

The Committee recognizes some inherent difficulties in the implementation of this proposal in that there may be insufficient economic incentive or justifications for the interprovincial movement of eggs.

In this event, an adjustment in the provincial pricing formula may have to be made by CEMA to provide an adequate economic incentive for interprovincial movement of eggs to make this proposal effective. Otherwise, CEMA would have to cover transportation cost for such movement in order to achieve egg movements from surplus areas to deficit areas.

4) CEMA should establish a new intervention price on a provincial basis which would be at least 2¢ per dozen lower than that which is determined by the Provincial Pricing Formula. This would guarantee to the producer a reasonable return for all within quota eggs.

5) That CEMA shall remove from the market all surplus to demand and within producer quota eggs at the intervention price.

*F) Recommendation Respecting CEMA and an Initial and Final Payment Policy*

1) Inherent within the Committee's report is a recognition of the principle that producers would be paid the full price for their eggs at the time of marketing and that losses to the provincial and national boards would be recovered from the producers in the form of levies. The Committee believes that there may well be substantial merit in changing this whole concept and embarking upon a system whereby producers would be paid at the time of delivery of eggs to the market in the form of an initial payment covering at least costs of production and that a final payment would be made to producers on the incremental increase between the initial payment and the final recovery price.

*G) Recommendations Respecting the Processing and Breaker Trade*

1) The Committee recommends that the Department of Agriculture and CEMA conduct a study of the egg processing capabilities within Canada so that steps can be taken if desirable to encourage the establishment of further plants to expedite the domestic and export use of processed eggs. This recommendation is particularly relevant in light of the Government's stated desire to provide assistance to a protein-short world. Such a study

may result in increasing competition within the breaker trade.

2) Evidence was heard that certain processors, particularly the smaller regional ones, have not had access to supply of eggs for their use. The Committee feels that it is imperative that CEMA work closely with all breakers to assure them adequate and continuous supply.

*H) Recommendations Respecting the Government of Canada*

1) That the Government of Canada consider the possibility of arranging a federal-provincial agreement whereby 50% of the cost of removal of within producer quota eggs be shared equally by both levels of government. Such a financial incentive to the operations of CEMA would in the view of the Committee provide the necessary incentive to make the national marketing system work.

2) That the Canadian Government adopt an ongoing policy of implementing import-export licencing based on a monthly quantitative basis over the past five years as provided in the GATT Agreement, and that existing indicative price policies be withdrawn.

3) That the Department of Agriculture consider adjusting its policy in respect to implementation of the Agricultural Products Marketing Act in areas which conflict with the operations of the Egg Marketing Agency.

4) The Committee recommends that the present policy of identification of country of origin of eggs brought into Canada be expanded so that identification of imported eggs is clearly shown on all packages right down to the consumer, thus eliminating the practice of importing eggs in bulk and re-packaging in Canadian cartons, resulting in the consumer not being able to distinguish imports from domestics.

5) That the Government of Canada give consideration to the advisability of encouraging the establishment of an egg processing plant for the purpose of supplying processed eggs to the world food bank as part of Canada's commitment to the hungry of the world.

6) That the Minister of Agriculture immediately convene a joint meeting of the National Farm Products Marketing Council and CEMA to discuss with these two bodies the contents of this Report and agree upon a means by which recommendations can be implemented.

7) That the various Ministries of Government give consideration to other recommendations of the Report insofar as they are within their purview of responsibility.