

2018 Quota Allocation Survey Summary

Background

In December 2017, Farm Products Council of Canada approved a national increase in egg production that provided BC with 108,741 additional units of quota. The BC Egg Marketing Board (BCEMB) embarked on extensive consultations by first conducting an on-line survey from December 15, 2017 to January 15, 2018 that explored and obtained feedback on 5 different methodologies for the distribution of growth quota – Pro-Rata, Equal Distribution, Region Specific, Production-Type Specific, Variable Method (the example presented was a combination of Pro-Rata, Production Specific & Region Specific).

Survey Responses

The survey was sent to 304 respondents including producers, unsuccessful NPP applicants, graders, financial institutions, equipment/feed suppliers, and was made available on the public website. In total, 110 completed survey responses were received from various stakeholder segments.

The main finding from the survey was that Pro-Rata was the most preferred distribution method for growth quota for the respondents. The Variable Method was of interest to respondents as well, but was eclipsed by the Pro-Rata method in total ratings. The survey respondents were asked to consider SAFETI principles when rating and commenting on the different allocation methodologies.

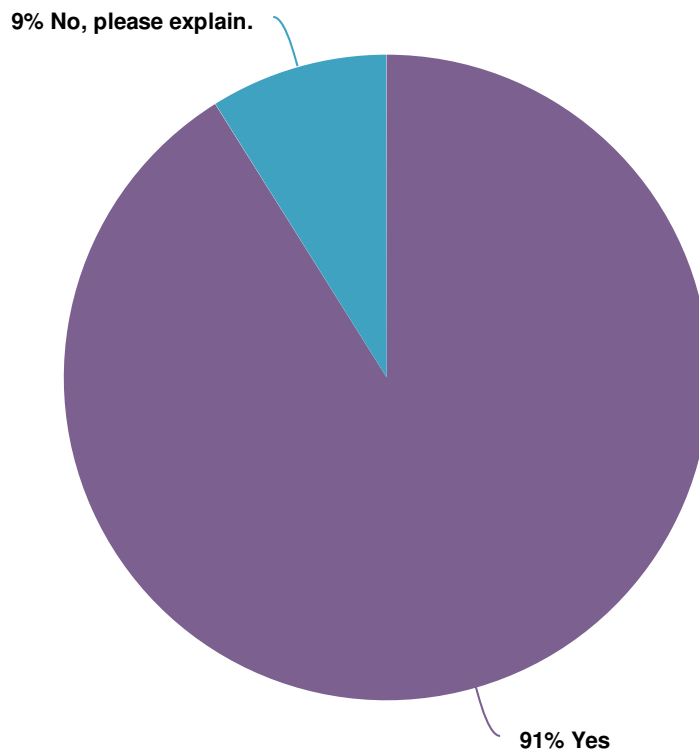
Report for Quota Allocation Survey Dec 2017

Response Counts



Totals: 128

1. The SAFETI principles are defined by BCEMB for allocations as follows: Strategic encourages active engagement from producers and is in line with the BCEMB Strategic Plan Accountable is accountable to all industry stakeholders including ensuring the grading stations and consumers have the production types they need Fair is fair to all quota holders which may not mean equitable Effective the allocation method meets the objectives of BCEMB’s strategic plan Transparent easily understandable and clearly defined Inclusive all producers and stakeholders have had the opportunity to take part in the consultation and all producers have the ability to take part in any allocations Do you agree with BCEMB’s SAFETI analysis?



Value	Percent	Responses
Yes	91.1%	102
No, please explain.	8.9%	10

Totals: 112

No, please explain.	Count
F - should be divided with even percentage across all production types	1
I believe application requirements hinder interested parties. The amount of work that financial institutions, industry suppliers and general contractors have to put into this application process is too large. A simplified application that shows financial capacity and satisfies legal requirements should be done before anymore is asked of an applicant	1
Less consultation with stakeholders	1
T - Not easily understandable process.	1
The board has increased surplus egg types against stakeholders wishes	1
We agree with all of the above except the T transparency piece. It isn't easily understandable or clearly defined to us.	1
how can it be "fair" if it's not equitable?	1
I agree with all aspects except transparency	1
Totals	8

2. Please rank which of these allocation methods best fulfills the SAFETI principles? You can find more information by clicking on each option: Pro-Rata; Equal Distribution; Region Specific, Production-Type Specific, Variable Allocation 1 = worst fit; 5 = best fit

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Region Specific	1		346	92
Equal Distribution	2		321	95
Production-Type	3		285	95
Variable Allocation	4		263	98
Pro-Rata	5		238	108

Lowest Rank Highest Rank

3. Do you agree that allocations should foster:

	Yes	No	Responses
Industry efficiencies throughout the entire sector. Count Row %	96 88.9%	12 11.1%	108
Economic viability by enhancing the viability of the farm and promoting the quick utilization of growth quota. Count Row %	103 96.3%	4 3.7%	107
Organizational capacity by encouraging a varied production mix that meets market demand. Count Row %	99 92.5%	8 7.5%	107
Maintain and support BCEMB's Strategic Vision. Count Row %	105 98.1%	2 1.9%	107
Be equitable and fair to all quota holders while supporting growing markets, new entrants and small producers. Count Row %	98 89.9%	11 10.1%	109
Totals Total Responses			109

4. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
13	Problem is that all of the above have issues in there own way. But overall yes I agree with the questions above
14	T he hole industry has work to make this a successful so them all farmers should share it equal.
18	Equitable and fair...means there is only one answer, as the rest DO NOT MEET THAT CRITERIA!
21	I think pro rata is best. I believe in filling the market needs,and I think new entrants are good but keep in mind we don't forget about our regular producers ?
24	Pro rata is the only way to allocate new growth. It is equal and fair. It makes no sense to give quota to those that don't invest into the industry. T he industry already allows growth to new entrants and small lot producers by giving them first dibs on the quota exchange and other incentive programs.
25	I think that pro-rata is the best method, when you have cut backs on your quota then you reduce it on a pro-rata as well .It is the most fair way . Many of us went through the cut backs in the late 70 's, 80's and 90's and it was taken from us on a pro-rats . And so it should be returned in the same way
28	Should be less new entrants but with more quota birds to help them be viable. Pro rata is by far the most fair in every circumstance
29	pro -rata is the most fair way of distributing allocating. producers will switch production type when the need is there. New entrants and small producers have a greater opportunity to grow their operation true the quota exchange,
31	A concern regarding market specific growth allocations: If growth is issued initially to a specific short egg type will it be clawed back and distributed to other egg production types if the market changes?
36	We must continue to keep in mind the cost of producing and the cost of supplying the market demands.

