

Egg Farmers of Ontario

2016 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 encourages 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, and Egg Farmers of Canada's Housing Recommendation).
- 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 ratification will hinge largely on the U.S. domestic political situation.
- 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.
- Pending ratification, the Trans Pacific Partnership and the Comprehensive Economic Trade Agreement could provide some stability for future supply planning.
- The market impact of the US Avian Influenza losses of 2015 will continue to have changing implications on the North American egg market.

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 situation facing pullet farmers improved with the negotiation of a pullet growing fee for pullet growers in Ontario and Quebec in 2015. Pullet Growers of Canada will continue to work towards developing a national plan for pullets 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 what they perceive as 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.
- There will be increased government relations effort following the 2015 federal election. This will focus on new MPs, a new cabinet and any changes related to the election outcome. EFO 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.
- Expansion of information makes it more important to recognize that there are more outlets to monitor and respond to.
- Social media will continue to grow in importance and as a source of marketing influence and information, especially with younger consumers.
- Continue to plan and prepare for a potential spring outbreak of Avian Influenza.

2016 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 2016 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 and egg production

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 national plan for pullet production within existing structures; and
- Managing other internal and external challenges.

Goals and *Work Plan Prompts*:

- 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 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.
 - *Egg Farmers of Ontario will continue to look for opportunities to educate the general public on fair farm pricing in preference to supply management terminology.*
 - *Egg Farmers of Ontario will align itself with other groups supportive of fair farm pricing.*
- To seek continuous support for fair farm pricing from all levels of government.
- To build relationships with elected and newly elected federal Members of Parliament.
 - *Egg Farmers of Ontario will continue to build upon relationships with all levels of government.*
 - *Egg Farmers of Ontario will develop/renew our contacts at the federal level as a result of the October 2015 election.*
 - *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).*
- To monitor the ratification processes for the tentative Trans Pacific Partnership and the Comprehensive Economic and Trade Agreement trade deals and manage related issues to minimize the impact on the markets and net income of the Ontario egg and pullet supply chain.
 - *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.*
- To continue to work at ensuring that the current import regulations remain in force on blended products.
 - *Egg Farmers of Ontario will continue to monitor, through the Department of Foreign Affairs and International Trade data, the level and sources of imported shell, liquid and further processed products (i.e., Jimmy Dean Breakfast Sandwiches).*

- To respond to increased market demand on an ongoing basis.
 - *To implement increases in hen placements to catch up with the shortfall in allocation that has seen unacceptably high levels of supplemental imports from the United States.*
- To sustain effective global relationships (e.g., with the International Egg Commission and the United Egg Producers).
 - *Egg Farmers of Ontario will host an egg and pullet industry information session.*
- 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.
 - *Egg Farmers of Ontario will demonstrate to farmers the benefit of enforcing rules and regulations in a transparent fashion.*
- To work with Pullet Growers of Canada and other provincial pullet agencies regarding pullet production.
 - *Egg Farmers of Ontario will cooperate in the conducting of a national pullet growing fee survey.*
 - *Egg Farmers of Ontario will continue to support the efforts of Pullet Growers of Canada.*

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 work with industry stakeholders to ensure the egg system meets demand in specialty markets.
- 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 implement increases in hen placements to catch up with the shortfall in allocation that has seen unacceptably high levels of supplemental imports from the United States.*
- To ensure that existing Canadian egg marketing agencies are the first receivers of eggs under any new supplement import permit access to the Canadian market. This is critical to effectively manage the overall egg supply.
 - *Egg Farmers of Ontario will explore the opportunity/availability at the national level to achieve first receivership and continue to encourage Egg Farmers of Canada to collect marketing levies on all imports.*
- To continue to review annually the criteria for the Layer Leasing Pool.
 - *Egg Farmers of Ontario will, on an annual basis, continue to review the Layer Leasing Pool.*

