price movements are allowed to prevail.

TABLE 1

Milk Products - Supply and Disposition

Commodities	Calendar year	Beginning stocks	Production	Imports	Domestic disap-pearance	Exports	Ending stocks
			- tonnes -				
Creamery butter	1983	36 925	103 585	25	108 647	4 144	27 744
	1984	27 744	107 788	67	106 842	288	28 469
	1985	28 469	94 882	121	102 837	877	19 758
	1986	19 758	98 693	34	99 696	420	18 369
	1987	18 369	95 367	14	100 786	3 130	9 834
	1988	9 833	104 944	104	98 711	178	15 992
Cheddar cheese	1983	36 211	99 448	-	91 837	3 439	40 383
	1984	40 383	101 356	451	97 170	3 893	41 127
	1985	41 127	109 532	418	103 213	9 144	38 720
	1986	38 720	111 597	422	107 104	8 912	34 723
	1987	34 723	117 934	490	110 902	7 490	34 755
	1988	34 755	119 046	707	112 113	5 500	36 854
Other cheese	1983	11 873	83 542	19 336	101 862	1 181	11 708
	1984	11 708	91 081	20 964	110 092	1 364	12 297
	1985	12 297	103 161	18 994	119 923	1 311	13 216
	1986	13 216	114 310	18 759	134 832	1 175	10 278
	1987	10 278	128 575	18 287	143 506	1 511	12 123
	1988	12 215	133 812	15 109	142 827	4 141	14 868
Concentrated whole milk	1983	25 564	153 398	-	77 340	88 512	13 110
	1984	13 110	182 716	-	39 645	132 868	23 313
	1985	23 313	160 627	-	64 709	104 037	15 194
	1986	15 194	92 917	-	43 482	55 713	8 916
	1987	8 916	72 354	-	54 740	21 831	4 699
	1988	4 699	67 701	-	48 780	20 201	3 419
Sweetened concentrated milk	1983	218	14 596	-	14 511	-	303
	1984	303	14 030	-	14 156	-	177
	1985	177	14 382	-	14 237	-	322
	1986	322	11 815	-	11 952	-	185
	1987	185	10 396	-	10 340	-	241
	1988	241	6 513	-	6 693	-	61
Skim milk powder	1983	29 511	122 956	-	43 699	81 864	26 904
	1984	26 904	129 387	-	63 059	70 001	23 231
	1985	23 231	98 926	-	46 022	60 581	15 554
	1986	15 554	106 133	-	45 311	66 072	10 304
	1987	10 304	101 887	5 394	58 512	46 154	12 919
	1988	12 919	106 932	1 171	50 517	58 992	11 517

Source: Statistics Canada.

TABLE 2

Beef - Supply and Disposition
(metric tonnes)

Calendar year	Beginning stocks	Production	Imports	Supply	Disap-pearance	Exports	Ending stocks
1983	13 293	992 745	91 057	1 097 095	997 105	82 375	17 615
1984	17 690	948 714	115 369	1 081 473	961 344	104 526	15 603
1985	15 704	985 250	114 627	1 115 581	981 489	116 492	17 600
1986	17 600	990 482	110 073	1 118 155	1 002 637	102 326	13 192
1987	13 192	932 143	134 274	1 079 609	979 237	88 873	11 499

Source: Livestock and Animal Products Statistics, Statistics Canada, 1987.

TABLE 3

Mutton and Lamb - Supply and Disposition
(metric tonnes)

Calendar year	Beginning stocks	Production	Imports	Supply	Disap-pearance	Exports	Ending stocks
1983	2 056	8 464	13 792	24 312	19 652	197	4 463
1984	4 496	8 902	9 834	23 232	21 607	39	1 586
1985	1 592	8 205	11 719	21 516	19 042	98	2 376
1986	2 376	7 972	16 210	26 558	23 365	53	3 140
1987	3 140	7 571	15 076	25 787	23 109	56	2 622

Source: Livestock and Animal Products Statistics, Statistics Canada, 1987.