ResponseID Response


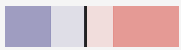

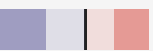

38	strongly believe allocations should be based on percentage of quota units owed. (Pro-Rata)
39	I don't think there is currently enough marketing/processing infrastructure that's region specific available to manage quota by regional need. It is VERY important to me and others that the allocation and exchange system is adjusted so more quota can leave the lower mainland. Currently there's very little opportunity for OLM producers to grow.
42	"Be equitable and fair to all quota holders while supporting growing markets, new entrants and...." should be "producers of all sizes." To emphasize one specific category of quota holder over another is unfair. I do however agree with the emphasis on growing markets and new entrants because they are not represented in the initial statement of "all quota holders".
43	Egg producers are doing a great job of being market responsive and welcoming new entrants, however specialty is not necessarily where the most demand in egg production is right now and most new entrants are specialty, conventional is where there is a shortage of eggs so let's not forget about those producers even if the political wind is blowing in a different direction, economically it may make sense to look at locating more production units outside of the LM considering how dense in poultry the LM is - disease prevention
45	I feel that free run and free range units should receive more quota because cage eggs is old technology and the consumer wants more animal friendly production units.
49	An allocation increase or decrease is most fair pro rata both for producers and for industry infrastructure
50	Under a production-type model each farmer should be given the opportunity to grow that type. A farmer who has cages may want to use the growth to be part of the change to the new production type. So each farmer should be allocated the growth but may have to meet the production-type required.
51	Quota allocations could be distributed on a scaled pro rata system. I.e., the first 10000 quota units held by a producer would receive a higher percentage, the next 10000 would receive a smaller percentage and so on. This would slightly favour the smaller producers while the big boys would still get a fair share.
54	I think smaller producers should benefit more from increases than the existing large farms who benefit greatly.


ResponseID Response

64

I think the new entrant program is stupid. I worked hard, risked a lot, and was fortunate after years of saving to be able to buy a farm. I paid to be involved, and when new entrants come with an entitled attitude, and want more quota given to make their free quota farms more viable, it upsets me. When I had a hard time making payments, and had to keep my other businesses going to support my farm because of the high debt load, nobody worried about giving me extra quota so I could stay home and farm. In the real estate development game, there is a great barrier to entry, and guess what, no new entrant program.


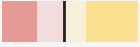



5. Please rank which of these allocation methods best fulfills the objectives listed in Question 3 above? 1=worst fit; 5=best fit


Item	Overall Rank	Rank Distribution	Score
Region Specific	1		374
Equal Distribution	2		321
Production-Type Specific	3		296
Variable Allocation	4		267
Pro-Rata	5		237



 Lowest Rank Highest Rank






6. Which allocation method do you feel is the most fair? 1=least fair; 5=most fair


Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Region Specific	1		341	89
Equal Distribution	2		303	95
Production-Type Specific	3		284	88
Variable Allocation	4		244	90
Pro-Rata	5		202	100



 Lowest Rank | Highest Rank

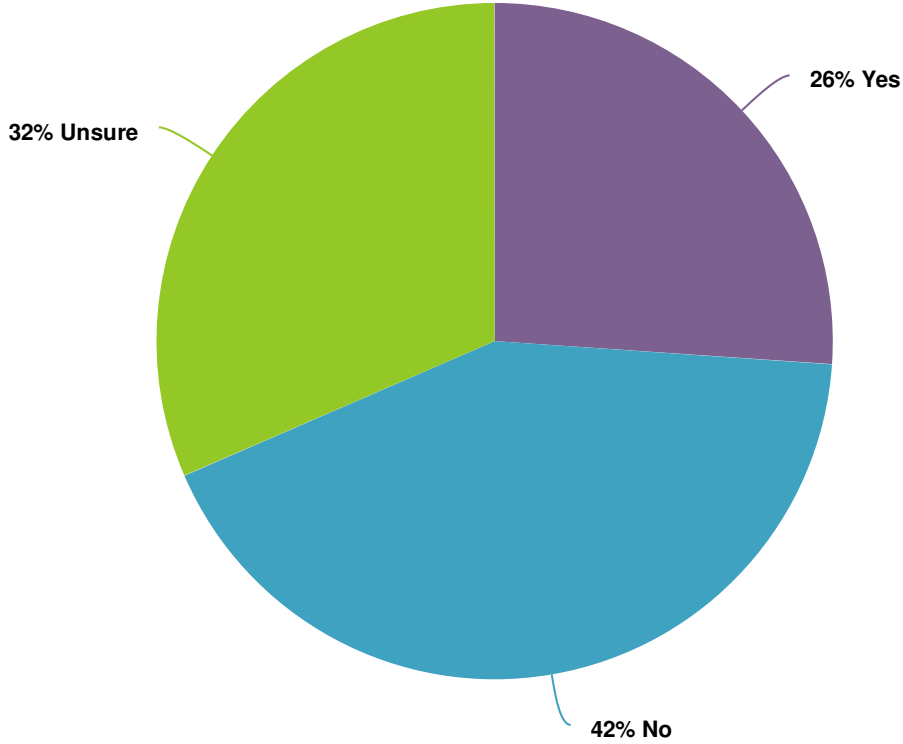
7. Which allocation method do you favour? 1=least preferred; 5=most preferred




Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Region Specific	1		346	87
Equal Distribution	2		289	93
Production-Type Specific	3		275	92
Variable Allocation	4		239	86
Pro-Rata	5		210	97



