



## **2019 Pullet Leasing Pool Policy Consultation**

This information is being provided as part of the consultation process to develop the 2019 Pullet Leasing Pool Policy.

Egg Farmers of Ontario (EFO) is responsible for managing the pullet supply in Ontario. It achieves this objective by means of a pullet quota system. The current goal identified in the Pullet Leasing Pool Policy is "to increase the utilization of Ontario issued pullet quota and Ontario pullet facilities." EFO works to ensure all suitable Ontario Pullet Grower Quota Holder facilities are utilized prior to leases being approved.

In September the EFO Board proposed the following draft amendments to EFO's Pullet Leasing Pool Policy for 2019:

- Pullet Leasing Pool applications must be submitted a minimum of 90 days prior to the placement of day old chicks into the Pullet Quota Holder's facility (previously 30 days).
- EFO Pullet Leasing Policy will be production neutral – meaning the same lease fee will be paid regardless of the type of production system.
- The lease will be a graduated fee, starting at \$1.25 and increasing by 25 cents with every 5,000 birds, to a cap of \$2.25.
- Once a lease has reached the \$2.25 level, if a second lease is granted in the same year, then the fee of \$2.25 applies for all the lease amounts.

Farmer consultations took place at the September 25 (Cambridge) and 27 (Brockville) Pullet Quota Holder Information Sessions. The following are issues raised and suggestions to be considered as part of the Pullet Leasing Policy review.

- Discussion on difference in pricing on the Interim Pullet Policy; \$1.40 to \$2.40.
- How did the Board determine the 2018 interim leasing fees? Was there an independent contractor hired to determine the interim leasing fees? Were any studies done to determine the interim lease fees?
- The leasing fee of 55 cents was used for four years, maybe it wasn't high enough.
- You can't make a business plan when the leasing price changed so drastically. It should have increased incrementally so we could have planned for the increase.
- There is not enough Pullet Quota to buy on the QTS.
- We have passed on the leasing fee to our producers.
- Will the Board be reimbursing the pullet growers for the difference between the interim leasing fee and the proposed 2019 leasing fees?
- Could leases be determined by the pullet grower's year so we can lease our own quota first? For example, instead of January – December; the year would be July – June.
- We have lost 130,000 pullets to Quebec; barns are empty in Eastern Ontario.
- If the producer is trying to purchase quota on the QTS then the lease price should be different.
- The lease price is too high. The lease price should not increase by 25 cents, should only be 10 cents.
- Do we want to keep our markets in Ontario? All specialty production is moving to Quebec. We will only be growing EFP birds soon.
- Why are you penalizing producers who are following the system? If you have a problem with producers buying small lots and leasing, then penalize them only.
- We must make leases part of our plan, as we can't get pullet quota on the QTS. Either that or we grow our pullets in Quebec.
- The Board should bring back the Replacement Pullet Lease Program.
- We need to be careful to limit the amount of birds coming from Quebec.
- 55 cents was too low, we would all agree on that, but now the rate is too high.

