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# In Support of Canadian Farmers



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Agriculture is a \$20-billion industry, an important source of employment and a major contributor to Canada's balance of trade. It is a significant part of the economic lifeblood of every region of the country.


In recent years, however, many Canadian farmers have faced difficult circumstances, such as unfair international competition, high debt loads and drought. In each case, the federal government has risen to the challenge. In 1986 and 1987, it responded to the decline in world grain prices by establishing the Special Canadian Grains Program. This provided a total of \$2.1 billion to Canadian grain producers.

Nineteen-ninety marks a landmark year for the Canadian agri-food sector. All sector participants, including the federal government and the provinces, began working as true partners in the most important examination of Canadian agricultural policy ever undertaken.

A number of working groups and consulting committees emerged from the National Conference on Agri-food Policy held in December 1989. They are developing options for a policy that will let the sector meet the challenges of a constantly changing world.

The agri-food policy review rests on four fundamental principles proposed in the publication *Growing Together* – market responsiveness, self-reliance, regional diversity and environmental sustainability.

This publication outlines the complete range of federal programs designed to assist farmers. It bears witness to the importance of Canadian agriculture and to the federal government's commitment to maintain the vigor of this vital sector in the years to come.



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# Introduction

Because agriculture is a major force in the Canadian economy, the federal government has given top priority to strengthening it.

Agriculture means business for thousands of Canadians. In 1989, the agri-food sector:

- employed 13% of all Canadians;
- accounted for 9% of gross domestic product;
- exported \$8.7 billion worth of products; and
- accounted for a positive trade balance of \$1.7 billion.

The needs of farmers and the unique nature of the agri-food sector have generated a wide range of federal and provincial support programs.

In 1988-89, the federal government spent \$4.8 billion in support of Canadian agriculture.

Programs give both immediate assistance to cushion the effect of production and sales fluctuations, and other assistance to improve the sector's long-term competitiveness. Working closely with the provinces, the federal government continues to support progress and development in Canada's agri-food industry.





# Safety Net Programs ...

## Agricultural Stabilization Act

**Purpose** The act supports and stabilizes the prices of agricultural commodities – cattle, hogs, lambs, wool, industrial milk and cream, corn and soybeans. It also supports, at a statutory minimum level, oats, barley, winter wheat and spring wheat not marketed by the Canadian Wheat Board. Other farm commodities can be designated for support using the same formula.

**Assistance provided** Payments are made when prices are low or costs are high compared with previous years. National tripartite stabilization programs have been introduced for 12 commodities. They are funded equally by the federal government, participating producers and provincial governments.

**Federal contributions in 1988-89** Payments to producers came to about \$457.3 million.

**For more information**      **Contact:**

Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880



# **Western Grain Stabilization Act**

**Purpose** The program protects grain producers in the Canadian Wheat Board area by leveling out sharp drops in cash flow due to price fluctuations, reduced sales or increases in production costs.

**Assistance provided** Participants receive stabilization payments from a fund supported by producer and federal government contributions. Payments are made when net cash flow from prairie grain production in a crop year is less than the previous 5-year average net cash flow. The federal government amended the act in 1985 to allow for spring interim payments in years when payouts are triggered. In 1988, the act was amended again. This extended coverage to special crops, increased participation and improved the financial base through a revised levy rate and a \$750 million stabilization fund advance write-down.

**Payouts to producers** In the four consecutive crop-year stabilization periods to 1987-88, payouts totaled more than \$3.7 billion.

**For more information**      **Contact:**

Western Grain Stabilization  
Administration  
935 – 303 Main Street  
Winnipeg, Manitoba R3C 3H5  
Tel. (204) 983-3384



# Crop Insurance

**Purpose** Crop insurance protects farmers against crop losses caused by natural perils.

## Cost-sharing arrangements

In 1989-90, the Crop Insurance Act made two cost-sharing formulas available. In Quebec and Newfoundland, the federal and provincial governments each contributed 25% of the necessary premiums and shared equally in the costs of administration. In the other provinces, the federal contribution was 50% of the total premium, with the provinces paying all the administrative costs. Producers paid no more than 50% of the total premium.

