

Egg Farmers of Ontario

2015 BUSINESS PLAN

Egg Farmers of Ontario
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MISSION

We provide customers with a supply of safe, high-quality eggs at a fair price and a fair return to egg and pullet farmers achieved through fair farm pricing, within a stable national supply management system.

MEANS OF DELIVERY

Egg Farmers of Ontario:

- allocates pullet and laying hen quota within national guidelines;
- manages the production and pricing of eggs through a cost of production system;
- stimulates the market's demand for eggs through research and promotion.

VALUES

Egg Farmers of Ontario believe in:

1. The national supply management of eggs as the best means to ensure the viability, sustainability and strength of our industry for future generations.
2. Serving the egg and pullet farmers of Ontario effectively.
3. Providing policies that are equitable and transparent that encourage more efficient and better quality production to meet domestic market requirements.
4. Sustaining high-quality personnel and professional relationships with all stakeholders in our industry.
5. Providing leadership to other supply-managed boards and all agricultural organizations.
6. Respecting the integrity and professionalism expected of our staff as they meet the needs of our members.
7. Supplying a safe and high-quality product at a fair price to consumers.

VISION TO 2020

1. We will promote fair farm pricing as an effective alternative to defending supply management, in support of the viability of the national and provincial systems.
2. We will enhance our leadership role in policy, communications, programs and practices.
3. We will continue to be known as a strong, effective and stable farm organization by being sensitive to market fluctuations and by listening and responding to changing consumer demands.
4. We will have participated effectively in mechanisms to respond earlier to market demands through a more proactive allocation process.
5. We will be recognized as a socially responsible, farmer-run organization through our mandatory on-farm food safety programs and through our concern for a sustainable environment.
6. We will be supplying our egg customers with the eggs they require (processing and table markets) by being sensitive to market fluctuations and by listening and responding to changing consumer demands.
7. We will have farmers see the benefit of enforcing rules and regulations in an open and transparent fashion.
8. We will be trusted by consumers as leaders in the care and protection of animals.
9. We will continue to be actively involved in our local communities.
10. We will be managing a successful transition to the next generation of egg and pullet farmers by creating and sustaining a business environment where generational transition support for new entrants/farmers will lead to viable, sustainable and profitable operations.

ENVIRONMENTAL SCAN

TRENDS IN EGG FARMERS OF ONTARIO'S BUSINESS ENVIRONMENT

INTERNATIONAL TRENDS

- Egg farmers around the world will continue to struggle to obtain their cost of production from the market place.
- Prices of feed inputs will continue to be volatile and impact consumers' choices.
- Countries will continue to struggle with animal welfare issues (e.g., conventional housing ban – Proposition 2 in California and Michigan, Humane Society of the United States, United Egg Producers Agreement).
- Animal activists will continue to exert pressure at the retail and government levels.
- There will be a continuing need to dispel the myth that fair farm pricing stands in the way of achieving international trade agreements and to work with government to stop the use of the system as a bargaining chip.
- Eggs will be seen as a good source of high-quality protein in developed and developing countries.
- Water and air issues in the United States will continue to impact production.
- Conversations related to genetically modified products, primarily in relation to identification and labeling, will be ongoing.
- World Trade Organization multi-lateral negotiations will continue to stagnate and smaller group or bilaterals will continue to be the focus of trade negotiations.
- Trans Pacific Partnership progress will hinge largely on potential U.S. fast track authority.
- Trade agreements negotiated (World Trade Organization, Trans Pacific Partnership, Comprehensive Economic Trade Agreement, etc.,) will need to be monitored and we will need to be active participants in these discussions.

NATIONAL AND PROVINCIAL TRENDS

- Higher than desirable levels of American egg imports will continue as the sector works towards achieving allocations on a forward-forecasting basis rather than always lagging actual market needs.
- The current environment is not ensuring pullet farmers receive their cost of production. A federal decision not to grant agency status to Pullet Growers of Canada during 2014 has meant a new strategy to pursue solutions within existing provincial and national systems.
- Need to respond to concerns identified by National Farm Products Council.
- "Social" contracts will become the new norm for consumers making their purchasing decisions.
- Retailers, such as restaurants, hotels and educational cafeterias, increasingly want to show that they are socially conscious by sourcing eggs from alternative, local production systems.
- Increased advertising from quick service industry to tell the farmers' story. We will need to provide restaurants information to counter demands from others to support their socially-conscious decisions.
- Providing choices for consumers in the market place, depending on their preference for housing alternatives and health benefits.
- Consumers will have a continued interest in knowing the source of their food.
- There will be continued movement towards "ethically-produced food" – some consumers are willing to pay more for ethically produced food.
- New economic realities will see changes in egg buying patterns. The economy that is emerging worldwide is still fragile and has implications for Canadian egg production (more home consumption and less eaten

in hotel, restaurant and institutional establishments); eggs will be seen as an excellent choice because they are an affordable source of high-quality protein.

