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# **Egg Farmers of Ontario Policies, Programs & Procedures 2011**

## **SECTION 6: Programs & Procedures Policies**



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## **Bacteria Control Fund Policy**

### **INTRODUCTION:**

The Bacteria Control Fund was established by Egg Farmers of Ontario in 1997. It consists of contributions made by egg producers, pullet producers, hatcheries and contractors between December 28, 1997 and December 28, 1999 after which no further contributions were required.

### **PRINCIPLE:**

The Bacteria Control Fund may be used by Egg Farmers of Ontario to compensate producers who have suffered losses due to salmonella related incidents and S.e. infected premises.

### **CONDITIONS:**

The costs that may be reimbursed from the Bacteria Control Fund include the following items respecting pullets slaughtered during their normal growing period provided all claims are supported by appropriate invoices with costs based on the number of pullets slaughtered:

- (a) cost of chicks
- (b) cost of services, including vaccination, beak trimming etc.
- (c) growing fee
- (d) feed costs to time of slaughter
- (e) medication costs, and
- (f) disposal costs

Clean up costs will be dealt with as received, on a case-by-case basis.

The cost of vaccination, where recommended to limit shedding, is also eligible for consideration.

Due to the acknowledged difficulty of eliminating such infections from a poultry facility, contamination of two consecutive flocks in the same barn would be considered for compensation from the Fund, provided that any subsequent claims would be carefully scrutinized before any compensation could be recommended.

### **COMPLIANCE:**

Any producer who has suffered such losses who is in good standing may apply to the Board requesting compensation. To be in good standing, a producer must be in conformity with all EFO Regulations, Policies, Orders and Directions; have filed all necessary reports with the Board office; be up-to-date in payment of all licence fees, levies and any other amounts owing to EFO; and have taken all necessary steps to stop or reduce the chances of the contamination re-occurring or spreading to eggs or other egg or pullet production facilities, as determined by the Board.



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## Eggs For Processing Policy

### **INTRODUCTION:**

The EFP allotment is a special allocation to producers as part of the National EFP Program administered by EFC.

### **PRINCIPLE:**

The EFP allotment is not regular quota fixed and allotted to producers. EFP allotment is a percentage allowance permitting producers to possess fowl and to produce and market eggs from such fowl above the amount authorized by the producer's quota for a share of pooled returns.

### **CONDITIONS:**

The EFP allotment is subject to EFO receiving and maintaining the EFP allocation from EFC;  
The EFP allotment is subject to the terms and conditions of any agreements between EFO and EFC governing EFP marketings;  
Authorized EFP marketings are not subject to levy;  
Authorized EFP marketings are not subject to licence fees;  
Authorized EFP marketings are not subject to over quota levies;  
EFP allotment is subject to increase, decrease or cancellation by EFO at any time;  
EFP egg marketings are not subject to the regulated price for eggs set by EFO;

### **PROCEDURE:**

Producers will continue to market their production to their grading station of choice.

EFP egg marketings are sold by the producer to EFO through the grading station as agent of EFO.

Grading stations will receive the EFP eggs from producers on behalf of EFO and will be authorized to make an initial payment to producers based on the percentage of the average grade out price as determined by EFO and will pay the balance to the EFP Pool.

Each producer will receive an initial payment from the grading station to which the eggs were delivered on account of EFP marketings and either a final payment from the EFP Pool or an invoice for any losses incurred as determined by EFO from time to time.

The average grade out price paid to producers on the regular allocation is the amount used by EFO to calculate an initial payment to producers for EFP eggs by the grading station and to determine the amount allocated to the EFO EFP Pool.

EFO will pool all proceeds from EFP egg marketings.

The EFP Pool will be used to allocate the share of the expenses and losses incurred in the marketing of EFP eggs among all producers on an equitable basis.

### **COMPLIANCE:**

The EFP Pool will be operated on a regular basis as determined by EFO and cleared accordingly.



## Egg Quality Inspection Policy

### INTRODUCTION:

The Egg Quality Inspection Policy exists to encourage the production of high quality eggs. The Canadian Food Inspection Agency [CFIA] conducts a minimum of 90 random inspections of eggs from flocks at 60 weeks of age, [40 weeks of lay] but they can do an inspection at any age. Egg Farmers of Ontario [EFO] is only notified if there is a failure.

### PRINCIPLE:

To have a pre-grade inspection program in place to encourage the production of high quality eggs.

### CRITERION:

All eggs shipped to a registered egg grading station for purposes of grading must meet the following criteria.

CRITERION	TOLERANCE
Cracks	10.0%
Dirt in excess of 160 sq. mm. but less than 1/3 of the shell	5.0%
Dirt in excess of 1/3 of the shell	2.5%
Stain in excess of 1/3 of the shell	5.0%
Rough, ridged or misshapen shells	10.0%
Air cell greater than 5 mm	5.0%
Leakers	2.5%
Total under grades not to exceed Haugh Unit	15.0%
	67

### PROCEDURES REGARDING PREGRADE INSPECTION:

1. Egg Farmers of Ontario provides CFIA with the details of flock age and grading station destination for all regulated producers.
2. CFIA may inspect any lot of eggs at any time regardless of the age of the flock by selecting a random sample of the eggs which will be candled.
3. Haugh Unit evaluation will continue to be performed based on the discretion of the CFIA Inspector.

### COMPLIANCE:

The following protocol will be followed for all flocks found outside the tolerance:

- (a) CFIA Inspector will advise the Regional Program Officer immediately by fax or by phone with the results of the inspection;
- (b) EFO will simultaneously be notified of the results of the inspection by the CFIA Inspector;
- (c) EFO will notify the producer by phone and in writing;
- (d) The failed lot of eggs (where grade A & B can not be applied) will be detained by CFIA, and directed to an egg processing or grading station by EFO, at a penalty of 20¢ less than producer price. All subsequent lots will also be detained by CFIA, until an appeal inspection has been requested by the producer;
- (e) All sorted lots of eggs, non-quota flocks and hatching eggs will be subject to full inspection.