Bill C-48 amends the Crop Insurance Act to provide for a single cost-sharing formula in 1990-91 – that used by Quebec and Newfoundland. Producers will continue to pay no more than 50% of the total premium.

## Federal expenditure in 1989-90

The federal government will contribute an estimated \$313 million to provincially administered crop insurance programs across Canada. Total indemnity payments to insured farmers are expected to reach approximately \$870 million.

The Multi-Year Disaster Benefit, available in the three Prairie provinces and British Columbia, was added to the crop insurance program in 1986. It was introduced because farmers in Western Canada needed greater crop insurance protection after successive droughts in 1984 and 1985. It gave additional payments totaling \$97.7 million to Prairie producers in 1989.



**For more information**    Contact the  
crop insurance agency in your province,  
or:

Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880

## **Dairy Policy**

**Purpose**    The policy gives efficient producers of milk and cream the opportunity to get a fair return for their labor and investment and to provide consumers with a continuous and adequate supply of high-quality dairy products.

**Assistance provided**    In January 1986, the federal government announced its five-year dairy policy. This took the form of a commitment to continue the supply management program for industrial milk and cream and to continue establishing support prices for butter and skim milk powder. The government also pays a direct subsidy of \$1.675/kg of butterfat (equivalent to \$6.03/hL of milk containing 3.6 kg of butterfat) on industrial milk and cream production within overall domestic requirements.

**Federal commitment**    The government has set aside about \$1.5 billion for the 5-year period from 1985-86 to 1990-91.



**For more information**

**Contact:**

Information Services  
Canadian Dairy Commission  
2191 Riverside Drive  
Ottawa K1A 0Z2  
Tel. (613) 998-9490

## **Agricultural Products Board**

**Purpose** The board gives producers marketing support when they receive low prices because their agricultural commodities are in overabundant supply.

**Assistance provided** The board buys, stores or processes surplus commodities and then sells or exports them when market prices have improved.

This increases the financial return to the producers when they are ready to sell their commodities, even though a market may not exist at that time.

### **Federal expenditures in 1988-89**

The government spent \$5.5 million to buy, store and handle such commodities as maple syrup, grapes, raspberries, canned fruits and canned vegetables.

**For more information**

**Contact:**

Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880





# Financing Assistance And Tax Measures....

## Farm Fuel Tax Rebate Program

**Purpose** Announced in December 1984, the program reduces the burden of farm input costs.

**Assistance provided** The federal government introduced rebates that effectively offset federal sales tax on farm gasoline and diesel fuel.

**Producer benefits** The program will save farmers more than \$80 million in 1990 and has been extended until December 31, 1990.

**For more information** Contact your local Revenue Canada office, or:

Gasoline Tax and Refunds Section  
Revenue Canada  
Ottawa K1A 0L5  
Tel. (613) 957-1300

Under the GST, the potential annual saving to the Canadian farm community is in the order of \$250 million. Farmers will receive a refund or input-tax credit on purchases such as small trucks, power tools, fuels used on highways, lubricants, truck repairs, computers and farm supplies.





## **Capital Gains Exemption**

**Purpose** The exemption reduces the capital gains tax on the sale of farm properties.

**Assistance provided** Beginning in 1985, a full-time farmer could sell his/her farm and its assets without paying capital gains tax on the first \$500 000, subject to minimum tax regulations. On other kinds of assets, the exemption on capital gains taxation is limited to \$100 000.

**For more information** Contact your local Revenue Canada office.

## **Farm Credit Corporation (FCC)**

**Purpose** The corporation's financial services help farmers establish, develop and maintain viable farm enterprises.

**Assistance provided** The FCC makes and administers farm loans under the Farm Credit Act and the Farm Syndicates Credit Act. It also offers, to its applicants and borrowers, counseling and assistance in the financial analysis and planning of farm businesses. The corporation provides mortgage loans for purchase of land, livestock, equipment or quota, construction or renovation of farm housing, barns or machinery sheds, or for any other purpose that will enhance the farm operation.