- A federal election is expected in 2015 and we will continue to encourage our farmers to remain active politically by reinforcing the benefits of fair farm pricing.
- There will be continued interest in urban backyard flocks and farm gate sales based on the misperception and myths that these eggs are fresher and better than commercially produced eggs.
- Loss leader pricing will continue to have an impact on retail pricing and volume.
- Cross-border shopping for staples such as milk, cheese and eggs will continue.
- Multi-nationals residing in Canada will continue to have an impact on Canadian production.
- Pricing and egg production types for eggs sold into the processing sector will be challenging.
- Consumer confusion between real information, myths and marketing ploys.
- Expansion of information makes it more important to recognize that there are more outlets to monitor and respond to.

2015 KEY RESULT AREAS FOR EGG FARMERS OF ONTARIO

Key result areas are those areas where Egg Farmers of Ontario must be successful in order to be true to its mission and values. The following are the six key result areas for 2015 emerging from the overall priorities. They will become the focus of department work plans by Egg Farmers of Ontario staff. Kindly note that all of these key result areas constitute priorities for Egg Farmers of Ontario; therefore, they are not set in order of importance.

KEY RESULT AREA 1: DEALING WITH THE OPPORTUNITIES RELATED TO FAIR FARM PRICING

- Management of internal and external challenges and opportunities

KEY RESULT AREA 2: MANAGING THE EGG AND PULLET SUPPLY

- Emergency preparedness; flock placement; mortality allowance

KEY RESULT AREA 3: PROMOTING THE FARM FAMILY

- Telling the farm family's story

KEY RESULT AREA 4: PROMOTING THE PRODUCT

- Promoting the goodness of eggs; dispelling the myths about eggs

KEY RESULT AREA 5: PRACTICING SOCIAL RESPONSIBILITY

- A commitment to integrate social concerns related to eggs and egg and pullet farming into Egg Farmers of Ontario's values, culture, decision-making, strategy and operations

KEY RESULT AREA 6: ENSURING GOOD GOVERNANCE

- Flexibility; evolution; successful ability of Egg Farmers of Ontario to respond to changing business environments

KEY RESULT AREA 1: DEALING WITH THE OPPORTUNITIES RELATED TO FAIR FARM PRICING

Strategic Objective:

- To ensure the viability of the egg and pullet industry at the provincial and national level.

The focus of this key result area is:

- Changing the optics and vocabulary surrounding supply management to that of fair farm pricing;
- Continuing to find solutions in the face of evolving political agendas nationally and internationally (e.g., Comprehensive Economic and Trade Agreement);
- Working with all levels of government;
- Monitoring international trade outcomes;
- Working towards the establishment of a pullet growing fee based on a cost of production; and
- Managing other internal and external challenges.

Goals:

- To provide leadership to the development of a robust communications program to promote fair farm pricing terminology in contrast to supply management and to use the program to promote fair farm pricing for the benefit of Ontario consumers, egg and pullet farmers, related industries and agricultural communities as a successful domestic food system.
- To seek continuous support for fair farm pricing from all levels of government.
- To change the perception and level of support from consumers and other stakeholders for fair farm pricing terminology in preference to supply management.
- To develop processes, dialogues and relationships that allow for winning solutions for all stakeholders that are directly or indirectly impacted by the system.
- To determine and act upon the respective limits of the national, provincial and territorial agencies for the greater benefit of Ontario farmers.
- To manage issues related to international trade negotiations with a view to minimizing the impact on the net income of the Ontario egg and pullet supply chain.
- To continue to work at ensuring that the current import regulations remain in force on blended products.
- To respond to increased market demand on an ongoing basis.
- To sustain effective global relationships (e.g., with the International Egg Commission and the United Egg Producers).
- To implement policies to ensure a business environment that is sustainable, encourages new entrants and farm succession planning, and will maintain a fair farm pricing model to benefit consumers as well as egg and pullet farmers.
- To implement a Pullet Growing Fee, based on a cost of production, in conjunction with Québec and/or the National Pullet Agency.
- To build relationships with elected and newly elected federal Members of Parliament.

