



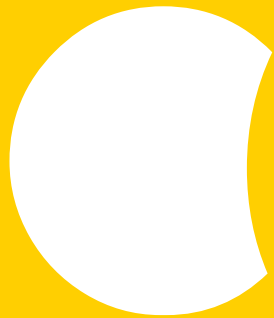
YEARS

2022 ANNUAL REPORT

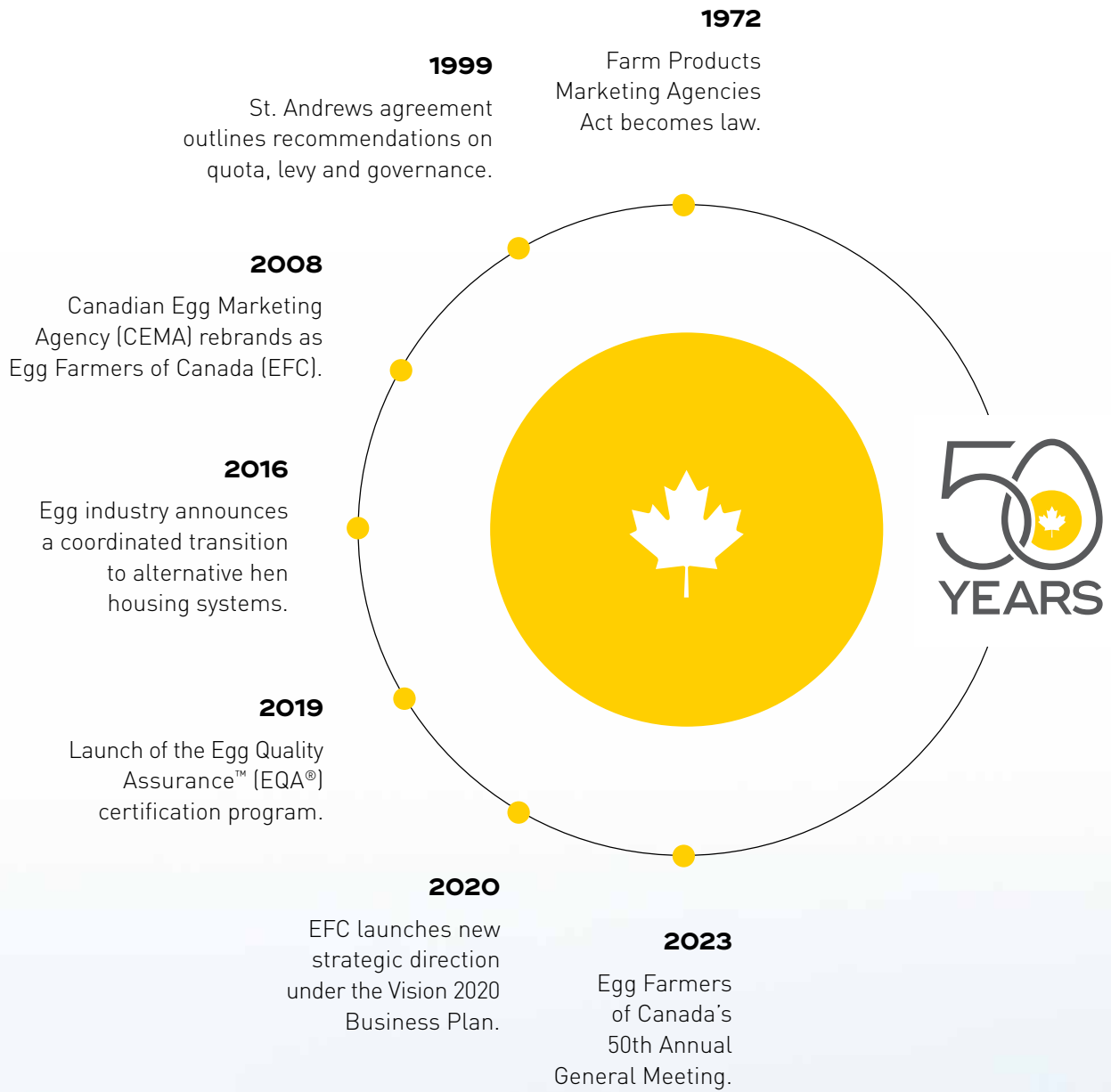


**EGG FARMERS  
OF CANADA**





Tradition.  
Collaboration.  
Innovation.





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*The fiftieth Annual Report of Egg Farmers of Canada (c.o.b. Canadian Egg Marketing Agency) is prepared for presentation to the Minister of Agriculture and Agri-Food and to Farm Products Council of Canada.*

# CHAIR'S MESSAGE

Milestone anniversaries are an occasion for reflection. They make us stop and think about the great things that have been accomplished, about the dedicated people who have made them happen, and about what the future holds.

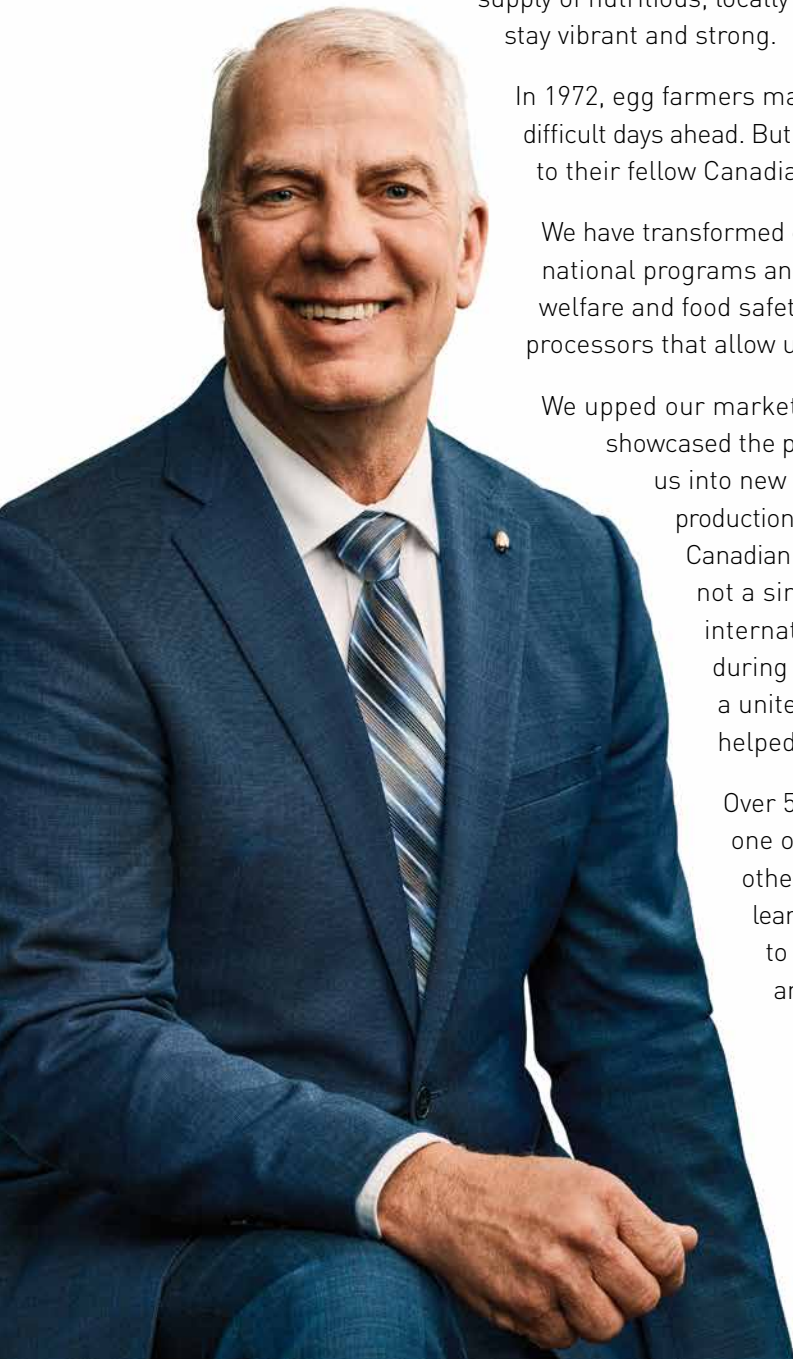
Those accomplishments are more significant than some people may realize. It is fair to say that egg farming in Canada would be radically different today if supply management had never existed. Supply management was an innovative solution to a difficult set of problems. It replaced a chaotic egg marketing system, bringing stability to farmers by allowing them to earn a fair return and to plan without having to worry about whether their eggs would sell. It brought benefits to consumers, who were assured of a steady supply of nutritious, locally sourced eggs, and has helped farming communities stay vibrant and strong.

In 1972, egg farmers made a promise to each other. They knew there would be difficult days ahead. But they also knew that the new system would bring benefits to their fellow Canadians. Those supply management pioneers were right.

We have transformed egg farming over the last half-century by implementing national programs and protocols that deliver the highest standards in animal welfare and food safety, and by putting in place agreements with graders and processors that allow us to manage our domestic egg supply with efficiency.

We upped our marketing game by launching award-winning programs that showcased the pride in egg farming, and quick-witted ads that propelled us into new levels of pop culture relevance. We have increased egg production on our farms and are actively working towards ensuring Canadian eggs "fill our market," with the goal that Canada imports not a single egg more than the minimum number set in our international trade agreements. We have rallied together during difficult times. We have advocated for farmers through a united voice, built close connections with Canadians and helped others by giving back.

Over 50 years, we have established a number of traditions; one of the most successful is our ability to work with each other. Though discussions are sometimes difficult, we have learned how to put our differences aside and come together to find a solution. Farmers have done this many times, and it has strengthened our sector.





One recent example is the work we have done on updating the Federal-Provincial-Territorial Agreement, which sets out the responsibilities of EFC and the provincial and territorial egg boards and brings them in line with today's industry practices. Thanks to our collective willingness to work together, the updates to the agreement are nearly complete.

As we look to the future, we can honour the past generations by challenging ourselves to keep the traditions of innovation and collaboration alive. We can let the accomplishments of those who came before us inspire us to do better, to be stronger, and especially to work together to address our challenges.

***Milestone anniversaries are an occasion for reflection. They make us stop and think about the great things that have been accomplished, about the dedicated people who have made them happen, and about what the future holds.***

That is why we are passing on the best of our traditions to our next generation of leaders through our national young farmers and women in the egg industry programs. Just like the farmers who worked out the details of egg supply management five decades ago, these young leaders will blaze the trail towards the future. I encourage them to learn about our history and embrace every opportunity to ask questions. I hope they build on the solid work of the past, while charting a path to their future.

It's impossible to know exactly what the future holds. But I think it's safe to say that 50 years from now, when we mark our 100th anniversary, eggs will be an even more important part of the diet of Canadians. Egg farmers will produce them in ever more innovative ways and we will be working closely together to find solutions to whatever problems arise.

To all who have come before, to all whose hard work got us to where we are today—farmers, board members, egg boards, staff and partners—I offer my thanks. Your dedication has built something worthwhile, something that Canadians can be proud of every time they crack an egg.

Let us all stand together to continue our good and necessary work.



**Roger Pelissero**  
Chair



# RESEARCH AND INNOVATION

**1997**

EFC sets up a restriction in the Administration Fund to fund research.

**2010**

Egg Industry Economic Research Chair at Université Laval is established, creating EFC's Research Chair Program.

**2015**

Launch of EFC's Research Grant Program in support of egg industry research at universities across Canada.



Becoming a world leader in egg consumption and production depends on our ability to troubleshoot challenges, identify solutions and push boundaries. This is why we view research and innovation as a cornerstone to our success. Whether it is exploring green technologies or discovering novel uses for eggs, our investment in this area provides important answers to the questions of our day.

EFC's research program has evolved into a comprehensive, holistic approach to funding research and putting results into practice. Our research journey has seen the expansion of a unique Research Chair Network, and the establishment of an active Research Grant Program. Our efforts are amplified through collaborations on issues that impact partners and topics that cut across jurisdictions. Together, we are offering tangible solutions to improve our practices and grow our sector.

## Driving innovation through our Research Grant Program

From providing more pathways to become more sustainable, to offering new insights to care for our hens, to exploring medical advancements, evidence-based research is a critical element of our vision of the future. Central to this approach is EFC's Research Grant Program, which funds a broad range of projects on areas of importance to Canada's egg farming industry. In 2022, EFC hosted two calls for research proposals under the guidance of the Research Committee of the EFC Board of Directors. The initiative drew in the highest number of research proposals in recent years, of which 14 projects received funding and another eight were awarded conditional approval to receiving Agriculture and Agri-Food Canada funding.

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Some examples of projects supported by the EFC Research Grant Program include Dr. Lucas Hof's work at L'École de technologie supérieure exploring circular manufacturing strategies for the egg industry using eggshells as a value-added additive in manufacturing. At the University of Guelph, Dr. Rozita Dara is working towards a surveillance and monitoring tool for avian influenza outbreaks in Canada, and at the University of Saskatchewan, Dr. Duncan Cree is exploring an integrated process to recover calcium carbonate and amino acids simultaneously from waste eggshells. As attention turns towards the next call for research letters of intent, our focus is on increasing research proposals in the area of end of flock management, environment and sustainability and sustainable feed production.



**57 research projects**  
supported by  
our Research  
Grant Program.



## Research Chair Network fosters innovation and industry solutions

Our current research chairs, Dr. Nathan Pelletier, Research Chair in Sustainability at the University of British Columbia Okanagan (established in 2016), Dr. Bruce Muirhead, Public Policy Research Chair at the University of Waterloo (established in 2014), Dr. Tina Widowski, Poultry Welfare Research Chair at the University of Guelph (established in 2011), and Dr. Maurice Doyon, Egg Industry Economic Research Chair at Université Laval (established in 2010), continued to drive research that will shape the future of egg farming. Each research chair has carefully established a research program at their respective university, overseeing graduate students and academic excellence.