TABLE 4

Supply and Disposition for Grains and Oilseeds, Canada, Crop Years 1985-86 to 1989-90 (kt)

Grain and crop years[a]	Beginning stocks	Production	Imports	Total supply	Exports[b]	Food and industrial use[c]	Other domestic use[d]	Total domestic use	Ending stocks	Average price[e] ($/tonne)
Durum										
1985-86	524	1 960	0	2 484	1 404	135	391	526	554	234,02
1986-87	554	3 897	0	4 451	1 990	140	711	851	1 610	194,40
1987-88[f]	1 610	4 014	0	5 624	2 788	136	1 208	1 341	1 494	221,80
1988-89[f]	1 494	1 989	0	3 483	2 410	140	436	576	497	280-300
1989-90[f]	497	3 916	0	4 413	2 800	140	450	590	1 023	265-285
All wheat excluding durums										
1985-86	7 074	22 292	0	29 366	16 279	2 002	3 070	5 072	8 015	249,37
1986-87	8 015	27 481	0	35 496	18 782	1 959	3 623	5 682	11 122	180,60
1987-88[f]	11 122	21 936	0	33 058	20 730	2 076	4 553	6 629	5 699	191,20
1988-89[f]	5 699	13 613	0	19 212	8 300	2 012	3 020	6 032	6 880	245-260
1989-90[f]	6 880	22 630	0	28 510	16 200	2 000	3 000	6 000	7 310	235-255
All wheat										
1985-86	7 598	24 252	0	31 850	17 683	2 137	3 481	5 598	8 669	
1986-87	8 569	31 378	0	39 947	20 782	2 099	4 334	6 433	12 732	
1987-88[f]	12 732	25 950	0	38 682	23 819	2 212	3 763	7 970	7 183	
1988-89[f]	7 193	16 602	0	22 695	10 710	2 162	3 486	6 808	6 377	
1989-90[f]	6 877	26 546	0	32 923	19 000	2 140	3 450	6 690	8 338	
Barley										
1985-86	2 156	12 367	6	14 549	3 796	379	7 071	7 460	3 309	103,28
1986-87	3 309	14 669	0	17 878	6 718	380	7 602	7 982	3 172	81,20
1987-88[f]	3 172	13 857	0	17 129	4 594	384	8 484	8 848	3 687	78,00
1988-89[f]	3 687	9 961	0	13 648	2 500	380	8 168	8 548	2 600	115-125
1989-90[f]	2 600	11 566	0	14 166	3 000	380	7 986	8 366	2 800	100-110
Corn										
1985-86	1 381	6 970	415	8 760	663	1 027	6 461	6 888	1 426	114,70
1986-87	1 426	5 912	642	7 979	143	1 181	6 481	6 642	1 194	87,34
1987-88[f]	1 194	7 015	236	8 444	450	1 240	6 836	6 778	1 219	93,00
1988-89[f]	1 219	6 128	1 000	7 342	50	1 150	5 062	6 202	1 090	135-145
1989-90[f]	1 090	6 191	860	7 841	50	1 300	5 200	6 500	1 291	110-125
Oats										
1985-86	618	2 736	0	3 363	44	72	2 463	2 636	774	92,02
1986-87	774	3 251	0	4 027	257	82	2 674	2 768	1 014	76,80
1987-88[f]	1 014	2 996	0	4 010	272	82	2 793	2 875	863	99,00
1988-89[f]	863	2 944	0	3 807	357	86	2 745	2 880	620	160-170
1989-90[f]	620	2 870	0	3 490	260	87	1 500	2 587	653	100-110
Rye										
1985-86	378	659	0	947	276	61	318	369	302	109,34
1986-87	302	609	0	911	201	64	281	335	375	92,20
1987-88[f]	370	493	0	868	221	66	269	314	333	114,00
1988-89[f]	333	249	0	682	140	64	179	233	209	150-160
1980-90[f]	209	456	0	665	140	65	260	305	220	120-135
Mixed grains										
1985-86		1 286		1 286			1 286	1 286		
1986-87		1 083		1 083			1 083	1 083		
1987-88[f]		1 087		1 087			1 087	1 087		
1988-89[f]		839		839			839	839		
1989-90[f]		900		900			900	900		

TABLE 4 (Cont'd)