Eligible farmers may get long-term loans for 5, 10, 15 years or longer at attractive fixed interest rates, with amortization periods of up to 30 years.





Beginning or established farmers with sound business plans may apply, whether or not they have off-farm income. Each applicant may borrow up to \$350 000; if there is more than one qualifying applicant (this includes a spouse who has a registered interest in the farm business), the limit is \$600 000.

FCC's unique shared-risk mortgage protects farmers against extreme interest rate fluctuations. Interest rates are adjusted annually in response to market trends. The adjustment, up or down, is shared equally between the corporation and the borrower. The farmer's share of upward adjustments is capped at 2.5%.

FCC also offers Farm Syndicate loans to groups of three or more farmers wishing to share equipment or buildings. A syndicate may borrow up to 80% of the cost of the items being financed to a maximum of \$100 000 or \$15 000 per qualifying member, whichever is less.

FCC has over 100 offices in all major farming communities across Canada.

Under the Farm Credit Corporation's new Lease Ownership Plan guidelines, farmers whose lease-back arrangements expire in 1989 or 1990 may be able to benefit from further assistance in the form of an extension to their lease.

Farmers can now pay into an "Equity Building Fund" held by the Farm Credit Corporation. Interest is paid until the farm family takes up the option to purchase or when the lease expires. The fund then will be available to assist in purchasing the farm.



**For more information**      **Contact**  
your local Farm Credit Corporation  
office, or:

Farm Credit Corporation (head office)  
434 Queen Street  
Ottawa K1P 6J9  
Tel. (613) 996-6606

## **Farm Improvement and Marketing Cooperatives Loans Act**

On February 1, 1988, the Farm Improvement Loans Act expanded to become the Farm Improvement and Marketing Cooperatives Loans Act.

**Purpose**      The act increases the availability of short- and intermediate-term loans at reasonable interest rates to farmers who wish to improve and develop their farms. It also provides for loans for the processing, distribution or marketing of farm products by cooperative associations.

**Assistance provided**      Through federal government loan guarantees, credit is made available at preferred interest rates to farmers wanting to improve the efficiency of their operations or to those who form a cooperative for the further processing, distribution or marketing of farm products.



**Federal loan guarantees in 1988-89** Under the program, 5916 loans were guaranteed for a total value of \$108.7 million; the federal government paid out \$5.4 million in claims.

**For more information**      **Contact:**

Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880

## **Farm Debt Review Act**

**Purpose** The act facilitates financial arrangements between farmers in difficulty and their creditors.

**Assistance provided** The legislation ensures that farmers in financial difficulty or facing foreclosure have access to an impartial third-party review of individual circumstances and possible financing/refinancing options. The review seeks a voluntary and mutually satisfactory agreement between farmer and creditor(s).

**Federal expenditures** The Farm Debt Review Boards (FDRB) began operation in August 1986. The federal government spent approximately \$40 million for the boards' operation from their inception up to March 31, 1990. The government also made provision for over \$125 million through the Farm Debt Review Fund so that the Farm Credit Corporation can participate in arrangements made through the FDRB.



Funding authority for the FDRB terminates on March 31, 1991, and any extension is subject to Treasury Board approval.

**For more information Contact the Farm Debt Review Board in your province, or:**

Agriculture Development Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-9554

## **Advance Payments for Crops Program**

**Purpose** The program improves the marketing potential for specified crops and increases returns to producers.

**Assistance provided** Eligible producer associations can receive guaranteed loans to make advance payments of up to \$250 000 to each of their members. These payments let farmers store their crop until market conditions improve. The program is available for all storable crops, except wheat and barley produced in the Canadian Wheat Board designated areas.

**Federal expenditures in 1988-89** The federal government guaranteed about \$332 million and advanced \$207 million to farmers through their producer organizations. It paid \$677 932 for defaulted producers to honor the guarantee. Fifty-five producer associations across the country benefited from this program.



**For more information      Contact:**

Manager, Advance Payments for  
Crops Act  
Legislated Marketing Programs  
Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880

## **Prairie Grain Advance Payments Act**

**Purpose**      The program improves Prairie grain producers' cash flow during periods when they must hold their inventory on the farm.

