

POLICY CHANGES (December 2016 to November 2017)

Please note the following are excerpts, for full policies please visit: <https://www.getcracking.ca/members/operations-quota>

Amended Quota Credit Policy, Section 6 – Effective January 1, 2017

Effective January 1, 2017, EFO's Quota Credit Policy will no longer include the option for unutilized production quota credits. Quota credit applications already approved will be processed and future flocks placed up until December 31, 2016, will be considered under the current policy. Unutilized quota credit applications which overlap between 2016 and 2017 will only be calculated up until December 31, 2016. When there is an increase allocation, quota credits will not apply until the next flock can be placed in the qualifying increased quota number.

New Entrant Policy, Section 6 – Removed per Board Motion January 2017

Extensive review of EFO's New Entrant Quota Loan Pool (NEQLP) program and consultation with egg farmers led to the evolution of a new approach of encouraging new entrants focused on supporting the business information and business connection needs of new entrants and not an application/selection process involving granting quota allocations. The New Entrant Support Team (NEST) information was placed online at <https://www.getcracking.ca/members/new-entrant-support-team>. It includes a resource package identifying and outlining the roles, responsibilities and contact information for all stakeholders in the sector. The goal of this approach is to build and improve on the success of the previous new entrant program and continue to ensure a positive environment to continue to encourage new entrants into egg and pullet farming in Ontario.

Egg Quota Policy, On Farm Food Safety/Animal Care Program (OFFS/ACP) Amendment – Effective February 2017

- #27. [a] The Board has developed an On-Farm Food Safety & Animal Care Program – Layers as set out in Appendix "A".
- [b] All quota holders must achieve & maintain OFFS/ACP certification and must maintain a minimum score of 90% and complete all of the mandatory elements on all three parts of the yearly internal audits. New layer quota holders must have their certification audit in their first year of production.
- [c] A quota holder who has failed to achieve OFFS/ACP certification may be subject to a minimum of five per cent (5%) utilization reduction against the total quota of that quota holder for the entire life of the next flock placed by that quota holder.
- [d] Notwithstanding such five per cent (5%) utilization reduction, the quota holder shall remain liable for licence fees and levies in respect of one hundred per cent (100%) of that quota holder's quota.
- [e] A quota holder against whom the Board has applied a utilization reduction under paragraph (c) may apply to transfer all or part of the quota, which transfer, if approved by the Board, may cancel the utilization reduction [subject to Housing Density compliance].
- [f] Beginning January 1, 2018, failure to maintain the minimum score of 90% on all three parts of the yearly internal audits, thus causing a return visit by the Inspector, will result in an administration fee of \$500.00. The quota holder will have 30 days (or have submitted a corrective action plan for those that cannot be completed within 30 days) to make any corrections to achieve a score of >90%. Failure to correct non-conforming mandatory elements within 30 days (or failure to provide a correction plan for those that cannot be completed within 30 days) will also be subject to the administration fee. Failure to do the above may result in a second administration fee and a potential hearing by the Board.
- [g] One week downtime is mandatory as quota holders change flocks.
- [h] Egg quota holders are required to use OFFS Program (or a program that has been deemed equivalent by EFO) certified pullets in order to maintain OFFS/ACP certification.
- [i] Quota holders are subject to an unannounced visit at least once per year at which time they must obtain a score of 90% on this site inspection report. Failure to do so will result in the same conditions as outlined in section [f].