Repeat offenders may be subject to significant sanctions at the discretion of the Board.



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## **EGG QUALITY INSPECTION POLICY CONTINUED**

### **APPEAL INSPECTION:**

The procedures for an appeal inspection are as follows:

- (a) The producer is to request by phone, the appeal inspection by contacting EFO;
- (b) Flocks granted an appeal inspection will then be examined by a CFIA Inspector. There will be a fee imposed for this inspection of \$167.00, which will be invoiced to the EFO;
- (c) Eggs which fail the appeal inspection will continue to be diverted to a breaker at a penalty of 20¢ less than producer price, until the producer requests another appeal inspection. The producer will be invoiced for this inspection;
- (d) A flock that fails at one station fails at all stations;
- (e) All penalty flock eggs shall continue to be shipped to the egg grading station they would normally ship to;
- (f) Notify CFIA when the flock will be shipped.

Upon receipt of the phone or fax notification of a failed inspection, EFO will -

- (1) Notify the producer by phone or in writing of the reasons for the failure.
- (2) Visit the farm, at the request of the producer, to assist in determining what CORRECTIVE measures may have been undertaken to correct the problem.



## Flock Placement Incentive Policy

### **INTRODUCTION:**

The objective of the Flock Placement Incentive Policy is to even out placements during periods 1, 2 & 7 in order to stabilize the industry.

*Preferred [Lower] Placement Periods*

Period 1 ~ [January] Weeks 1 - 4

Period 2 ~ [February] Weeks 5 - 8

Period 7 ~ [July] Weeks 27 - 30

### **TERM:**

The Flock Placement Incentive program will be reviewed and determined by EFO on an annual basis.

### **CRITERION:**

1. Any producer who is in good standing may apply to the Board for this program. To be in good standing a producer must be in conformity with all EFO Regulations, Policies, Orders and Directions, and have filed all necessary reports with the Board Office, and be up-to-date in payment of all licence fees, levies and any other amounts owing to EFO.
2. Producers who are grandfathered have preference (grandfathered producers are those, who as of October 1, 2004 placed in periods 1, 2, and 7 and producers that were on the program in the year previous);
3. Producers moving from the highest placement periods, as determined periodically by EFO's staff;
4. Producers agreeing to move into Periods 1, 2, and 7, with the specific week being determined by EFO's staff.

Egg Farmers of Ontario reserves the right to determine which week of the low periods, if any, a producer would be allotted, for the placement of birds.

### **APPLICATION:**

1. Existing Producers who [currently] change / place flocks in either period 1 [January]; period 2 [February]; or, period 7 [July]
- and-
2. Producers willing to change / move their flock placement periods to either period 1 [January]; period 2 [February]; or, period 7 [July]

may apply, under an 'Application for Flock Placement Incentive Program' [attached form]. All producers must submit an 'Application for Flock Placement Incentive Program' on an annual basis.

If the program is over subscribed, EFO's staff has the right to determine which applications are accepted for the program.

Should the Flock Placement Incentive Program become over subscribed, existing producers historically placing in the lower placement periods 1, 2, 7 will be honoured. EFO shall determine, from time to time, the maximum number of birds per week that will qualify for the program.



## FLOCK PLACEMENT INCENTIVE POLICY CONTINUED

### Application Deadlines

- Period 1 ~ March 31 of the previous year
- Period 2 ~ March 31 of the previous year
- Period 7 ~ October 31 of the previous year

### INCENTIVE:

Producers, subject to Application approval [as above], will be entitled to place an additional two [2%] percent for periods 1 & 2 and one [1%] percent for period 7 [July] in the \*applicable barn[s] (\*moved to or remaining in) housing flocks in periods 1, 2, or 7.

## Application for Flock Placement Incentive Program

NAME:			
ADDRESS:			
PHONE NO:	QUOTA #	P.Q.	
HATCHERY/CONTRACTOR:			
PULLET GROWER:			
NO. OF BIRDS TO BE PLACED:			
HATCH DATE:			
USUAL PLACEMENT DATE: (19 week old date)			
DISPOSAL DATE OF PRESENT FLOCK:			
PROPOSED PLACEMENT DATE:	Period 1 –	Period 2 –	
SIGNATURE OF PRODUCER:			
DATE:			
<b>OFFICE USE:</b>	Period 1 - No. of Birds	Period 2 – No. of Birds	
<b>NOTE:</b> If program is over subscribed, EFO has the right to determine which applications are accepted for the program.			



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## Grandfather Flock Policy

### **INTRODUCTION:**

In accordance with Egg Farmers of Ontario General Regulations [*Respecting the Production and Marketing of Eggs and Pullets: Part 2 Eggs Exemption Section 2.20*], a producer who can establish to the satisfaction of the local Board that the producer was in possession of 500 fowl or less on or before the 5<sup>th</sup> day of July, 1983 and who has since then been in continuous possession of fowl for bona fide commercial purposes as determined by the local Board on said premises, the beneficial ownership of which has not changed, and on which premises no other fowl are possessed, may apply to the local Board for an exemption from the quota requirements.

Beneficial owners, mentioned above, are hereby referred to as Grandfather Flock owners and are registered at the Board office.

### **PRINCIPLE:**

Grandfather Flock owners [who are registered at the Board office] have the right to purchase quota without loss of their Grandfathered units.

The entire production allocated will be considered regulation production units.

### **CONDITIONS:**

- Grandfather Flocks are non transferable;
- Grandfather Flock owners must meet all the above requirements;
- Grandfather Flock owners must be in compliance with EFO General Regulations, Policies, Procedures and Programs including achieving HACCP certification and Housing Density Requirements;
- All eggs produced must go through a registered egg grading station;
- All levies are to be paid on all eggs.

If a Grandfather Flock owner decides to sell quota, only the amount of units previously purchased is allowed to be sold, and the sale of quota does not apply to Grandfathered units which are non-transferable.

### **ELIGIBILITY:**

To be eligible for the above Grandfather Flock purchase policy, non-quota producers must contact the Board office; advising your intention to participate in the program and the anticipated date of quota purchase.