**Assistance provided**      Within the Canadian Wheat Board designated area, eligible producers of wheat and barley can receive an advance until quotas are open and delivery opportunities improve. On December 15, 1989, the maximum increased to \$250 000 per producer.

**Cash advances**      These have ranged from \$319 million to \$642.5 million over the past several years.

**For more information      Contact:**

Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880





# Developmental Programs....

## Inspection and Regulation Programs

**Purpose** The programs protect the marketability of agricultural, food and forest products. The federal government sets and enforces standards to safeguard human, animal and plant health and to facilitate national and international trade, while recognizing that industry is ultimately responsible for the health, safety and quality of products.

**Priorities** Inspection and regulation programs:

- prevent the introduction into Canada of exotic diseases, insects, weeds and other dangerous entities of plant or animal origin;
- control or eradicate, where economically justified, exotic diseases, insects, weeds and other dangers of plant or animal origin that gain entry into Canada;
- prevent or remove threats to human health and safety created by chemical, bacterial or physical hazards associated with food and agricultural products;
- prevent, control and eradicate, where justified by economic or human health concerns, domestic animal or plant diseases;
- inspect and certify agricultural and food products for export; and
- ensure the certification for grade and quality of agricultural and food products.





**Federal expenditures for 1988-89** The federal government spent \$241.9 million on inspection and regulatory programs.

**For more information**      **Contact:**

Food Production and Inspection Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 992-2114

## **Scientific Research and Development**

**Purpose** Federal government research improves the long-term marketability of Canadian agricultural products.

**Areas of research** Long-term research concentrates on reducing the cost of production and adding to the value and diversity of agricultural products.

Other research focuses on the sustainability of the resource base, on environmental quality and on product quality and safety. This not only meets immediate needs but ensures that the Canadian agri-food sector remains internationally competitive.

More than 50 agricultural research establishments across Canada work closely with industry and the provinces. Studies take place in such fields as biotechnology, integrated pest management, crop and animal breeding, soil and water conservation and food processing.





**Federal budget for 1990-91** The government has committed about \$256 million to agricultural research.

**For more information**      **Contact:**

Research Branch  
Agriculture Canada  
Ottawa K1A 0C6  
Tel. (613) 995-7084

## **Agricultural Development Agreements**

**Purpose** The agreements encourage regional development based on the agricultural and food production potential of each province.

**Assistance provided** Since 1984, the federal government has signed a series of 5-year agreements, subsidiary to federal-provincial economic and regional development agreements, with British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland. These deal with conserving resources, improving productivity, exploiting export opportunities and encouraging development of secondary industries.

Outside these agreements, other regional agricultural initiatives include:

- the Soil and Water Enhancement Program (SWEEP), a 5-year federal-provincial agreement to improve soil and water quality in southwestern Ontario;



- the Assistance Plan for Innovation and Technology Transfer in the Quebec agri-food industry, which encourages commercial assessment of new opportunities;
- the Atlantic Livestock Feed Initiative, which provides incentives in each of the four Atlantic provinces to increase feed grain and forage production capability;
- the Special Atlantic Livestock Initiative for establishing more effective intelligence and communication among industry organizations;
- the Canada/Alberta Agreement on soil, water and cropping research and technology transfer; and
- cooperation agreements on agriculture with Prince Edward Island and Nova Scotia, to increase industry productivity and competitiveness and help industry take advantage of opportunities in domestic and international markets.

**Federal allocations** The federal government has committed more than \$202 million to economic and regional development agreements. In addition, the allocation for SWEEP is \$15 million; for the Quebec Innovation and Technology Transfer Program, \$5 million; for the Canada/Alberta Soil, Water and Cropping Agreement, \$2 million; and for the Atlantic Livestock Feed Initiatives, \$35 million.

**For more information** Contact the regional office of the Agricultural Development Branch in your province, or;

Special Programs Division  
Agriculture Development Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-9554



# National Soil Conservation Program

**Purpose** The National Soil Conservation program is a cooperative federal-provincial effort to improve the quality of Canadian soils and help Canadian farmers conserve and protect the country's agricultural land.