Pullet Quota Policy, On Farm Food Safety (OFFS) Amendment – Effective February 2017

- #27. [a] The Board has developed an On-Farm Food Safety Program - Pullets as set out in appendix 'A'.
- [b] All quota holders must achieve & maintain OFFS Program certification and must maintain a minimum score of 90% and complete all of the mandatory elements on both parts of the yearly internal audits. New pullet quota holders must have certification audit by end of the first flock.
- [c] A quota holder that has failed to achieve OFFS Program certification may be subject to a five per cent (5%) utilization reduction against the total quota of that quota holder for the entire life of the next flock placed by that quota holder.
- [d] A quota holder against whom the Board has applied a utilization reduction under paragraph (c) may apply to transfer all or part of the quota, which transfer, if approved by the Board, may cancel the utilization reduction.
- [e] Beginning January 1, 2018, failure to maintain the minimum score of 90% on both parts of the yearly internal audits, thus causing a return visit by the Inspector, will result in an administration fee of \$500.00. The quota holder will have 30 days (or have submitted a corrective action plan for those that cannot be completed within 30 days) to make any corrections to achieve a score of >90%. Failure to correct non-conforming mandatory elements within 30 days (or failure to provide a correction plan for those that cannot be completed within 30 days) will also be subject to the administration fee. Failure to do the above may result in a second administration fee and a potential hearing by the Board.
- [f] One week downtime is mandatory as quota holders change flocks.
- [g] Egg quota holders are required to use OFFS Program (or a program that is deemed equivalent by EFO) certified pullets in order to maintain OFFS/ACP certification.
- [h] Quota holders are subject to an unannounced visit at least once per year at which time they must obtain a score of 90% on this site inspection report. Failure to do so will result in the same conditions as outlined in section [e].

Egg & Pullet Quota Policy Update, Transfer of Quota Without Registered Premises – Effective February 2017

[Changed 24 months to 60 months; made consistent with #16b Special Relocations]

#9. Family Members

- [a] A quota holder, who has been the owner of the quota for at least five [5] years (60 months) prior to the Effective Date of the transfer, may apply to the Board to transfer all or part of a quota without a transfer of registered premises to a Family Member by completing and filing with the Board ...

Amended Market Growth Allowance Program, Section 6 – Effective February 2017

INTRODUCTION:

On January 1, 2016 EFO's Market Growth Allowance [MGA] Program was introduced to allow egg producers the opportunity to house additional birds in excess of their Production Quota.

Effective July 1, 2017, the Board has set the MGA at 4% of a Producer's Production Quota.

PRINCIPLE:

MGA birds are issued on a pro rata basis. MGA birds are calculated and attached to the Production Quota of each quota holder. (The Production Quota is the total of National Production Allotment and Eggs for Processing [EFP] amount.)

CRITERION:

1. Effective July 1, 2017, MGA birds currently in production and all MGA bird placements going forward are subject to a service fee of \$3.58 per bird. [MGA Fees will be reviewed and are subject to change.]
2. Production quota and MGA birds will be considered the first birds used by quota holders with flock placements, followed by program birds.
3. EFO's MGA birds must be housed in accordance with EFO's Housing Density Policy, at the time of placement.
4. EFO's MGA birds are non-saleable.
5. MGA birds follow any quota transfer transactions [Quota Transfer System, Same Ownership, Transfer with Registered Premises and Family Transfers].
6. Unutilized MGA birds will not be eligible for any quota credits.
7. If required, any future bird reductions would see the reduction or elimination of EFO's MGA Program.

Egg Quota Policy Appendix A, On-Farm Food Safety and Animal Care Program Standard, Layers

Egg Farmers of Ontario has developed a comprehensive On-Farm Food Safety and Animal Care Program Standard (OFFS & AC Standard) for the egg industry. This standard applies to egg farms in the province of Ontario. There is also a similar program for Ontario pullet growers.

Amended Home Week Policy, Section 6 – Effective February 2017

INTRODUCTION:

Egg Farmers of Ontario [EFO] egg quota holders [producers] are responsible for supplying the highest quality eggs to the marketplace. To accomplish this, effective January 1, 2017, EFO implemented a Home Week Policy. A producer who has followed the criteria may qualify to place a home week allowance of 1% of their production allotment at flock placement.

PRINCIPLE:

A producer's home week will be the designated week that fowl quota [19 week old birds] will be placed each year from January 1, 2017 forward. In an effort to offer flexibility, the week prior to and the week after the designated home week are considered the producer's exemption weeks.