Grain and crop year[a]	Beginning stocks	Production	Imports	Total supply	Exports[b]	Food and industrial use[c]	Other domestic use[d]	Total domestic use	Ending stocks	Average price[e] ($/tonne)
Total - coarse grains										
1985-86	4 533	23 926	421	28 880	4 768	1 739	16 561	18 300	5 812	
1986-87[f]	5 812	25 424	642	31 678	7 319	1 697	17 107	18 804	6 766	
1987-88[f]	6 788	25 547	235	31 637	5 537	1 761	18 138	19 899	6 101	
1988-89[f]	6 101	19 116	1 000	26 217	3 047	1 669	18 983	18 652	4 518	
1989-90[f]	4 618	21 983	560	267 061	3 440	1 822	16 836	18 668	4 963	
Rapeseed/canola										
1985-86	460	3 498	11	3 989	1 456	1 211	351	1 562	950	303,02
1986-87[f]	950	3 786	11	4 748	2 126	1 552	450	2 002	619	239,89
1987-88[f]	619	3 847	8	4 476	1 750	1 608	479	2 087	637	303,10
1988-89[f]	637	4 218	8	4 862	1 950	1 610	523	2 133	778	340-368
1989-90[f]	778	4 068	8	4 849	1 900	1 610	611	2 121	887	316-330
Flaxseed										
1985-86	144	897	0	1 041	614	n.c.	n.c.	155	272	292,19
1986-87[f]	272	1 026	0	1 298	690	n.c.	n.c.	166	442	210,45
1987-88[f]	442	729	0	1 171	645	n.c.	n.c.	128	398	246,00
1988-89[f]	398	434	0	832	600	n.c.	n.c.	79	153	370-388
1989-90[f]	153	807	0	940	636	n.c.	n.c.	127	197	330-345
Soybeans										
1985-86	217	1 012	175	1 404	173	894	220	1 114	118	242,60
1986-87[f]	118	960	217	1 295	147	983	81	1 034	114	232,42
1987-88[f]	114	1 267	127	1 507	175	968	249	1 207	126	286,70
1988-89[f]	125	1 112	170	1 407	180	980	133	1 113	114	320-335
1989-90[f]	114	1 215	150	1 479	170	970	130	1 100	209	300-315
Total - oilseeds										
1985-86	821	5 407	186	6 413	2 243	n.c.	n.c.	2 831	1 340	
1986-87[f]	1 360	5 772	228	7 340	2 963	n.c.	n.c.	3 202	1 175	
1987-88[f]	1 175	5 043	100	7 100	2 870	n.c.	n.c.	3 488	1 101	
1988-89[f]	1 161	5 764	176	7 101	2 730	n.c.	n.c.	3 886	1 046	
1989-90[f]	1 046	6 084	158	7 268	2 706	n.c.	n.c.	3 348	1 234	
Total - grains and oilseeds										
1985-86	12 951	63 886	607	67 143	24 694	n.c.	n.c.	26 735	15 175	
1986-87[f]	15 715	62 591	870	78 176	31 064	n.c.	n.c.	28 461	18 660	
1987-88[f]	18 660	57 340	370	77 370	31 632	n.c.	n.c.	31 274	14 464	
1988-89[f]	14 464	40 386	1 076	55 925	17 337	n.c.	n.c.	27 437	11 161	
1989-90[f]	11 161	54 613	718	66 482	26 061	n.c.	n.c.	27 460	13 941	

[a]The Canadian crop year is on an August-July basis

[b]Includes exports of wheat and barley products

[c]Includes rapeseed and flaxseed processed in Canada

[d]Includes feed, seed, handling losses, waste and dockage

[e]Crop year average prices: Durum (No. 1 CWAD, CWB asking, in store, St. Lawrence Ports),
Wheat (No. 1 CWRS, 13.5% protein, CWB asking, in store, St. Lawrence Ports),
Barley (No. 1 Fd, WCE cash, in store, Thunder Bay)
Corn (No. 2 CE ,in store, Chatham)
Oats (No. 1 Fd, WCE cash in store, Thunder Bay)
Rye (No. 1 CW, WCE cash, in store, Thunder Bay)
Canola (No. 1 Canada, WCE cash, in store, Vancouver)
Flaxseed (No. 1 CW, WCE cash, in store, Thunder Bay)
Soybeans (No. 2, in store, Chatham)

[f]Agriculture Canada forecast, 28 October 1988

Source: Statistics Canada, Cereals and Oilseeds Review, cat. No. 22-007, 2 September 1988.

TABLE 5

Pork - Supply and Disposition

(en tonnes métriques)

Calendar year	Beginning stocks	Production	Imports	Supply	Disappearance	Exports	Ending stocks
1983	9 449	852 962	19 531	881 942	713 934	157 552	10 456
1984	10 456	864 734	14 972	890 162	703 639	175 295	11 228
1985	11 062	901 747	17 300	930 109	724 669	196 457	8 983
1986	8 983	909 133	13 978	932 094	708 995	215 024	8 075
1987	8 075	937 045	17 424	962 544	716 590	237 584	8 370

Source: Livestock and Animal Products Statistics, Statistics Canada, 1987.