A strong approach to collaboration across the Research Chair Network enhances the program by recognizing the interconnectedness across disciplines and furthering important insights for the industry. These cross-disciplinary efforts are fostered at meetings throughout the year where the research chairs come together to share updates on their projects, discuss industry challenges and brainstorm solutions. The chairs continue to present their work at industry events and conferences, contribute expertise to working groups and roundtables, while also continuing to publish many research papers detailing their latest findings and results in scientific journals and other publications.

## Mobilizing research results and amplifying our efforts through partnerships

EFC continued to share results emerging from the Research Grant Program, the Research Chair Network and our partnerships. This knowledge mobilization work is centered on sharing research results with farmers and stakeholders who can put them into practice. In 2022, these efforts included a range of articles, research summaries and webinars that were shared across our channels. Research summaries tackling topics such as the quality of animal and plant proteins, and the effects of maternal stress and strain differences in hens were drafted and promoted. Several articles in newsletters, industry publications and social media content further promoted research outcomes and insights, allowing us to reach more people with this valuable information.

***This cutting-edge work will play a key role as the adoption of the National Environmental Sustainability and Technology Tool (NESTT) and other tools grow, adding to our rich database of information and generating actionable insights.***

Our commitment to support evidence-based research is extended through partnerships with the Canadian Poultry Research Council, Egg Nutrition Center, Poultry Innovation Partnership and Egg Industry Center. This investment allows us to extend our research reach while addressing matters of importance to the egg industry and broader poultry sector. We are following several research projects under the guidance of these partners with great interest. These include studies that explore the role of eggs to help Alzheimer's patients, projects that strengthen our response to avian influenza viruses, and investigative work on the value of using sustainable feed additives, like seaweed, in the diets of hens. We look forward to sharing the findings of these research projects with our network, policy makers and health professionals through our knowledge mobilization endeavors.

## Creating shared value through predictive analytics

We are looking to innovative technologies such as machine learning and artificial intelligence for predictive purposes to take our capabilities to the next level. Through an exploratory initiative, we are leveraging the increasingly vast array of data to which we have access—both within our business and from sources around the world—and reimagining how we interpret these datasets. Our goal is to create a digital environment that adds value to our processes and assists EFC in understanding what may happen in the future through a range of algorithms. This approach to generate business intelligence by drawing on technology to execute sophisticated analysis will help transform our ability to make predictions about the future. This cutting-edge work will play a key role as the adoption of the National Environmental Sustainability and Technology Tool (NESTT) and other tools grow, adding to our rich database of information and generating actionable insights.



# 2

## SUSTAINABILITY

### 1990

The industry rolls out the Safe From *Salmonella* on-farm food safety program, which later becomes the national Start Clean-Stay Clean® program.

### 2003

The national Animal Care Program is established based on the *Code of Practice for the Care and Handling of Pullets, Laying Hens and Spent Fowl*.

### 2019

Release of our inaugural Sustainability Report, which details five pillars to guide our focus.

Environment and climate change are top of mind for many Canadians, and that's translating into what we put on our plates. Egg farmers know this—and have long embraced practices that drive efficiency in resources through the use of smart technologies, benchmarking tools and other practices. These individual farm initiatives add up and have delivered tremendous gains in overall environmental performance. In fact, over the last five decades the Canadian egg industry has cut its overall environmental footprint in half while also increasing production. However, what makes our sector unique is not our past history, but the concerted efforts to build on this performance and drive progress.

Sustainability is more than just environmental measures. It is also about protecting the health and welfare of our hens and delivering safe, high-quality eggs to Canadians. Our programs deliver on the highest standards of animal welfare and food safety—and are continuously enhanced to keep step with the latest research. This holistic approach to sustainability is a central pillar to our industry's development.



## World-leading programs and protocols in food safety and animal welfare

Our animal welfare and food safety standards are the cornerstone of the trust we have nurtured with Canadians and with our value chain. Ensuring these programs are based on the latest science and evidence will allow us to keep the trust of those we serve—and we have much to celebrate in that regard. After an extensive process that drew in stakeholders from across the egg value chain, 2022 saw the launch of EFC's national redeveloped Animal Care Program. The program was approved by the EFC Board of Directors in July, which triggered a transition period as farmers began adopting the new standards. New resources and manuals, record templates, webinars outlining changes to requirements, and additional training for auditors and egg boards further



**1,421 audits**  
conducted  
in 2022.

supported the transition to the new program. The launch of the redeveloped program marked a critical milestone for Canadian egg farmers with the adoption of leading-edge standards of care for laying hens in all housing systems in Canada.

This achievement was further emphasized this fall, when the National Farm Animal Care Council (NFACC) recognized the redeveloped Animal Care Program and confirmed that it includes all applicable requirements outlined in the 2017 *Code of Practice for the Care and Handling of Pullets and Laying Hens*. This significant outcome was achieved after a multi-year process that followed NFACC's robust Animal Care Assessment Framework. The recognition—which was met with great enthusiasm by our supply chain stakeholders—confirmed our collective commitment to rigorous animal welfare standards, adding further confidence and credibility to the standards in place on Canadian egg farms.

Under a commitment to maintain best-in-class food safety protocols and standards, a range of enhancements were applied this year to further strengthen program requirements. Amendments to the Start Clean-Stay Clean® program were implemented in January under the guidance of the Production Management Committee of the EFC Board of Directors. These included revisions to requirements for incoming foraging material, clarification towards the acceptable and proximity of vegetation around barns, consolidation of program parts one, two and three into one annual food safety audit, and the amendment of measures to reduce the risk of cross-contamination on farms with multiple poultry facilities.







Another significant accomplishment in the area of food safety was the launch of the updated Start Clean-Stay Clean® program for pullets. The updated program created much needed alignment between the pullet and laying hen programs, which triggered the implementation of new requirements and the introduction of rewritten farmer guidelines. Additionally, several new Critical Control Elements were approved by the EFC Board of Directors for implementation in 2023 to parallel requirements between the national Start Clean-Stay Clean® program with the redeveloped Animal Care Program to avoid duplication of elements.

***The launch of the redeveloped program marked a critical milestone for Canadian egg farmers with the adoption of leading-edge standards of care for laying hens in all housing systems in Canada.***

Steps were also taken this past year to strengthen the National *Salmonella* Enteritidis (SE) Protocol. As a result of these amendments, farmers are now required to vaccinate their next flock following an SE positive case. The same process will be enforced at pullet facilities starting in 2023. The SE Scientific Advisory Panel continued to offer valuable insight and analysis. The group advanced project objectives throughout 2022, which included evaluating post-positive procedures and best practices, reviewing control measures that could help prevent precautionary egg recalls and assessing sampling and testing procedures in other countries. The SE Scientific Advisory Panel will continue their work in 2023, and draw on their findings to put forward recommendations to the EFC Board of Directors.



**829 million  
dozen eggs**  
produced in  
Canada in  
2022.

## New program establishes Canada-specific AMU and AMR baseline data

Establishing baseline data on antimicrobial use (AMU) and antimicrobial resistance (AMR) in laying hen flocks in Canada has been a priority initiative for EFC. This is why we partnered with the Canadian Integrated Program for Antimicrobial Resistance Surveillance to conduct a pilot study to monitor trends and further advance our work in responsible antimicrobial use. Drawing on questionnaires and pooled fecal samples from 72 laying hen flocks, the study yielded findings that shed light on the level of foodborne pathogens and antimicrobial use on Canadian egg farms. This information allowed us to better understand regional differences when it comes to the detection and prevalence of certain types of bacteria and diseases in laying hen flocks, their resistance to commonly used antibiotics, and has identified areas that warrant further investigation.

Research results confirmed diseases are relatively infrequent in Canadian layer flocks, which is attributed to strong biosecurity protocols and comprehensive vaccination programs. The study also found relatively lower resistance to antimicrobials compared to those observed in broiler chickens and turkeys. The outcome of the study suggests the Canadian egg farming industry would benefit from ongoing or periodic surveillance to further our understanding and assess changes.

## Supporting the shift to alternative egg production

Progress continues to be made in phasing out conventional hen housing systems and transitioning to alternative housing systems in the seven years since the hen housing transition plan was announced. In 2022, the proportion of hens in conventional systems decreased by just under 2 percentage points in the first half of 2022 and now represents approximately 51.17% of hens in Canada. Concurrently, enriched colony housing grew by approximately 2.5 percentage points in the first half of 2022, now representing an estimated 31.58% of hens in Canada. There continued to be marginal shifts in free run, free range and organic egg production methods throughout the year, with these production systems combined representing approximately 17.26% of hens in Canada. Demand for all product varieties continues to be met and contingent on these preliminary transition trends continuing at the same pace, EFC estimates that conventional production methods will be completely phased out by 2032—four years ahead of the 2036 deadline.



### Hen issuance by production method<sup>1</sup>

Production method	2022	2021	2020	2019	2018
Conventional housing	51.17%	53.00%	59.02%	65.73%	71.38%
Enriched colony	31.58%	29.00%	24.52%	18.18%	14.21%
Aviary/free run	10.84%	10.87%	10.42%	10.62%	9.17%
Organic	5.06%	5.09%	4.85%	4.41%	4.18%
Free range	1.36%	1.35%	1.19%	1.06%	1.05%

**Source:** Egg boards

<sup>1</sup> 2018-2021 data represents December, end of year value. 2022 data represents July, mid-year value.

We continue to advance projects to support the transition towards alternative production methods. 2022 saw the continuation of the National Alternative Housing Project, which seeks to develop a program to support free run, free range and organic egg requirements in the Canadian egg supply chain as demand grows for these types of production. The project team, consisting of representatives from the processing and grading sectors, egg boards and EFC, met over the course of the year. With agreement on overarching principles for a framework moving forward, project team members are focused on the next phase of the initiative, which includes integrating new processes for the management of alternative housing into the existing approach of managing the egg supply.

This year also brought the advancement of our latest Cost of Production (COP) Study, with the fieldwork phase to wrap up in early 2023. The study was the first to measure the cost of producing a dozen marketable free run eggs in a way that gives a fair rate of return on labour and investment. These efforts will help produce the first-ever separate COP results for conventional, enriched colony and free run eggs. This milestone further reflects the direction in which we are headed as the industry shifts to alternative methods of production. The COP Committee of the EFC Board of Directors will be working to finalize the results of the study over the course of 2023.



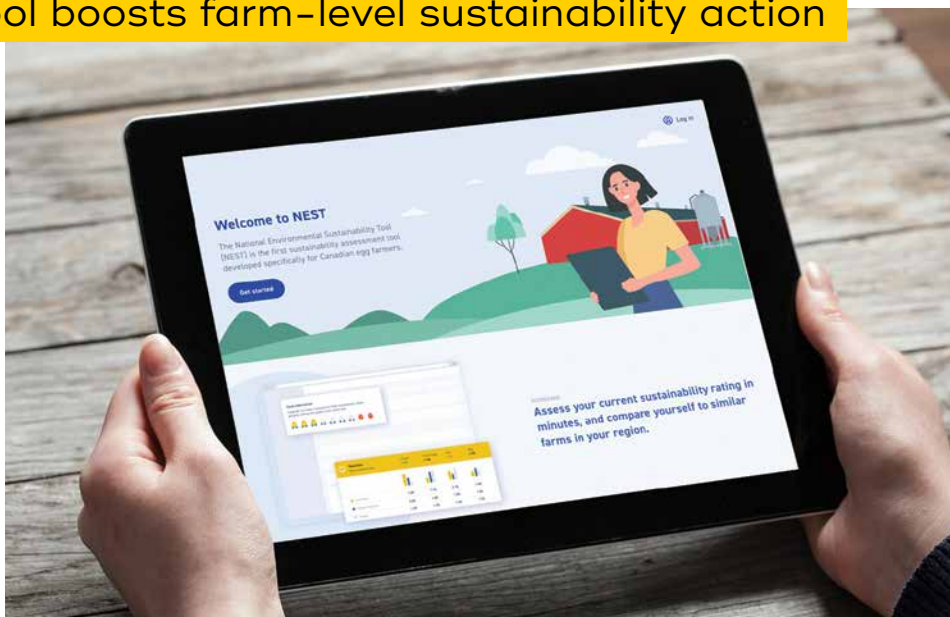


## Empowering and supporting the leaders of tomorrow

The women in the egg industry program brought together a dynamic group of women leaders who took part in a mix of webinars, panel discussions and online engagement activities. Delegates took part in a full-year mutual mentorship program, which is aimed at building relationships and sharing knowledge and expertise. More than 40 women egg farmers from across Canada have taken part in the program since its launch in 2019—and in celebration of this milestone, the entire alumni network was invited to take part in our first Women in the Egg Industry Summit in Ottawa in November. The Summit's activities included roundtable discussions, a team building challenge, and talks from keynote speakers Margaret Hudson, President and CEO of Burnbrae Farms, and John Jamieson, President and CEO of the Canadian Centre for Food Integrity. Minister of Families, Children and Social Development Karina Gould joined the group and shared perspective on leadership during a special Q&A session.

National young farmer program delegates took part in a virtual conference hosted by the Canadian Young Farmers' Forum in March, attended the National Producer Conference in Winnipeg, and came together for a two-day workshop in Ottawa. Participants benefited from guest speakers and industry experts who guided them through a dozen learning modules focused on key industry areas. Participants took part in a mix of activities that complemented learning outcomes and joined a virtual conversation with MP Kody Blois to learn about federal government priorities in the area of agriculture. The experience was rounded out with the opportunity to deliver virtual farm tours to their peers and provide feedback on the program structure.

## National Environmental Sustainability and Technology Tool boosts farm-level sustainability action



2022 saw the launch of an innovative online tool that empowers Canadian egg farmers to measure, monitor and manage the environmental footprint of their farm. The release of the beta version of the NESTT equipped egg farmers to perform a sustainability assessment of their farm to understand drivers of environmental performance, including energy and water use, while exploring comparisons to farms in their region and across the country. Farmers can use the tool to create an action plan, set sustainability goals, track progress and work towards making their farm even more sustainable.