**Assistance provided** The Agriculture Development Branch is implementing the federal component of Canada's soil conservation agreements with Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario and British Columbia. The federal share for these agreements totals \$21.6 million. The agreements focus on awareness and education, technology transfer, on-farm soil conservation, monitoring and permanent cover.

The Prairie Farm Rehabilitation Administration is implementing the federal component of the Canada-Alberta, Canada-Saskatchewan and Canada-Manitoba agreements. These are cost-shared equally and form the Prairie component of the National Soil Conservation Program. The federal share for these agreements totals \$53.4 million.

The federal government is contributing up to \$10 million to promote environmentally sustainable agriculture. Activities could include extending and enhancing existing soil and water conservation initiatives such as returning marginal lands to permanent cover, management of agricultural waste products and other alternative farm management practices.



**Federal expenditures** Over the next 3 years, the federal government will spend a total of \$75 million in direct assistance to producers, on research and demonstration projects, on monitoring soil quality and on awareness programs.

**For more information**      **Contact**

Director General  
Prairie Farm Rehabilitation  
Administration  
1901 Victoria Avenue  
Regina, Saskatchewan S4P 0R5  
Tel. (306) 780-5081

Director  
Priorities, Management, Strategies  
Agriculture Development Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-9554

## **The Canadian Agri-food Development Initiative (CAFDI)**

This contribution program, administered by Agriculture Canada, resulted from the amalgamation of the Canadian Agricultural Market Development Initiative (CAMDI) and the Production Development Assistance Initiative (PDAI). The CAMDI and PDAI terms and conditions terminated on March 31, 1990, and the CAFDI terms and conditions took effect on April 1, 1990.

**Purpose** The CAFDI program encourages economic development in the Canadian agri-food industry by financially assisting projects that develop markets, production and human resources.



**Assistance provided** Applicants may receive up to 50% of eligible project costs, to a maximum of \$250 thousand per year or \$750 thousand over the project's duration. Maximum government assistance may not exceed 50% from all federal sources or 75% from all government sources combined.

**Who can apply** Commercial and non-profit organizations, including corporations, cooperatives, marketing boards, partnerships, sole proprietorships, universities, industry associations, provincial and territorial governments, crown corporations and government agencies may apply. Organizations that represent a broad sector of the industry receive preference.

**For more information** Contact the regional office of the Agriculture Development Branch in your province, or:

CAFDI Secretariat  
Agriculture Development Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-9554

Since the mid-1980s, some grain-producing countries have reduced government support to agriculture. However, the reductions have been uneven. All countries have to be prepared to contribute equitably to agricultural trade reforms under discussion at the Multilateral Trade Negotiations.



# **Prairie Farm Rehabilitation Administration (PFRA)**

**Purpose** PFRA helps strengthen and diversify agricultural production on the prairies by supporting and implementing soil conservation measures and water development projects.

**Assistance provided** PFRA provides technical and financial assistance to farmers, ranchers, conservation groups and local and provincial governments for soil conservation and water development activities.

**Major programs** PFRA administers and implements federal-provincial soil conservation agreements on the Prairies. It operates a shelterbelt centre that provides 10 million tree seedlings each year for farm shelterbelt and wildlife habitat plantings. The Administration manages 87 community pastures that protect marginal land while supplying valuable grazing to farmers and ranchers. PFRA also provides technical and financial assistance to producers and small communities for the investigation and development of water sources, including wells, dugouts and dams, and for the construction of irrigation works and water pipeline systems. It maintains and manages larger water storage and irrigation works.

PFRA is also extensively involved in long-range planning, investigation, design and construction supervision of large works for water storage, irrigation and municipal water needs.





**Federal expenditures for 1988-89**  
PFRA's total expenditures amounted to \$82.3 million, excluding drought programs.

**For more information      Contact:**

Communications Division  
Prairie Farm Rehabilitation  
Administration  
1901 Victoria Avenue  
Regina, Saskatchewan S4P 0R5  
Tel. (306) 780-5884

## **Farm Women's Advancement Program**

**Purpose**      The Farm Women's Advancement Program helps the agriculture sector make its maximum real contribution to the Canadian economy. It does this by encouraging the industry to make full and fair use of its human resources by integrating farm women equitably both in farm operations and industry decision-making.