TABLE 6

Fresh Fruits and Vegetables - Supply and Disposition
(metric tonnes)

Commodity	Crop Year[1]	Production	Imports	Fresh Exports	Available for processing	Available for fresh use[2]
Apples	1983-84	484 853	91 288	77 353	205 061	233 204
	1984-85	434 248	97 279	40 567	198 595	240 370
	1985-86	478 606	102 630	60 027	218 246	245 759
	1986-87	388 176	107 188	63 048	140 789	236 695
	1987-88	479 765	135 230	63 606	n.c.	n.c.
Apricots	1983-84	2 170[3]	1 233	23	966	2 414
	1984-85	2 323	1 510	91	1 043	2 699
	1985-86	2 274	1 751	n.c.	n.c.	n.c.
	1986-86	2 335	1 489	n.c.	n.c.	n.c.
	1987-88	2 997	1 723	n.c.	n.c.	n.c.
Cherries (sweet and sour)	1983-84	14 962	8 638	11	9 788	13 801
	1984-85	15 763	6 756	176	10 477	11 865
	1985-86	16 039	2 816	n.c.	n.c.	n.c.
	1986-87	8 350	4 019	n.c.	n.c.	n.c.
	1987-88	14 633	7 681	n.c.	n.c.	n.c.
Grapes	1983-84	84 791	161 726	1 410	75 459	169 648
	1984-85	94 208	155 448	2 434	84 598	162 608
	1985-86	76 636	164 638	2 597	n.c.	238 677
	1986-87	89 218	158 857	7 222		240 853
	1987-88	85 632	156 097	3 722		238 007
Pears	1983-84	28 679	31 268	704	8 052	51 191
	1984-85	24 353	34 697	446	5 974	52 630
	1985-86	28 217	33 061	775	8 486	52 017
	1986-87	23 673	34 998	429	5 322	52 920
	1987-88	27 995	42 995	286	5 404	65 300
Plums	1983-84	6 249	25 889	4	323	31 811
	1984-85	5 392	30 995	47	412	35 928
	1985-86	6 340	26 179	-	807	31 712
	1986-87	6 239	23 040	n.c.	n.c.	n.c.
	1987-88	6 847	30 641	n.c.	n.c.	n.c.
Cabbage	1983-84	134 124	37 265	8 496	7 009	155 884
	1984-85	160 644	29 675	2 720	n.c.	n.c.
	1985-86	156 202	29 747	9 986	n.c.	n.c.
	1986-87	124 843	29 488	7 197	n.c.	n.c.
	1987-88	84 654	32 532	11 773	n.c.	n.c.
Carots	1983-84	255 093	52 363	58 929	41 193	207 334
	1984-85	283 757	54 310	61 963	48 204	227 900
	1985-86	264 563	50 955	62 648	51 154	201 716
	1986-87	229 441	64 203	49 978	53 911	189 755
	1987-88	168 307	71 466	43 423	54 424	141 926
Cucumbers	1983-84	76 217	37 172	914	46 505	65 970
	1984-85	83 391	35 591	1 505	47 355	70 122
	1985-86	74 974	35 259	1 824	41 541	66 855
	1986-87	85 393	40 059	2 546	42 894	79 992
	1987-88					

TABLE 6 (cont'd)

Fresh Fruits and Vegetables - Supply and Disposition
(metric tonnes)

Commodity	Crop Year[1]	Production	Imports	Fresh exports	Available for processing	Available for fresh use[2]
Onions	1983-84	115 436	58 073	21 979	8 471	143 050
	1984-85	147 799	52 939	23 852	9 262	167 624
	1985-86	147 957	51 942	22 056	n.c.	177 843
	1986-87	114 142	58 224	22 104	n.c.	150 262
	1987-88	102 742	77 617	16 007	n.c.	164 352
Rutabagas	1983-84	79 033	-	28 797	4	4
	1984-85	111 274	-	28 799	4	4
	1985-86	91 365	-	25 689	4	4
	1986-87	81 106	-	25 036		
	1987-88	65 367	-	24 616		
Tomatoes	1983-84	450 963	149 393	861	388 206	211 289
	1984-85	39 567 936	134 992	1 444	534 198	39 167 286
	1985-86	35 956 209	138 429	934	545 410	35 548 294
	1986-87	36 494 544	147 079	1 641	474 669	36 165 313
	1987-88	n.c.	144 225	2 108	477 927	n.c.