This is yet another example of how the egg farming industry is drawing on innovation to reach new heights in sustainable performance and continuously improve our practices. This groundbreaking decision-making tool was developed under the guidance of University of British Columbia Okanagan researchers, Dr. Nathan Pelletier, EFC Research Chair in Sustainability, and Ph.D candidate Vivek Arulnathan. Future updates to the capabilities of the NESTT, which will begin to rollout in 2023, include several detailed assessments and the introduction of new green tech insights.



# 3

## SOCIAL LICENSE AND PUBLIC TRUST

### 2004

CEMA hosts its first national eggcellent breakfast on Parliament Hill for MPs and Senators.

### 2014

EFC is a founding member of the International Egg Foundation.

### 2014 AND 2016

EFC receives the Crystal Egg Award for leadership in corporate social responsibility from the International Egg Commission.



From advocacy work and outreach programs, to community partnerships and initiatives that deepen our connection with Canadians, our longstanding tradition of building public trust and honouring the social license entrusted to us by Canadians extends throughout our vast history. The EFC Board of Directors has long recognized the importance of dedicating resources to these efforts, not only because it is the right thing to do, but also because it supports our business ambitions. We have since worked hard to maintain a close connection between Canadians and the people dedicated to producing fresh, local and high-quality eggs.

Our work in this area has evolved in step with our vision of the future: A world where everyone can enjoy the immeasurable benefits of the humble egg. We are influencing change by expanding partnerships that deliver nutritious eggs to some of Canada's most vulnerable populations and taking an active role in the International Egg Foundation (IEF). Our expanded advocacy work allows us to provide perspective and input to government officials and policy-makers. In 1972, EFC worked side-by-side with The Honourable Eugene Whelan to establish the system of egg supply management. In the decades that followed, we have shaped the future of agriculture in Canada by championing the voice of egg farmers.



**5 decades**  
of building  
trusting  
relationships.

## Advocating for our strong and vibrant sector

Our advocacy work in 2022 focused on keeping government decision-makers abreast of the issues that are most important to egg farmers. Because of our efforts with parliamentarians, officials and a growing number of departments and agencies, we are seeing encouraging progress on issues such as labelling modernization, the development of a national labour strategy, trade mitigation measures, the roll-out of a green agricultural plan and the preparation of a national school food policy. Many engagements took place throughout the year to contribute constructively to the dialogue on priority files and when necessary, raise concerns. Meetings with Ministers, Parliamentary Secretaries, MPs, Senators and senior bureaucrats allowed us to advocate for our sector—and for the food security of our country.

We also offered expert opinions and contributed to studies facilitated by the House of Commons Standing Committees on Agriculture and Agri-Food and Finance. EFC's input was provided through government-led consultations undertaken by the Departments of Agriculture and Agri-Food Canada, Environment and Climate Change Canada, and Employment and Social Development Canada. Taking part in these opportunities allows us to shape policy and legislation, as well as influence changes to the regulatory system that affect our sector.



## Reviving our popular Downtown Diner event

In partnership with Chicken Farmers of Canada, Turkey Farmers of Canada and the Canadian Hatching Egg Producers, we hosted our outdoor Downtown Diner event on Ottawa's Sparks Street in June. The event was an opportunity to connect with federal decision-makers and the public. Egg and poultry farmers engaged with guests, sharing how supply management supports our country and sustainable food production. MPs and Senators were invited to take part in a recipe contest by submitting their favourite creations featuring our products. The winning recipes were featured on the Downtown Diner's menu. Many Parliamentarians stopped by the event, sharing their support for egg and poultry farmers and enjoying made-in-Canada food items. The 2022 edition of The Farmers' Times, our lighthearted take on the popular The Hill Times newspaper for political junkies, was distributed at the event and mailed to all MPs and Senators. Capping off the successful event, and in the spirit of supporting those around us, a donation was made to food banks.



## Joining municipal officials at the Federation of Canadian Municipalities

EFC, Dairy Farmers of Canada, Chicken Farmers of Canada, Turkey Farmers of Canada and the Canadian Hatching Egg Producers joined forces at the Federation of Canadian Municipalities Annual Conference in Regina. Our participation in the conference allowed us to reach over 1,500 Mayors, Councillors and municipal leaders from urban and rural areas across Canada and share how supply-managed farmers contribute to the vibrancy of communities from coast to coast. Our Farm Hub speaker series provided an engaging forum for panel discussions and fireside chats that addressed topics of importance to municipal leaders. A highlight on the agenda was a discussion between egg farmer Mireille Leroux and Dr. Nathan Pelletier, EFC Research Chair in Sustainability, that offered a look at how on-farm innovation is supporting the transition to a green economy and the role municipal leaders can take in supporting our sector. Our participation in the conference also allowed us to attend a breakfast with the Mayors from the largest cities in Canada and discuss how rural Canada has a sizable impact on urban centers.





## Chefs and farmers share their passion for locally sourced ingredients

Chefs and culinary leaders are an influential voice in our food system. They are driven by thoughtful food sourcing and look to local farms for quality ingredients. Recognizing the many shared values between Canadian egg farmers and the culinary community, we set out to create a forum where egg farmers and chefs can come together to share and exchange. EFC ambassadors Chef Lynn Crawford, Chef Josh Gale, Chef Dale MacKay, Chef Craig Flinn, Chef Matt Basile and Chef Minh Phat lent their voices to the initiative by taking part in engagements that celebrated culinary diversity and the work that goes into producing eggs. For example, EFC ambassador Chef Matt Basile and egg farmer Harley Siemens hosted a lively talk at the Terroir Symposium, one of Canada's leading events for culinary thought leadership. The two discussed the importance of made-in-Canada food, the steps egg farmers are taking to embrace sustainability and their shared love of eggs. Our programming that connects farmers and chefs will expand in 2023, drawing on our extensive network to reach chefs, culinary students and the food community through a range of touchpoints, content and events.

## Amplifying the voice of Canadian egg farmers through the media

Our proactive media relations activities, and efforts to respond to requests from journalists, allow us to share perspective and correct misinformation. In recent years, we have extended this program to draw on advertorial content in popular publications. Throughout the year our spokespeople gave interviews to national and industry media on topics like sustainability, food affordability and the national supply of eggs. We worked collaboratively with egg boards and the other national supply-managed organizations to respond to requests on topics that cut across jurisdictions. Dozens of articles, broadcast segments and radio interviews were circulated with our viewpoint, helping us to communicate more broadly.

Our work with the media also sought to discuss how egg farmers are delivering climate solutions and embracing innovative technology. Press releases, digital content and advertorials with The Globe and Mail and Maclean's provided a platform for our experts to discuss the leadership of egg farmers in sustainable agriculture. We highlighted the role our product takes in sustainable diets in both domestic and international media and celebrated the proactive work within our sector.



Three national public relations campaigns were executed throughout 2022, which generated positive news coverage and buzz about our farmers and product at key times. In April, our Easter campaign featured one-pot recipes, offering easy and affordable holiday hosting inspiration. The campaign was executed in partnership with Food Banks Canada, which also encouraged Canadians to give back to their local food bank. Breakfast Television Toronto, Montreal Guardian, Vita Daily, the Toronto Sun and Saltwire featured our campaign, earning over 12 million media impressions. In the lead-up to the holiday season, our #SeasonToShare campaign served up egg-forward side dishes and easy



**8 million eggs**  
delivered to food  
banks in 2022.

potluck crowd pleasers just in time for gatherings with friends and family. The campaign put a spotlight on the system that delivers top-quality eggs, generating upwards of 24 traditional media hits. The campaign's messages were prominently featured on CHCH Morning Live, Global Halifax, CTV Vancouver, among other media outlets.

Another significant outreach initiative was our World Egg Day celebration on October 12. We joined egg lovers around the world and paid tribute to the humble egg and the hard-working farmers who produce eggs year-round. A press release and special video were issued, and a tailored social media program helped us to grow our engagement with Canadians. The campaign generated over 14 million media impressions and was picked up by Global Morning News (Atlantic), Toronto Sun, Journal Métro, CTV Saskatoon and Canadian Grocer. Our programming contributed to the #WorldEggDay hashtag trending on social media platforms with the online conversation reaching a remarkable 127 million people globally.

## Five decades of giving back at home and abroad

As food producers, we have a critical role to play in alleviating hunger and driving food security. World events, rising prices, climate shocks and COVID-19 have triggered what the United Nations' World Food Programme is calling "a seismic hunger crisis." While egg farmers have long been champions of supporting vulnerable populations, we stepped up our programs this year.

We supported Breakfast Club of Canada as they served up breakfast to 580,000 children through 3,500 school nutrition programs in 2022. This undertaking was supported by an extensive couponing program and the distribution of hard boiled eggs in schools. We also continued to reach breakfast programs in remote and Northern communities through our engagement with the Northern Store in Arviat, Nunavut. The program offers a credit system for schools to access fresh eggs, where couponing or product delivery are more difficult to facilitate.

As food bank visits rose by 20% at the two-year mark of the pandemic, our farmers doubled egg donations to Food Banks Canada. The EFC Board of Directors approved an expansion to our program that supports food banks in Canada's Northern communities, substantially increasing egg and powdered egg donations by adding new distribution points to the program in the Northwest Territories and Nunavut.

To focus our global efforts, we worked with the IEF, Heart for Africa and Canadian Food For Children. We are engaged in international development programs in Mozambique, Zimbabwe, South Africa, Eswatini, Uganda, Zambia and Nigeria through the IEF. These initiatives seek to grow egg production and consumption in countries experiencing food insecurity and malnutrition by offering production training, resources and opportunities that empower women.



This year we also celebrated 40 years of partnership with Canadian Food For Children. We were among the first partners to answer their call for aid in 1982 and have been collaborating ever since to deliver a vital source of protein to some of the poorest regions in the world. As a result of this partnership, powdered eggs—produced here in Canada—have travelled to dozens of countries, including Sierra Leone, El Salvador, Haiti, Angola, Peru and Honduras.

## Renewed commitment to support

### Heart for Africa



We proudly renewed our commitment to Heart for Africa in 2022. The partnership, which has been in place since 2014, has already produced and distributed over 11 million local eggs to rural families and children in Eswatini. The organization cares for a growing number of orphaned or abandoned children who rely on our egg farm for a consistent source of locally produced protein. Additionally, Heart for Africa's food distribution program has seen demand grow, with up to 4,500 people relying on the program for one meal a week. They are also a large local employer. Its jobs are critical for the regional economy because of the tremendous ripple effect they generate, with each employee bettering the lives of seven people on average. The work of Canadian egg farmers in this region of the world is a lifeline to many—and our collective work will have an impact on generations.



# 4

## INTERNATIONAL TRADE

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### 1995

The General Agreement on Tariffs and Trade is absorbed into the WTO.

### 2008

The Doha Development Round almost saw an agreement on agricultural issues, which would have had significant consequences on supply management.

### 2021 AND 2022

The Government of Canada delivers programming designed to mitigate market access granted under CUSMA and the CPTPP to supply-managed farmers.

In a constantly evolving and global economy, Canada has grown as a trading nation—especially in agriculture and food. From the conclusion of the Comprehensive Economic Trade Agreement with the European Union (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), to the more recent agreement between North American countries under the Canada-United States-Mexico Agreement (CUSMA) and ongoing discussions at the World Trade Organization (WTO), EFC has embraced an important advocacy role in recent decades and has rallied around the interests of our members and the pillars of supply management.

***Together we mobilize to promote the benefits of supply management and the role it takes in a sustainable food system.***

While the CETA, CPTPP and CUSMA agreements have left a mark on our history and our system of supply management, we have also worked diligently to promote what sets us apart here in Canada. We know there are inherent advantages in Canada's agricultural sector because of the unique dynamic between supply-managed farms and non-supply-managed farms. It is a driving force in our pursuit of growth across the entire sector and has delivered stability in our rural communities. Together we mobilize to promote the benefits of our system and the role it takes in a sustainable food system—and through our global engagements, we highlight how supply management can support developing agricultural sectors around the world.







**\$85 million dollars** delivered to farmers to offset the impact of the CUSMA.

## Federal government delivers on long-term commitment to egg, poultry and dairy farmers

2022 saw the announcement of new measures for supply-managed farmers as they navigate the market access impact of the CUSMA. A sum of \$85 million has been allocated to the egg farming sector to support investments in farming operations and the growth and competitiveness of the sector. This is in addition to the \$134 million announced in 2021 to offset the impact of the CPTPP. While Agriculture and Agri-Food Canada will release further details towards how farmers can access the funds in 2023, it is our recommendation to leverage the existing Poultry and Egg On-Farm Investment Program to disperse the funding.

Agriculture and Agri-Food Minister Marie-Claude Bibeau made the announcement in November, while also reaffirming a commitment to protect the supply-managed sector. These steps put in place the final piece of a process that began in 2017 when the CPTPP was announced. Egg farmers suffered market losses because of the CPTPP, and these effects were compounded with the conclusion of the CUSMA trade deal when additional concessions were made, further displacing Canadian eggs with imported products. We appreciate the steps the government took to fulfill its commitment to offer tools to farmers as they navigate the losses caused by the CPTPP and CUSMA agreements. Our focus remains on the future and in holding the government accountable to its commitment of no additional access to our sectors in future trade agreements.

## WTO hosts long-awaited 12th Ministerial Conference

After two postponements due to the pandemic, the WTO finally held its 12th ministerial meeting, known as the MC12, in Geneva, Switzerland this past June. The meeting went into nearly two full days of overtime to reach a package. While expectations were low, the stakes of not producing an agreement were high as the WTO had been unable to break the longstanding negotiation deadlock. In fact, it had been over eight years since WTO member countries had achieved an agreement in food and agricultural trade.

The package that was reached included an agreement on part of the fisheries subsidies work, an intellectual property rights waiver on COVID-19 vaccine production, a ministerial declaration on food security, a World Food Programme exemption from export restrictions, along with an overarching MC12 declaration. Although an agriculture work program had been on the table for discussion, there was no agreement in this area. Member countries are looking to new ways to advance negotiations on agricultural issues, brainstorming new negotiation formats and considering new approaches.