The Board will then verify your Grandfather Flock status and the number of units available for the Grandfather Flock exemption. Once quota has been purchased and prior to approval in principle; each Grandfather Flock producer will be required to enter into a Memorandum of Understanding outlining the above details.



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## **Mortality Allowance Policy**

### **INTRODUCTION:**

The industry average for mortality runs from 4% - 6%.

The impact of mortality on a single flock “one flock per year” operation [referred to as “all in and all out facility”] is greater than the impact on a multi-age / multi-barn facility.

### **EXPLANATION:**

When birds die in an “all in and all out facility”, the producer (and the egg industry) loses full utilization of his/her quota for the entire lay period of the flock.

When birds die in a multi-age / multi-barn facility, the producer adds the amount of lost birds from the previous flock to the next flock when it is placed.

### **Producer & Industry Losses or Unproductive System or Inefficiencies**

All producers (and the system) lose ‘full’ utilization of his/her quota as a result of mortality.

However, producers with multi-age facilities lose full utilization for a shorter period of time, and are able to capture utilization over the course of multiple placements.

Egg Farmers of Ontario (EFO) is required to remit on a weekly basis, a fixed levy to Egg Farmers of Canada (EFC), based on EFO’s allocation to its producers.

Even when the system loses birds due to mortality, EFO remits the fixed levy to EFC.

Subsequently, the egg industry loses twice:

1. there are fewer eggs in the system;
2. levy is paid without birds in the barn.

### **PRINCIPLE:**

To equalize the impact of mortality on all producers and the egg industry, EFO’s Mortality Allowance Policy permits producers with an “all in and all out facility” the ability to place an additional 1% for mortality allowance with the quota’s production allotment, when the barn is being filled; only once per flock placed.

### **COMPLIANCE:**

In accordance with EFO’s Mortality Allowance Policy, EFO’s Inspectors will factor in the 1% mortality allowance with the producer’s quota allotment for ‘all in and all out facilities’ when the Inspectors perform the flock count at the 23 week period. If a producer’s facility is deemed over quota by EFO’s Inspector, penalties and possible quota reduction/cancellation will apply, as set out in EFO’s Flock Count Policy.

If a producer’s facility is deemed over quota by EFO’s Inspector, penalties and possible quota reduction/cancellation will apply, as set out in EFO’s Flock Count Policy.



### New Entrant Quota Loan Pool [NEQLP]

#### **INTRODUCTION:**

EFO developed the New Entrant Quota Loan Pool [NEQLP] in 2011 to assist individuals into the Ontario egg industry.

#### **HOW DOES THE NEQLP WORK?**

- EFO will allocate a total of 50,000 units of egg quota, over a 10-year period, into the NEQLP;
- Up to 5,000 units of egg quota will be loaned per year to the successful applicant[s];
- Units of egg quota will be loaned to the successful applicant[s] based on a 1:2 ratio; [1 bird purchased, 2 birds loaned].
  - *As an example:*
    - *in order to receive up to a maximum of 2,000 units of loaned quota, the new entrant is required to purchase up to 1,000 units of quota, for a total production of up to 3,000 units of quota*
    - OR
    - *in order to receive up to a maximum of 5,000 units of loaned quota, the new entrant is required to purchase up to 2,500 units of quota, for a total production of up to 7,500 units of quota*
- The applicant[s] will return the loaned units of quota into EFO's NEQLP as follows:
  - [X#] units of loaned quota back into the pool in five [5] (20% each) installments - commencing in the 11<sup>th</sup> year up to and including the 15<sup>th</sup> year: 20% in the 11<sup>th</sup> year; 20% in the 12<sup>th</sup> year; 20% in the 13<sup>th</sup> year; 20% in the 14<sup>th</sup> year; 20% in the 15<sup>th</sup> year.

#### **ELIGIBILITY:**

In order to be considered for EFO's NEQLP, an applicant must:

- Be a Canadian Citizen or landed immigrant [proof required];
- Be a permanent resident of Ontario [proof required];
- Not hold quota of any type in the supply-managed sector [egg, pullet, chicken, turkey, dairy, or hatching eggs];
- Not have held quota, currently or in the past, of any type in the supply managed sector;
- Priority will be given to persons between the ages of 18 and 45.

#### **APPLICATION PROCESS:**

- To apply for the NEQLP, interested individuals must fully complete and submit the application in the form attached along with a non-refundable fee of \$113.00 (includes HST) with each application.
- Only one application is accepted per deeded property, and must be owned by the applicant(s).
- A letter of reference from a financial institution is required.
- A letter of support from a grading station is required.
- The applicant is encouraged to submit a Business Plan along with their application.
- All pages submitted must be numbered and in sequential order.



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## **NEW ENTRANT POLICY CONTINUED**

### **SELECTION PROCESS:**

Should an applicant meet the above Eligibility criteria, their application will be reviewed by a Selection Committee comprised of well respected and knowledgeable industry representatives.

- Members of the Selection Committee are chosen by EFO and may include:
  - an Accountant; a Financial Representative [i.e. FCC]; an OMAFRA staff person; a non-Director egg farmer; a representative from Junior Farmers' Association of Ontario.
- EFO staff will act as resource persons for the Selection Committee.
- The Selection Committee's recommendation will be presented to EFO's Board of Directors for a final decision.
- All applicants will be notified by EFO of their application status.
- Applications not selected become null and void.
- Applications do not remain on file.
- Applicants must re-apply to be considered by the Selection Committee in future years.

### **HOW DOES A SUCCESSFUL CANDIDATE OBTAIN LOANED QUOTA?**

- Once the Selection Committee has named a successful applicant[s], EFO will prepare a Memorandum of Understanding [MOU] setting out the conditions for obtaining [X#] units of loaned quota;
- The successful applicant[s] must sign the Memorandum of Understanding [MOU] with EFO;
- Successful applicant[s] will provide an 'Agreement to Purchase' for the [X#] units of quota purchased [based on 1:2 ratio];
- Upon execution of the MOU, EFO will loan [based on above 1:2 ratio] and allocate [X#] units of quota to an assigned NEQLP quota number;
- The successful applicant[s] must be in production within 18 months of being selected.