[1]Crop year: 1 July to 30 June

[2]May also include fresh imports for processing

[3]British Columbia only

[4]Confidential data

Source: Horticulture and Special Crops Statistical Tables, 1986
Agriculture Canada

TABLE 7

Selected Vegetables - Supply and Disposition
(metric tonnes)

Commodity	Crop year	Production	Imports	Fresh exports	Processed	Available for use[2]	Shrinkage	Used for seed
Beans[1] (dried)	1982-83	90 460	11 088	58 107	-	43 441	-	-
	1983-84	52 000	14 044	52 136	-	13 708	-	-
	1984-85	45 100	13 475	14 742	-	43 833	-	-
	1985-86	58 500	10 240	15 504	-	53 236	-	-
	1986-87	41 800	12 051	19 102	-	34 749	-	-
	1987-88	115 700	10 585	20 976	-	105 309	-	-
Potatoes[3]	1982-83	2 798 980 (F)	253 380 (T) 7 510 (S)	104 285 (T) 101 276 (S)	164 412 (T)	810 960[4]	576 565	1 004 182
	1983-84	2 556 070 (F)	263 540 (T) 8 414 (S)	136 108 (T) 115 746 (S)	145 364 (T)	753 190[4]	532 892	889 860
	1984-85	2 793 267 (F)	146 031 (T) 9 851 (S)	137 892 (T) 101 772 (S)	767 300	1 360 149	583 101	n.c.
	1985-86	3 027 185 (F)	136 503 (T) 8 956 (S)	142 617 (T) 80 274 (S)	853 800	1 417 344	627 256	n.c.
	1986-87	2 761 285 (F)	138 111 (T) 10 643 (S)	182 119 (T) 96 452 (S)	574 570	1 482 328[4]	574 570	n.c.
	1987-88	2 972 935 (F)	151 925 (T) 9 716 (S)	202 065 (T) 101 730 (S)	n.c.	n.c.[4]	618 833	n.c.

[1]Crop year: 1 August to 31 July

[2]Domestic use only

[3]Crop year: 1 July to 30 June

[4]Preliminary estimate

(F) Fresh
(S) Seed
(T) Table

PART II: OTHER PROGRAMS

A. EXPORT DEVELOPMENT CORPORATION

The Export Development Corporation (EDC) of Canada is wholly owned by Canada and established 1 October 1969 by the Export Development Act. It is the successor to the Export Credits Insurance Corporation which commenced operations in 1944. The Corporation is authorized to borrow, to lend and to guarantee loans, to enter into export and foreign investment insurance contracts against commercial and political risk and to issue guarantees in respect of export transactions. The financial support provided by EDC enables Canadian exporters to compete with credit terms offered by other countries whose exports compete with Canadian exports.

The EDC, operating on a financially self-sustaining basis, provides financial terms which are at or near market rates. Within competitive constraints, the EDC endeavours to obtain as high a rate as possible on each transaction, and in no case does the EDC offer rates lower than those allowed under the interest rate provisions of the OECD Arrangement on Export Credits.

EDC operations are subject to statutory limits under the Export Development Act. For loans made directly by the EDC, the statutory limits are at present:

Section 29 - $15 billion (corporate or trading account, EDC has own books)

Section 31 - $6 billion (national interest account, used where risk, term or amount is too great for corporate account)

For export insurance and guarantees the statutory limits are:

Section 24 - $15 billion (corporate or trading account)
Section 27 - $7 billion (national interest account)

The volume of financial arrangements facilitated by EDC in 1988 was approximately $1.4 billion, which, combined with $0.1 billion of insurance and related guarantees extended, resulted in 1988 a total of $1.5 billion.

B. FISHERIES PRICES SUPPORT BOARD

The Fisheries Prices Support Board is responsible for investigating and, when appropriate, recommending action under the Fisheries Prices Support Act to support prices of fishery products where declines have been experienced.

Subject to Governor in Council approval, the Board is empowered to:

(a) prescribe prices for fishery products;

(b) purchase fishery products at such prescribed prices and to process, package, store, ship, market or otherwise dispose of such products;

(c) compensate producers for the difference between such prescribed price and the average market price; and

(d) enter into contract and to appoint agents for the purposes listed.