CRITERIA:

1. In order to qualify for the 1% home week allowance, a producer must place the 19 week old birds within their designated home week or alternately their exemption weeks. Example: If the producer's designated home week is week three [3], all future replacement flocks are required to be placed in week three [3] or alternatively can be placed in week two [2] or week four [4].
2. Producers who do not place within their designated home week and/or exemption week, will be deemed as over quota and will be subject to sanctions as determined by the Board, which may include a levy on the disposed flock of [$\$0.25$ per bird X # of days* X total # of birds at the 23 week count] and the producer will not qualify for the 1% allowance on the replacement flock.
3. In order to qualify for the home week allowance, the producer must have completed and submitted a Replacement Layer Order Report [Form GR-EPPI-3.9]. This form must be filed with the Board office at least *thirty (30) business days* prior to the placement of the day old chicks into the pullet facility.
4. Producers who place the 1% allowance who have not submitted a Replacement Layer Order Report, or have moved outside of their designated home week or exemption weeks, will be subject to the conditions of the Flock Count Policy on the allowance placement.
5. The home week allowance flock must be housed according to EFO's Housing Density Policy. The Home Week Policy allowance birds will be allocated to each flock and cannot be carried over and used at a later date. This program is flock specific and can only be used in the qualifying flock.
6. The home week allowance will be calculated using the producer's production allotment placed within the flock and is subject to per bird levy.
7. Any change from a producer's designated home week requires approval. Please complete a Request for Home Week Exemption form or contact the Board office.

[*Days calculation: placement date (19 week old hens) outside of the designated home week and/or exemption week, using the respective Sunday date of the home week and/or exemption week].

Pullet Growth Allowance Program, Section 6 – Removed per Board Motion March 2017

The Board motioned that the Pullet Growth Allowance (PGA) be dissolved and distributed as an increase to Pullet Growers (pro rata), retroactive to January 1, 2017 (converting the PGA number to production quota).

Fowl Quota Placement Policy, Section 6 – New effective March 2017

INTRODUCTION:

The Egg Sector has experienced substantial growth with quota increases and additional programs being implemented over the last few years. The introduction of these programs have allowed the egg industry to produce eggs when needed, recover lost production, replace mortality, access a pro rata growth allowance, lease additional birds and take advantage of an incentive to supply the highest quality eggs to the marketplace.

PRINCIPLE:

With the introduction of these programs producers have been able to utilize the incentives to reach the full potential of their barn capacities and better supply the Ontario market. In order to create a fair and equitable system for all producers, effective July 1, 2017, programs will be allocated to Producers in an established program order at placement. By building this type of system it allows each producer equal opportunity to utilize the programs which may be available to them.

Program 358, Section 6 – Removed per Board Motion April 2017

The Board motioned that effective January 1, 2017, EFO's Home Week Policy and Application replaced Program 358, and as such Program 358 was dissolved and removed from EFO's Policies, Programs and Procedures.

Egg Quota Policy, Amended QTS Criteria – Effective April 2017

QTS Criteria Sell Bids #15(1)

- [1] A Sell Bid shall contain all the information required on QTS Form 1-14 and shall specify the number of units of quota for sale and the price per unit of quota. The sell bid Effective Date (date quota will be available to transfer) cannot be earlier than the Quota Transfer Session date as determined on the QTS Schedule.

QTS Criteria Buy Bids #15(9)

- [9] No buyer may acquire more than 5,000 units of quota through any QTS. The number of quota units requesting to buy cannot exceed the number of units of quota offered for sale on the Quota Transfer Session of which the buyer is bidding.

Pullet Quota Policy, Amended QTS Criteria – Effective April 2017

QTS Criteria Sell Bids #15(1)

- [1] A Sell Bid shall contain all the information required on QTS Form 1-14 and shall specify the number of units of quota for sale and the price per unit of quota. The sell bid Effective Date (date quota will be available to transfer) cannot be earlier than the Quota Transfer Session date as determined on the QTS Schedule.

