



## 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.



## 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	15.0%
Haugh Unit	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.



---

## **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:			
OFFICE USE:	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.			



## 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.



## **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.





## New Entrant Policy

as amended March 2015

### 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?**

- Up to 10,000 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] over a 20 year period; 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 ten [10] (10% each) installments - commencing in the 11<sup>th</sup> year up to and including the 20<sup>th</sup> year: *10% in the 11<sup>th</sup> year; 10% in the 12<sup>th</sup> year; 10% in the 13<sup>th</sup> year; 10% in the 14<sup>th</sup> year; 10% in the 15<sup>th</sup> year and in succession until year 20.*

#### **ELIGIBILITY:**

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

- Be a Canadian Citizen or landed immigrant [proof required upon request];
- Be a permanent resident of Ontario [proof required upon request];
- 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, which must be owned by the applicant(s) or, if the applicant, at time of application, does not own a property, the applicant must submit a binding agreement of purchase and sale for such premises with the closing date on or before the effective date of bird placement. A copy of the registered deed / transfer must be submitted to the Board on or before the Effective Date of bird placement identifying the applicant as the registered owner of the property.
- 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.



### **NEW ENTRANT POLICY APPLICATION PROCESS CONTINUED**

- The New Entrant application, deed / transfer of property, Articles of Incorporation, Business Name Registration, any other legal documents, letter of reference from a financial institution and the letter of support from a grading station must be complete identifying the applicant(s). All other documents submitted, however, cannot disclose the applicant's name, location or any other particulars that would identify the applicant.
- All pages submitted must be numbered and in sequential order.

### **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;
- The successful applicant[s] is required to complete and file with EFO all documentation required of a buyer as set out in EFO's Quota Transfer System (QTS) [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 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.



## **Pullet Leasing Pool Policy**

*as amended November 2015*

### **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 Ontario 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 Pullet Leasing Pool application.

### **REQUIREMENTS:**

- PLP Application Form

### **LEASING:**

- EFO's Pullet Committee must be satisfied that all suitable Ontario Pullet Grower Quota Holder facilities are utilized prior to leases being approved.
- Preference will be given to existing Ontario Pullet Grower Quota Holders.
- To be eligible to participate in the PLP, at the prescribed rate, the Pullet Growers paperwork must be current and filed at the EFO office as outlined in EFO's General Regulations.
- Ontario Pullet Grower Quota Holders 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.
- When/if the application is approved, the applicant will be invoiced for the Pullet Lease and Application Fee which is due ten [10] business days following the last placement.
- An over hatch to a maximum of 5% of the last flock placement in a calendar year, may be considered for Pullet Lease purposes. All fees and reporting, on an over hatch, are due ten [10] business days following the last placement.
- Delay in payment of either a Pullet or Over Hatch Lease could result in the Pullet Grower being in violation of EFO Regulations and considered in an over utilized position.
- Ontario Pullet Growers who are found to be in an over utilized position may choose of one of two options:
  - Remitting an over quota assessment equal to the number of units over utilized, multiplied by the yearly growing fee. [Upon receipt of payment the Pullet Grower will be eligible to participate in the next Pullet Leasing Pool.] OR
  - A Pullet Grower may choose a pullet quota reduction of double the amount of over utilized quota [applicable in the following calendar year] and the Pullet Grower will not be eligible to participate in the Pullet Leasing Pool, leasing in or leasing out, for a two year period.
  - If, within a five year period, a Pullet Grower is found to be in an over utilized position in two years [consecutive or non-consecutive], the Pullet Grower may receive a permanent reduction of Pullet Quota.

*[EFO General Regulations 2012, 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 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 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.]*



## **PULLET LEASING POOL POLICY CONTINUED**

### **REIMBURSEMENT:**

- At the end of each calendar year, the pullet utilization rate is determined based on the actual number of pullets placed into Ontario Pullet Grower Facilities in relation to the total Ontario Pullet Production Quota.
- All Ontario Pullet Quota Holders who are in good standing, as outlined in the EFO General Regulations, whose utilization falls below this rate, may qualify for reimbursement from the pool.
- 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 Production Quota totals 10,000 units; the maximum number of units that will be used for calculating the PLP refund is limited to 10,000 units over a five year period.

### **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.

### **Pullet Leasing Pool Fees effective January 1, 2016:**

- Ontario Registered Pullet Quota Holders / In Good Standing / HACCP Certified facilities

Day-old Pullets placed in excess of Production Quota (PQ) + Pullet Growth Allowance (PGA) will have a fee calculated on a percentage basis:

Calculation	Fee
Day-old pullets placed in excess of 0-15% of PQ + PGA	\$0.70
Day-old pullets placed in excess of 16%-30% of PQ + PGA	\$0.90
Day-old pullets placed in excess of 31% of PQ + PGA	\$1.05

### **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 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.

Leasing forms are available to download through the EFO website at [www.eggfarmersofontario.ca](http://www.eggfarmersofontario.ca) or may be submitted online at <https://eforms.getcracking.ca>.