### **WHAT ARE THE NECESSARY REQUIREMENTS FOR AN EGG FACILITY/PRODUCTION?**

All egg and pullet farmers are representatives of an industry that takes tremendous pride in producing a safe and nutritious food according to the highest standards of quality. Egg facilities/production must maintain HACCP certification. The entire production [purchased & lent quota] will be treated as a regulation production unit and must meet all requirements: be in compliance with EFO's General Regulations, Policies, Procedures & Programs; be HACCP certified; meet Housing Density Requirements; all eggs must go through a registered egg grading station; levy is to be paid on all eggs.

### **SANCTIONS**

The Board may cancel or reduce, refuse to increase, refuse to loan, fix, and allot quota to any person for any reason that the Board considers proper. Additional or alternative sanctions may apply under EFO's Quota Policy; Section 19 [Quality Standards], Section 20 [On Farm Food Safety] and Section 21 [Housing Density]. Indirect methods to circumvent EFO's policies will not be permitted and, where identified, may result in an appropriate reduction or cancellation of quota.



## New Entrant Quota Loan Pool NEW ENTRANT APPLICATION

Name:			
Name of contact if applicant is a corporation or a partnership:			
Address of egg production facility:			
Lot	Plan	Concession	Township
Municipal address:			
Mailing address if different from above:		Number of Units of Quota [birds] applying for:	
Phone number:		Alternate phone number:	
Email:		Fax number:	
If the applicant is other than an individual, attached are: A. A copy of the Articles of Incorporation and a list of shareholders showing percentage ownership, if the applicant is a corporation; or B. A copy of the Business Name Registration, if a partnership, and a list of all partners showing percentage ownership.			
Is the applicant, or if a corporation or a partnership, are all shareholders or partners Canadian citizens or landed immigrants? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Is the applicant, or if a corporation or a partnership, are all shareholders or partners permanent residents of Ontario? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Does the applicant or the applicant's spouse, or if a corporation or partnership do any of the shareholders or partners currently hold, or have at any time held, quota in any supply managed commodity in Ontario [example eggs, pullets, hatching eggs, chicken, turkey or dairy]. Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, the particulars are as follows:			
Attached is a cheque for the application fee of \$113 (includes HST). <input type="checkbox"/> [confirm]			
Attached is a detailed description of the proposed egg production facility. <input type="checkbox"/> [confirm]			
Attached is a copy of the deed/transfer of the property where the egg production facility is located. <input type="checkbox"/> [confirm]			
Attached is a Letter of Reference from a Financial Institution. <input type="checkbox"/> [confirm]			
Attached is a Letter of Support from a Grading Station. <input type="checkbox"/> [confirm]			
Attached is a Business Plan. Yes <input type="checkbox"/> No <input type="checkbox"/>			
By submitting this application, the undersigned hereby consents to EFO, or its representatives, to verify any information submitted and consents to the release of information related thereto by any third parties contacted by EFO or its representatives.			
This application is submitted in accordance with EFO New Entrant Quota Loan Pool [NEQLP] and any selection or quota allocation will be made by EFO in accordance with same.			
The undersigned certifies that the information herein contained and attached is complete, true and correct in all respects.			
_____		_____	
Date		Signature of Applicant	



## **Pullet Leasing Pool Policy**

*as amended April 2012*

### **INTRODUCTION:**

The goal of the Pullet Leasing Pool (PLP) is to increase the utilization of Ontario issued pullet quota and Ontario pullet facilities.

### **APPLICATION PROCESS:**

Any pullet grower, hatchery or contractor may apply to the Board to participate in the PLP, however, the EFO Pullet Committee has the right to grant or deny any leasing pool applications.

### **REQUIREMENTS:**

- PLP Application Form, Pullet Grower Day-Old Report [GR-PGI-3.10], Negative S.e. test results;
  - \$100 Administration Fee plus tax – cheque made payable to Egg Farmers of Ontario
- In the event of an over hatch, maximum 5%, all fees and reporting are due ten [10] days after the day old placement.

### **COMPLIANCE:**

- EFO's Pullet Committee must be satisfied that all suitable Ontario pullet quota facilities are utilized prior to leases being approved.
- Preference will be given to existing pullet quota holders.
- To be eligible to participate in leasing from the PLP, all paperwork must be current and filed at the EFO office as outlined in EFO's General Regulations.

### **REIMBURSEMENT:**

At the end of each calendar year, the pullet utilization rate is determined based on the actual number of pullets placed in Ontario in relation to the total Ontario Pullet Production Quota. Over a five year period the maximum amount payable, from the PLP, is limited to the Pullet Grower's Production Quota.

### **FEES & PAYMENTS:**

PLP fees and payment structure will be reviewed annually. Once the Pullet Leasing Pool has been disbursed, any funds remaining will be allocated to programs which will better serve Ontario's pullet industry.

The Pullet Leasing fee must be received one month prior to days-olds being placed; delay in payment could result in the Pullet Grower being in violation of the Pullet Quota Policy and considered in an over utilized position. In the event of over utilization the producer will be given the option of remitting an over quota assessment equal to the number of units over utilized multiplied by the yearly growing fee or a pullet quota reduction of double the amount of over utilized quota for the following calendar year.

### **How to Lease from the PLP?**

- Any pullet grower, hatchery or contractor may apply to the Board to participate in the PLP, however, the EFO Pullet Committee has the right to grant or deny any leasing pool applications.
- When/if the application is approved, you will be notified of the amount to be submitted to cover the leasing fee. The Pullet Leasing fee and a copy of the last Se test result must be received one (1) month prior to days-olds being placed.
- An over hatch to a maximum of 5% of the last flock placed in a calendar year may be considered for Pullet Lease purposes, all fees and reporting are due ten [10] days after the day old placement.
- Delay in payment of either a Pullet Lease or over hatch could result in the Pullet Grower being in violation of the Pullet Quota Policy and considered in an over utilized position.