- 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.
 - *Egg Farmers of Ontario will continually review the policies and programs to ensure they are supporting the requirements of the evolving industry.*
 - *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 conduct an operational review of Egg & Pullet Polices implemented January 1, 2015.*
 - *Egg Farmers of Ontario will continue to provide input into the development of the revised Code of Practice for the Care of Laying Hens and work with stakeholders to manage required outcomes.*
- To establish a more complete chick placement and movement tracking system.
 - *Egg Farmers of Ontario will look at ways to track all bird movement from day-old placements to 19 week quota placements, non-quota placements and broker-dealers to end of fowl destinations.*
 - *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.*
- Investigate ways to streamline current paperwork for efficiency and ease of use.
 - *Egg Farmers of Ontario will investigate ways to streamline required paperwork through ongoing development of the online reporting system.*
 - *Egg Farmers of Ontario will link available data from a variety of sources into a more robust and insightful communication tool through the Flock Management System database.*
- To review current animal care practices in layers and pullets and deliver training to farmers in support of the industry.
 - *Egg Farmers of Ontario will work to ensure all our egg and pullet farmers are in compliance with the National Animal Care Program and enhanced on-farm food safety program, using third-party auditors.*
- Continue to explore opportunities to build upon our investment in research projects.
 - *Egg Farmers of Ontario will continue to seek out additional opportunities to enhance research investment for the benefit of the industry.*
- To ensure that Egg Farmers of Ontario has in place and participates in, a comprehensive and viable response program in case of emergencies (i.e., a disease outbreak).
- To anchor correct emergency response procedures through practice and education to farmers.
 - *Egg Farmers of Ontario will continue to work towards a comprehensive review of our Emergency Preparedness Plan, making necessary connections to the Feather Board Command Centre.*
 - *Egg Farmers of Ontario will continue to provide information and resources that help farmers enhance biosecurity on egg and pullet farms minimize the risk of foreign animal disease disrupting the egg and pullet supply.*
 - *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).*
- To support the implementation of a National Pullet Agency, including production management controls.
 - *Egg Farmers of Ontario will continue to support the efforts of the Pullet Growers of Canada.*
- To further develop and promote an Ontario Egg Quality Assurance Program.
 - *Egg Farmers of Ontario will continue to investigate the concept of an Egg Quality Assurance Program which could include a national stamp or seal for farmers passing all quality and compliance programs.*

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 in Ontario 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.
 - *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 continue to promote egg farmers' dedication to providing consumer choice in the egg case through feed and housing alternatives.*
 - *Egg Farmers of Ontario will implement education programs about the egg and pullet industry.*
- To engage in effective and constructive relationships with small, non-quota farmers.
 - *Egg Farmers of Ontario will continue to communicate with and 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.*
- To implement policies that create a positive environment for farm families and their succession planning.
 - *Egg Farmers of Ontario will continually review the policies and programs to ensure they are supporting the requirements of the evolving 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 and egg production.

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.
 - *Egg Farmers of Ontario will develop and execute marketing/communication tactics 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 enhance its foodservice programming, by relaunching our online portal Egg Chef, along with a refresh of foodservice marketing materials.*
 - *Egg Farmers of Ontario will develop opportunities to execute promotion programs with Ontario graders and improve industry relations.*
 - *Egg Farmers of Ontario will continue to promote egg farmers' dedication to providing consumer choice in the egg case through feed and housing alternatives.*
 - *Egg Farmers of Ontario will continue to investigate opportunities to reach Ontario's ethnic communities with targeted marketing tactics.*
- To promote an Ontario Egg Quality Assurance program.
 - *Egg Farmers of Ontario will develop a consumer communications/marketing plan to promote our Ontario Egg Quality Assurance program.*

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).
 - *Egg Farmers of Ontario will ensure all policy, regulation and implementation decisions are reflective of the organization's caring and committed Vision to 2020.*
- To implement the national Animal Care Program.
 - *Egg Farmers of Ontario will work to ensure all our egg and pullet farmers are in compliance with the National Animal Care Program and ensure that appropriate training opportunities are made available as required.*
- Develop and implement an outreach strategy for maintaining our social license and trust in our product.
 - *Egg Farmers of Ontario will continue to develop our partnership with the Ontario Student Nutrition Program Network.*
 - *Egg Farmers of Ontario will continue to investigate the concept of an Egg Quality Assurance Program which could include a national stamp or seal for farmers passing all quality and compliance programs.*
 - *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 continue to promote egg farmers' dedication to providing consumer choice in the egg case through feed and housing alternatives.*