 Lowest Rank Highest Rank

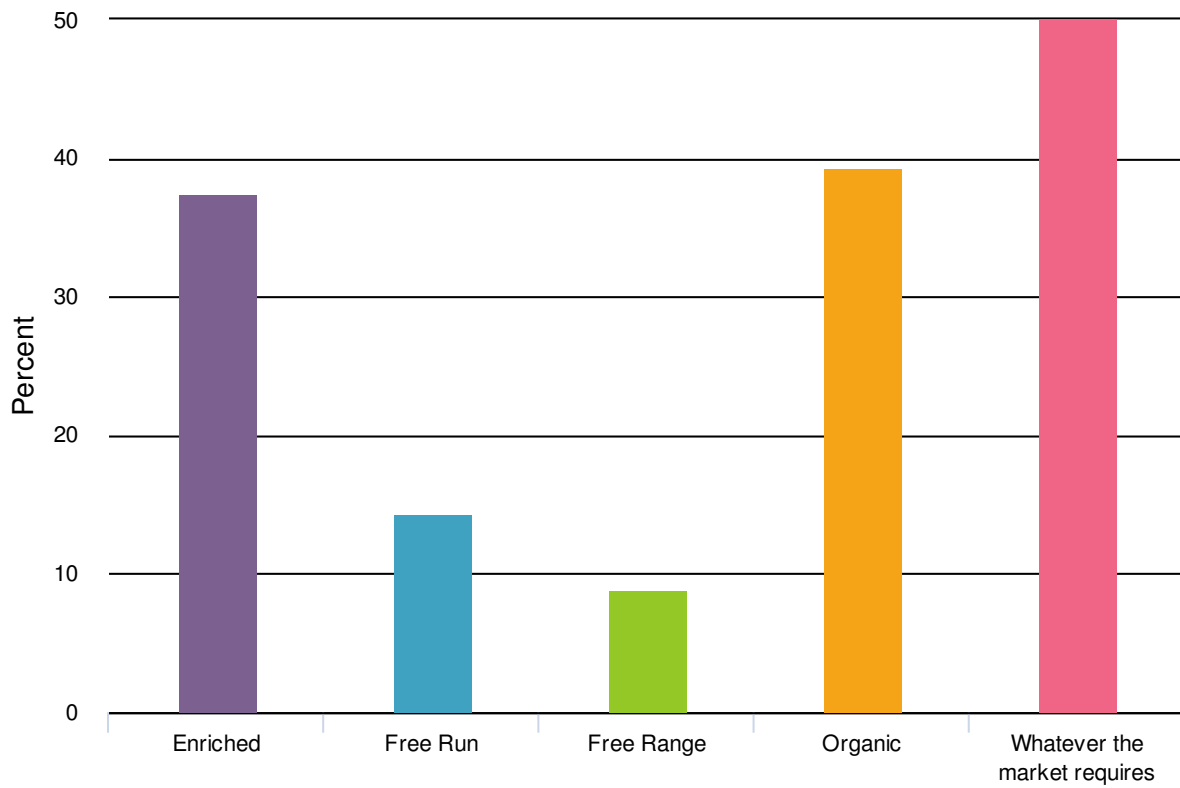
8. Are you planning to expand to a different production type than what you are currently producing?








Value		Percent	Responses
Yes		26.1%	24
No		42.4%	39
Unsure		31.5%	29

Totals: 92

9. If you answered "Yes" or "Unsure" to Question 8 above, please tell us what production type you are planning to expand into. Check all that apply.



Value		Percent	Responses
Enriched		37.5%	21
Free Run		14.3%	8
Free Range		8.9%	5
Organic		39.3%	22
Whatever the market requires		50.0%	28

10. The next few questions focus on Pro-Rata allocations: [Click here for detailed description and example of a Pro-Rata allocation](#) Do you agree that the following are advantages of a Pro-Rata allocation?

	Yes	No	Responses
Proportionately treats every farm the same. Count Row %	95 89.6%	11 10.4%	106
Encourages every farm to produce at their most economically viable level. Count Row %	83 81.4%	19 18.6%	102
Service fee paid on new allocation from producer levy is proportionately shared. Count Row %	98 95.1%	5 4.9%	103
Synergistic with how historical quota reductions have been calculated. Count Row %	94 92.2%	8 7.8%	102
Totals Total Responses			106

11. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
13	pro rata is really the only fair way. All the other can be manipulated very easily.
18	This is the only approach that does not pit producer against producer. Think of the implications of a producer producing 3 types of eggs... what that implies is 3 potential allocations of type if growth is given that way. A producer of this nature- generally puts the production to when the market needs. They should be rewarded for flexibility and not forced to expand 1 type of production yet cutting another. This is done in cooperation of both the producer and grader.
24	Pro rata is fair to all producers. It encourages producers to grow and invest into their farms. Its fair to producers that saw decreases as a result of a declining market. Why should producers that remain stagnant and not wiling to invest reap the benefits of additional quota.
25	I like the pro-rata system,because it is the most fair .
28	It has been the most fair and has been used in cutbacks as well as increases in the past along with all other provinces and quota types.
38	Farmer must get approval from whom they ship to when changing to a different product type. Otherwise plants shouldn't be accepting it because it can cause long age on certain product.
49	also the same as other supply managed sectors and provinces. most fair for increases and decreases.
54	It's not fair that larger quota holders benefit more from increases then smaller producers
64	This makes sense, as your increase or decrease, is consistent with your size.

ResponseID Response

65	<p>As I have said before , Pro rata is the best way to give increases. And in the same way it is the best way to reduce the quotas . When I started farming back in the mid 70's we had many reductions for decades, and those reductions were done on a pro rata basis. We all felt the pain equally and so with the increases we should all benefit equally. If you want more production of a certain type then you can achieve this by increasing the price or giving some other incentive . I bought quota in the mid 80's and lost it all to reductions, but I still had to pay the mortgage on that quota even though I didn't have the birds in the barn . That is the risk you take, so when there are increases they should all be pro rata</p>
66	<p>The main disadvantage to the pro rata allocation are that larger farms grow faster than smaller farms, making smaller farms less economically viable over time.</p>
69	<p>while the levy is proportional, the size gap between the big and small producers continually gets larger.</p>
71	<p>the quota needs to be directed to the demand of the consumer. The people that buy and use the eggs should be able to access what they want. ignore the minority that make a big noise but dont support the industry.</p>
73	<p>I did not understand most questions</p>
77	<p>The big are virtually forced to get bigger, whether they want to or not. I know in general BC egg quota holders are not factory farming like we see in the states. However, I still feel the emphasis in the industry here should be on smaller family farms, not monster factory farms. Our credibility to the consumers will be much easier to portray if we can show we are just ordinary Canadian citizens making a living feeding people, not the financial elite with our factory farms gouging the consumer.</p>
78	<p>Pro rats distribution favour the rich and penalizes the small. Equal distribution or production specific helps the small achieve more economies of scale hence over time the whole industry becomes more efficient and equitable. So the consumer benefits more in the long run.</p>
79	<p>The pro rata allocation system maintains the disparity in size of farms.</p>
80	<p>Pro-rata promotes faster growth in quota numbers for farms over the median quota size and keeps smaller farms growing slowly. Economic viability should be determined by each farmer for their own needs.</p>
81	<p>Pro-rata favours producers who have more quota.</p>

ResponseID Response

88

It encourages producers to be at peak capacity.