**Assistance provided**      Eligible recipients may receive up to \$50 000 for all projects in one fiscal year. Assistance is available to Canadian farm women's organizations for selected information, educational, participatory, promotional and organizational activities that further the equality of Canadian farm women.

**Federal contributions in 1989-90**  
Payments came to about \$130 thousand.



**For more information**

**Contact:**

Coordinator  
Farm Women's Bureau  
Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880





# Transportation Assistance Programs....

## Western Grain Transportation Act

**Purpose** The Western Grain Transportation Act provides a federal subsidy of up to \$700 million a year for the transportation of Prairie grain. The act established the Grain Transportation Agency, which works with the grain industry in developing a more efficient handling and transportation system.

**Assistance provided** The federal government and shippers share the rates for moving grain. The government's contribution applies to grain exported to non-U.S. destinations from ports in British Columbia and to grain movements to Churchill and Thunder Bay. The National Transportation Agency of Canada sets the rates and administers subsidy payments to the railway companies.

**Federal expenditures** The federal government will spend \$620 million in the 1989-90 crop year.





**For more information**

**Contact:**

**National Transportation Agency of  
Canada**

**15 Eddy Street**

**Hull, Quebec K1A 0N9**

**Tel. (819) 997-6507**

**Grain Transportation Agency**

**135 Lombard Avenue**

**Winnipeg, Manitoba R3B 0T4**

**Tel. (204) 983-3212**

## **Feed Freight Assistance**

**Purpose** This assistance helps livestock feeders in feed-deficit areas of the country.

**Assistance provided** Feed freight assistance partly offsets the cost of transporting Canadian feed grain from areas with a surplus to those with a deficit. Payment is also made on local grain sold commercially in the feed-deficit areas.

**Federal expenditures in 1988-89**  
Assistance totaled \$17.7 million.

**For more information**

**Contact:**

**Livestock Feed Board of Canada**

**5180 Queen Mary Road, Room 400**

**P.O. Box 177, Snowdon Station**

**Montreal, Quebec H3X 3T4**

**Tel. (514) 283-7505**



# Special Assistance Measures....

## Canadian Rural Transition Program

**Purpose** The program helps farm families who cease farming because of financial difficulties and wish to start a new non-farming career.

**Assistance provided** The program supplies a basic transition grant and, depending on circumstances, supplementary financial assistance to a maximum of 22 weeks. It also provides assistance for skills training, transportation costs to seek new employment, relocation costs, wage reimbursement for employers and self-employment grants. Job and personal counselling are also available.

**Estimated federal expenditures** Since the program's inception in September 1986, about \$24 million has been spent. An additional \$9 million is budgeted for the period ending March 31, 1991.

About 35¢ of every federal tax dollar goes to service the federal debt, compared with an average of 12¢ of every provincial tax dollar to service provincial debts. And yet, total federal spending on agriculture in 1988-89 was almost 5 billion dollars. This is almost two-and-a-half times the estimated spending of all 10 provinces combined.



**For more information**      Contact  
your local Canada Employment Centre,  
Farm Credit Corporation office, Canada  
Farm Labour Pool, or:

Agriculture Development Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-9554

## **Waterfowl Crop Damage Compensation Program**

**Purpose**      This program compensates  
farmers for crop losses caused by migratory  
waterfowl (ducks, geese and sandhill cranes).

### **Cost-sharing arrangements**

The federal and provincial governments pay  
compensation on a 50:50 cost-sharing basis. The  
program now operates in Manitoba, Saskatchewan  
and Alberta.

### **Federal expenditure in 1989-90**

The estimated federal share is \$3.7 million.

**For more information**      Contact the  
crop insurance corporations in Manitoba,  
Saskatchewan and Alberta, or:

Policy Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-5880



# **Canadian Crop Drought Assistance Program**

**Purpose** The program helps producers in the Prairie provinces, Ontario and Quebec offset the crop losses they suffered as a result of the 1988 drought.