Work Plan Prompts:

- Egg Farmers of Ontario will develop the means to educate the general public on fair farm pricing in preference to supply management terminology.
- Egg Farmers of Ontario will monitor discussions and developments regarding the various trade agreements to determine the potential impact on our egg and pullet farmers.
- Egg Farmers of Ontario will support the Federal-Provincial Agreement renewal process to ensure Ontario's concerns will be addressed.

- Egg Farmers of Ontario will continue to build upon relationships with all levels of government.
- Egg Farmers of Ontario will continue to be seen by municipal, provincial and national levels of government as a credible and authoritative source for egg and pullet farming policy (e.g., providing expert advice with respect to on-farm food safety and biosecurity).
- Egg Farmers of Ontario will demonstrate to farmers the benefit of enforcing rules and regulations in a transparent fashion.
- Egg Farmers of Ontario will develop/renew our contacts at the federal level as a result of an election in 2015.
- Egg Farmers of Ontario will align itself with other groups supportive of fair farm pricing.
- Egg Farmers of Ontario continues to support the concept of a pullet growing fee based on a cost of production.
- Egg Farmers of Ontario will host an Ontario egg and pullet industry information session.

KEY RESULT AREA 2: MANAGING THE EGG AND PULLET SUPPLY

Strategic Objective

- To improve the management of Ontario's egg and pullet supply, in response to the changes taking place at the national level.

The focus of this key result area is:

- Ensuring a reliable supply of eggs to consumers (i.e., table and processing markets);
- Further development of business through the leveraging of research dollars;
- Ensuring emergency preparedness in response to disease outbreak; and
- Supporting pullet growers as they explore the opportunities as outlined in the Agricultural Products Marketing Act legislation.

Goals:

- To match supply with demand in meeting the need for quality pullets and eggs.
- To monitor and minimize the need for supplemental imports.
- To initiate a national review of the forecasting/response to domestic increases in egg demand to minimize imports.
- To complete a review of the Quota Transfer System, after its first year of operation.
- To continue to review annually the criteria for the Layer Leasing Pool.
- Investigate ways to streamline current paperwork for efficiency and ease of use.
- To work with industry stakeholders to ensure the egg system meets demand in specialty markets.
- To ensure that Egg Farmers of Ontario has in place and participates in, a comprehensive and visible response program in case of emergencies (i.e., a disease outbreak).
- To review current animal care practices in layers and pullets and deliver training to farmers in support of the industry.
- To enforce compliance to animal care and other regulations and to educate farmers on the need for compliance in support of a viable and robust industry.
- To acquire the right to collect levies on pullets in Ontario.
- To support the implementation of a National Pullet Agency, including production management controls.
- To anchor correct emergency response procedures through practice and education to farmers.
- To establish a more complete chick placement and movement tracking system.

- To support the development of a national “stamp” or “seal” for farmers passing all quality and other compliance programs.
- To further develop and promote the Ontario Egg Quality Assurance Program.

Work Plan Prompts:

- Egg Farmers of Ontario will work towards a comprehensive review of our Emergency Preparedness Plan, making necessary connections to the Feather Board Command Centre.
- Egg Farmers of Ontario will further develop our skill/ knowledge base and participate in response programs to be prepared in case of emergencies (i.e., a disease outbreak).
- Egg Farmers of Ontario will continue to support the efforts of the Pullet Growers of Canada.
- Egg Farmers of Ontario will develop processes which will effectively match supply with demand in meeting the need for quality pullets and eggs.
- Egg Farmers of Ontario will continue to explore opportunities to build upon our investment in research projects.
- Egg Farmers of Ontario will work to ensure all our egg and pullet farmers are in compliance with the National Animal Care Program.
- Egg Farmers of Ontario will continue to investigate the concept of an Egg Quality Assurance Program.
- Egg Farmers of Ontario will link available data from a variety of sources into a more robust and insightful communication tool through the FMS database system.
- Egg Farmers of Ontario will review the first year of operating the Quota Transfer System.
- Egg Farmers of Ontario will conduct an operational review of Egg & Pullet Polices implemented January 1, 2014.
- Egg Farmers of Ontario will, on an annual basis, continue to review the Layer Leasing Pool.
- Egg Farmers of Ontario will review all quota credit policies.
- Egg Farmers of Ontario will investigate ways to streamline required paperwork through ongoing development of the online reporting system.
- Egg Farmers of Ontario will review the current reporting requirements from all industry stakeholders and the impact on Egg Farmers of Ontario’s current pullet/layer tracking system.
- Egg Farmers of Ontario will conduct a review of all current programs/policies and the fees/penalties associated with non-compliance.
- Egg Farmers of Ontario will implement a more complete chick placement and tracking system.