12. Do you agree that the following is a disadvantage of a Pro-Rata allocation?

	Yes	No	Responses
Allocation method is not entirely market-responsive.			
Count	71	36	107
Row %	66.4%	33.6%	
Totals			
Total Responses			107

13. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
12	Graders ask producers to change production type as needed by the market.
13	But looking at the past few allocations if we went with what was asked for (free range) we would be WAY over producing that type of egg. Markets change sometimes over night. So again the easiest way to maintain order is to do it Pro Rata to all production types. That fit into the SAFT I principles outlined by BCFRIB
17	Producers have invested to grow their farms and should be recognized but not penalized for that. But market responsiveness needs to be considered
18	If we were given pro- rata (all be it we produce 3 types of eggs...) we would put the production where it is required the most. One cannot add 20 ft to each facility.. one would rather add 60' to one barn- where the market is in need. NOW that's Market responsive!
21	I don't know that any other way would more responsive. We have to place the birds either way,it always takes some time
24	Pro rata is market responsive as it allocates quota to all categories equally. It may not give the short market enough allocation, but it does provide an equal distribution to the producers that invest in the industry.
25	If you want more market response to production type,just provide a market response bonus on the egg type you need and the farmers will move production into that type . Money talks !
28	The graders must sign off on any new space so that helps determine what types of production are in place to meet market demands.
29	No I believe it is market responsive all egg categories are increasing at the same %
31	it is true that this is a disadvantage, but the advantages of pro rata fairness out way this

ResponseID Response

33 market needs are best responded to by grader communicating needs to new producers and those retooling, also BCEMB and graders could offer incentives to producers to change production type to respond to market demand

38 You can try to forecast what consumers will buy, but it will never be accurate because of the economy.

42 Pro-rata allocations result in a natural progression as farms outgrow their capacity. At that stage they are required to receive grader sign off on a renovation or construction of a new barn which will create a smooth transition to whatever production type is needed.

43 Markets are changing constantly, production types that are called short today may be over produced in a relatively short period of time - The graders should be in charge of dictating the market as they are the ones selling the eggs - the BCEMB should be making sure the egg farmers are getting the increases that are coming to them, as their barns are filled they are more likely to build new, into whatever the grader desires of them.

44 Not necessarily responsive to market demands

47 Farms are responding to the market requirements adequately

48 If one or more markets change the grower should decide

49 Graders sign off on any new space built and so they can control what is being built. They know the market best

50 The market-response should be irrespective of any allocation. Price (profit) should motivate producer to change production type.

51 Anyone can build a barn for a particular production type

14. The next few questions focus on Region Specific allocations: Click here for detailed description and example of an Region Specific allocation Do you agree that the following are advantages of a Region Specific allocation?

	Yes	No	Responses
Regions deemed to have the greatest need of quota due to local market demand would receive it. Count Row %	66 64.1%	37 35.9%	103
Encourages industry growth in regions outside the Lower Mainland. Count Row %	70 68.0%	33 32.0%	103
May encourage industry entry. Count Row %	60 57.7%	44 42.3%	104
Incentive to locate farms outside of the Lower Mainland would reduce risk exposure of industry to supply interruptions from disease. Count Row %	81 78.6%	22 21.4%	103
Totals Total Responses			104

15. Copy of Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
12	Supporting trades are based in the Lower Mainland. Feed mills, equipment dealers, graders, catching crews are difficult to source outside the Lower Mainland.
13	The problem is the growth in population is in the lower mainland so the Region Specific could be to Graders that are in that region not graders that will pick it up and drive it back to the lower mainland to sell it. It should be New entrants that grow that outside the region market.
14	Disease that could effect les bird if spread out
17	Eggs can be easily transported. And is much more efficient in the valley
18	1) Regional needs come and go; producers come and go and actually have sold in regions due to individual circumstances. Land is cheap but labour and skills may not be acquired. 2) It encourages speculation...precisely what our Industry should not do. 3) We have ample new entrants and more than adequate encouragement... adding much more and the Industry will collapse from inefficiencies... and other Provinces will gain as our Productivity falls off a cliff. 4) True story: AI in 2004 in The Valley: we had a farm in the Interior that received dirty supplies from the lower mainland. It arrived in Kelowna, faster than we could change our clothes, shower,, wash and disinfect our vehicles, which we did not park on the farm.... only to find the tag of Valley farm within the quarantine zone. BC is one Industry and an integrated one at that. With 2 main graders and one Breaker...our Industry cannot escape exposure to disease risk. Perhaps only if we ship to an Alberta Grader...and that speaks to the craziness of that approach.
21	With our end retailers having central buying ,it doesn't matter where we produce. However,it is good to have production in all regions. But we have let quota move out of regions,so I don't know if we should worry about such?
24	It may benefit those producers outside the lower mainland, but that comes at an inefficient as the majority of all eggs go back to the lower mainland. Pro rata is fair and give each producer an equal amount based on the amount they own. There are other incentives that region and new entrants have to increase their quota holdings. Its a matter of whether or not they want to take advantage of it or make the investment.

ResponseID Response

25	This doesn't make sense, all the info structure is in the Valley, the crews are here , feed mills, grading station etc. If you move production out all you are doing is increasing costs to the final product.
28	It discriminates against those who are already in the market and discriminates against the grading stations that need the product and have developed their markets
29	I will answer the questions here. all those questions have been answered many times its like flogging a dead horse, an incentive will not move some one from the valley, industry entry happens true new entry, quota has been moving from other regions to the valley, the valley has the greatest need for production
31	the reality of region specific is that most of the eggs produced out of the lower mainland come down for processing anyway.
39	This would take complicated and costly measurement of markets that may not be entirely accurate. There's also very little infrastructure currently that's outside the LML but I think its important that regions outside the lower mainland have access to markets that I would assume are growing the fastest. Market growth and disease/risk mitigation do not necessarily align.
43	The LM is over saturated with egg farmers and disease spread is more likely as farms close together. There is definitely a need for more eggs in outlying regions.
44	Eggs still need to get to the main graders
49	Lots of eggs get imported to BC already and all commercial eggs go to a grader so if production is further away from graders then extra trucking to and from graders add cost and lower efficiency.
51	Any farmer should be able to build a farm in a different region if that is where the quota needs to be
57	Logistically I think we move eggs back n forth from region to region all day anyway. Only true advantage may be disease risk being lessened.
64	Having the concentration of farms in the lower mainland has a lot of advantages. You get great service. I produce in Alberta and the farms are totally spread out. Good luck finding any help there. It is a huge barrier to growth, however, it is a big advantage to disease prevention.