Representatives from EFC, along with a delegation from the national supply-managed organizations, attended MC12 to monitor negotiations and meet with negotiators and representatives from Canada's official delegation. This included a meeting with

International Trade, Export Promotion, Small Business and Economic Development Minister Mary Ng, as well as MP Randy Hoback. Discussions also took place with country representatives from Japan, Norway, the European Union and farmer representatives from Netherlands, Switzerland, Norway and the American Sugar Alliance.

The next ministerial meeting (MC13) is set to take place in 2024 in Abu Dhabi. EFC will watch future WTO negotiations while considering the broader implications on our industry.



## Keeping a watchful eye on ongoing trade negotiations

We continue to monitor a range of international trade discussions, assessing both the short and long-term impacts on our sector. The Chilean government ratified the CPTPP agreement in October, making them the latest country to have the agreement enter into force. Given Chile may have an interest in the Canadian chicken and turkey market, we are monitoring the country's ambitions closely and will mobilize accordingly. A significant question remains when it comes to member countries of the CPTPP: Will the United States move to join the agreement? While the US Administration has stated it is not currently interested in the agreement, they are actively pursuing plans to bolster their trading relationship within Asia.

Following the UK's departure from the European Union and subsequently CETA in 2020, free trade negotiations were launched between Canada and the UK. With trade talks ongoing, our efforts are focused on ensuring a new Canada-UK agreement maintains the status quo. That is, when it comes to supply-managed goods, our government carries forward what they agreed to under CETA and does not renegotiate these elements of the agreement. EFC will keep an eye on these discussions to hold the government to its commitment to Canada's supply-managed sectors.



## Promoting supply management as a tool that supports sustainable food systems

Based on the Food and Agriculture Organization of the United Nations definition, a sustainable food system is one that delivers food security and nutrition for all in such a way that the economic, social and environmental bases for future generations are not compromised. Such a system ensures farmers are profitable, delivers benefits to society and safeguards environmental sustainability. Recognizing that supply management meets much of the criteria, EFC has launched a new initiative that showcases the important role supply management takes in nurturing a strong domestic food system here in Canada—and the role it could take as a policy system that supports developing countries in growing their agricultural sector and bolstering food security. This initiative brought on opportunities to share our perspective with thousands of farmers and agricultural leaders across the world, including presentations to Indian, Chinese and Israeli farmers. These results underscore that regions around the world are interested in our unique system and there is recognition that supply management is a modern tool that can help achieve the United Nations Sustainable Development Goals.

## Shaping the global egg sector through international engagement

We seized many opportunities to highlight the leadership of Canada's egg farming industry and our commitment to growing international egg production and consumption. This engagement shaped discussions alongside our global peers that will carry us into the future. Roger Pelissero continued in his role as an Office Holder with the IEC, responsible for the overall policy direction and strategy planning of the global



association. Mr. Pelissero and Dr. Nathan Pelletier also continued their work with the IEC's Environmental Sustainability Expert Group, which brings together stakeholders across the global egg value chain. Young egg farmer leader Jon Krahn took part in the IEC Young Egg Leaders program.

EFC delegates also attended the American Egg Board, United Egg Producers, International Production and Processing Expo, World Farmers' Organisation and IEC meetings and conferences in 2022, tracking and discussing emerging global trends within the egg farming sector. EFC representatives were invited to speak about trends in Canada's egg sector, as well as profile our sustainability practices, to our global peers. These moments showcased Canada's leadership in a myriad of areas.

## Exporting Canadian knowledge and know-how to our global peers



Under the guidance of the IEF, Roger Pelissero hosted a training video entitled 'The Fundamentals of Successful Egg Production.' Shot in rural Eswatini, the video offers best practices and advice to emerging egg farmers in tropical and sub-tropical environments. The video includes discussions with farm manager, Maganda Muchenje, and egg farm supervisor, Sifiso Nkambule, at the Heart for Africa egg project to give guidance to egg farmers in low and middle-income countries to achieve long-term business success.



# 5

## PRODUCT MARKETING

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### 1977

The Get Cracking® tagline makes its first appearance in a major advertising campaign.

### 2009

EFC launches the Physician Education Program, reaching thousands of healthcare professionals and addressing cholesterol misinformation.

### 2021

Canadian egg consumption hits 253 eggs per person per year.

Our product marketing campaigns have evolved over the last five decades with changing consumer behaviours and new opportunities to promote eggs and egg nutrition. From the launch of the beloved Get Cracking® brand over 45 years ago, to cracking misconceptions about cholesterol, to promoting eggs at all meal occasions, EFC has a rich history of effective and boundary-pushing marketing campaigns.

As retail sales return to pre-pandemic levels and with the foodservice and restaurant sector rebounding, our 2022 marketing campaigns continued to promote eggs as a central part of Canadians' diets. Fueled by a range of insights on consumption, purchasing habits and consumer attitudes, our award-winning marketing activities inspired consumers to enjoy the nutritious and versatile eggs they know and love at all meal occasions, while keeping the affordability and ease of use of our ubiquitous product top of mind.

## Continuing to inspire consumers with our Eggs Anytime message

The latest iteration of our 'It's Not Weird' advertisements in support of our multi-year Eggs Anytime marketing platform launched in spring of 2022. The popular and humorous ads continue to challenge Canadians to rethink their assumptions of eggs as a breakfast-only food, inspiring new ways to enjoy our product. The latest 15-second television and 6-second digital ads offered a witty take on eggs for lunch in an office setting just as Canadians were returning to in-person work following the pandemic.



**50% growth**  
in social media  
subscribers  
and followers.







Now in its third and final year, the 'It's Not Weird' campaign leveraged a wide variety of channels in 2022 including television, live sports broadcasts, billboards, digital channels and social media. Initiatives through YouTube, theScore, Flipp and new ad formats on smart home televisions brought on new opportunities to reach key audiences.



Our popular 'It's Not Weird' message was shared with male and millennial targets, allowing us to reach new audiences and promote the protein power of eggs. Along with digital and social media ads, an expanded integration with popular sporting app theScore aligned our message with key sporting events while promoting eggs at any meal.



## Five Canadian champions fueled by eggs

During the Winter Olympic Games, which took place in Beijing, China from February 4 to 20, 2022, we engaged with top Canadian athletes to share our message that eggs are a nutritious and easy option for meals and snacks, anytime. Partnerships with para-alpine skier Mollie Jepsen, freestyle skier Brady Leman, snowboarder Max Parrot, hockey superstar Marie-Philip Poulin and figure skater Nam Nguyen promoted the versatility of our product through media interviews and social media content. The national initiative included a partnership with CBC's *The Menu* during the Olympic Games which further echoed our #EggsAnytime message—and showcased the nutrition and versatility of eggs as a winning combination!

## Growing our online channels and communities

Online and digital channels remain some of the most effective tools to reach audiences to promote eggs and egg farmers. Programs optimizing our websites and digital content continue to point users to key information on [eggs.ca](https://eggs.ca), [eggfarmers.ca](https://eggfarmers.ca), [healthcare.eggs.ca](https://healthcare.eggs.ca), [foodservice.eggs.ca](https://foodservice.eggs.ca) and [eggquality.ca](https://eggquality.ca). Together our websites saw over 10.5 million sessions in 2022.



**29 million  
video views**  
on TikTok  
in 2022.

Growth in our social media channels enabled our EFC and Get Cracking® brands to reach an even wider audience. Our channels and digital newsletters include nearly 305,000 followers and subscribers, which represents an approximate 50% increase over the past year. We continue to invest in video creation for both TikTok and Instagram, given they are among the most appealing ways to reach audiences with our message. Our TikTok page saw an incredible 29 million video views in 2022 alone.

Partnering with popular social media influencers grew reach and engagement, helping us offer fresh new recipe inspiration in an authentic format. Our latest food photography reflects current culturally-inspired trends and egg-forward dishes that appeal to Canadians and are often inspired by our online community of egg lovers. Our programs drive users to websites in Mandarin, Cantonese, Arabic, Hindi, English and French catering to Canada's unique multicultural community.

## Spotlighting eggs as Canadians returned to restaurants

This summer marked the launch of our first-ever campaign promoting out of home egg consumption at brunch as Canadians resumed visiting restaurants more frequently. We collaborated with popular social media influencers in Vancouver, Edmonton, Toronto, Calgary, Halifax, Ottawa and Montréal who shared their favourite egg dishes on brunch menus at local restaurants in their city.

Captivating videos and drool-worthy imagery helped build excitement on social media while leveraging the #BrunchTime and existing #LocalLove hashtags. This program allowed us to support local restaurants in major cities across Canada while keeping eggs top of mind as Canadians dined-in at their favourite restaurants. Digital ads further extended the campaign, helping to generate a total of 4.8 million impressions.





## Sharing the health benefits of eggs

New consumer-focused research conducted by Leger in July 2022 revealed that 95% of consumers consider eggs to be a healthy food. These encouraging insights remind us of the importance of efforts to promote the role of eggs in a balanced diet. We reinforced these health benefits through the year with a variety of digital ads and sponsored advertorials in publications like the National Post. Our ongoing work on cholesterol earned an Applied Arts Award win in 2022 for the 'Super Legit Book of Really Real Egg Facts,' a humorous coffee table book designed to expose misinformation about eggs and cholesterol.



We continued our work with Diabetes Canada in 2022, as well as launched a new partnership with Diabetes Care Community to develop a popular series of blog posts on the Diabetes Care Community website. The posts illustrate how eggs fit into a healthy diet for people living with diabetes.

## Reaching healthcare professionals with nutrition science information

Our longstanding work with healthcare professionals helps us to tap into opportunities to share the latest science supporting eggs as a key part of a healthy diet. We connected virtually with attendees of the Congrès de la médecine, Diabetes Frontline Forum and Dietitians of Canada's annual conference, and hosted an in-person booth at Pri-Med and the Family Medicine Forum events. These conferences provide unique opportunities to connect with healthcare professionals, answer their questions and equip them with our tailored suite of resources with the latest science on cholesterol, diabetes, heart-healthy eating and eggs as a first food for babies.

Our longstanding partnerships with Dietitians of Canada and the Physicians Online program helped extend our reach to a broader audience of healthcare leaders by providing resources, continuing education opportunities and information on an ongoing basis. For example, over 2,700 Canadian healthcare professionals placed orders for our Eggs and Babies fact sheet and Healthy You booklet this year. These readily available resources are directly shared with patients who may benefit from the information.

## Promoting eggs to foodservice partners

Canada's foodservice industry continues to show impressive resilience and determination in the face of COVID-19 economic recovery. As consumers return to dining out—both in restaurants and on the go—we believe the use of eggs within this sector is poised for growth. Total egg orders at foodservice experienced growth in 2022 and are nearing pre-pandemic levels. In fact, the latest Ipsos Foodservice Monitor data shows total egg orders are catching up to other popular menu items such as burgers.

***Total egg orders at foodservice experienced growth in 2022 and are nearing pre-pandemic levels.***



In February, EFC launched the second edition of our Foodservice Trend Report, which shares how eggs can play a vital role in Canada's culinary comeback. Additionally, a variety of resources were shared via [foodservice.eggs.ca](https://foodservice.eggs.ca) with the goal of increasing egg orders at restaurants and supporting the sector as it adapts to the new climate. Our focus included highlighting how eggs can build value and minimize costs for restaurants through their versatility, profitability and simplicity.

## Championing the Egg Quality Assurance™ certification program



With Canadians being increasingly mindful of animal welfare and food safety as they make purchasing decisions, the EQA® certification mark continues to be an important tool bringing benefits to industry and consumers alike. Our work to build awareness of the EQA® certification mark within our supply chain remained in 2022. Our efforts included promoting the EQA® certification program through regular communications to key stakeholders, advertising in trade publications and social media engagement, all while encouraging visits to [eggquality.ca](https://eggquality.ca). Our program encouraged licensees to select high-quality eggs—and celebrated their commitment to sourcing Canadian eggs. For example, a bright spot this year included a national campaign by Tim Hortons that included the EQA® certification mark on promotional materials for their new Fiesta Farmer's Breakfast Wrap.







6

## RESOURCE AND RISK MANAGEMENT

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### 1976

Egg industry leaders and signatories sign the Federal-Provincial Agreement.

### 2018

Adjustments to quota allocation methodology strengthen our ability to plan for the future and respond to growing domestic demand.

### 2020

The Canadian egg sector reaches new levels of collaboration to address market shifts during the pandemic.

We have known for a long time that supply management offers many benefits to consumers, to farmers and to Canada; it has demonstrated time and time again that it is a vital tool. Through the pandemic it was instrumental in managing the domestic supply of eggs. As egg sectors around the world shifted their focus to navigate the market disrupting impacts of avian influenza, supply management was there to ensure Canadian consumers were not faced with crippling egg shortages and hefty prices.

The legacy of supply management touches all parts of our history. In addition to supporting food security, it reflects Canadian notions of food sovereignty that emphasize local food, stability for producers and consumers, and a more sustainable agriculture sector. While our system has evolved over time with the introduction of new programs and measures that drive efficiency and cost savings, supply management is just as relevant today as it was when it was established.

## Unprecedented avian influenza outbreak across the globe

Signs from Europe in late 2021 indicated that a highly pathogenic avian influenza virus was quickly circulating through their wild bird population and in commercial poultry operations. These observations were an early warning sign that there could be a significant impact in North America as migratory birds returned to the US and Canada. What followed was the largest avian influenza outbreak in the history of the global egg and poultry sector, with widespread impacts across the sector continuing into 2023.

***While our system has evolved over time with the introduction of new programs and measures that drive efficiency and cost savings, supply management is just as relevant today as it was when it was established.***

EFC worked diligently across our industry, with our poultry partners and with government to navigate waves of virus outbreaks and manage the disease response accordingly. While small backyard flocks accounted for many confirmed cases, commercial duck and turkey farms were the hardest hit, followed by commercial chicken and egg farms. By the end of 2022, all provinces in Canada—except PEI—experienced at least one avian influenza outbreak at an egg farm, with BC being the most significantly impacted province.

