

Mr. HORNER (*Acadia*): I would think this should be a considerable help to feed plants or producers of feed wishing to have their feed mixed with supplements.

I, along with the rest of the farmers here, certainly do not want to see prices reduced to farmers. I wonder what the board's view is with regard to the number of plants they have no agreement with. Is it the board's opinion they should have an agreement with the 122 plants that they have not an agreement with now?

Mr. McNAMARA: No, I do not think we would think it advisable to force these people to become agents of the board if they do not wish to. As long as they would adhere to the quota regulations, I think there is no reason why they should be forced to become agents of the board.

Mr. HORNER (*Acadia*): I notice that at one point here, somebody—whoever tabled this brief—suggests there is one type of operation which is an agreement with the board and another type which is not. You go on to say:

Under the latter type of operation feed mills may acquire feed grain at a discount under the board's initial payment.

This would be in direct violation of the wheat board's regulations?

Mr. McNAMARA: No, not if they do not have an agreement with us.

Mr. HORNER (*Acadia*): It would not?

Mr. McNAMARA: No, it would not be.

Mr. HORNER (*Acadia*): Looking at it quickly, it appears it would be better for the producer if they did have an agreement. They would have to buy it at the price prescribed by the wheat board.

Mr. McNAMARA: Of course, I think it would be fair to say that in some instances a feed mill might elect to pay a price higher than the board's initial payment price.

Mr. ARGUE: Do you know of one case?

Mr. McNAMARA: Yes, higher than the board's initial payment price, but not higher than our final payment price.

In fairness to the feed mills, I think in recent discussions with their representatives they have suggested if this pricing is a problem they should possibly undertake to guarantee they would pay at least the initial payment price. Just how that would be policed by us I have not been able to figure out. This is a recent development. They have suggested, if they could operate without the quota regulations, they would endeavour to work out some pricing regulations whereby they would guarantee to pay the board's initial payment price and not the final payment price.

Mr. HORNER (*Acadia*): This is the same information I have. They came back to me and said they are in agreement to pay at least the initial payment price. In what category are seed plants? There is a number of seed plants, I imagine, and it would be difficult for seed plants, where you have grains and cracked wheat left over. Where are they authorized? Are they agents of the board?

Mr. McNAMARA: They are works for the general advantage of Canada, the same as the rest of the elevators. They are under the regulations.

Mr. HORNER (*Acadia*): They are seed plants.

Mr. McNAMARA: They are not necessarily agents of the board, but they are works for the general advantage of Canada.

Mr. HORNER (*Acadia*): That may be the reason, but in our seed plants, they do not have to deduct for P.F.A.A., or do they?