QTS Criteria Buy Bids #15(9)

- [9] No buyer may acquire more than 12,500 units of quota through any QTS. The number of quota units requesting to buy cannot exceed the number of units of quota offered for sale on the Quota Transfer Session of which the buyer is bidding.

Amended Layer Leasing Program, Section 6 – Effective May 2017

INTRODUCTION:

A motion was approved at the March 2012 Board of Directors' meeting to create a Layer Leasing Program beginning in January 2013. The Layer Leasing Program fees are reviewed on an annual basis.

PRINCIPLE:

The LLP is available to Ontario Quota Holders who have excess capacity in their barn(s), as per current Housing Density Requirements (HDR). Quota Holders may apply to lease a maximum of 1,800 birds on a yearly basis.

CRITERIA:

- Layer Leasing Program Applications must be submitted with the Quota Holder's Replacement Layer Order Report (Form No.: GR-EPPI-3.9).
- Upon application, EFO will issue a confirmation of receipt with the number of leased birds to be placed in conjunction with the scheduled flock placement date as declared on the Replacement Layer Order Report.
- Upon confirmation of placement at 23 weeks, EFO will issue an invoice for the LLP birds placed within the flock. Layer Leasing Program birds placed cannot exceed the approved application amount.
- Terms of payment: A postdated cheque must be received at the EFO Board office prior to the invoice payment due date. Postdated cheques will be for the full balance and dated for Week #45 of the flock life as indicated on the invoice [Week 19 + 26 = 45 weeks].
- If the postdated cheque is not received prior to the invoice payment terms, the Quota Holder may be deemed as over quota and subject to the terms of the Flock Count Policy.

- Multiple flock Quota Holders are required to submit separate applications for each flock placement to a maximum of 1,800 birds per year.
- The number of birds leased out of the Program is limited to a Quota Holder's total Production Quota to a maximum of 1,800.
- The Quota Holder agrees to place the number of birds granted into their production facility for a period of 358 days.
- LLP birds that remain in production in excess of 358 days will incur a cost of 2 cents a bird per day; to be reconciled once disposal information is received by the Board. A Quota Holder who disposes of birds prior to 358 days will not receive a rebate.
- A Quota Holder leasing out of the Program assumes responsibility for per bird levy and any other outstanding licence fees, levies, interest or other monies owing to the Board as a result of participation in the LLP.

Emergency Bronchitis Relief Program – New effective June 2017

INTRODUCTION:

Egg Farmers of Ontario (EFO) has become aware of issues reported by some producers experiencing significantly lower rates of lay and other related health issues in flocks placed during the past several months. The current information indicates the issues may be related to certain strains of Bronchitis.

PRINCIPLE:

Producers who are affected by the recent Bronchitis strain and are experiencing a rate of lay less than 80% will have the opportunity to voluntarily participate in the *Emergency Bronchitis Relief Program*. The program will offer quota credits to the affected producers to help offset lost production by allocating additional birds that may be placed either with the replacement flock or at a later date. The Board reserves the right to amend or discontinue the *Emergency Bronchitis Relief Program* at any time.

Amended Privacy Policy, Section 8 – Effective October 2017

PRODUCER INFORMATION:

As a general rule, all producer information is held in strict confidence and, except in very limited circumstances, is not revealed to anyone unless expressly or implicitly authorized by the producer. The Board guards its producer mailing list from unauthorized use and disclosure. Where disclosure is deemed by the Board to be of benefit to producers or necessary to address bio-security or food safety concerns, such disclosure will be subject to appropriate safeguards.

In the event of any reportable disease outbreak the provisions of this privacy policy are waived and EFO will, to the extent and to whom necessary, including but not limited to the Canadian Food Inspection Agency, release producer personal information to assist in an effective response.