KEY RESULT AREA 3: PROMOTING THE FARM FAMILY

Strategic Objective:

- To illustrate the positive relationship between the farm family, the pullet, the hen, the egg and the consumer at every opportunity.

The focus of this key result area is:

- Continue to build on the understanding that every egg and pullet farm has a farm family.

Goals:

- To promote the positive image of egg and pullet farm families showcasing their commitment to excellence and passion for their hens and the quality of their product.
- To introduce Ontario egg and pullet farm families into consumer social networks (online, community events, etc.).
- To educate consumers about the reality that commercial egg production is from family farms and that the next generation is actively involved in farming.
- To engage in effective and constructive relationships with small, non-quota farmers.
- To implement policies that create a positive environment for farm families and their succession planning, such as the Layer Leasing Pool and the New Entrant program.

Work Plan Prompts:

- Egg Farmers of Ontario will continue with egg and pullet farm family-focused advertising that will be utilized across various platforms.
- Egg Farmers of Ontario will execute a social media campaign which profiles Ontario egg and pullet farm families.
- Egg Farmers of Ontario will continue to seek new promotion opportunities that create a stronger connection between egg and pullet farm families and their communities.
- Egg Farmers of Ontario will investigate parallel strategies with other farmer and/or commodity organizations regarding 'Telling our Story'.
- Egg Farmers of Ontario will respond to the needs of small, non-quota farmers on an as-needed basis in order to include them in the Ontario family of egg farmers.
- Egg Farmers of Ontario will implement education programs about the egg and pullet industry.

KEY RESULT AREA 4: PROMOTING THE PRODUCT**Strategic Objective:**

- To ensure Egg Farmers of Ontario anticipates, understands and responds to consumer concerns about egg quality and food safety through the promotion of the goodness of eggs (i.e., protein, safe, healthy and good value).

The focus of this key result area is:

- Promoting the goodness of eggs (protein, safe, healthy and good value); and
- Dispelling the myths about eggs.

Goals:

- To ensure consumers buying our eggs have the confidence that such products satisfy the highest standards of quality and meet their ethical expectations for egg production.
- To support the development of a national traceability system.
- To promote nutritional and environmental standards.
- To continue to monitor public perception.
- To work with other Feather Boards to regulate poultry production.
- To demand the same quality standards for imported eggs.
- To promote the Ontario Egg Quality Assurance program.

Work Plan Prompts:

- Egg Farmers of Ontario will prepare marketing/communication tools to target the farmer, consumer, teacher and health professional audiences.
- Egg Farmers of Ontario will continue to work with Foodland Ontario.
- Egg Farmers of Ontario will continue working with food writers, nutritionists, doctors and health professionals as third-party endorsers for eggs.
- Egg Farmers of Ontario will develop a consumer communications/marketing plan to promote our Ontario Egg Quality Assurance Program.
- Egg Farmers of Ontario will enhance its foodservice programming, by increasing the usage of the online *Egg Chef* portal.
- Egg Farmers of Ontario will develop opportunities to execute promotion programs with Ontario graders and improve industry relations.

KEY RESULT AREA 5: PRACTICING SOCIAL RESPONSIBILITY**Strategic Objective:**

- To ensure a comprehensive, integrated commitment to social responsibility that helps assure the long term social license of egg and pullet farms to grow and prosper in Ontario through the consistent demonstration of Egg Farmers of Ontario's commitment to do "what is right" in all aspects of its operations.

The focus of this key result area is:

- Committing to integrate social concerns related to eggs and egg and pullet farming into Egg Farmers of Ontario's values, culture, decision-making, strategy and operations as a way of doing business that builds long-term stakeholder trust in Ontario's egg industry.

Goals:

- To ensure Egg Farmers of Ontario's farmers, Board Members and staff understand and abide by Egg Farmers of Ontario's caring and committed social vision (i.e., egg farmers in Ontario care about the welfare of our hens, the environment and are committed to providing choice by producing a safe, high-quality, nutritious, local food).
- To implement the national Animal Care Program.

