



## **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.

## **PRODUCTION ALLOTMENT AND PROGRAM PLACEMENT:**

1. Production quota will be considered the first birds placed. Production quota is the producer's national production and EFP birds. Production quota is the saleable amount of a producer's production.
2. Market Growth Allowance will be considered the next placement in the barn. Market Growth Allowance is calculated at 4% of a producer's production quota and attracts a service fee.

$$\text{Production Quota} + \text{Market Growth Allowance} = \text{Production Allotment}$$

### Single Flock Producers

3. Mortality Allowance: Single flock producers are eligible to place 1% of their calculated production allotment. Mortality allowance was introduced to equalize the impact of mortality on all producers and the egg industry.

### Multiple and Single Flock Producers

4. Home Week Allowance: Producers are responsible for supplying the highest quality eggs to the marketplace. To accomplish this, effective January 1, 2017, EFO implemented the 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.
5. Flock Placement Incentive Policy: The objective of the Flock Placement Incentive Policy is to balance placements during periods 1, 2 & 7 in order to stabilize the industry. Producers who place during these periods may be eligible to place a 1 or 2% incentive. This program is application-based and has a maximum number of units available. The flock incentive will be calculated using the producer's production allotment placed within the flock. Producers who qualify for the program are restricted to the number of birds that can be placed within the incentive period.
6. Layer Leasing Program: The Layer Leasing Program is available to Producers who have excess capacity in their barn(s), as per current housing density requirements. The number of birds that may be leased out of the program per quota holder is limited to a quota holder's total production quota to a maximum of 1,800 birds. To be eligible to lease from the program, layer leasing applications must be submitted with the quota holder's Pullet Order Report.



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## **FOWL QUOTA PLACEMENT POLICY CONTINUED**

### Other Programs to Be Used at the Producer's Discretion:

Quota Credits: The Ontario Quota Credit Program is available to qualifying producers whose flocks are out of production due to renovation, unutilized quota transferred through the Ontario Quota Transfer System (QTS), or other circumstances as determined by the Board. Quota credits qualify through an application process and producers may accumulate quota credits and use at their discretion; quota credits are not required to be used within a certain time.

Egg Donations: A producer may donate \$50 per regulated hen to EFO's Egg Donation Program. The producer is required to forward a copy of the food bank donation receipt to EFO's office, and the additional hens will be added to the producer's allowable amount.

Other: These are additional birds that may be allocated occasionally by the Board i.e. cost of production birds.

Production allotment and all other programs, with the exception of mortality allowance, are subject to per bird levy. Program participation is limited to a producers housing density. Production allotment and programs will be allocated to the producer using the placement order listed in the Flock Placement Policy criteria, once the producer capacity is reached, the producer is disqualified from participation in all other programs.

### **COMPLIANCE:**

Any producer in good standing may qualify to participate in programs. To be in good standing a producer 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 25 [Sanctions], Section 26 [Quality Standards], Section 27 [On Farm Food Safety] and Section 28 [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.