

World needs and improved income give farming increasing importance



HON. J. J. GREENE

The following message from the Federal Minister of Agriculture, the Hon. J. J. Greene, has been received for inclusion in the annual Farm Edition of The Guardian and Evening Patriot:

I am glad to have this opportunity to speak of federal agricultural policies especially because of the increasing importance of food production to a rapidly expanding number of consumers and because of the need to raise income from farm operations for a large number of our Canadian farmers.

Canada is an exporter of wheat, beef, mink, seed potatoes, tobacco, apples, and a lot of other products. Until recently we also had an over-supply of butter and were concerned about markets for some of our dairy products.

That part of the picture changed in the last year or two as some dairy farmers began to move out of dairying into other enterprises. We were faced with the possibility that the surplus of butter might be followed by a shortage of Canadian-made butter.

Accordingly, considerable changes have been made in our dairy policy to meet this situation. Foremost in our minds was the need to increase the

dairy farmer's returns, to stimulate production of milk and to save the consumer from uncontrollable rises in prices that could seriously increase the cost of food.

The new program will provide dairy farmers with an average return of \$4 per hundredweight for their manufacturing milk. This will be accomplished by direct government buying of butter and by export purchase coupled with export assistance on products such as skim milk powder, casein, and cheese to bring about average prices from the market of \$3.25 per hundredweight. Government will also make direct payments of 85 cents a hundredweight on manufacturing milk to farmers but will hold back 10 cents to be put in a fund to assist in the export of such of our dairy products as may be surplus to our own requirements.

Fluid milk producers will be able to participate in the plan. They will receive the direct 75-cent payment on all milk in excess of 120 per cent of the milk on which they obtain fluid prices. In other words, if they sell 1,000 pounds at fluid prices, they will receive the payment on all milk in excess of 1,200 pounds. Cream shippers will be paid the subsidy on the basis of butterfat equivalent.

SUBSIDY DROPPED
The direct subsidy on butter has been dropped. The Agricultural Stabilization Board will buy butter from creameries at 59 cents per pound. This represents a two-cent increase in selling price. If the Board's price is increased above 59 cents per pound, then the direct subsidies to the milk and cream shippers will be reduced accordingly.

The federal government has, however, no authority to set the prices that processors pay to producers. We will be supporting the market to make it possible for processors to pay the equivalent of \$3.25 per hundredweight to the farmer. But the

quality is excellent. Additional facilities will be constructed to handle the increased production.

"To maintain this progress the extension division of the department of agriculture will be directing their efforts to a program of continuing education.

"Research findings and technological advances will be brought to the people throughout the press, radio, television and by personal contact."

"Remember," said Mr. MacRae, "when the farmer prospers on Prince Edward Island the whole economy benefits."

"The competent staff in the P.E.I. Department of Agriculture are at your service and will be pleased to assist you, the farmer, to prosper through new and approved methods of management and farming."

farmer, through his boards and producer organizations, must still bargain for the best possible price from the processor.

Once the program is established the subsidy will be paid monthly to whole milk producers and every three months to cream shippers.

All producers who wish to receive the support payments must be registered with the Agricultural Stabilization Board which will handle the program based on information of shipments received from plants.

We hope that these measures will bring stability to the dairy industry and satisfactory returns to the dairy farmers throughout Canada. Government will introduce legislation for the establishment of a Canadian Dairy Commission a step that will bring additional confidence and stability to the industry.

STRONG ASSISTANCE
During 1965 the Farm Credit Corporation, for which the minister of agriculture answers to Parliament, continued to provide strong assistance to farmers in the improvement and expansion of their enterprises, and in establishing economic operations.

In the fiscal year ended last March 31, the FCC approved 11,238 loans for a total of \$208,944,900 to farmers in all provinces. Figures for the previous fiscal year were 10,142 loans and \$154,813,900.

Last year Prince Edward Island farmers received 100 loans for a total of \$1,134,900 compared with 124 loans for \$991,300 the previous year.