Work Plan Prompts:

- Egg Farmers of Ontario will ensure all policy, regulation and implementation decisions are reflective of the organization's caring and committed Vision to 2020.
- Egg Farmers of Ontario will develop a long-term partnership with the Ontario Student Nutrition Program Network.

KEY RESULT AREA 6: ENSURING GOOD GOVERNANCE

Strategic Objectives:

- To continue improving Egg Farmers of Ontario's governance in managing issues, making decisions, communicating and managing information.
- To ensure Egg Farmers of Ontario is supported by human resources with the most appropriate profile of knowledge and skills.

The focus of this key result area is:

- Ensuring the successful ability of Egg Farmers of Ontario to respond to changing environments;
- Ensuring the appropriate infrastructure is in place to support the mission and priorities of Egg Farmers of Ontario; and
- Continuing the improvement of Egg Farmers of Ontario's business planning cycle.

Goals:

- To examine on a continuous basis the role and service of Board Members, relative to its stakeholders (e.g. Egg Farmers of Canada, Ontario Farm Products Marketing Commission, farmers).
- To examine the frequency of zone and councillor meetings and review the need for more frequent general farmer meetings.
- To provide the opportunity for farmers to participate in focus groups related to Egg Farmers of Ontario activities and initiatives.
- To find the means to ask farmers how they would like to be involved in Egg Farmers of Ontario activity (i.e., through a questionnaire).
- To continue to ensure that key ideas from farmers reach the Board Members in writing so that they can be considered at Board meetings.
- Investigate the potential of opening The Ontario Farm Products Marketing Act to review governance implications with respect to pullet directors.
- To ensure Egg Farmers of Ontario maintains its ability to respond to the ever-changing opportunities and challenges within the egg industry.
- To continue staff training, based on a needs and competency analysis, to satisfy present and future requirements of each position.
- To develop an annual training plan for Board Members based on an analysis of their needs.
- To maintain a robust performance evaluation and review system for both Board Members and staff.
- To improve Egg Farmers of Ontario's internal working processes and accountabilities.
- To ensure Egg Farmers of Ontario has and can use the most timely and accurate information.
- To ensure the implementation of the Egg Farmers of Ontario Governance Policy and seek additional training in Board governance, as required.
- To ensure zone meetings continue to meet the needs of our farmers.
- To ensure that Egg Farmers of Ontario has in place the necessary means to improve industry relationships on a continuing basis.

Work Plan Prompts:

- Egg Farmers of Ontario will determine the best means to involve other stakeholders in the planning process.
- Egg Farmers of Ontario will provide opportunities for farmers to provide input into their activities through electronic questionnaires/surveys.
- Egg Farmers of Ontario will continue with Board Member and staff training related to governance and operational matters.
- Egg Farmers of Ontario will ensure new Board Members and staff are given the opportunity to attend orientation sessions and training related to governance issues.
- Egg Farmers of Ontario will review the Egg Farmers of Ontario Governance Policy.
- Egg Farmers of Ontario will review job descriptions and the Egg Team Member evaluation process.

EFO BOARD SIGNATORIES TO THE 2015 BUSINESS PLAN

Scott Graham

Chair, Zone 6 Director, Scott Graham

Jan 8/15

Date

R Pelissero

Vice Chair, Zone 4 Director, Roger Pelissero

Jan 8/15

Date

Scott Helps

Zone 1 Director, Scott Helps

Jan 8/15

Date

D McComb

Zone 2 Director, Dianne McComb

Jan 8/15

Date

D Veldman

Zone 3 Director, Dan Veldman

Jan 8/15

Date

B Miller

Zone 5 Director, Brian Miller

01-08-2015

Date

Bryan Hostrawser

Zone 7 Director, Bryan Hostrawser

Jan 8/2015

Date

Hubert Schillings

Zone 8 Director, Hubert Schillings

Jan 8/15

Date

C Hunter

Zone 9 Director, Craig Hunter

Jan. 8, 2015

Date

Marcel Leroux

Zone 10 Director, Marcel Leroux

Jan. 8/15

Date

Andrew DeWeerd

Pullet Director, Andrew DeWeerd

Jan 8/15

Date

H Pelissero

General Manager, Harry Pelissero

JAN 8/15

Date