reasonable return. Market share quota could be allocated by province. Excess production relative to market share could be subject to penalty levies. Individual market share quotas would be administered by provincial agencies. To assist producers, supplementary payments could be organized on a quarterly basis to reduce lag time between sale of product and receipt of supplementary payments. The level of market quota available could be adjustable in relation to projected demand after allowance for a basic quota level. (equal, for example, to output from average herd size, 26.5 cows). Herd size eligibility for supplementary payments would have to be determined. Decisions would have to be made whether government or producers would retain ownership of quota if quota values are considered a problem. Holders of dairy quota would be excluded from participation. Imports could be controlled under this regime without retaliation. However, basis import quotas would have to be negotiated. The federal body could be the sole importer, establish prices to minimize supplementary payment, or allow the open market to determine price by means of existing demand and marketing quota supply, plus negotiated imports. In the latter situation, the open market would continue to function essentially as it does now. The National Body could intervene to encourage exports as an intermediary,or as a direct participant to assist in supporting domestic market prices and minimizing supplementary payments. Supplementary payments could be a charge on Canadian taxpayers.

This program carried out effectively, with timely supplementary payments, would encourage producers to retain ownership of animals to the finishing stage. It may encourage the development of custom feeding operation. It would discourage "inners and outers" who would not have the production base eligibility. The processing industry would have a more stable and predictable