The Board may consequently be authorized to purchase and store fishery products. Processors must agree to pay storage, insurance and other related costs during the time the product is held by the Board and have the option to repurchase their product at cost from the Board within a specified time frame. Products not claimed by the original supplier may be disposed of by the Board (Buy and Sell Programme).

There were no price stabilizature programs implemented in 1988/89 by the Board due to favourable market conditions for most fisheries products.

C. PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

The program for Export Market Development was established in 1971 to increase export sales of Canadian goods and services. The program accomplishes this by sharing the cost of activities that companies normally could not undertake alone, thus reducing the risks involved in penetrating a foreign market.

A variety of commercially-oriented activities are eligible for support under the program, including trade fair participation, visits, opening of sales offices, and project bidding. Support, covering up top 50% of eligible costs, is repayable based upon a percentage of sales in the new market. PEMD also includes a series of Government-Planned trade fairs and missions, for which participants pay a fee. The PEMD budget in fiscal year 1989/90 is $20.M for the Industry-Initiated component and $13.M for Government-Planned activities.

D. MICROELECTRONICS AND SYSTEM DEVELOPMENT PROGRAM (MSDP)

The program was instituted in December 1987 and is scheduled to expire in 1991. It aims at improving the development, transfer, application and diffusion of new technologies. Financial support will be provided to Canadian microelectronics and systems development companies for technologically advanced projects. The products and systems developed with support from the program are expected in turn to enhance the international competitiveness of the manufacturing, processing and service sectors. Average annual expenditures are $10 million.

E. TECHNOLOGY OUTREACH PROGRAM (TOP)

The advanced industrial materials element of the program was added in 1988 and is scheduled to terminate in 1993. The program aims to improve the productivity and competitiveness of Canadian industry by providing a support infrastructure (technology centres) to accelerate the acquisition, development and diffusion of technology and critical skills within Canadian industry, especially in the small and medium-sized business sector. Average annual expenditures are $6 million.

F. SECTOR CAMPAIGNS

The objective of the Sector Campaigns initiative is to achieve improvement in the competitive position of Canadian industry in sectors where such improvement is likely to yield significant economic payoff in terms of output and employment through improved viability and market share or growth.

The initiative has four elements: information, consultation and analysis; information and services; advocacy and assistance to industry.

With respect to information and services, time-limited programs will be initiated for disseminating business intelligence (information about Canadian and international markets, investments, business partnerships, or technologies), coordinating activities (task force secretariats) or mounting international missions, investment promotion activities or other events.

Regarding assistance to industry, time-limited programs will contribute towards a share of the cost of industry projects to improve the competitive performance of Canadian commercial operations in specific areas such as market feasibility and diagnostic studies, technology enhancement or transfer projects, investment promotion, projects to improve production processes, cooperative R&D projects, support for strategic alliances or strengthening industry associations. Average annual expenditures are estimated at $36 million.

G. ADVANCED MANUFACTURING TECHNOLOGY APPLICATION PROGRAM (AMTAP)

The objective of the AMTAP is to enhance the international competitiveness and growth of manufacturing and processing industries in Canada.

The AMTAP provides a range of services to help Canadian manufacturing and processing companies to identify, acquire and implement advanced manufacturing technologies. The program shares some of the cost when outside expertise is required to assess the commercial and technical feasibility of new investments. Contributions are made for companies to hire consultants to review their current production operations with respect to long term strategy, define areas of improvement, analyze cost and benefits of alternatives, prepare an implementation plan and provide limited-follow-up. The average annual expenditure is $1.7 million.

H. STRATEGIC TECHNOLOGIES PROGRAM

The Strategic Technologies program was established in 1988 and is scheduled to terminate in 1993. The objective of the Program is to enhance the international competitiveness of Canadian industry through the development, acquisition, application and diffusion of strategic technologies in Canada.

The Program encompasses the two elements described below plus related studies, with respect to each of the three strategic technologies field namely, Advanced Industrial Materials, Biotechnology and Information Technologies, the last of these includes Artificial Intelligence.

The two elements are:

- Support for R&D Alliances, the focus of which is to undertake leading-edge pre-competitive R&D to develop the technology base needed for a range of new and/or improved products and processes incorporating the technologies developed.

- Support for Technology Application Alliances, the focus of which is to: share the risk of conducting pre-commercial application of technology development work and related studies to determine the production, economic and/or market feasibility of new technological products of processes, develop needed standards to permit applications, and demonstrate to potential users in Canada the feasibility of new leading-edge technology.