Under the guidance of the EFC Board of Directors, measures were implemented to reduce risk of outbreaks and minimize market disruptions in Canada's egg industry. These actions included reactivating the Special Temporary Market Requirement Quota (STMRQ) allocation to address a shortfall of egg imports for processing purposes from the US; suspending farm visits in areas of high infection; and implementing a new biosecurity protocol to complete on-farm inspections during avian influenza outbreaks.

Egg boards and regional emergency operations centers played an essential role in supporting farmers and managing outbreaks and control zones. EFC worked with Chicken Farmers of Canada, Turkey Farmers of Canada, the Canadian Hatching Egg Producers, the Canadian Poultry and Egg Processors Council and the Animal Nutrition Association of Canada to support the national response. We contributed to regular discussions and working groups with the Canadian Food Inspection Agency and joined roundtable discussions with Agriculture and Agri-food Minister Marie-Claude Bibeau to share the impact on our sector and prepare for future waves. This level of collaboration and the dedication across the entire sector allowed us to mobilize, share valuable lessons learned and work together to respond to a challenging situation. As a result of this collective work and swift action, as well as other contributing factors, the outbreak impacted no more than 3.53% of egg production in Canada in 2022 and our sector did not experience the severe market shortages seen in other countries.



## Enhanced process for declaring surplus eggs

Much has been done in recent years to adapt EFC's Industrial Products Program (IPP) to keep step with a growing and evolving industry and new market demands. An update to the IPP Procedures and Guidelines took effect in early 2022. These changes brought on a new process for declarations, which includes reporting the housing system, type and colour of eggs directed to the IPP. This update strengthens our understanding of the different types of surplus eggs which enter into the system and provides new insights that enhance EFC's ability to redirect surplus eggs of specific varieties to where they might be needed.

## Nest Run to Table Project maximizes the use of Canadian eggs

The Nest Run to Table Project continued this year to divert eggs to the table market that would otherwise have been sent to processing. While this program was heavily used throughout the pandemic to adapt to the challenges introduced by restrictions and lockdowns, it is also a valuable tool to help maximize the use of Canadian production to meet the domestic demand for eggs. These efforts help reduce the number of imported eggs during key periods and represent a significant cost savings to the system by redirecting surplus eggs back to the table market in other areas of the country.



## Identifying new opportunities for the national Eggs For Processing program

With the goal of seeking feedback from egg boards on a path forward for the national Eggs For Processing (EFP) program and revitalizing the initiative that has been in place since 2005, EFC launched a review of the program with the goal of brainstorming new opportunities and conducting feasibility studies on potential options as we evaluate the future of the program. Egg board representatives and EFC met twice in 2022 to advance discussions, further assess the demand for eggs for the processing market and identify possible factors that may influence the supply or demand of eggs for the purpose of processing and value-added products. The EFP Review and Redevelopment project will continue in 2023 to shape recommendations.

**27.24 million**  
**hens in**  
**production**  
**in 2022.**

## Collaborating to modernize the Federal-Provincial-Territorial Agreement

Members of the Federal-Provincial Agreement (FPA) Committee made significant progress this year as face-to-face meetings resumed. In early 2022, a draft Federal-Provincial-Territorial Agreement (FPTA) was distributed to egg boards and their supervisory agencies to garner support for the modernized FPTA and solicit input into the draft document. Thoughtful comments and suggestions were received, which the Committee worked through to strengthen the quality of the agreement. A final review of the document will be conducted in early 2023, after which the Committee will prepare a recommendation for the EFC Board of Directors. This extensive, yet fundamentally important, process to develop a renewed FPTA is a tremendous example of collaboration and togetherness which will have a lasting impact on the future of Canada's egg farming industry.



## Quota allocations to bolster supply

In November, the EFC Board of Directors undertook a comprehensive review of egg supply and demand, analyzing market trends across our sector. The assessment took into consideration a number of factors that are expected to positively impact egg sales and demand in 2023. These include the removal of COVID-19 restrictions across Canada, the return of travel and institutional re-openings, and the rebounding of the restaurant and foodservice sector. The state of the Canadian economy and the impact of inflationary pressures further position eggs as an affordable protein source. Finally, population growth, which is largely driven by ambitious immigration targets set by the Government of Canada to welcome record amounts of new Canadians, will have an impact on the demand of eggs in 2023.

Another important factor of consideration in the 2023 allocation is the ongoing impact of avian influenza and the uncertainty the situation has created on the domestic and US supply of eggs. Increasing allocations to grow our domestic supply of eggs will be critical in 2023 because of the risk of future outbreaks and the potential impact on the availability of eggs. As a result, EFC is estimating the table disappearance growth rate will be 3.09% in 2023, to ensure there is enough supply to meet demand. In light of this, the EFC Board of Directors was pleased that Farm Products Council of Canada prior approved the following quota allocation requests in 2022:

Allocation	Effective
Federal regulated quota increase of 646,850 layers	Week 1 of 2023
STMRQ layers at nil	Week 1 of 2023
Eggs for processing quota layers unchanged	Week 1 of 2023
Vaccine quota layers unchanged	Week 1 of 2023

## Amended trigger points for the Pooled Income Fund

A major component of EFC’s price for eggs sold to the processing industry is the Urner Barry price, which skyrocketed in 2022 due to the devastating impact of avian influenza on the US egg sector. These conditions led to the Urner Barry price for breaking stock hitting an all-time high at \$3.95 per dozen in December, with widespread impacts on the Canadian processor egg price. The high Urner Barry price has led to a continuation of the Low-High Price (LHP) Program into 2023 to provide relief to processors through this period of extraordinarily high prices until prices return to normal historical levels. As a result of the high processor price and sales, the EFC Board of Directors approved an \$0.18 levy decrease for the Pooled Income Fund (PIF) effective January 29, 2023.

With the increased volatility in the Urner Barry price and subsequent impact on EFC's processor price and Industrial Product volumes, the EFC Board of Directors increased the PIF minimum and maximum trigger points to \$45M and \$105M (previously \$35M and \$75M), effective January 1, 2023. The amended trigger points are meant to increase the likelihood of maintaining the PIF within the minimum and maximum trigger points and reduce the frequency of levy changes.

## EFC's objects as outlined in the *Farm Products Agencies Act*



### **The objects of an agency are:**

- (a) to promote a strong, efficient and competitive production and marketing industry for the regulated product or products in relation to which it may exercise its powers; and
- (b) to have due regard to the interests of producers and consumers of the regulated product or products.

1970-71-72, c. 65, s. 22.



# PARTNERSHIPS AND COLLABORATION

## 1973

CEMA holds its first Board of Directors meeting.

## 1996

CEMA Board of Directors expands to include downstream supply chain representatives.

## 2020

The Vision 2020 Business Plan launches to reach new heights in sustainability, innovation, production, collaboration and consumption.

As we celebrate 50 years of egg supply management in Canada, we are reminded that collaboration is at the heart of our success and is the glue that holds us together when times are tough. Our ability to work together is an important part of our rich story and has equipped us to move forward and innovate. It will continue to drive our work together across our vibrant industry, and with our many stakeholders and partners. Egg boards, industry members and other partners enrich our debates and discussions, strengthening our network and collective efforts.

As we reflect on how far we have come together, it is worth remembering that while supply management serves the central purpose of orderly marketing, it has enabled so much more. Looking back on our achievements can give us a sense of our vibrant history. However, embracing our history does not mean living in the past. It's about remembering where we come from and building on it as a platform for growth. Our strong relationships and our approach to collaboration are forever engrained in our operations and will drive new levels of success.

## Reaffirming our commitment to our Vision 2020 Business Plan

Vision 2020 is our bold vision for growth that would make Canada a world leader in per capita egg consumption. The EFC Board of Directors reaffirmed their commitment to the Vision 2020 Business Plan and its seven pillars in September of this year following a review of the plan and a strategic planning process to identify areas of focus. While progress around our ambitious goals has not come without challenges, we are encouraged by the considerable progress we have seen since the launch of our growth agenda. As significant events like the pandemic drive societal changes, our industry remains committed to the opportunity ahead to draw on this shared vision and secure the role of eggs as the food of the future.

## Leading the way in corporate culture and employee engagement

2022 marked the 10th year EFC was recognized as a National Capital Region's Top Employer and the ninth year we were included among Canada's Most Admired Corporate Cultures. This year saw a reinvigorated approach to strengthening our workplace culture with the launch of a new culture roadmap which details over a dozen initiatives that further connect our staff to our mission and nurtures a best-in-class environment. Our culture work also saw the introduction of an employee engagement PULSE survey in partnership with Waterstone Human Capital. These short surveys allow us to gauge employee perspective, capture input and benchmark our results, further informing our employee-driven programs. This initiative is actively nurturing a shared ownership of culture across our organization.



10th consecutive  
year as a National  
Capital Region  
**Top Employer.**





A team of  
**65 passionate  
employees.**

This year our much-loved Staff Conference Day put a spotlight on our business plan and community partners. Our team checked in on key success factors of Vision 2020 and took part in a unique 'bowling for a cause' teambuilding activity. In the spirit of furthering connections across the EFC team and celebrating our collective wins, we also hosted our annual golf tournament, a number of lunch and learn activities on topics ranging from time management to pension planning, and a special 50th anniversary luncheon.

## Driving results through collaboration

Our long tradition of collaboration has equipped us with the skills we need to come together as an industry to address complex challenges and seize opportunity. Groups convened both in-person and virtually during the year to advance a range of national issues and priorities. The following committees, working groups and project teams continued in 2022:

### Standing Committees

- Executive Committee
- Audit Committee
- Budget Committee
- Cost of Production Committee
- Marketing and Nutrition Committee
- Production Management Committee
- Research Committee

### Ad Hoc Project Teams

- Animal Care Program Redevelopment Project Team
- Buyback Assessment Review Team
- Canadian Egg Operational Advisory Group
- Conventional to Enriched Transition and Producer Prices Working Group
- EFC-Processor Technical Team
- EFP Review and Redevelopment Project
- Federal-Provincial Agreement Committee
- Hazard Analysis and Critical Control Points Review Team
- Market Development Working Group
- National Alternative Housing Project Team
- National SE Protocol Review Project Team
- National Vaccine Committee
- SE Scientific Advisory Panel



## Equipping our team with the tools to succeed

From nurturing a seamless work environment, to deploying enhanced technology-based security features in our systems, our digital processes and IT infrastructure continue to evolve with our growing and ambitious team. This year also brought many improvements to our physical space at our 21 Florence office in Ottawa. Our second floor was retrofitted to include more meeting rooms and the latest video conferencing tools, creating additional spaces for collaboration and discussions. We offered specialized training opportunities to our team members helping them draw on tools such as collaboration systems and assisting them in professional development. These are just some of the ways we are maintaining our best-in-class work environment and offering our team the tools they need to succeed.



## Vision

A world where everyone—whether it be due to want or need—can enjoy the immeasurable benefits of the humble egg.

## Mission

To position the Canadian egg industry as a leader in Canada's agricultural future through sustainable growth, continuous improvement and social responsibility, working collaboratively under the system of supply management to uphold the interests of all those who depend upon and enjoy our products.

## The EFC Way

EFC believes in the inextricable link between social license and business success. We nurture our acceptance nationally, and in the broader international community—not just because it is the right thing to do but because it bolsters our aspirations of profitability and enhanced socio-economic development.

Legitimacy with our stakeholders and customers drives us each and every day. We respect and honour the trust the Canadian public provides to our industry under the system of supply management. Everything—from operations to policy development to governance—is approached with the utmost regard for: the communities, environment and society in which we operate; the well-being of our animals; and the health, safety and satisfaction of the millions of Canadians who enjoy and depend upon our product every single day.







# MARKET ANALYSIS AND INDUSTRY INFORMATION

Visit [eggfarmers.ca](http://eggfarmers.ca) for the latest reports and data on egg prices, production, imports and industrial products.

## Farmers and average flock size per province and territory

Province or territory	Number of farmers <sup>1</sup>	Average number of layers per farmer <sup>2</sup>
BC	149	21,817
AB	159	17,484
NT	4	28,345
SK	69	18,020
MB	152	16,656
ON	435	22,693
QC	197	28,050
NB	15	36,388
NS	25	34,574
PE	7	20,436
NL	6	62,229
<b>Total</b>	<b>1,218</b>	<b>22,154</b>

**Source:** EFC

<sup>1</sup> Reported data for 2022.

<sup>2</sup> Reported data for 2022. Excludes inventory for eggs for processing.

## Limits to Federal Quotas (dozen)<sup>1</sup>

Province or territory	2023	2022 <sup>2</sup>	2021
BC	96,982,502	96,246,222	92,701,732
AB	82,111,689	81,341,298	78,185,096
NT	3,643,332	3,671,062	3,572,072
SK	36,087,273	35,945,564	34,686,465
MB	72,889,975	73,465,884	71,500,420
ON	283,060,210	282,136,556	272,455,410
QC	161,463,125	160,806,261	154,981,792
NB	15,246,856	15,223,062	14,740,208
NS	24,962,573	25,162,975	24,492,045
PE	4,141,016	4,173,880	4,062,298
NL	11,156,230	11,241,364	10,938,469
<b>Total</b>	<b>791,744,781</b>	<b>789,414,128</b>	<b>762,316,007</b>

**Source:** EFC

<sup>1</sup> The limits reflect the actual, total production permitted by the quota regulations issued during the year.

<sup>2</sup> Dozens pro-rated to 53 weeks of production.

## Limits to Special Temporary Market Requirement Quotas (dozens)<sup>1</sup>

Province or territory	2023	2022 <sup>2</sup>	2021
BC	0	2,367,341	0
AB	0	329,376	0
NT	0	0	0
SK	0	885,185	0
MB	0	1,091,036	0
ON	0	8,440,058	0
QC	0	3,087,821	0
NB	0	679,316	0
NS	0	1,646,828	0
PE	0	0	0
NL	0	0	0
<b>Total</b>	<b>0</b>	<b>18,526,961</b>	<b>0</b>

Source: EFC

<sup>1</sup> The limits reflect the actual, total production permitted by the quota regulations issued during the year.