ResponseID Response

65 You can't assume that all the regional demand is outside the Fraser valley, sometimes there is a lot of demand in the Valley . That is where the grading stations are , feed mills , equipment companies, hatcheries etc. all the info structures is there. Once you move out of this region you increase cost . We want to keep eggs affordable for the consumer. In regards to disease you can control this by insuring you have proper bio security. If you move quota out of the Fraser valley, farmers will try to move it back some how

66 While there may be increased opportunity for new entrants, it is also likely that farms will relocate.

16. Do you agree that the following are disadvantages of a Region Specific allocation?

	Yes	No	Responses
Industry efficiencies may not be achieved if regional infrastructure is inadequate. Count Row %	94 90.4%	10 9.6%	104
Increased investment in regional market analyses is required. Count Row %	86 83.5%	17 16.5%	103
Difficult to administer this strategy in a manner deemed 'fair' by all stakeholders. Count Row %	98 94.2%	6 5.8%	104
Allocation method may not be entirely market responsive. Count Row %	93 90.3%	10 9.7%	103
Totals Total Responses			104

17. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
13	Are you willing to take away production if its not needed in that area? How will you deal with lack of graders and or lack of want for graders from the valley to go get the eggs?
18	Further..once again...it creates speculation by certain producers and doe s not foster decisions be made for the right reasons
25	Not a smart idea.
42	Allocation quota simply to place it in a region "deemed short" simply results in eggs being shipped all the way back to one of the existing hubs for grading in the province. T he regional distribution problem is best solved through the new entrant program.
43	not sure what is meant by "regional infrastructure" - but I can see if a desirable place to live requires graders to truck eggs on a 4 or 5 hour 1 way trip for 1/4 load of eggs - that would not make sense. I like the fact of spreading out the producers from each other - but not sure how one would get that done
49	It is not fair to those who have been invested in the industry and have weathered good and bad times as well as industry that has been supporting production over the long haul of time
50	All producers should be entitled to receive allocation, and set-up a production unit in the region. Don't simply allocate to those in that region
65	Certain parts of BC will get the lions share of the increases, which will cost more money to the industry, and is not fair to the rest of the producers in the province
66	This method would feel very unfair to many current producers who have invested in quota with the expectation of being eligible quota allocations.
71	the goal is for supply managment is to manage that the supply is where it is needed. T his may not always seem equal but it fulfills supply managment.
73	Did not understand most questions

ResponseID Response

80	It is difficult for any system to be deemed 'fair' by all; this does respond to regional needs. Region specific may not be responsive to production type, but does address regional needs.
92	Biggest problem is it's not going to be market responsive.
95	To be useful, Region Specific allocation would need to be used in conjunction with production type. Regional infrastructures improve with demand
101	This survey is getting long
104	Again regions are difficult because the product I believe comes back through the valley anyway so how does that make any difference. In fact you could make the argument that it costs the consumer more.
109	If there is a population growth in one region the whole province doesn't need a quota increase. Just the region effected.

18. The next few questions focus on Production-Type Specific allocations: [Click here for detailed description and example of an Production-Type Specific allocation](#) Do you agree that the following are advantages of a Production-Type Specific allocation?

	Yes	No	Responses
Promotes market responsiveness.			
Count	83	23	106
Row %	78.3%	21.7%	
Promotes innovation and incremental industry growth.			
Count	70	36	106
Row %	66.0%	34.0%	
Totals			
Total Responses			106

19. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
13	market changes almost every month because its what the store wants. So if we were to go to what the grader needed last time most of it would have got to Free run/free Range. Which would today put us WAY long on that product. If its done of a % the market can will slowly move to what is being produced and if not the graders can ask for producers to move to what needed.
17	It takes to long to respond , buildings need to be built . This can take at least a year.
18	May provide short term responsiveness, but it is not fair and equitable. Programs such as the TMG and Qc's or temp sleeves are much, much more market responsive. They get the job done to meet markets and clearly retain the fairness and equity principles.
19	we need to supply the full market in our supply managed system, it means we supply ALL markets, and those producers willing to produce what the market demands should be rewarded
22	This would be the best way to keep up with consumer and market growth. if there is a demand for a certain type of production, the board should allocate to that specific type of production, and if there is no demand or lower demand for a certain type of production then you can pull back allocations.
23	for the most part all markets are already filled with producers waiting in ques to change production types.
25	Not very fair. The grading station should lead the way in what type we should produce. If they can't sell the eggs ,why produce them
28	Current producers are forced to have sign off by graders to build and by efc's welfare rules so this doesn't make sense.
29	I believe pro-rata is the only fair way and that market responsiveness comes from producers listening to graders what is needed and switch
31	Markets are volatile and decisions made regarding production type allocations may be false or irrelevant the next year

ResponseID Response

38	market is always changing and always will
39	I chose this as the top option because we need to be market responsive as an industry.
42	Allocation quota according to barn type actually does the opposite of promoting innovation. The long-term trend is towards increased growth in cage-free. But currently, we are short in cage white. By allocating more quota to cage white now (as the need would dictate according to this principle), that jump in quota will require barns to be built to that standard resulting in a decrease in innovation and long-term market responsiveness as these newly constructed barns would need to go through an entire life-cycle before being replaced.
43	Again, I do not see it as a responsibility of the BCEMB to promote specific production types. It is the responsibility of the one selling the egg to make sure that all the market types are being fulfilled. The incentive to the farmer to make the change is in the BCEMB pricing the different market types so that the producer can see if or if not it is beneficial to them to make a change
49	New space has to be signed off by grader so not by current producer type. Also some smaller producers couldnt afford to build on space. And any producer can expand into any type of production so not fair if they are excluded from growth based on past investment. almost prevents current producers to change types
50	This gives the current producers of a type a big advantage and does not encourage other producers to shift. If I can only get 1,000 birds by "organic" then I may change all my birds to organic.
51	Any farmer should be able to build to suit the needed production type
57	Cannot rely on what animal welfare groups tell us what we need to produce though, has to be consumer driven.
64	I think the market pricing will dictate what farmers will produce, and this is the only thing needed to ensure production type is produced to meet market demand.
65	This is a tricky one to make work, if you get this wrong then you have too much product of a type that you can not sell . The grading stations should take the lead on this . If they need more of one product they can let the farmers know , then we can switch as there is demand for that type of eggs . Otherwise you will have surpluses and that costs the industry money.