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:

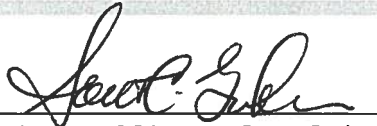
- Ensuring the successful ability of Egg Farmers of Ontario to respond to changing environments;
- Ensuring the appropriate infrastructure is in place to support the mission and priorities of Egg Farmers of Ontario; and
- Continuing the improvement of Egg Farmers of Ontario's business planning cycle.

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).
 - *Egg Farmers of Ontario will determine the best means to involve other stakeholders in the planning process.*
- To examine the frequency of zone and councillor meetings and review the need for more frequent general farmer meetings.
- To ensure zone meetings continue to meet the needs of our farmers.
- 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.
 - *Egg Farmers of Ontario will provide opportunities for farmers to provide input into their activities through zone/regular meetings, electronic questionnaires/surveys, etc.*
- To ensure Egg Farmers of Ontario maintains its ability to respond to the ever-changing opportunities and challenges within the egg industry.
- To improve Egg Farmers of Ontario's internal working processes and accountabilities.
- To continue staff training, based on a needs and competency analysis, to satisfy present and future requirements of each position.
 - *Egg Farmers of Ontario will update/review job descriptions for each team member. Updated job descriptions will be shared between departments to help improve internal working processes within the organization.*
- To maintain a robust performance evaluation and review system for both Board Members and staff.
 - *A new Egg Team Member evaluation process will be developed and annual performance reviews will be implemented for all team members.*
 - *Egg Farmers of Ontario will develop a salary rating scale, based on job responsibilities and education, and will be applied to each position to ensure salary equity.*

- To ensure Egg Farmers of Ontario has and can use the most timely and accurate information.
 - *Egg Farmers of Ontario will link available data from a variety of sources into a more robust and insightful communication tool through the Flock Management System database.*
- To ensure the implementation of the Egg Farmers of Ontario Governance Policy and seek additional training in Board governance, as required.
 - *Egg Farmers of Ontario will continue with Board Member and staff training related to governance and operational matters.*
 - *Egg Farmers of Ontario will continue to use Board Member self-assessments, conducted as part of our business planning process, to assist with the development of individual training plans.*
 - *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.*

EFO BOARD SIGNATORIES TO THE 2016 BUSINESS PLAN


Chair, Zone 6 Director, Scott Graham

Jan 7/2016.
Date


Vice Chair, Zone 1 Director, Scott Helps

Jan 7/2016
Date


Zone 2 Director, Dianne McComb

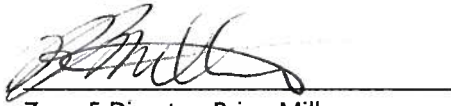
Jan 7 2016.
Date


Zone 3 Director, Dan Veldman

Jan 7 16
Date


Zone 4 Director, Roger Pelissero

Jan 7/2016
Date


Zone 5 Director, Brian Miller

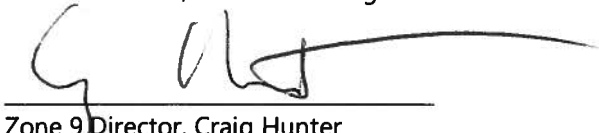
7-1-2016
Date


Zone 7 Director, Bryan Hostrawser

Jan 7/2016
Date


Zone 8 Director, Hubert Schillings

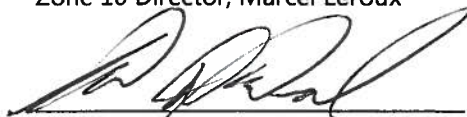
Jan 7 2016
Date


Zone 9 Director, Craig Hunter

Jan 7, 2016
Date


Zone 10 Director, Marcel Leroux

Jan. 7, 2016
Date


Pullet Director, Andrew DeWeerd

Jan 7/2016
Date


General Manager, Harry Pelissero

JAN 7/2016
Date