

The 5W's of egg supply management

When

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A big picture overview

There is a lot of history behind our effective marketing system and many people in the industry, especially younger and new farmers, need to know why and how the system developed and how it works.

Thank you

Questions

Conclusion

History has proven the wisdom of the political vision and determination of everyone who struggled for this solution to the market chaos for Ontario's and

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**The purpose of
this brief overview is to
provide that background,
so let's review the 5 W's
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of eggs.**

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Why

There was market chaos with violent supply swings, spoiled surplus products and prices below the cost of production. This was true of most farm commodities but especially so for eggs and milk.

These conditions were not good for consumers, retailers, processors, governments or farmers.

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Where

The precursor to Egg Farmers of Ontario was created in late 1964. Provincial egg board structures were developed across Canada and this preceded the national board's formation in the early 70s.

Who

The political pressure had built up over decades and many different players were involved.

Two of the most notable of these were the Ontario Agriculture Minister William Stewart and Canadian Agriculture Minister Eugene Whelan.

When (Part 2)

The early 70s saw the egg farming sector facing its biggest pressure during a period of high surplus production.

Egg prices in 1971 hit a low of \$0.21 per dozen even though the cost of production was 34 cents. A Royal Commission into the egg industry in Ontario released in 1972 recommended an egg marketing board in Ontario with the ability to allocate quota and set minimum prices.

Ontario Agriculture Minister Stewart acted in January 1973 to create the Ontario Egg Producers Marketing Board with full marketing agency powers, including the ability to purchase surplus eggs.

This last responsibility was later transferred to the Canadian Egg Marketing Agency (CEMA) which later became Egg Farmers of Canada.

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The third pillar of supply management, border controls, is the quid pro quo provided as the contribution by government.

Price

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Quotas

The provincial boards allocate quotas to the producer level based on allocations made by the National Farm Products Council at the federal level. These Farm Products' decisions are based on an assessment of egg market conditions, import levels, sales trends and observation of the mechanisms to provide responsiveness to the Canadian market.

Prices

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Prices are set based on a cost-of-production model of actual Canadian egg production costs. The factors within the model are monitored and updated on an ongoing basis to determine pricing levels.

Actual on-farm data to assess the cost of production model is collected every five years to ensure that it is up-to-date and accurately reflects on-farm costs.

Conclusion

History has proven the wisdom of the political vision and determination of everyone who struggled for this solution to the market chaos for Ontario's and Canada egg, poultry and dairy sectors.

Continuing to develop this system to respond to consumers needs will ensure its continued success in the future.

Thank you

Questions