## **PULLET LEASING POOL POLICY CONTINUED**

- EFO's Pullet Committee must be satisfied that all suitable Ontario pullet quota facilities are utilized prior to leases being approved.
- Preference will be given to existing pullet quota holders.
- To be eligible to participate in leasing from the PLP, all paperwork must be current and filed at the EFO office as outlined in EFO's General Regulations. Over a five year period the maximum amount payable, from the PLP, is limited to the Pullet Grower's Production Quota. Example: A Pullet Grower's quota totals 10,000 pullets; maximum number of units that will be used for calculating the PLP refund is limited to 10,000 units over a five year period.
- Producers who are not in good standing and have not filed reports on a timely basis [see EFO General Regulations 3.10 and 3.11 below] will have a surcharge of ten cents per bird applied to their lease cost.
- Producers who are found to be in an over utilized position, at the end of the calendar year, will be given the option of remitting an over quota assessment equal to the number of units over utilized multiplied by the yearly growing fee or a pullet quota reduction of double the amount of over utilized quota for the following calendar year.
- All decisions made by the EFO Board are at its discretion.

*[EFO General Regulations 2006, Part 3 Pullets – Sections 3.10 & 3.11 – Reporting Requirements*

*3.10 Every pullet grower shall complete, certify as true and accurate, and file with the local board at its office, a Pullet Grower Day-Old Report in Form GR-PGI-3.10, for all day-olds placed by such pullet grower in any week, within ten (10) business days following the last placement.*

*3.11 Every pullet grower shall complete, certify as true and accurate, and file with the local board at its office, a 19 Week Old Pullet Report in Form GR-PGI-3.11, within ten (10) business days following the last date of the transfer of pullets from the pullet facility.]*

**How Does Pullet Quota Get Into the PLP?** EFO will have enough PLP quota available in the leasing pool to match demand on a yearly basis. At the end of each calendar year, the pullet utilization rate is determined based on the actual number of pullets placed in Ontario in relation to the total Ontario Pullet Production Quota. All pullet quota holders in good standing, as outlined in the EFO General Regulations, whose utilization falls below this rate, qualify for reimbursement from the pool.

### **Pullet Leasing Pool Fees effective 2012:**

- Ontario Registered Pullet Quota Holders / HACCP Certified facilities - 50¢/pullet

### **COMPLIANCE:**

Any quota holder who is in good standing may apply to the Board for this program. To be in good standing a quota holder must be in conformity with all EFO Regulations, Policies, Orders, and Directions, including housing density. Producers must have all the paperwork filed at the EFO office as outlined in the EFO General Regulations; and be up-to-date with all licence fees, levies and any other amounts owing to EFO.

### **SANCTIONS:**

The Board may cancel or reduce, refuse to increase, refuse to loan, fix, and allot quota to any person for any reason that the Board considers proper. Additional or alternative sanctions may apply under EFO's Quota Policy; Section 19 [Quality Standards], Section 20 [On Farm Food Safety] and Section 21 [Housing Density]. Indirect methods to circumvent EFO's policies will not be permitted and where identified may result in an appropriate reduction or cancellation of quota.



<b>EGG FARMERS OF ONTARIO</b> 7195 Millcreek Drive, Mississauga, Ontario, L5N 4H1 Phone 905-858-9790 Fax 905-858-1589				
<b>APPLICATION – EFO’s PULLET LEASING POOL</b>				
PLEASE LIST EGG QUOTA HOLDER[S] NAME [S] WHO WILL RECEIVE THE 19 WEEK OLD PULLETS:		Egg Farmer’s Name _____ Egg Farmer’s Name _____ Egg Farmer’s Name _____		
HATCHERY/CONTRACTOR’S NAME: (if applicable)				
NAME OF APPLICANT:				
ADDRESS:				
PHONE NUMBER:		FAX:		E-MAIL:
QUOTA NUMBER:		PRODUCTION QUOTA:		
NUMBER OF BIRDS APPLYING TO LEASE:				
PLACEMENT DATE:			19 WEEK OLD DATE:	
LOCATION OF PULLETS:	LOT	CONCESSION	TOWNSHIP	COUNTY
<b>PLEASE FORWARD THE FOLLOWING DOCUMENTS TO:</b> <b>Egg Farmers of Ontario</b> <b>7195 Millcreek Drive, Mississauga, Ontario, L5N 4H1</b>				
1.	Application Fee (\$100.00+ tax) – one (1) month prior to day-old placement			
2.	S.e. Test results for location of pullets – one (1) month prior to day-old placement			
3.	Pullet Grower Day-Old Report GR-PGI-3.10 – within 10 business days of day-old placement			
4.	19 Week Old Pullet Report GR-PGI-3.11 – within 10 business days of 19-week old placement			
<b>Note:</b> When/if the application is approved, you will be notified of the amount to be submitted to cover the leasing fee. The Pullet Leasing fee and a copy of the S.e. test result must be received one (1) month prior to days-olds being placed; delay in payment could result in the Pullet Grower being in violation of the Pullet Quota Policy and considered in an over utilized position.				
<b>SIGNATURE OF FARMER / HATCHERY / CONTRACTOR:</b>				
<b>OFFICE USE:</b>	APPLICATION FEE			
	S.e. TEST			
	DAY OLD REPORT			
	19 WEEK OLD REPORT			



## Quota Credit Policy

*as amended December 2011*

### **INTRODUCTION:**

Producers who wish to take a barn out of production to do extensive renovations, move a flock from a high placement week to a lower week, or producers who experience a disaster [such as fire, barn collapse, bird suffocation, birds destroyed due to disease or hydro interruption], or other circumstances as determined by the Board, may apply to EFO for the provincial Quota Credit Program. EFO's provincial Quota Credit Program will run in conjunction with the National Quota Credit Program. The issuances of quota credits are subject to the discretion of the Board with respect to the hen utilization figure. All applications will be considered on an individual basis and must include full details of the renovation. Beginning January 2012 - Producers will be limited to a maximum of one quota credit application per barn [National or Provincial] over a five year period.

