

The current legislation while providing protection for the Canadian market, does not address the major concerns of many producers in the areas marketing system, income distribution and income stability, and levels of returns relative to their cost of production.

b) Income Stabilization

Federal-Provincial programs have not been successfully developed. Provincial insistence on program enrichment run counter to the federal desire to establish a uniform intervention environment. Federal concern regarding incentive programs and the non-statutory nature of programs leads to provincial assessment of proposed programs as inadequate and unreliable. Another problem in current federal approaches is the long delay between market events requiring supplementary income and actual payments made to producers. This delay prevents assistance being provided when it is required. There is the overall concern that such programs could result in incentives to overproduction without specified limitation on production eligible for stabilization on an historical base. Even placing a limit on the number of cattle eligible to participate, using a full cost recovery program, could lead to unacceptable increases in production which would undermine the program.

The dilemma remains that, given current producer interest in finding some acceptable solution to the difficulties being faced by beef producers, provincial governments are developing competitive programs, and using provincial treasuries to change the economic climate in the beef industry. These programs more inevitably create the chronic oversupply situation in the marketplace that beef producers are anxious to avoid. This situation will eventually make most of these programs untenable and costly for producers as well as taxpayers

c) Income Averaging Approaches

Producers have at their disposal various programs aimed at deferring