The Farm Machinery Syndicates Act, also administered by the FCC reported 137 loans for a total of \$668,893 in the 15 months since its inception in January 1965. The loans went to 120 syndicates comprising 511 farmers.

Farm Credit Appeal Boards were established to enlist the advice of farmers in administering farm credit programs.

Alberta entered the crop insurance program under the federal Crop Insurance Act and enabling legislation was prepared in several other provinces.

Amendments to the Act are also under consideration.

Financial assistance was given to farmers hit by unusual weather conditions. Joint fed-

eral-provincial programs were set up to help drought-stricken farmers in Ontario, Quebec and New Brunswick, and orchardists in B. C. whose trees had been winterkilled.

AIDING GROWERS
My department was pleased to be able to join with the provincial government of Prince Edward Island recently to provide \$300,000 for growers for the vegetable canning and freezing industry. These growers had suffered losses of crops due to adverse weather conditions in 1965.

Payment of storage assistance on western grains stored in eastern Canada under approved conditions was increased to three cents per bushel.

Loans and financial assistance to farmers covered by the Veterans Land Act were increased.

The Agricultural Stabilization Board administered the government's program of price support for a wide variety of farm products. Assistance was in the form of direct payments to producers, deficiency payments or by purchase of the product by the Board.

The new federal prize list classifications for cattle classes were adopted at most fairs during 1965 and will be used by even more this year. The same principle of emphasizing the utility aspects of livestock evaluation will be applied to sheep and hogs. Substantial extra prize money was given by my departments to encourage participation.

OPEN SHOWCASE
A livestock "showcase" was opened at the Central Experimental Farm in Ottawa to bring together purebred dairy breeds for display. The Showcase should be of value to potential buyers visiting Canada.

Another livestock innovation was the travelling exhibit of Canadian Holsteins which went to France last summer. The small herd was inspected by thousands and resulted in substantial orders for this dairy animal.

Permits were issued to 67 Canadian cattlemen to import cattle from France. One hundred and thirteen Charolais cattle arrived in October and were held in the new maximum security quarantine station at Grosse Ile in the St. Lawrence River.

Increased service to dairy

farmers testing under the federal Record of Performance plan was begun early in the year and additional inspectors were hired to ensure a minimum of 10 tests annually for each herd. New financial assistance was also given to beef farmers taking part in bull progeny testing Contributions towards the cost of transporting sheep from western Canada to eastern Canada for breeding purposes were continued.

Major amendments were made to the Fruit and Vegetable Regulations to bring them into line with modern marketing requirements.

All provinces signed a new federal-provincial Agricultural and Rural Development Act agreement covering the period 1965 to 1970 and federal spending to \$25 million a year was authorized. A special fund for rural economic development provides the program with a further \$50 million of federal funds.

A second long-term wheat agreement was signed with Mainland China to provide a further 700,000 long tons (27 million bushels), and this was followed by a supplementary wheat sale.

The Canadian Wheat Board announced the sale of 4.6 million tons of wheat and 400,000 tons

in the form of flour (total of 197 million bushels) to the USSR for delivery between August 1965 and July 1966. This would bring the total deliveries to the USSR this crop year to 222 million bushels.

All in all I think we can look forward to another big year in 1966 with, I am sure, larger net income returns to the producer. This is important if we are to preserve a rural economy based on the family farm as the essential economic unit. The farmer must return to the parity of income with the industrial worker that he used to enjoy, and government policy is working towards that end.

BIG EDUCATION PROGRAM

Production at all-time high

"Agricultural production in 1965 reached an all-time high with dollars sales over \$41 million," said Andrew B. MacRae, minister of agriculture.

Breaking that figure down, Mr. MacRae pointed out that the sales of potatoes were over \$15,000,000, dairy production was over \$6,000,000, hogs approximately \$5,000,000, cattle approximately \$3,500,000, other livestock and poultry \$1,000,000, tobacco sales were approximately \$260,000, blueberries \$50,000, strawberries \$390,000 and other crops for processing amounted in sales of over \$10,000,000.