### **CONDITIONS:**

The Board will limit the number of birds out of production to a maximum of 100,000 per week in EFO's Quota Credit Program at any one time. The Board reserves the right to discontinue EFO's Quota Credit program at any time.

### **CRITERION:**

EFO's Quota Credit Policy is monitored and operates under the following criteria:

- Any producer who is in good standing may apply to the Board for this program. To be in good standing a producer must be in conformity with all EFO Regulations, Policies, Orders, and Directions. Producers must have all paperwork filed at the EFO office as outlined in the EFO General Regulations; and be up-to-date with all licence fees, levies, interest or other monies owing to the Board or EFC.
- Applications [sample attached] must be forwarded by mail, fax or e-mail to the Board, a minimum of ninety [90] days prior to the commencement of the renovations.
- Quota Credits will be reviewed by the Production Management Committee and subsequently directed to the Board for consideration.
- Quota Credits will not be granted for repairs considered to be normal maintenance or when a renovation involving re-caging provides less than the minimum space per hen specified in the current Recommended Code of Practice and EFO's Housing Density Policy [Egg Quota Policy, Section 21].
- Producers must be out of production a minimum of twenty-eight [28] days to a maximum of ten [10] weeks [the first seven days are not eligible]. Per Bird levy charges begin when the replacement flock turns nineteen [19] weeks of age.
- All birds must be removed from the barn before the quota credit can commence (except in the case of a disaster if only a partial flock is lost).
- Quota credits for the replacement flock are calculated on the number of days empty; minus seven [7] days X the disposal receipt less any program birds; divided by 365 days. All quota credit birds must be placed within five [5] years of the initial credit. See example of quota credit calculation.
- EFO's Inspectors must visit the barn(s) to assess the beginning and ending of a qualifying period.
- Applicants are expected to carry all reasonable insurances that would apply to a normal laying operation business. This would include business interruption insurance and loss of income insurance for example. Quota credits may not be authorized for circumstances that may be covered by insurance.

### **COMPLIANCE:**

No quota credit will be approved unless the Board is satisfied that the producer has complied with the rules.



## Application for [Provincial] Quota Credit Program

Producer Name:		Quota #:				
Address:						
Postal Code:			Telephone #:			
Planned Disposal Date:			Processing Plant:			
Please include a detailed description of renovations being completed:						
Anticipated Downtime Dates:						
From:		To:				
[must be a minimum of 28 days, maximum 10 weeks, first 7 days not included]						
Date Barn Empty:			Inspector's Signature:			
REPLACEMENT FLOCK DETAILS						
Date Due In:			# of Birds:			
Hatchery:			Hatch Date:			
Actual Date Birds In:			Age of Birds at Placement:			
Expected Disposal Date of New Flock:			Date of Application:			
Producer's Signature:						
CALCULATION OF QUOTA CREDIT						
# Days Empty	X	Disposed Birds	Less Programs	÷	365 Days	= Number of Birds



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## Salmonella Protocol Policy

### **INTRODUCTION:**

Following the identification of intact shell eggs as a possible source of *Salmonella enteritidis* (S.e.) in cases of human food poisoning in the 1980's, egg industries worldwide became sensitized to the potential consequences to consumers and their confidence in the safety of table eggs. While the most publicized incidents occurred in the US and the UK, Canada had its share with the occasional restaurant and food service outbreak.

In 1994, Egg Farmers of Ontario began a voluntary program of environmental testing for S.e. using protocols developed in concert with Agriculture and AgriFood Canada, later the Canadian Food Inspection Agency and Health Canada. Approximately two thirds of the producers participated in this voluntary phase. In 1996, the program was made compulsory for all producers by making the test a condition of holding egg quota. In 1998, premises where pullets were grown were also included for the first time.

The laboratory protocol for the first six (6) years used the established Health Canada techniques, or an approved modification of them, to detect all Salmonella serotypes. If Salmonella is detected at this stage, a test follows to determine to which Group the organism belongs. If it proves to be Group D, which contains S.e., full serotyping is carried out.

The incidence of S.e. has always been very low, with only twelve farms being identified as environmentally contaminated, since 2001.

Because of the difficulties of testing egg samples, and the knowledge that S.e. incidence in eggs, even from infected flocks, is very low (<1/1000 eggs) we have never routinely tested eggs for S.e.; neither have we tested the hens themselves.

### **PROCEDURE: ON-FARM SAMPLING**

The procedure for on-farm sampling has been reviewed periodically by officials from CFIA and Health Canada. Current cost to test a farm is about \$85.00, and more than 500 layer and pullet barns are tested each year.

On-farm sampling is conducted by EFO Inspectors. The target is to sample each layer flock after sixty weeks of age. In the case of farms with more than one flock, a separate kit is used to sample each flock.

Pullet flocks are sampled at about 10 weeks of age unless the grower requests the test earlier. A few pullet growers conduct their own tests when chicks are received.

Sample test kits are provided by the testing laboratory. Each kit consists of five (5) sterile swabs contained in plastic bags, five (5) whirlpack containers, plus a bottle of buffer solution.



## **SALMONELLA PROTOCOL POLICY CONTINUED**

At the farm, the following procedure takes place:

1. Separate gloves are worn for each sample.
2. The bag is opened and the swab is moistened with the fluid.
3. The operator holds the swab and takes samples (by wiping an area of about 10 cm<sup>2</sup>) at ten different locations on the barn walls – or other areas, as determined by the Inspector.
4. Steps 1 and 2 are repeated and samples taken from the floor, ventilation system (fans), egg belts or roll-out, and manure.
5. In total, 50 sites are sampled on the five composite samples.
6. When each swab has been taken from the ten sites, it is enclosed in the bag and then sealed.
7. The five bags containing the swabs are enclosed in an envelope and shipped overnight to the laboratory or dropped off directly at the lab.