<sup>2</sup> Dozens pro-rated to 53 weeks of production.

## Limits to Eggs for Processing Quotas (dozen)<sup>1</sup>

Province	2023	2022 <sup>2</sup>	2021
BC	2,654,000	2,654,000	2,654,000
AB	663,500	663,500	663,500
SK	3,317,500	3,317,500	3,317,500
MB	5,308,000	5,308,000	5,308,000
ON	20,368,176	20,368,176	20,368,176
QC	7,962,000	7,962,000	7,962,000
<b>Total</b>	<b>40,273,176</b>	<b>40,273,176</b>	<b>40,273,176</b>

Source: EFC

<sup>1</sup> The limits reflect the actual, total production permitted by the quota regulations issued during the year.

<sup>2</sup> Dozens pro-rated to 53 weeks of production.

## Limits to Vaccine Quotas (dozen)<sup>1</sup>

Province	2023	2022 <sup>2</sup>	2021
ON	2,661,750	2,661,750	2,661,750
QC	10,674,090	10,674,090	10,674,090
<b>Total</b>	<b>13,335,840</b>	<b>13,335,840</b>	<b>13,335,840</b>

Source: EFC

<sup>1</sup> The limits reflect the actual, total production permitted by the quota regulations issued during the year.

<sup>2</sup> Dozens pro-rated to 53 weeks of production.

## Eggs from vaccine production going into the IPP (dozen)<sup>1</sup>

Province	2022	2020	2019
ON	1,090,800	1,144,800	1,121,475
QC	4,613,820	2,632,080	3,073,305
<b>Total</b>	<b>5,704,620</b>	<b>3,776,880</b>	<b>4,194,780</b>

Source: Fédération des producteurs d'œufs du Québec

<sup>1</sup> Table reports actual shipments to the IPP.

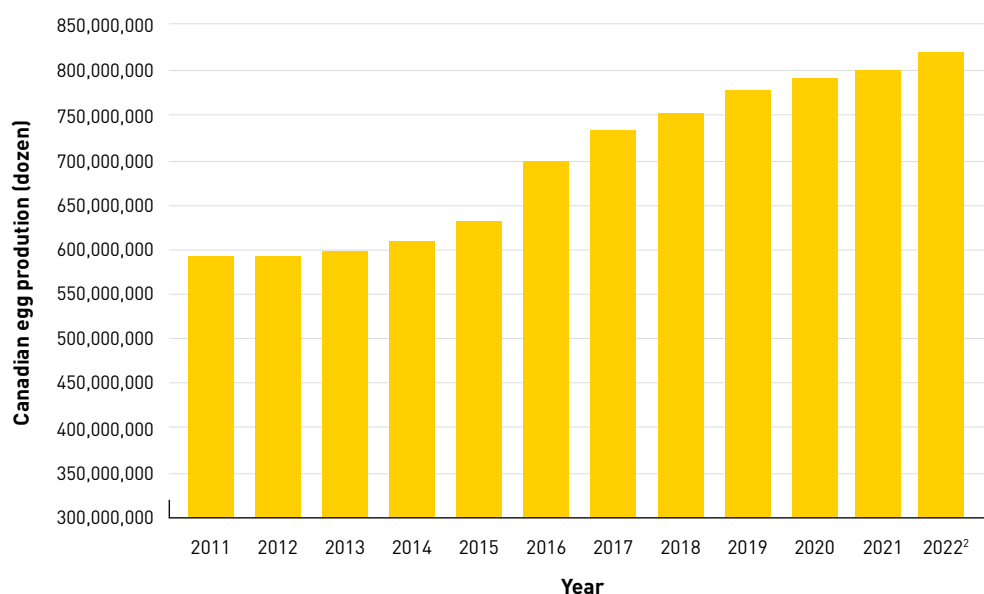
## Federal quota utilization<sup>1</sup>

Province or territory	Week 8 – 2022	Week 8 – 2021	Week 8 – 2020
BC	96.23%	98.95%	95.09%
AB	97.33%	97.29%	93.05%
NT	82.77%	77.80%	86.88%
SK	99.59%	97.56%	95.46%
MB	95.43%	91.93%	96.18%
ON	99.73%	97.46%	95.44%
QC	98.62%	97.35%	94.14%
NB	95.56%	93.17%	93.41%
NS	93.01%	89.02%	96.10%
PE	97.35%	94.20%	92.25%
NL	88.04%	68.54%	94.89%
<b>Total</b>	<b>97.85%</b>	<b>96.18%</b>	<b>94.88%</b>

**Source:** EFC

<sup>1</sup> Utilization is calculated using inventory over allocation for a 52-week period. The period starts on week 9 and continues to week 8 of the following year. Excludes inventory for EFP.

## Canadian egg production<sup>1</sup>

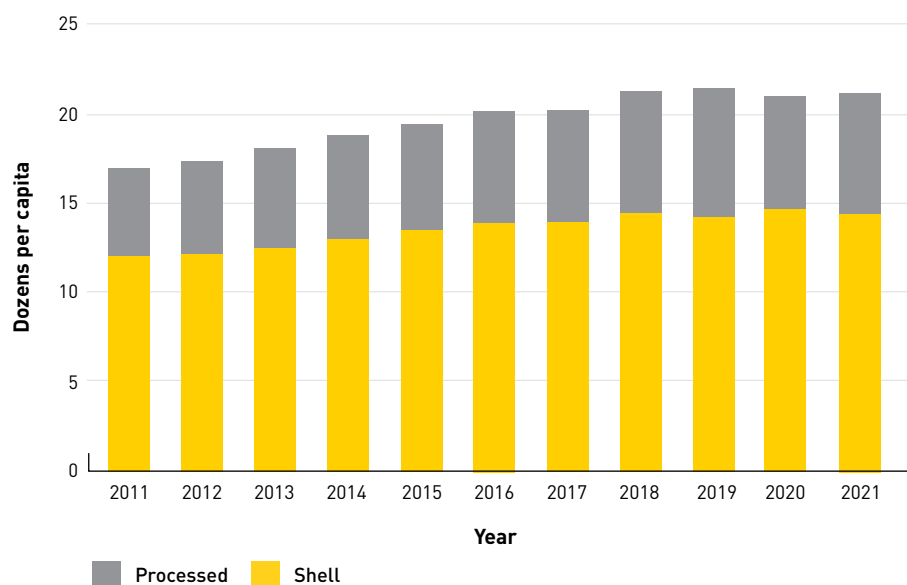


**Source:** Egg boards

<sup>1</sup> 2011, 2016 and 2022 represent 53 weeks of production.

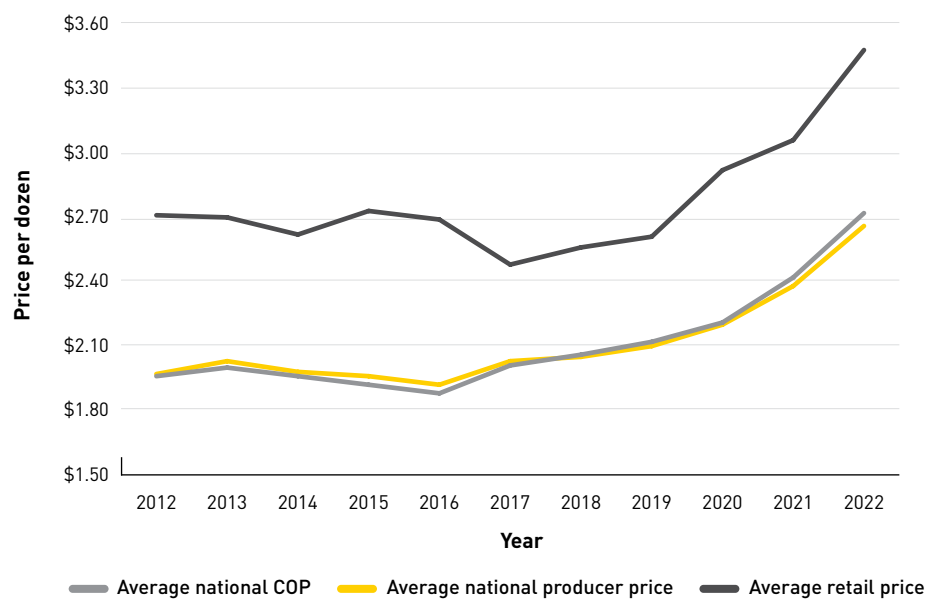
<sup>2</sup> 2022 Production numbers are not final and are subject to revision.

## Canadian apparent per capita disappearance of eggs and egg products



**Sources:** Statistics Canada—Total per capita egg disappearance; Shell/processed split estimated by EFC based on Statistics Canada and Agriculture and Agri-Food Canada data.

## Pricing trends in the Canadian egg industry<sup>1</sup>

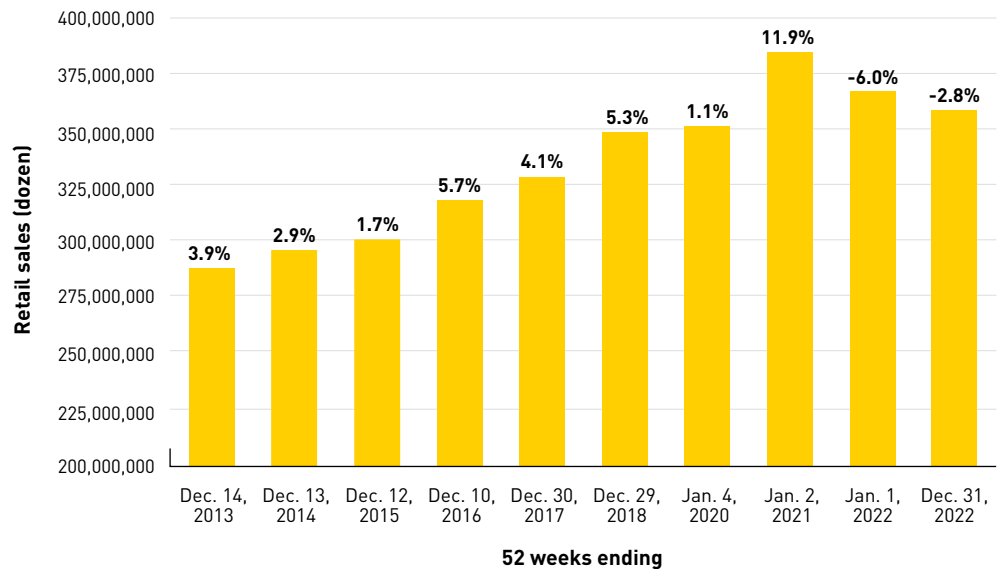


**Sources:** COP: EFC; producer price: egg boards; retail price: Agriculture and Agri-Food Canada

<sup>1</sup> COP and producer price for Grade A large eggs. Retail price for large, regular, white eggs. Simple averages.



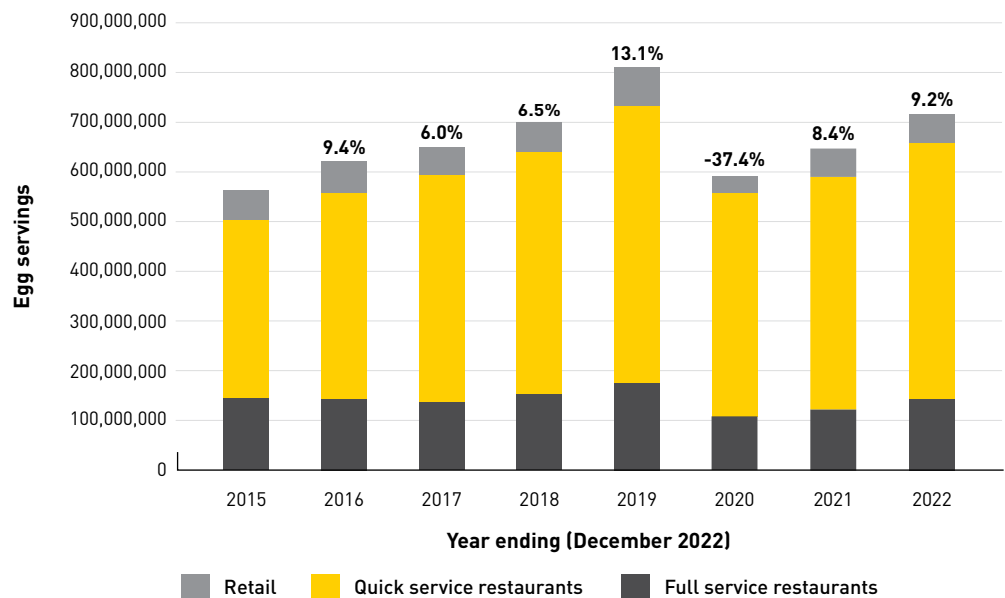
## Retail egg sales<sup>1</sup>



**Source:** Nielsen MarketTrack, Total Eggs—National

<sup>1</sup> Annual enhancements are applied to Nielsen MarketTrack to increase coverage and data quality. The enhancements impact data trends and historic data. As a result, Nielsen Canada recommends using the most current database to understand growth trends.