## Quota Credit Policy

*as amended November 2015*

### **INTRODUCTION:**

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), unutilized production quota or other circumstances as determined by the Board. Ontario's Quota Credit Program will run in conjunction with the National Quota Credit Program (renovation only).

### **PRINCIPLE:**

The program allows producers to recover lost production by allocating additional birds that may be placed at a later date. The issuances of quota credits are subject to the discretion of the Board with respect to the hen utilization figure. The Board reserves the right to discontinue EFO's Quota Credit program at any time.

### **CRITERIA:**

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

#### **Renovation**

- Producers who are building / renovating a barn and will have existing Production Quota out of production, may apply for a renovation quota credit.
- Producers must be out of production a minimum of fourteen [14] days [the first seven days are not eligible]. See Example below.
- Producers applying for the renovation credit must comply with the Home Week Policy, the producer must remain within their Home Week.
- Accumulated Renovation Quota Credits are limited to the amount of quota out of production during the qualifying period.
- In order to participate in the Renovation Quota Credit program each producer will be required to submit a Quota Credit application a minimum of 30 days prior to the commencement of the quota credit period.

#### **Unutilized QTS Quota Credit**

- Units of quota acquired on the QTS may qualify for Quota Credits.
- The Quota Credit Program is available to producers who do not meet the current housing density requirements or when housing dates do not align with the effective dates of the transfer.
- Quota Credits earned through the QTS cannot exceed the Producer's Total Production Quota.

#### **Unutilized Production Quota Credit**

- Producers may apply for Unutilized Production Quota Credits when a flock is disposed of or when transferring Production Quota. The Production Quota must remain unutilized a minimum of fourteen [14] days [the first seven days are not eligible].
- Quota Credits may also be applied for when Production Quota cannot be utilized due to Housing density.
- Accumulated Unutilized Production Quota Credits are limited to the amount of quota out of production during the qualifying period.
- In order to participate in the Unutilized Quota Credit program each producer will be required to submit a Quota Credit application a minimum of 30 days after flock placement or when transferring quota.



## General

- The calculation of the Quota Credit ends and Per Bird levy charges begin when the (replacement) turns nineteen [19] weeks of age.
- Quota Credits will be calculated on Production Quota only (programs will not be included).
- Producers may accumulate quota credits and use at their discretion; quota credits are not required to be used within a certain time.
- Quota Credits must be utilized at Flock placement.
- Quota credits must be placed as outlined in the EFO Housing Density Policy.
- If Quota Credit birds are in production longer than originally applied for, then the difference between the original credit calculation and the actual credit calculation will be applied as a deduction (reverse quota credit) on the next flock placement. If there is a balance remaining on the Quota Credit, the difference will be deducted from the total remaining credits.
- Inspectors will visit the barn(s) to assess the beginning and ending of a qualifying period.

## Examples Calculation of Renovation Quota Credit:

### Example # 1

Producer is out of production from April 1 – May 30

# of Disposed Birds [Disposal receipt]	Less Program Birds			# of Days Empty [less 7 days]		# of days in flock cycle where birds will be placed	Number of Quota Credit Birds
21,248	4,014	=17,234	X	52	÷	365	2,455

### Example # 2

Producer is out of production from April 1 – April 20

# of Disposed Birds [Disposal receipt]	Less Program Birds			# of Days Empty [less 7 days]		# of days in flock cycle where birds will be placed	Number of Quota Credit Birds
21,248	4,014	= 17,234	X	12	÷	365	567

## 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 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.

Quota Credit application forms are available to download through the EFO website at [www.eggfarmersofontario.ca](http://www.eggfarmersofontario.ca) or may be submitted online at <https://eforms.getcracking.ca>





## Salmonella Protocol Policy

as amended February 12, 2014

### **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 barn starts at \$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 once before 35 weeks of age & once after 35 weeks of age. In the case of farms with more than one flock, a separate kit is used to sample each flock.

If a pullet or layer facility is changing species (does not include pullets to layers or vice versa), a negative SE test must be received before the chicks or pullets are housed. For example, a test must be done if the barn housed turkeys or pigs (etc.) and is now planned to be used for raising pullets or laying hens.

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 pre-buffered swabs contained in five (5) whirlpack bags.



## **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 removed.
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 or any other suitable areas.
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 -  
Layers:  
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, if the eggs are needed for industrial product. If not, the flock is depopulated as soon as possible. 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 cleaning & disinfection procedures must be taken. A negative test must be received before pullets can be placed. It is recommended that at least a month of downtime be set aside to complete the above activities. An additional environmental sample is taken following placement of the new flock, for a total of three *tests for that flock*.  
  
Pullets:  
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.  
Intensive clean-up and disinfection of the affected premises must be undertaken in the same way as for layer housing. A negative test result must be received before new chicks can be housed. A second SE test will be done for this flock: test 1 at 5-10 weeks and test 2 at 10+ weeks of age.