"We on Prince Edward Island," said the minister, "are fortunate in having a highly productive soil, that, well managed will produce bountiful crops of a quality unexcelled."

"We have a market nearby for the majority of our crops and farm produce. We have established an enviable reputation for our seed and tablestock potatoes that has received the highest premium ever over potatoes grown in other provinces of Canada.

HOLDINGS HIGH
"Our dairy production has increased in quantity and is unexcelled in quality, hog production and quality has increased and improved. There has been an increase in livestock production,



HON. A. B. MacRAE

with holdings higher than they have been for several decades and marketing improved in both quality and quantity.

"More areas are being devoted to the growing of crops for the processing plants and the yield is improving with exper-

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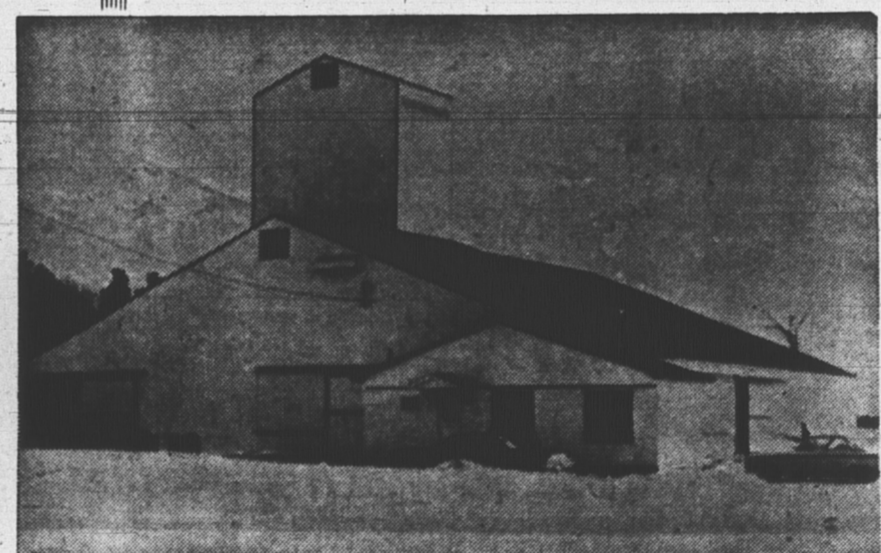
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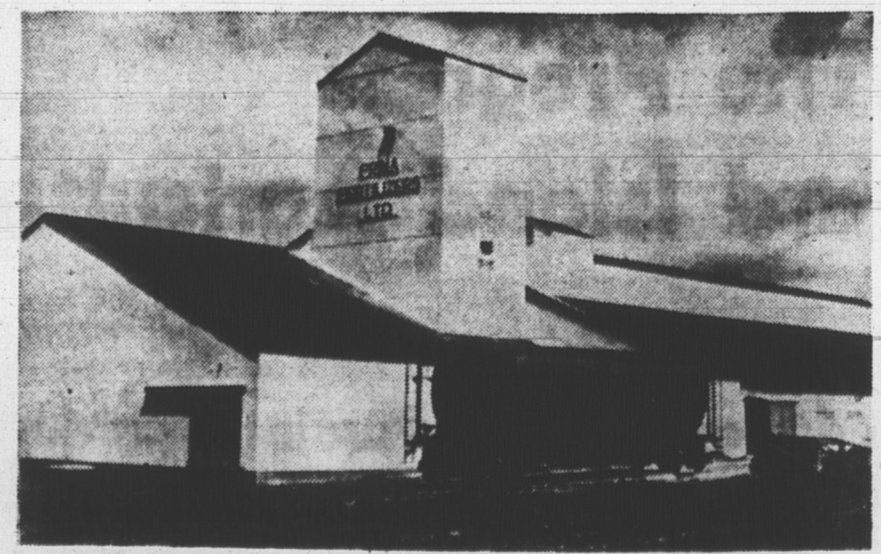
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