## Total egg servings at foodservice by segment



**Source:** Ipsos Foodservice Monitor

# Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

**Consolidated financial statements**

**December 31, 2022**



# Independent auditor's report

To the Members of the  
**Canadian Egg Marketing Agency** [c.o.b. Egg Farmers of Canada]  
The Minister of Agriculture and Agri-Food, and  
Farm Products Council of Canada

## Opinion

We have audited the consolidated financial statements of **Canadian Egg Marketing Agency** [c.o.b. Egg Farmers of Canada] and its subsidiary [the "Group"], which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of operations and of changes in fund balances and consolidated statement of cash flows for the fifty-three week period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated results of operations and its consolidated cash flows for the fifty-three week period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion of the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young LLP*

Ottawa, Canada  
February 24, 2023

Chartered Professional Accountants  
Licensed Public Accountants





# Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

## Consolidated statement of financial position

[In thousands of dollars]

As at

	December 31, 2022 Total \$	December 25, 2021 Total \$
<b>Assets</b>		
<b>Current</b>		
Cash	22,745	13,020
Accounts receivable [note 3]	56,736	38,750
Inventory	1,099	632
Prepaid expenses	338	192
Investments [note 4]	35,796	25,645
<b>Total current assets</b>	<b>116,714</b>	<b>78,239</b>
Capital assets, net [note 5]	9,077	8,585
	<b>125,791</b>	<b>86,824</b>
<b>Liabilities and fund balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities [note 6]	73,915	35,732
<b>Total current liabilities</b>	<b>73,915</b>	<b>35,732</b>
Commitments [note 9]		
<b>Fund balances [note 8]</b>		
<b>Administration</b>		
Unrestricted administration [schedule I]	7,445	7,263
Internally restricted research [schedule I]	4,972	4,504
<b>Total administration</b>	<b>12,417</b>	<b>11,767</b>
<b>Pooled income</b>		
Unrestricted pooled income [schedule II]	7,674	7,419
Internally restricted risk management [schedule II]	16,712	14,148
Internally restricted natural overrun fee [schedule II]	15,073	17,758
<b>Total pooled income</b>	<b>39,459</b>	<b>39,325</b>
<b>Total fund balances</b>	<b>51,876</b>	<b>51,092</b>
	<b>125,791</b>	<b>86,824</b>

See accompanying notes to the consolidated financial statements

Approved by the Board of Directors

Chair of the Board of Directors

Chair of the Audit Committee

## Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

### Consolidated statement of operations and changes in fund balances

[In thousands of dollars]

	Fifty-three week period ended December 31, 2022			Fifty-two week period ended December 25, 2021		
	Pooled Income Fund \$	Administration Fund \$	Total \$	Pooled Income Fund \$	Administration Fund \$	Total \$
<b>Revenue</b>						
Egg sales	298,780	—	298,780	217,450	—	217,450
Levy and service fees	316,493	26,023	342,516	275,377	25,296	300,673
Interest and other	1,065	293	1,358	514	214	728
<b>Total revenue</b>	<b>616,338</b>	<b>26,316</b>	<b>642,654</b>	<b>493,341</b>	<b>25,510</b>	<b>518,851</b>
<b>Expenses</b>						
<b>Trade operations</b>						
Cost of eggs sold	578,223	—	578,223	483,078	—	483,078
Transportation and handling	16,564	—	16,564	13,962	—	13,962
Early Fowl Removal Programs <i>[note 13]</i>	—	—	—	695	—	695
COVID-19 expenses <i>[note 13]</i>	2,419	—	2,419	4,728	—	4,728
Third-party verification	1,326	—	1,326	1,255	—	1,255
	<b>598,532</b>	<b>—</b>	<b>598,532</b>	<b>503,718</b>	<b>—</b>	<b>503,718</b>
<b>General and administration</b>						
Advertising and promotion	—	8,688	8,688	—	9,316	9,316
Donations	2,514	77	2,591	1,340	76	1,416
Interest on long-term loan	—	—	—	—	7	7
Meetings and travel	—	2,021	2,021	—	924	924
Office and other administrative	—	2,566	2,566	—	2,288	2,288
Per diems	—	853	853	—	693	693
Research <i>[note 8]</i>	—	2,767	2,767	—	2,427	2,427
Professional fees and consulting	160	1,627	1,787	93	1,038	1,131
Public affairs and communications	—	3,049	3,049	—	2,392	2,392
Salaries and benefits	—	7,208	7,208	—	7,048	7,048
Amortization of capital assets	—	536	536	—	414	414
Risk management <i>[note 8]</i>	400	—	400	256	—	256
Natural Overrun Fee <i>[note 8]</i>	10,872	—	10,872	—	—	—
Modernized Early Fowl Removal Program <i>[notes 8 and 13]</i>	—	—	—	13,712	—	13,712
Allocation of administration expenses <i>[note 10]</i>	3,726	(3,726)	—	3,200	(3,200)	—
	<b>17,672</b>	<b>25,666</b>	<b>43,338</b>	<b>18,601</b>	<b>23,423</b>	<b>42,024</b>
<b>Total expenses</b>	<b>616,204</b>	<b>25,666</b>	<b>641,870</b>	<b>522,319</b>	<b>23,423</b>	<b>545,742</b>
<b>Excess (deficiency) of revenue over expenses for the period</b>	<b>134</b>	<b>650</b>	<b>784</b>	<b>(28,978)</b>	<b>2,087</b>	<b>(26,891)</b>
Fund balances, beginning of period	<b>39,325</b>	<b>11,767</b>	<b>51,092</b>	<b>68,303</b>	<b>9,680</b>	<b>77,983</b>
<b>Fund balances, end of period</b>	<b>39,459</b>	<b>12,417</b>	<b>51,876</b>	<b>39,325</b>	<b>11,767</b>	<b>51,092</b>

See accompanying notes to the consolidated financial statements  
See accompanying Schedules I and II

## Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

### Consolidated statement of cash flows

[In thousands of dollars]

	<b>Fifty-three week period ended December 31, 2022 Total \$</b>	<b>Fifty-two week period ended December 25, 2021 Total \$</b>
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the period	<b>784</b>	(26,891)
Add items not affecting cash:		
Amortization of capital assets	<b>536</b>	414
Net change in non-cash operating working capital items	<b>19,584</b>	12,364
<b>Cash provided by (used in) operating activities</b>	<b>20,904</b>	(14,113)
<b>Investing activities</b>		
Purchase of investments	<b>(32,498)</b>	(14,037)
Proceeds on disposal of investments	<b>22,347</b>	24,077
Purchase of capital assets	<b>(1,028)</b>	(4,705)
<b>Cash provided by (used in) investing activities</b>	<b>(11,179)</b>	5,335
<b>Financing activities</b>		
Repayment of long-term loan	<b>—</b>	(381)
<b>Cash used in financing activities</b>	<b>—</b>	(381)
<b>Net increase (decrease) in cash during the period</b>	<b>9,725</b>	(9,159)
Cash, beginning of period	<b>13,020</b>	22,179
<b>Cash, end of period</b>	<b>22,745</b>	13,020

*See accompanying notes to the consolidated financial statements*

# Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

## Schedule I – Detailed consolidated statement of operations and changes in fund balances

### Administration Fund

[In thousands of dollars]

	Fifty-three week period ended December 31, 2022			Fifty-two week period ended December 25, 2021		
	Unrestricted Administration Fund \$	Internally Restricted Research Fund \$	Total \$	Unrestricted Administration Fund \$	Internally Restricted Research Fund \$	Total \$
<b>Revenue</b>						
Levy and service fees	22,640	3,383	26,023	21,991	3,305	25,296
Interest and other	207	86	293	164	50	214
<b>Total revenue</b>	<b>22,847</b>	<b>3,469</b>	<b>26,316</b>	<b>22,155</b>	<b>3,355</b>	<b>25,510</b>
<b>General and administration</b>						
Advertising and promotion	8,688	—	8,688	9,316	—	9,316
Donations	77	—	77	76	—	76
Interest on long-term loan	—	—	—	7	—	7
Meetings and travel	2,021	—	2,021	924	—	924
Office and other administrative	2,566	—	2,566	2,288	—	2,288
Per diems	853	—	853	693	—	693
Research [note 8]	—	2,767	2,767	—	2,427	2,427
Professional fees and consulting	1,627	—	1,627	1,038	—	1,038
Public affairs and communications	3,049	—	3,049	2,392	—	2,392
Salaries and benefits	7,208	—	7,208	7,048	—	7,048
Amortization of capital assets	536	—	536	414	—	414
Allocation of administration expenses [note 10]	(3,960)	234	(3,726)	(3,473)	273	(3,200)
<b>Total expenses</b>	<b>22,665</b>	<b>3,001</b>	<b>25,666</b>	<b>20,723</b>	<b>2,700</b>	<b>23,423</b>
<b>Excess of revenue over expenses for the period</b>	<b>182</b>	<b>468</b>	<b>650</b>	<b>1,432</b>	<b>655</b>	<b>2,087</b>
Fund balances, beginning of period	7,263	4,504	11,767	5,831	3,849	9,680
<b>Fund balances, end of period</b>	<b>7,445</b>	<b>4,972</b>	<b>12,417</b>	<b>7,263</b>	<b>4,504</b>	<b>11,767</b>

See accompanying notes to the consolidated financial statements



# Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

## Schedule II – Detailed consolidated statement of operations and changes in fund balances

### Pooled Income Fund

[In thousands of dollars]

	Fifty-three week period ended December 31, 2022					Fifty-two week period ended December 25, 2021				
	Unrestricted Pooled Income Fund \$	Internally Restricted Risk Management Fund \$	Internally Restricted Natural Overrun Fee Fund \$	Total \$		Unrestricted Pooled Income Fund \$	Internally Restricted Risk Management Fund \$	Internally Restricted Natural Overrun Fee Fund \$	Internally Restricted Service Fee Fund \$	Total \$
<b>Revenue</b>										
Egg sales	298,780	—	—	298,780		217,450	—	—	—	217,450
Levy and service fees	315,754	739	—	316,493		274,657	720	—	—	275,377
Interest and other	653	225	187	1,065		53	103	358	—	514
<b>Total revenue</b>	<b>615,187</b>	<b>964</b>	<b>187</b>	<b>616,338</b>		<b>492,160</b>	<b>823</b>	<b>358</b>	<b>—</b>	<b>493,341</b>
<b>Expenses</b>										
<b>Trade operations</b>										
Cost of eggs sold	578,223	—	—	578,223		483,078	—	—	—	483,078
Transportation and handling	16,564	—	—	16,564		13,962	—	—	—	13,962
Early Fowl Removal Program [note 13]	—	—	—	—		695	—	—	—	695
COVID-19 expenses [note 13]	2,419	—	—	2,419		4,728	—	—	—	4,728
Third party verification	1,326	—	—	1,326		1,255	—	—	—	1,255
	<b>598,532</b>	<b>—</b>	<b>—</b>	<b>598,532</b>		<b>503,718</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>503,718</b>
<b>General and administration</b>										
Donations	2,514	—	—	2,514		1,340	—	—	—	1,340
Professional fees and consulting	160	—	—	160		93	—	—	—	93
Risk management [note 8]	—	400	—	400		—	256	—	—	256
Natural Overrun Fee [note 8]	—	—	10,872	10,872		—	—	—	—	—
Modernized Early Fowl Removal Program [notes 8 and 13]	—	—	—	—		—	—	13,712	—	13,712
Allocation of administration expenses [note 10]	3,726	—	—	3,726		3,200	—	—	—	3,200
	<b>6,400</b>	<b>400</b>	<b>10,872</b>	<b>17,672</b>		<b>4,633</b>	<b>256</b>	<b>13,712</b>	<b>—</b>	<b>18,601</b>
<b>Total expenses</b>	<b>604,932</b>	<b>400</b>	<b>10,872</b>	<b>616,204</b>		<b>508,351</b>	<b>256</b>	<b>13,712</b>	<b>—</b>	<b>522,319</b>
<b>Excess (deficiency) of revenue over expenses for the period</b>	<b>10,255</b>	<b>564</b>	<b>(10,685)</b>	<b>134</b>		<b>(16,191)</b>	<b>567</b>	<b>(13,354)</b>	<b>—</b>	<b>(28,978)</b>
Fund balances, beginning of period	7,419	14,148	17,758	39,325		23,610	13,581	—	31,112	68,303
<b>Interfund transfers</b>										
Other	(10,000)	2,000	8,000	—		—	—	31,112	(31,112)	—
<b>Fund balances, end of period</b>	<b>7,674</b>	<b>16,712</b>	<b>15,073</b>	<b>39,459</b>		<b>7,419</b>	<b>14,148</b>	<b>17,758</b>	<b>—</b>	<b>39,325</b>

See accompanying notes to the consolidated financial statements

# Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

## Notes to consolidated financial statements

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

### 1. Description

#### Objective of Egg Farmers of Canada

In 1972, Parliament enacted the *Farm Products Marketing Agencies Act*, which was renamed the *Farm Products Agencies Act* [the "Act"] in 1993. The Canadian Egg Marketing Agency c.o.b. Egg Farmers of Canada ["EFC"], a statutory corporation, was then established by proclamation and incorporated pursuant to the Act. The Act, along with a Federal-Provincial Agreement, identifies EFC's responsibilities, including to effectively manage the production, pricing, distribution and disposition of eggs in Canada and to promote the sale of eggs. EFC is exempt from income taxes under subsection 149(1)(e) of the *Income Tax Act* (Canada).

#### Levy and service fees

Egg boards have agreed to act as agents of EFC for the collection, control and remittance of the levy, as recommended by EFC and prior approved by the Farm Products Council of Canada. Further amounts are paid to EFC by the egg boards to finance the Industrial Products Program pursuant to the supplementary Federal-Provincial Agreement and, in the cases of Québec, Ontario and Alberta, through service fees payable pursuant to a commercial contract.

Starting in 2014, a service fee was assessed on eligible layers upon placement in the laying facility to support the Pooled Income Fund. The fees to the Service Fee Fund were replaced by the fees to the Natural Overrun Fee Fund at the start of the 2021 fiscal year.

#### Industrial products program

EFC purchases, at specified buyback prices, all eggs that meet EFC specifications that have been declared as excess to table market requirements. These eggs are then sold to domestic processors and grading stations.

#### Advanced Layer Technologies Corporation

Advanced Layer Technologies Corporation ["ALT"] was incorporated on June 27, 2022 without share capital under the *Canada Not-for-profit Corporations Act* to support innovation in the production and marketing of eggs and all related technologies. ALT is exempt from income taxes under subsection 149(1)(e) of the *Income Tax Act* (Canada). EFC controls ALT as its sole member and has the power to appoint its Directors.