20. Do you agree that the following are disadvantages of a Production-Type Specific allocation?

	Yes	No	Responses
Difficult to maintain orderly marketing if markets are unstable (rapid changes in supply/demand).(Increased investment in market analyses is required.) Count Row %	95 88.8%	12 11.2%	107
Difficult to administer this strategy in a manner deemed 'fair' by all stakeholders. Count Row %	90 84.9%	16 15.1%	106
Totals Total Responses			107

21. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
12	Graders don't always share accurate info on market needs.
13	Its very unfair
18	We have gone from Caged to cage freerun. 6 weeks later the market changed and we dramatically went to Free range after a huge capital expenditure. 6 months later..we were told to close the doors and go back to free run. One year later asked if we could delay placement in the freerun barn and reactivate our caged barn (which was empty). How could one even apply any simplistic allocation by type when this occurs? Its totally IMPOSSIBLE!
19	the processor needs to be consulted at every step, they will determine what the market demands are, and let them take some risk, however they also need to be able to reap the rewards of this risk
25	The Egg Board should not push production type, the Consumer will drive this .
28	Not fair and most producers are planning to build new if they haven't yet and the lack of building yet shouldn't be held against producers.
38	market is always changing and always will
39	#20 a) would be best answered by graders. Fair to me means responding to the demand of consumers.
42	This method seems to address a problem that doesn't exist, which is the long-term commitment to providing graders with the product they need. Currently, we are meeting these targets through the natural lifecycle of a barn and pro-rata growth requiring increased capacity. Each time the graders have been short on a production type we end up meeting that need within 6-12 months. In addition, to allocate quota based on the graders requirements would require us to know exactly how many eggs of each type are being brought in from other provinces in order to ensure transparency.
49	not fair or sustainable.

ResponseID Response

65 This is not fair to the rest of the farmers who are not producing a certain type of egg

66 I think this has potential to be very unfair for all. It also makes choosing a production type risky. In order to ensure that I get all quota allocations, it would therefore be in a farmers best interest to have all types of production; which is not economically viable and very problematic

71 I believe it could be fair because if the demand indicates a certain production type everybody has the chance to switch to that type. Which may take time and money but the opportunity is there. The no pain no gain theory applies here.

73 Need help I just don't know what the outcome would be if answered either way

77 As a new entrant going organic, my concern with this would be that organic is a growing market based on consumer enthusiasm, which could be very susceptible to cool rapidly because of the increase in cost. Which would leave the organic producers lagging behind if the rest of the industry continued to expand and grow.

80 The issue of 'Orderly marketing due to production-type' is no more relevant to this method, but is the responsibility of managing our supply managed industry in any situation.

92 We can't look at production type or region on their own. It needs to be combined like variable.

22. The next few questions focus on a Variable Allocation Method: Click here for detailed description and example of a Variable Allocation Do you agree that the following are advantages of a Variable Allocation Method?

	Yes	No	Responses
Encourages industry growth in regions outside the Lower Mainland. Count Row %	67 63.8%	38 36.2%	105
May encourage industry entry. Count Row %	63 59.4%	43 40.6%	106
Incentive to locate farms outside of the Lower Mainland would reduce risk exposure of industry to supply interruptions from disease. Count Row %	74 69.8%	32 30.2%	106
Promotes market responsiveness. Count Row %	68 63.6%	39 36.4%	107
Promotes innovation and incremental industry growth. Count Row %	65 60.7%	42 39.3%	107
Totals Total Responses			107

23. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
13	The problem with this is. The market place changes all the time. you cant say today we only need product in Organic and caged white. It will change. If you give say 500 birds to all you have on a % based given out way more Run and Range. The only way is to do Prorata and work on a real program for outside the lower mainland. They would look like a Producer vender to fill his market in that area. If you don't it just gets trucked back to the lower mainland anyways.
17	Would be in-efficient to have farms all around province
18	It mostly promotes speculation. There are better programs to address any temp. bumps and changes within the market via the TMG, and other QC sleeves or incentives. Its not fair and equitable and the disease arguments are a farce as we stated in a previous comment based on our real experience.
23	this is already being done by the new entry program as well first opportunity to the quota exchange.
25	Another Dumb idea . How will you know how to divide it up . And if you get it wrong ,suddenly you have 20000 birds laying the wrong type of eggs , and who will end up paying for that
29	maybe it would help to relocate some producer/s outside of the valley, but I doubt it. industry entry would only happen true new entrant. market responsiveness comes true working with the grader .
36	Other methods seem to cover this also
38	If growth were to happen outside the Lower Mainland the new producers program entrants should be allocated to the region needed
39	I think this system would be far too complicated to work effectively and efficiently.
42	Any incentive on specific production types potentially creates massive swings in the current production type distribution, despite the natural transition being a more steady and consistent one. Creating a "pendulum swing" of one type to another is not market responsive or innovative.

ResponseID Response

49 unfair. who will decide the variable amounts? will increase be the same as decrease

50 Allocations would be too small to encourage new production units or change to the market needs

51 Previous answers given are applicable here as well

55 The production has to be close to Market The previous Governments have encouraged to move production outside the lower mainland but with very little success

65 If you want to promote growth , money is the best motivator. This system would be very hard to manage and control .

66 Obviously this is entirely dependent on how the allocation is weighted. Personally, I would support this ONLY if the majority (80% or higher) of an allocation was pro- rata and a small portion was used to support small farms or disadvantaged regions. I don't think anything should be based on production type.

69 only encourages growth outside the lower mainland if that is where there is a supply deficit

70 Disease control may be a small advantage to outside Lower Mainland Farms but in reality the same supplies and feed trucks need to access these farms making it a closed system. All Farms in BC share a somewhat equal risk when you understand the interconnected nature.

