

The Committee believes that if proper supply management is to be forthcoming, it is essential that a permanent policy be enacted—the implications of which be made clear to CEMA so that they may take them into account in their decisions respecting supply-management.

4) That CEMA should conduct an extensive study into the question of a global national quota and adopt a formula which would enable ready adjustment of this quota to meet future market requirements.

5) That the provincial allocation should be automatically and proportionately adjusted to reflect the revision in the global national quota.

6) That steps be taken to eliminate the circumvention of the quota by insuring that provincial boards do not receive intervention price payments for egg produced surplus to producer quota.

7) That CEMA should purchase all within producer quota surplus eggs at the intervention price.

8) That CEMA should take steps to guarantee that eggs sold to the breaker market are adequately identified and controlled to prohibit their reentry into the table egg market.

In the Committee's view, it has been the policy in the past, but there have been inadequate guarantees to prevent this occurrence.

9) That CEMA should encourage processors of dried eggs to expand their facilities for the desugaring of eggs thus extending the shelf life of powdered eggs and at the same time, making our surplus of powdered eggs more suitable to the world market.

10) That CEMA avoid the excessive deficit financing techniques employed in the past.

11) That CEMA should give consideration to establishing a policy of code-dating shell eggs for the table market to assist in inspection procedures in order to reassure the public that only fresh eggs are being sold on the table market.

12) That consideration should be given to the advisability of and the effects of establishing a category of eggs for table use classified Grade A Quality storage. These eggs to sell at a new price halfway between table egg price and breaker egg price.

D) *Recommendations Respecting CEMA and the Enforcement of Allocations and Quotas*

1) That the authority for enforcement of quotas should be delegated to CEMA in line with the recommendations made by the Ministers of Agriculture.

2) That CEMA seriously consider alternative mechanisms to quota enforcement including the possibility of establishing a national stamp program for this purpose and that its findings respecting this all important area should be reported to the Council and made public.

3) That CEMA assure itself and the public that steps taken respecting the enforcement of quotas do not allow for circumvention of the system at any level.

4) The Committee recommends that consideration be given to bringing more unregulated producers into the regulated producer area and recommends that a minimum regulated flock be established at one hundred (100) layers.

5) That steps be taken to ensure that all eggs produced above the producer quota be pooled at the provincial level and producers paid at recovery prices consistent with the present policy but which apparently is not presently being adequately followed.

6) That it is important that CEMA apply its levies on a current basis reflecting its actual costs of surplus recovery thus reducing the need for financial over-extension and providing to producers realistic knowledge of short and long term costs of surplus removal.

E) *Recommendations Respecting CEMA and Pricing Policy*

1) That CEMA should establish a basic cost of production formula to be used universally in all provinces. Such a formula would not include such items as return on investment and would accommodate such variables as feed, pullet and other fluctuating costs. Such a formula should be based on an efficient production unit in order that an incentive is provided to achieve the desired efficiency. Such determination should be made by an independent group whose findings should be made public, and public hearings could be held so that interested parties could make representations.

2) Based on the above-mentioned formula, CEMA should then establish provincial costs of production by application of the formula to each province and that this procedure should be adjusted on a monthly basis reflecting variations in variable costs.

3) CEMA should establish a Provincial Pricing Formula based upon individual provincial costs of production plus a universally agreed upon reasonable return to producers. Such a price should not be subject to outside market pressures which would allow prices to the producer or consumer to drastically change, unless costs so justify it. This approach would guarantee reasonable prices to consumers and a fair return to producers.