### 2. Significant accounting policies

The consolidated financial statements have been prepared by management in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the following significant accounting policies:

#### Basis of presentation

The consolidated financial statements of EFC reflect the assets, liabilities and activities of EFC and its controlled not-for-profit organization, ALT [note 14]. All significant transactions between the organizations have been eliminated.

# Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

## Notes to consolidated financial statements

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

### Fund accounting

The Pooled Income Fund consists of the Industrial Products Program levy and service fees and related expenses. All transactions involving the buying and selling of eggs are recorded in this Fund.

The Administration Fund consists of the administration levy and service fees, and all administrative expenses.

ALT is a subsidiary of EFC and is engaged in the business of developing, investing in and commercializing technologies for the betterment and improvement of the conditions and a higher degree of efficiency related to or to be used in the table egg industry and other agricultural sectors.

EFC follows the restricted fund method of accounting.

### Inventory

Inventory consists of eggs, which are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

### Financial instruments

Financial instruments include cash, accounts receivable, investments and accounts payable and accrued liabilities. Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. EFC has not elected to carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, EFC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount EFC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### Capital assets

Capital assets are initially recorded at cost. Amortization is calculated using the straight-line method over their anticipated useful lives once placed in service as follows:

Assets	Useful life
Buildings	40 years
Building renovations	10 years
Office equipment	10 years
Computer hardware and software	3–5 years
Leasehold improvements	over the term of the lease
Corporate identity	10 years

## Canadian Egg Marketing Agency

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### Notes to consolidated financial statements

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

#### Revenue recognition

Egg sales are recognized on the date eggs are delivered to the customer.

Levy and service fees are recognized in the period of allocation, issuance, placement, production or provision of service as applicable.

Levy revenue is calculated based on the weekly layer allocation or issuance and a weekly per layer levy rate.

#### Employee future benefits

EFC sponsors and administers The Pension Plan for the Employees of the Canadian Egg Marketing Agency, which is a defined contribution plan registered under the *Ontario Pension Benefits Act*. Contributions for this plan are expensed as incurred.

#### Allocation of expenses

Administration expenses described in note 10 are allocated from the Unrestricted Administration Fund to the Unrestricted Pooled Income Fund. The allocation is based on the level of effort and time spent by EFC directors and staff on operating the Industrial Products Program.

Administration expenses described in note 10 are also allocated from the Unrestricted Administration Fund to the Internally Restricted Research Fund. The allocation is based on the level of effort and time spent by EFC staff on managing EFC's research programs and activities.

#### Use of estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the consolidated financial statements in the period they become known. Estimates used in preparing these consolidated financial statements include assumptions related to determining the collectability of accounts receivable, the estimated useful lives of capital assets and the amount of accrued liabilities.

### 3. Accounts receivable

	December 31, 2022	December 25, 2021
	\$	\$
Levy and service fees	17,431	15,721
Egg sales	38,347	21,773
Other	958	1,256
	<b>56,736</b>	<b>38,750</b>



## Canadian Egg Marketing Agency

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### Notes to consolidated financial statements

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

Egg sales are dependent upon three groups of companies. During the period, these customers represented 99% [December 25, 2021 – 98%] of egg sales revenue; 66% [December 25, 2021 – 55%] of accounts receivable are owing from these customers.

#### 4. Investments

	December 31, 2022 \$	December 25, 2021 \$
Cash	40	—
Guaranteed investment certificates	35,756	25,645
	<b>35,796</b>	<b>25,645</b>

Investments comprise longer-term guaranteed investment certificates that are capable of reasonably prompt liquidation. Guaranteed investment certificates bear interest at fixed rates ranging from 0.80% to 5.02% and maturing in 2023 [December 25, 2021 – 0.60% to 1.98%, maturing between 2022 and 2023].

#### 5. Capital assets

	December 31, 2022		December 25, 2021	
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Land	943	—	943	943
Buildings	8,057	1,896	6,161	6,403
Building renovations	1,158	87	1,071	441
Office equipment	282	275	7	6
Computer hardware and software	2,591	1,696	895	792
Leasehold improvements	134	134	—	—
Corporate identity	345	345	—	—
	<b>13,510</b>	<b>4,433</b>	<b>9,077</b>	<b>8,585</b>

Cost and accumulated amortization as at December 25, 2021 amounted to \$12,938 and \$4,353, respectively.

#### 6. Accounts payable and accrued liabilities

Government remittances [sales and payroll withholding taxes] of \$893 [December 25, 2021 – \$1,186] are included in accounts payable and accrued liabilities.

## **Notes to consolidated financial statements**

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

### **7. Demand loan facility**

EFC has a revolving demand loan facility with a total approved limit of \$5,000 at an interest rate of prime. The facility is secured by a first ranking general security agreement. As at December 31, 2022, loans under this facility were nil [December 25, 2021 – nil].

### **8. Fund balances**

EFC's objectives with respect to its fund balances are to safeguard its ability to continue operations while keeping levy rates at a minimum. EFC sets the levy rates to meet its projected cash flow requirements for restricted and unrestricted funds, which are reviewed monthly by management and EFC's Board of Directors. Effective levy rates per dozen eggs marketed have been set as follows:

	<b>Levy effective February 21, 2021 [cents]</b>	<b>Levy effective February 20, 2022 [cents]</b>	<b>Levy effective March 20, 2022 [cents]</b>	<b>Levy effective September 4, 2022 [cents]</b>
Unrestricted Administration Fund	3.00	3.00	3.00	3.00
Restricted Research Fund	0.45	0.45	0.45	0.45
Unrestricted Pooled Income Fund	38.40	40.40	44.40	40.40
Restricted Risk Management Fund	0.10	0.10	0.10	0.10
	<b>41.95</b>	<b>43.95</b>	<b>47.95</b>	<b>43.95</b>

On December 16, 2022, EFC ratified a decrease to the Unrestricted Pooled Income Fund's portion of the levy rate by 18.00 cents to 25.95 cents effective January 29, 2023.

### **Fund thresholds**

EFC's Board of Directors has established thresholds for its Funds that are reviewed annually.

The Unrestricted Administration Fund is to maintain a balance of at least \$1,000. The lower and upper thresholds of the Internally Restricted Research Fund are \$2,000 and \$5,000, respectively. Effective fiscal year 2020, the lower and upper thresholds of the Unrestricted Pooled Income Fund are \$35,000 and \$75,000, respectively. In November 2022, the EFC Board of Directors approved to increase the upper and lower thresholds to \$45,000 and \$105,000, effective January 1, 2023. The Internally Restricted Risk Management Fund is to maintain a balance of at least \$8,000. The Internally Restricted Service Fee and Natural Overrun Fee Fund do not have any thresholds.

The balances of the Unrestricted Administration, Internally Restricted Research and Internally Restricted Risk Management funds as at December 31, 2022, compared to established thresholds are considered appropriate. As at December 31, 2022, the Unrestricted Pooled Income Fund's balance falls outside its lower threshold. EFC is actively monitoring the Unrestricted Pooled Income Fund balance.

## Canadian Egg Marketing Agency

[c.o.b. Egg Farmers of Canada]

### Notes to consolidated financial statements

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

#### Internally restricted funds

##### *Risk management fund*

In 2001, EFC was directed by its Board of Directors to restrict the use of certain funds in the Pooled Income Fund to self-finance potential costs related to its risk management activities.

In the period ended December 31, 2022, \$400 [December 25, 2021 – \$256] was expended from the Fund.

##### *Service fee/Natural overrun fee fund*

In fiscal year 2020, EFC's Board of Directors decided to replace the Service Fee Program with the Natural Overrun Fee Program and transfer the accumulated fund surplus, effective fiscal year 2021. The Natural Overrun Fee Fund was established at the start of fiscal year 2021 to capture the transactions of the Natural Overrun Fee Program.

In the period ended December 31, 2022, \$10,872 was expended by the Natural Overrun Fee Fund [December 25, 2021 – \$13,712]. The PIF Requirement for 2022 was nil [2021 – nil].

At their meeting on September 28, 2022, EFC's Board of Directors decided to suspend Natural Overrun Fee Program calculations, including the annual fee and PIF Requirement, while the Program is under review.

##### *Research fund*

In 1997, EFC was directed by its Board of Directors to set up a restriction in the Administration Fund to fund research.

In the period ended December 31, 2022, \$3,001 [December 25, 2021 – \$2,700] was expended from the Fund.

##### *Interfund transfers*

Interfund transfers consist of the following:

	December 31, 2022 \$	December 25, 2021 \$
Unrestricted Pooled Income Fund	(10,000)	—
Internally Restricted Risk Management Fund	2,000	—
Internally Restricted Service Fee Fund	—	(31,112)
Internally Restricted Natural Overrun Fee Fund	8,000	31,112

In 2019, temporary transfers of \$15,000 to the Unrestricted Pooled Income Fund [\$13,000 from the Restricted Service Fee Fund and \$2,000 from the Restricted Risk Management Fund] were approved by EFC's Board of Directors in order to mitigate the impacts of adverse US market conditions. In 2020, \$5,000 was transferred back to the Restricted Service Fee/Natural Overrun Fee Fund as market conditions had improved. In February 2022, temporary transfers of \$14,000 to the Unrestricted Pooled Income Fund, \$6,000 from the Restricted Risk Management Fund and \$8,000 from the Restricted Natural Overrun Fee Fund, were approved by EFC's Board of Directors in order to mitigate the impacts the COVID-19 pandemic has had on egg supply and demand.

## Notes to consolidated financial statements

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

On November 27, 2022, the remaining \$16,000 from the Unrestricted Pooled Income Fund was transferred back to the Restricted Natural Overrun Fee Fund, and \$8,000 was transferred from the Unrestricted Pooled Income Fund to the Restricted Risk Management Fund.

### 9. Commitments

EFC is committed under contract for the purchase of advertising and other services in fiscal 2023 for an amount of \$6,389 [December 25, 2021 – \$7,656].

EFC is committed to \$1,175 [December 25, 2021 – \$630] over the next four years to support the University Research Chairs at University of British Columbia and University of Guelph.

### 10. Allocation of administration expenses

EFC allocates administrative expenses from the Unrestricted Administration Fund to the Internally Restricted Research Fund, and also to the Unrestricted Pooled Income Fund to provide for the full cost of operating their respective programs and activities as follows:

	December 31, 2022			December 25, 2021		
	Restricted Research Fund \$	Pooled Income Fund \$	Total \$	Restricted Research Fund \$	Pooled Income Fund \$	Total \$
Building costs	—	191	191	—	226	226
Insurance	—	66	66	—	55	55
Meetings and travel	—	506	506	—	140	140
Office and other administrative	—	566	566	—	440	440
Per diems	—	121	121	—	81	81
Professional fees and consulting	—	21	21	—	20	20
Salaries and benefits	234	2,104	2,338	273	2,123	2,396
Amortization of capital assets	—	151	151	—	115	115
	<b>234</b>	<b>3,726</b>	<b>3,960</b>	<b>273</b>	<b>3,200</b>	<b>3,473</b>

### 11. Financial instruments and risk management

#### Liquidity risk

Liquidity risk is the risk that EFC will be unable to fulfill its obligations associated with financial liabilities on a timely basis or at a reasonable cost.

EFC manages its liquidity risk by monitoring its operating requirements. EFC prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.



## **Canadian Egg Marketing Agency**

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### **Notes to consolidated financial statements**

[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

#### **Credit risk**

Credit risk refers to the risk that a counterparty to a financial instrument may default on its contractual obligations resulting in a financial loss.

EFC is exposed to credit risk with respect to the accounts receivable. EFC assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At period-end, there were no amounts allowed for in accounts receivable.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in interest rate.

EFC is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 4.

#### **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

EFC is exposed to currency risk in the Unrestricted Pooled Income Fund as the pricing of egg sales revenues is based on US dollar inputs. EFC mitigates this risk by actively monitoring its Fund balances.

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

EFC is not exposed to significant other price risk on its investments.

There have been no changes to the risk exposures from 2021.

### **12. Low-High Price Program**

Due to volatility of the base component for processor pricing during the period, the pricing calculation on eggs sold to processors was amended. Beginning in June 2019, the price per the Low-High Price ["LHP"] Program was used for eggs sold to processors by EFC instead of the processor protocol calculation. The difference between the price per the processor protocol and the price per the LHP Program is the Total Differential Balance ["TDB"]. Additions to the TDB are to be reduced on future egg sales when the price per the LHP Program is higher than the price per the processor protocol. As of December 31, 2022, the TDB is \$67,724, recoverable from processors [December 25, 2021 – \$1,853, recoverable from processors].

## Canadian Egg Marketing Agency

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[Amounts in thousands of dollars unless otherwise noted]

Fifty-three weeks ended December 31, 2022

#### 13. COVID-19 pandemic

The outbreak of the coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown.

In fiscal 2021 and 2022, EFC incurred expenses related to the pandemic as a result of reduced processor demand. Additional costs were incurred to reduce excess production, as well as for the transportation and handling of surplus eggs.

EFC continues to actively monitor the possible impacts of the pandemic on its operations. It is not possible to reliably estimate the length and severity of the pandemic nor the impact on the financial position and financial results of EFC in future periods.

#### 14. Canadian Egg Technologies

ALT, EFC's controlled not-for-profit organization has joined Egg Research Development Fund ["ERDF"] and Canadian Egg Technologies Inc. ["CET Inc."] in a limited partnership, Canada Egg Technologies LP ["CET LP"], formed on December 23, 2022 under the *Limited Partnerships Act* (Ontario).

ALT and ERDF are limited partners in CET LP and CET Inc. is the general partner. CET Inc. was incorporated under the *Business Corporations Act* (Ontario) on December 22, 2022. ALT and ERDF are shareholders of CET Inc., each owning four common shares. Both CET Inc. and CET LP were created to support a project to mitigate a consumer facing issue of the egg industry.

#### 15. Comparative figures

Certain amounts have been reclassified to conform to the presentation of the financial statements for the period ended December 31, 2022.



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