71 should be divided 33% to each

73 Need more info

24. Do you agree that the following are disadvantages of a Variable Allocation Method?

	Yes	No	Responses
Difficult to maintain orderly marketing if markets are unstable (rapid changes in supply/demand). Count Row %	85 79.4%	22 20.6%	107
Increased investment in market analyses is required. Count Row %	88 84.6%	16 15.4%	104
Industry efficiencies may not be achieved if regional infrastructure is inadequate. Count Row %	93 87.7%	13 12.3%	106
Increased investment in regional market analyses is required. Count Row %	88 83.8%	17 16.2%	105
Difficult to administer this strategy in a manner deemed 'fair' by all stakeholders. Count Row %	86 81.1%	20 18.9%	106
Totals Total Responses			107

25. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
12	Very difficult to administer in a fair manner.
13	As you see by my answers above Market growth outside the lower mainland needs to be prouder vender. The only fair way is to hold Quota back for new entrants and then issue it prorate.
18	There are much better and fairer ways to address interim market needs. What happens with a quota cutback? LIFO? It would create a real problem when our market contracts ...or worse... when more imports are permitted via a Trade deal totally out of our control. One cannot give one producer all the growth; then as Justin sneezes///take it away from a different producers. You would become liable for farms defaulting on payments, potential bankruptcies and breaking up of Industry infrastructure as things begin to collapse.
19	production type is key, regions are not important because the processors are all located centrally, that is the key
25	Who will pay for all this increased market data collection and analysis?
28	Not fair to current producers and location of farms should be between graders and producers and leave the egg board out of it.
38	Analyses are good, but not always accurate because of the rapid changes in supply/demand.
43	this system does intrigue me, but I think the negatives balance out the positives to a net 0 - do not think worth looking at to much
49	hard to keep fair long term
65	Who would pay for the increased cost to manage this system? I don't think the public will want to pay more than they have to, which will mean the farmers have to pay . We pay enough already.
66	Again, this depends entirely on how the quota is allocated. It is really difficult to answer this without knowing what is being proposed.

ResponseID Response

71	if the opportunity is there infrastructure can be built quit fast. makes for a healthy economy in each community.
73	Only 2 major graders
74	The challenges to make this work would be huge. Keep it simple
80	This is the most 'stable' proposal thus far and I believe will be more responsive to the markets, especially as it will be divided in its distribution methods. It is assumed that there are Industry inefficiencies in outlying areas...
81	As only an additional 15% is given to regional areas, I don't believe infrastructure would be much of an issue. I believe this is more of a concern around production type and pullet, equipment and feed play a role and can be difficult to source.
92	I think this method is the most fair of all considering it take into account the production type, region and still uses the Pro Rata system. It might be more expensive to implement but this would allow for a better distribution of the quota to were its needed.

26. The next few questions focus on Equal Distribution allocations: [Click here for detailed description and example of an Equal Distribution allocation](#) Do you agree that the following are advantages of an Equal Distribution allocation?

	Yes	No	Responses
Gives every farm the same number of quota units. Count Row %	71 66.4%	36 33.6%	107
Gradually creates more parity in farm size. Count Row %	70 65.4%	37 34.6%	107
When flocks are depopulated because of disease, there would be a decreased industry risk of supply disruption due to a smaller flock size. Count Row %	67 62.0%	41 38.0%	108
Totals Total Responses			108

27. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
12	Would take decades to get parity in farm size.
13	This wont work as every farmer with two separate barns can get 2 different production unit numbers. At that point it becomes totally unfair as those producers will benefit from this. Plus the smaller farms are mostly free run free range and organic. So this will really add to any overages of eggs in category's we don't need.
17	Not fair to long time producers who have invested and grown through many years in the egg industry. To equate them with new producers is wrong and not reasonable.
18	point 2... it would just encourage speculation and inefficiencies. Anyone with any business sense will split farms multiple times as to not be discriminated against. Its unfair and not equal. Look at history...it failed miserably in the BC Chicken Industry. Some farms split 3- even 4 or 5 times.... likely the large processors while at that same time complaining about being efficient.
23	it does give every farm equal growth but many existing producers took prorata quota reductions.and purchased quota overtime to fill barns. pro rate encourages active quota exchange.
25	Still not a good idea . This system will encourage farm splitting, just as in the broiler industry. Not very fair
28	This is not fair to those who are current producers. If this is fair current producers should be allowed to become new entrants as well.
29	I could answer them all yes and no. but the No still go's before the yes, de biggest reason is, its not market responsive, market responsiveness comes from the graders requirements,
31	Allocating equally is not necessary advantageous since every farm's needs and ability to expand are unique
36	Equal distribution does not bring as I understand parity to farm sizes

ResponseID Response

38	If smaller farms want to get bigger they should purchase quota like the bigger farmers have
39	This would unfairly limit growth potential for some farms. Also, small farms would be unable to keep up with infrastructure to large growth allotments.
42	Rather than parity in farm size this will create a huge opportunity for large farms to gain a greater portion of allocations. Larger farms will have a much easier time purchasing land and splitting farms up than a smaller producer.
43	The small producers and new entrants will love this - however the larger producers will just split farms create new companies and keep on going. would create a little unrest in industry - would be great for equipment dealers
49	smaller producers would rather sell an increase vs build for it as it is too costly to add on a small amount and they probably would struggle to get financing to do that.
50	Producers would split farms to get more quota, which makes industry inefficient
51	Any farmer is able to relocate some of their production to another location. This would be production type responsive as well as reducing production unit size risk
55	I have been in farming for over 40 years, when we had a major cut back, it was on percentage basis and not on same numbers for everyone
56	terrible idea
57	I do agree with these points but believe this is an unfair approach to the folks who have taken the large risk to become what they are. (larger entities)

28. Do you agree that the following are disadvantages of an Equal Distribution allocation?

	Yes	No	Responses
Discourages the natural market behaviours that drive the movement of quota and instead may promote land purchases and farm splitting. Count Row %	84 78.5%	23 21.5%	107
Uncertainty in allocation size creates production and business planning challenges, and impacts efficiencies. Count Row %	82 76.6%	25 23.4%	107
Allocation method is not entirely market-responsive. Count Row %	94 88.7%	12 11.3%	106
Totals Total Responses			107

29. Use this space to provide extra comments or to explain your answers to the above question.

ResponseID	Response
13	see answers above
18	Has nothing to do with market responsiveness. The Board has many tools to achieve that via their TMG, and QC incentive top up programs. That would be fair and equitable as anyone could participate to meet the market!
23	while it may not be entirely market responsive, those producers with different production types likely are already filled to capacity on specialty production therefore it would be either conventional or enriched production. if specialty is required, there are producers waiting in ques to change production type.
25	Farmers are not dumb , if there is a advantage to splitting your farm to get more quota they will do it . So instead of having say 130 producers , overnight you will have 300 or 400 egg farms.
28	Most small lot producers couldn't financially afford to build for equal allocation and they would go broke if there was an even cut back. They are also the least invested in the industry. If this system was done, it would encourage millions of small farms all over the place eliminating any efficiency.
35	need to mak sure larger farms cant split their quota into smaller units
42	A massive issue created by this method is also the equal distribution of a reduction in quota. Done on an equal basis, if the reduction was substantial it would put small producers, particularly those that are new to the industry, out of business.
49	its just not fair.
65	Like I said before this is a crazy idea , and the only guys in favour of this are those who will split their farms to take advantage of this
66	I actually think it would be a good idea for small producers to receive a slightly higher quota allocation, but definitely would be opposed to equal distribution because it is unfair and promotes farm splitting.