### **PROCEDURE: LABORATORY**

The laboratory is responsible for tracking and testing the samples. A full description of their procedure is available from Dr. Susan Chu. The samples are tested using the IMS procedure. Any which are positive are further tested by culture.

There are three possible outcomes from the testing:

- Negative -  
No response. The producer is informed by mail of the result.
- Salmonella positive, not S.e. -  
The producer is informed of the result via mail and it is explained that while the existence of any Salmonella is cause for concern, this does not necessitate the response that S.e. would provoke.
- Salmonella enteritidis positive -  
The producer is contacted immediately by telephone. In the case of an egg producer, arrangements are made to divert all eggs from the affected flock to a breaker for further processing and pasteurization. This is done under the EFO Industrial Product program and the producer does not suffer any financial consequences. EFO informs the CFIA of a S.e. positive finding. The producer is advised to undertake an intensive clean-up and disinfection of the premises following depopulation, and EFO Inspectors test the premises after this is completed. If S.e. is found, additional disinfection procedures must be taken. A negative test must be received before pullets can be placed. Environmental samples are taken monthly following placement of the new flock, for a minimum of three [as per national] months.
- In the case of a pullet flock environment found to be S.e. positive, the pullet grower is informed immediately by telephone. If the grower is not the owner, he/she is responsible for informing the owner or contractor. Pullets in the premises are normally slaughtered as soon as possible following the identification of S.e. in the environment, and a claim for compensation may be made by the owner to Egg Farmers of Ontario under its bacteria control fund. Only direct costs, and not loss of income, may be covered by Egg Farmers of Ontario.
- Intensive clean-up and disinfection of the affected premises must be undertaken in the same way as for layer housing. Re-testing prior to re-stocking, and testing for a minimum of three [as per national] months after re-stocking, is also carried out.



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## **SALMONELLA PROTOCOL POLICY CONTINUED**

### **NATIONAL COMPENSATION PROGRAM:**

An alternative strategy is available for egg producers with S.e. positive premises.

If the decision is taken to depopulate early instead of sending eggs to the breaker for the remainder of the flock's life, EFC has a compensation program which pays the foregone income, plus the calculated value of the hens at the time of slaughter.

### **RESPONSIBILITY:**

While Egg Farmers of Ontario administers the testing program and assists producers with Salmonella contamination, it cannot and does not accept any responsibility for the testing, the clean-up or any eggs marketed from contaminated flocks. Producers are reminded that maintaining Salmonella-free egg production is the producer's responsibility.



## Stand-down [Waiver] of Levy Policy

### INTRODUCTION:

This policy is used for the purpose of calculating a waiver or relief from levy when a producer is not in production for longer than one [1] week.

### CONDITIONS:

A written request for a stand-down [waiver] of levy could be considered in the following circumstances:

#### 1. Major renovation of facilities

- Stand-down and hen renovation credit may be used in conjunction with each other.
- Application must be in writing to the Board advising of the nature and extent of the renovations, date the hens will be removed and the 19 week placement date of the new flock.
- The request should be received by the Board no later than thirty (30) days prior to the commencement of the renovations.
- A stand-down will not be granted when a renovation involving re-caging provides less than the minimum space per hen specified in the current Code of Practice.
- Stand-downs will not be granted for repairs considered to be normal maintenance.

#### 2. Force majeure – disaster circumstances

- Disaster is defined as fire, disease, suffocation or other calamity resulting from causes that are beyond one's control or that could not be avoided by exercising due care and attention.
- Mortality in excess of 10% of the quota holder's flock will be considered for Per Bird Levy Abatement. (Abatement calculation will begin the first week 10% mortality is reached and calculated on a weekly basis based on actual mortality over 10% to a maximum of 72 weeks of age.)
- A request for stand-down must be submitted to the Board, detailing the loss, within thirty (30) days of mortality loss.

#### 3. To move to a single age operation, all in - all out

- a. A quota holder wishing to move from a multi-age operation to single age, all in-all out, but not requiring major renovations, may request a stand-down.
- b. A stand-down will not be granted when a flock is molted.
- c. The request for a stand-down must be made in writing and should be received by EFO no later than thirty (30) days prior to the planned removal of hens.

#### 4. Other circumstances as determined by the Board

- A quota holder may request permission from the Board in writing to reduce or close down all or part of a facility for a period of time, subject to such terms as the Board may establish.

### COMPLIANCE:

For the purpose of calculating a waiver or relief from levy, the minimum mandatory downtime is considered to be fourteen (14) days or more. (Current Per Bird Levy calculation includes seven (7) days downtime. An additional seven (7) days are mandatory to qualify for the stand-down.) Levy is due on eggs once the replacement flock turns 19 weeks of age.



# Voluntary Program to Maintain Quality Eggs

## Program 358 Policy and Application Form

### INTRODUCTION:

Program 358 is a one [1%] per cent incentive allowance available to Egg Quota Farmers who change their flock on the same day each year; 12 month lay cycle with one week down time [365 days minus 7 days downtime = 358 Program]

### PRINCIPLE:

Program 358 will be implemented on January 2012 as an incentive to Ontario Egg Quota Holders to remain on a 12 Month Lay Cycle; 365 days minus 7 days downtime. A farmer who has followed the entire criteria, submitted a signed application, and will be placing a flock after January 1, 2012 may qualify for the program. (2011 trucker receipts will qualify for the 2012 program)

### CRITERIA:

1. Any Egg Quota Holder who is in good standing may apply to the Board for this program. To be in good standing a producer must be in conformity with all EFO Regulations, Policies, Orders and Directions, and have filed all necessary reports with the Board Office, and be up-to-date in payment of all licence fees, levies and any other amounts owing to EFO.
2. In order to participate in the Program 358 the Egg Producer must have completed and signed a Pullet Order Report [Form GR-EPPI-3.9]. This form must be filed with the Board office within ten [10] days of the date of which the order for pullets was made.
3. A disposal receipt must be filed with the Board within ten [10] days of removal.
4. Program 358 is available on a per flock basis. In order to participate in the program farmers are required to remove their birds 358 days from the first day they were placed; the 1% incentive will apply to the next flock placement.
5. An application form is required for each flock participating in Program 358.