**Assistance provided** Any affected producer was eligible to apply for assistance, although payments to those in the most severely affected areas received priority.

Payments to an individual producer depended on the specific crop; the per-acre rate was based on crop insurance yield data for that particular township.

**Payouts to producers** The program paid out about \$850 million.

**For more information** Contact:

Grains and Oilseeds Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 996-4913



## **Alternate Enterprise Initiative (AEI)**

**Purpose** As part of the Tobacco Diversification Plan, the \$15 million AEI supports crop and market development projects, as well as research activities aimed at funding alternatives to tobacco. The program operates in Ontario and Quebec.

**Assistance provided** In Ontario, up to 50% of eligible market development and production development costs may be funded. Projects must benefit tobacco regions and farmers without disrupting current domestic production and markets. Examples of alternatives include sweet potatoes, evening primrose, ginseng and specialty vegetable processing.

Since the autumn of 1987, the federal government has helped farmers in Quebec convert to other crops, such as Spanish onions and Chinese vegetables. It has also conducted market analyses, such as those on the feasibility of canning vegetables. The research component contributed to such projects as those dealing with asparagus, yarrow, milkweed and strawberries.

**Federal expenditures in 1989-90** Payments in Ontario came to about \$0.5 million. The federal government also allotted almost \$1.5 million to foster alternatives in Quebec over a 5-year period ending March 31, 1992.



**For more information Contact:**

Regional Director  
Agriculture Development Branch  
Agriculture Canada  
450 Speedvale Avenue West,  
Suite 104  
Guelph, Ontario N1H 7Y7  
Tel. (519) 763-5433

Regional Director  
Agriculture Development Branch  
Agriculture Canada  
Gare Maritime Champlain  
901 Cap Diamant, Room 350-4  
Quebec, Quebec G1K 4K1  
Tel. (418) 648-4775

## **Tobacco Transition Adjustment Initiative (TTAI)**

**Purpose** The TTAI element of the Tobacco Diversification Plan provides transition payments to those producers wishing to leave the tobacco-growing industry.

**Assistance provided** Programs were begun in all five tobacco-producing provinces – Ontario, Quebec, Prince Edward Island, Nova Scotia and New Brunswick. The programs end March 31, 1992.

**Federal contributions in 1989-90**  
Payments came to about \$11 million.





**For more information**

**Contact:**

Director  
Crop Development Division  
Agriculture Development Branch  
Agriculture Canada  
Ottawa K1A 0C5  
Tel. (613) 995-9554

## **Grape and Wine Adjustment Programs**

**Purpose** This federal-provincial initiative improves the international competitiveness of grape and wine industries in Ontario (\$100 million) and British Columbia (\$28 million).

**Assistance provided** In Ontario, the program includes assistance for grape acreage removal (\$50 million until March 31, 1994), wine and grape price support (\$27 million until March 31, 2000), wine market development (\$5 million until March 31, 1994), grape quality and productivity (\$1.5 million until March 31, 1994) and grape surplus purchase (\$6.5 million until March 31, 1991).

In British Columbia, the programs include assistance for grape acreage removal (\$19.8 million until March 31, 1990), deficiency payment for the 1988 grape crop (\$4.5 million), cash cost-of-production escalator (\$1.2 million), market development and promotion initiatives for B.C. wines (\$1 million) and provincial credit (\$1.5 million). The agreement terminates on March 31, 1994.





## Federal contributions in 1989-90

Payments to Ontario producers came to about \$20.4 million and to about \$6.3 million for British Columbia producers.

### For more information

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## Other Programs

In addition to the programs described in this publication, the federal government funds many others that benefit agricultural producers and the agri-food sector. They include:

- registration and inspection of seed, feed, fertilizer and pesticides;
- record of performance programs for livestock;
- export development and promotion;
- dissemination of market information through market price reports and forecasts;
- supervision of national marketing agencies for eggs, turkeys, broiler hatching eggs and broiler chickens; and
- support through the Agricultural Products Cooperatives Marketing Act.



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