Corporations and partnerships operating in Canada, which represent alliances with the capability to conduct research, development and demonstration projects in the development and/or application of the strategic technologies are eligible for assistance under the Program. Assistance is not provided directly to government laboratories or Crown corporations, but such organizations may be sub-contractors to, or participants in, the corporation or partnership to which assistance is provided.

The program budget for fiscal year 1988/89 is $9.5 million and in 1989/90 $41 million.

I. <u>CANADA/YUKON SUBSIDIARY AGREEMENT ON MINING INDUSTRY RECOVERY: YUKON MINING RECOVERY PROGRAMME</u>

The objective of the Yukon Mining Recovery Program is to help stimulate and stabilize Yukon's mining industry by providing Yukon mining operations with a proportion of the capital investment required to resume production and/or continue production in the face of continuing economic hardships. This program provides up to $3 million of eligible expenditures for approved recovery projects. Funds of $3 million have been provided for this program by the federal government and any future funding will be sought on the basis of qualified projects which demonstrate merit and availability of funds. The program is managed by the Yukon Department of Economic Development. Funding provided for this program amounted to $3 million in 1985/86. No funding was available for 1986/87 or for 1987/88. The agreement expired on March 31, 1989.

J. ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)

The Atlantic Canada Opportunities Agency (ACOA) was established in June, 1987, by the Government of Canada to spearhead combined regional and national efforts to increase earned incomes and improve employment opportunities in Atlantic Canada. The region is comprised of four provinces - New Brunswick, Novia Scotia, Prince Edward Island, and the Province of Newfoundland and Labrador.

ACOA's primary objective is to develop and implement new policies and programs contributing to the long-term economic well-being of Atlantic Canada. ACOA now administers a number of programs related primarily to small and medium-sized businesses. In February 1988, the ACOA Action Program was introduced, replacing two previous regional development efforts - the Industrial and Regional Development Program (IRDP) and the Atlantic Enterprise Program (AEP). The Action Program offers assistance adapted to the special circumstances of Atlantic Canada which includes direct financial and tax credit assistance towards feasibility and marketing studies; establishment, expansion and modernization of business facilities; new product development; and innovation assistance. The program operates under the frame of reference of a 5-year, $1.05 billion Action Program Fund.

Eligible sectors under the program include aquaculture, business service industries, certain agricultural industries, commercial research and development facilities, freight forwarding industry, logging industry, manufacturing and processing industries, mining and related services, repair and maintenance services, storage and warehousing industries, and tourism.

K. THE WESTERN DIVERSIFICATION PROGRAM (WDP)

The Department of Western Economic Diversification (WD) was established in August 1987. The mandate of the department is to promote the development and diversification of the economy of Western Canada and the advancement of the interests of Western Canada in national economic policy, program and project development and implementation. The region is composed of the provinces of Manitoba, Saskatchewan, Alberta and British Columbia. There are two programs established to achieve its mandate.

The Western Diversification Program (WDP) provides funding assistance for projects which develop new products, new markets, new technologies, enhance the productivity of industry, or offset imports from outside Canada. Funding comes from the five-year (from 1987) $1.2 billion Western Diversification Fund.

WDP assistance must be necessary for the project to proceed and is used to "top-up" - not displace - funding available from other sources. WD will usually require the contribution to be repaid by the applicant in future years. The terms of repayment are flexible and will be kept simple and straightforward. WD also funds systemic projects, an example of which would be a marketing study for an industry association. In that case, assistance may be in form of a non-repayable contribution.

The Western Procurement Initiative (WPI) was announced in July 1988 as the policy vehicle for increasing federal Department of Supply and Services procurement from western companies. It calls for an increase of $600M in ongoing, high value-added, discretionary procurement from the west over a four year period beginning in 1988. WD undertakes supplier development utilizing the WDF and emphasizes the prepositioning of subcontractors, focusing particularly on assistance to increase the quality assurance levels of companies seeking to penetrate the public sector market.

The Department of Western Economic Diversification is also responsible for administering certain other programs previously administered by the Department of Regional Industrial Expansion (DRIE) in the West. Resources of $0.3 billion were transferred to the Department from DRIE for various federal-provincial economic and regional development subagreements and other programs, such as the Industrial and Regional Development Program and the 1Western Transportation Industrial Development Program (both now expired).