### COMPLIANCE:

Program 358 will operate on a per flock placement. In order to participate in the program each producer will be required to sign and submit an application form prior to the 19 week placement. Failure to submit an application and subsequent placement of Program 358 birds will result in an over quota / penalty situation.

I \_\_\_\_\_ agree that in order to participate in Program 358, I am required to remove my current flock 358 days from the first day they were placed and subsequently the 1% incentive will apply to the next flock placement. The 1% will be calculated on the flock placement amount excluding any programs. Producers participating in this program are required to follow EFO's Housing Density Guidelines.

I \_\_\_\_\_ understand that if I fail to remove my current flock prior to 358 days, from the first day placed, I will not be eligible for the 1% incentive on my next flock placement.

_____	_____	_____	_____	_____
Designated Representative	Quota Number	Current flock disposal date	Anticipated Date next Flock In	# of birds applying for

Dated: \_\_\_\_\_



## Layer Leasing Pool [LLP]

### **INTRODUCTION:**

A motion was approved at the March 2012 Board of Directors meeting to create a new Layer Leasing Pool beginning January 2013.

### **PRINCIPLE:**

The LLP is a program which enables Ontario quota holders, who have achieved their Housing Density Requirements (HDR), the opportunity to lease excess birds into the LLP; and Ontario quota holders, who have not reached their HDR, the opportunity to lease birds out of the LLP.

### **CRITERIA:**

New LLP Elements:

- To be effective January 2013
- One leasing application per quota number
- Eligible birds placed into the pool will be program birds only (mortality allowance, flock incentive, program 358, quota credits)
- Fee for program birds leased in and out of the LLP will be \$7.30 per bird for a 358 day lease
- Minimum lease 358 days; Producers who dispose of birds prior to 358 days will not receive a rebate
- LLP birds in the barn 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
- Individuals interested in participating in the LLP (leasing in and leasing out) are required to notify the Board office no later than June 30, 2012 on the applicable applications
- EFO office will notify producers who have applied to lease birds out of the pool by July 31, 2012; advising them of the number of leased birds they will be able to place anytime during 2013.
- Those notified must submit payment by September 30, 2012
- If payment is not received by September 30, 2012, producers will be automatically exempted from the LLP and will be notified
- Those producers leasing birds into the LLP will receive payment from the EFO office by November 30, 2012

### **COMPLIANCE:**

Any quota holder who is in good standing may apply to the Board for this program. To be in good standing a quota holder must be in conformity with all EFO Regulations, Policies, Orders, and Directions, including housing density. Producers must have all the paperwork filed at the EFO office as outlined in the EFO General Regulations; and be up-to-date with all licence fees, levies and any other amounts owing to EFO.

### **SANCTIONS:**

The Board may cancel or reduce, refuse to increase, refuse to loan, fix, and allot quota to any person for any reason that the Board considers proper. Additional or alternative sanctions may apply under EFO's Quota Policy; Section 18 [Quality Standards], Section 19 [On Farm Food Safety] and Section 21 [Housing Density]. Indirect methods to circumvent EFO's policies will not be permitted and where identified may result in an appropriate reduction or cancellation of quota.



## APPLICATION TO LEASE IN - LAYER LEASING POOL

To: Egg Farmers of Ontario [the Board]		
Quota Holder Name:		Quota Holder Number:
Mailing Address:		
City:	Postal Code:	Phone:
Fax:		Email:
Quota is fixed and allotted to registered premises located at:		
Lot:		Concession:
Township:		County:
Current Production Quota:		Amount of quota permitted to house January 1, 2013:
Number of birds requesting to lease into the pool:		Expected flock placement date:
The undersigned has submitted this application in accordance with the EFO Layer Leasing Pool [LLP] criteria and hereby:		
a) Agrees to apply to the Board to place the number of program birds in excess of their Housing Density Requirements (HDR) into the LLP for a period of 358 days		
b) Agrees that placements into the LLP are for 358 days only, as determined by the Board, and are otherwise irrevocable by the Quota Holder.		
c) Understands and will notify the Board by June 30, 2012 of their intentions for the forthcoming placement in 2013.		
By submitting this application, the undersigned hereby consents to EFO, or its representatives, to verify any information submitted.		
The undersigned certifies that the information herein contained is complete, true and correct in all respects.		
_____	_____	_____
Date	Name of Applicant ( <i>please print</i> )	Signature of Applicant



## APPLICATION TO LEASE OUT - LAYER LEASING POOL

To: Egg Farmers of Ontario [the Board]		
Quota Holder Name:		Quota Holder Number:
Mailing Address:		
City:	Postal Code:	Phone:
Fax:		Email:
Quota is fixed and allotted to registered premises located at:		
Lot:		Concession:
Township:		County:
Current Production Quota:		Amount of quota permitted to house January 1, 2013:
Number of birds requesting to lease from the pool:		Expected flock placement date:
The undersigned has submitted this application in accordance with the EFO Layer Leasing Pool [LLP] criteria and hereby:		
a) Applies to the Board to place the number of birds as granted into their production facility, using the quota number above, for a period of 358 days.		
b) Agrees that lease birds from the LLP are for 358 days only, as determined by the Board, and are otherwise irrevocable by the quota holder.		
c) Will notify the Board by June 30, 2012 of their intentions for the forthcoming placement(s) in 2013.		
d) Understands that they will be allowed to lease out of EFO's LLP only the number of birds that would be required to bring a farmer's facilities into compliance with the Housing Density Policy - 2008.		
e) Understands the LLP birds in the barn in excess of 358 days will incur a levy of two [2] cents a bird per day; to be reconciled once disposal information is received by the Board.		
f) 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.		
By submitting this application, the undersigned hereby consents to EFO, or its representatives, to verify any information submitted.		
The undersigned certifies that the information herein contained is complete, true and correct in all respects.		
_____	_____	_____
Date	Name of Applicant ( <i>please print</i> )	Signature of Applicant