ResponseID Response

69	As seen on the quota exchange, not a lot of quota moves anyways. In this system smaller farmers would need to deal with expansion challenges, In pro-rata large producers deal with expansion
74	hard for small farms to keep up with large growth - building etc
76	As a small farmer there would be the fear of it being taken away as well.
80	I don't believe it discourages natural market behaviours, but MAY promote farm splitting... Equal distribution is MORE certain as we know that every farm will be faced with the same levels of growth in quota numbers. The challenges faced by the rapid growth smaller farms may see percentage-wise is where innovation takes place and this may actually improve systems of efficiency as more producers respond to the increase.
81	I don't believe it discourages natural market behaviours, as the larger farms would still be looking to purchase quota. I do not see a disadvantage to promoting land purchases. This may reduce the inflated price of quota.
92	It would not target what the market needs and ultimately would not benefit the industry.
101	Another quasi-equal distribution allocation model might be one that gives the same percentage allocation on the first part of a producers total quota, say up to the first 20,000 birds, and decreasing amounts for the next 20,000 after that, and so on. This could possibly lead in a small way toward farm size parity, but anything too drastic could lead to farm splitting.

30. Do you have any other comments on Quota Allocation that were not covered in this survey?

ResponseID	Response
1	blah
14	Keep it the same no change
18	Do the right thing! There is clearly one fair and equitable way to allocate quota that meets all the safety principles. Further, The Board can further refine and develop current TMG, and QC incentive or top up programs in order to meet the market variances which can come and go faster than one thinks. We changed from caged to freerun....within weeks of housing...we were asked to switch to free-range. Next flock we went back to free run on the graders request. Now they'd like 1/2 that barn to be enriched. QC's could address that in a much more fluid and controlled way... not via an unfair allocation, creating winners and losers and excessive speculation. Then what happens when BC receives a quota cutback?? That would result in chaos!!!
23	whichever way one looks at it, prorata is the best and fairest way given all the other available preferential programs, regions, production type, NPP, Quota exchange, etc.
25	This will create lot of work for the Egg board
28	Pro rata is by far the most fair and equal. Producers must be able to share equally and fairly in both increase and decreases. History has shown this to be the most fair. Other provinces and other commodity types all use pro rata for this reason.
29	I think we have covered these and other questions regarding allocation multiple times, I wonder when the message is getting true.
30	Offer an increased opportunity to have quota increases to producers below 6000. Similar to the advantage presented to producers below 6000 with quota exchanges. Producers below 6000 are in more need of increase opportunities then the producers who have multiple barns full.
32	No
39	Interior producers need more access to quota markets if the industry wants to see more farms in the interior.

ResponseID Response

42	The feeling of the arguments presented in the benefits and disadvantages of allocation methods seems to suggest there is a current lack of market responsiveness in our industry. Looking back over the past 10 years it appears that we've been very successful in meeting market demand. There is a regional issue currently that is being addressed through the new entrant program. I believe expanding the "producer-vendor" portion of the new entrant program in other regions is probably the best way to solve this problem.
49	If small producers are a concern then perhaps they should get slightly more quota as a new entrant or receive a higher percentage to buy on the exchange to help them be viable. that would be more fair in the long run then looking at an allocation review every two years. It seems like that would be a better long term idea.
50	Quota allocation should not be a way of reacting to market. Production in other regions and types should be encouraged by economic reality (more profit). It is not fair to penalize a cage farmer, whose eggs are currently in demand but who is prepared to change as the market dictates.
56	Pro rata is most fair and equal to those who are in and invested in the egg industry. It is also most fair to related industry and carries a lot more efficiency. Also any future decrease method must match increase method
65	Nuts
66	Personally, I think the most equitable solution is the most fair solution. I don't want to be disadvantaged based on farm size, production type or farm location. I would very cautiously favor a very limited variable allocation but only to help small farms, because farm size is already directly linked to quota allocations. As for production type and location, I believe there are better incentives, such as free shipping, egg pricing, or other such incentives to encourage or discourage growth in these areas.
70	Thank you for letting as producers have input. Please allocate in the most expedient manner so BC does not lose its market share to other provinces or loss out on potential sales and resultant revenue and tax base. Thank you.
73	Stop new entrant program for some time

ResponseID Response

80 I would like to see a system put in place that enables farms under the median quota (~20,000 currently) to reach it, and close the gap between the larger and smaller production units if so desired. This may be possible by BCEMB withholding 10% for NPP development, an additional "Rapid Growth to Median" 10% allocated to those under the median (meeting certain criteria and continuing to enforce a clawback on early sales of these quota to ensure industry stability is maintained), the remaining 80% to be distributed through the Variable process. *Eligibility for the "Rapid Growth to Median" could require NPPs to purchase quota or on a buy one/get one basis... There you have it, Problem solved :P

81 I would like to see an allocation method presented that responds to the producers needs to either, grow, remain consistent, or reduce. It is a continual challenge to plan for incremental growth in a solid building. This challenge is present for every producer no matter what size. I would also like to suggest that an additional 10% after 10% for NPP's be given to producers below the provincial median size. This would create parity within the industry, allow smaller/new entrants to be brought to a viable/more efficient size, and would allow for planned growth. Once median size is achieved, this would no longer be a benefit. This isn't fair, it never will be, but industry health is more important than everyone feeling that it is fair. What is not addressed in this survey (and maybe it is not the place for it), is a way for people to enter the industry without going through the draw or spending a million on first quota purchase. Perhaps a 'rapid growth to median' allocation could alleviate the cost of and allow for planned growth for producers new to the industry.