---

## ***SALMONELLA PROTOCOL POLICY CONTINUED***

### ***PIE Insurance Program:***

When a layer or pullet flock tests positive, PIE is notified. PIE is a self-insurance program to cover any costs or losses when a flock tests positive. It will cover the cost of egg diversion or income losses if the flock is depopulated.

### ***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

*as amended February 2013*

### INTRODUCTION:

Program 358 is a one [1%] per cent incentive allowance available to Egg Quota Farmers who dispose of their flock within 358 days of placement; 12 month lay cycle with one week down time [365 days minus 7 days downtime = 358 Program].

### PRINCIPLE:

Program 358 was implemented in January 2012 as an incentive to Ontario Egg Quota Holders, to remain on a 12 Month Lay Cycle. A farmer who has followed the entire criteria will qualify to place the 1% incentive on their next flock placement.

### 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 Program 358 the Egg Producer must have completed and submitted 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 of the previous flock. If the disposal receipt is not received, the producer will be disqualified from Program 358 on their next qualifying flock.
4. Program 358 is available on a per flock basis. In order to participate in the program farmers are required to remove their birds within 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 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 placement / penalty situation.

I \_\_\_\_\_ agree that in order to participate in Program 358, I am required to remove my current flock within 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 remove my current flock 359 days or later 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	Barn #
---------------------------	--------------	-----------------------------	--------------------------------	--------

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

Office use only:

# of days	Permit #	Trucking Receipt	Birds Approved	Inspector
-----------	----------	------------------	----------------	-----------



## Layer Leasing Pool [LLP]

*as amended May 2014*

### **INTRODUCTION:**

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

### **PRINCIPLE:**

The LLP is available to Ontario quota holders to lease in and lease out of the pool as follows:

Lease In: Ontario Quota Holders who cannot utilize their Production Quota due to Housing Density or have acquired Production Quota on the Ontario Quota Transfer System (QTS) and, at time of transfer, do not meet the Housing Density Requirements (HDR), may apply to lease into the LLP.

Lease Out: Ontario Quota Holders who have excess capacity in their barn(s), as per current HDR, may apply to lease birds out of the LLP.

### **CRITERIA:**

#### **Leasing In:**

- The number of eligible birds placed into the pool is limited to Production Quota either acquired through the QTS or any unutilized Production Quota.
- Program birds are not eligible to be placed into the pool.
- Producers leasing in are required to apply on a yearly basis and are limited to five [5] years' participation.
- Producers are required to lease in for 358 days only, as determined by the Board, and are otherwise irrevocable by the Quota Holder.
- Producers who acquire quota through the QTS, and are applying to lease the birds into the pool, must apply within 10 business days of the effective date of the transfer.

#### **Leasing Out:**

- One leasing application per quota number.
- The number of birds leased out of the pool is limited to a producer's total Production Quota.
- The producer agrees to place the number of birds granted into their production facility for a period of 358 days.
- LLP birds that remain in production in excess of 358 days will incur a cost of 2 cents a bird per day; to be reconciled once disposal information is received by the Board. Producers who dispose of birds prior to 358 days will not receive a rebate.
- EFO will notify producers who have applied to lease birds out of the pool, advising them of the number of leased birds they will be able to place the following year in conjunction with their scheduled flock placement. Those notified must submit payment by a pre-determined deadline.
- If payment is not received by the deadline, producers will automatically be disqualified from the LLP.
- If a producer is building, renovating or anticipating being able to house the birds in the following year the producer can apply to the Leasing Pool; however, if the producer cannot house the birds at the placement date, the producer will **not** be refunded their Layer Lease Pool fee.
- Producers leasing out of the pool assume 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.

### **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 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.

Leasing forms are available to download through the EFO website at [www.eggfarmersofontario.ca](http://www.eggfarmersofontario.ca) or may be submitted online at <https://eforms.getcracking.ca>.



## Home Week Policy

May 2014

### Background

Egg Farmers of Ontario [EFO] farmers are responsible for supplying the highest quality eggs to the marketplace. Graders and processors require quality eggs from younger hens for their customers. Consequently, Ontario eggs from older hens are being sent to the processed and further processed market, resulting in eggs being imported from the USA [tariff or duty free] to meet Ontario's table egg market.

When eggs are brought in as imports from the USA to meet Ontario's table egg market demand, the system loses twice:

- First, Ontario eggs should be supplying the table market and if imported eggs are needed they should be used for the processed market;
- Second, Canadian eggs lose current and future market share; this is important if we ever had to give up additional access as a result of any trade deals.

### Goal & Plan

Consumers must have trust in the quality of the eggs they purchase. In order to accomplish the goal of supplying the highest quality Ontario eggs for the table market, EFO will be implementing a Home Week Policy.

EFO's new policy consists of two parts:

- First, EFO will implement a 12 month time limit on fowl quota placements, to come into effect January 1, 2017. This will fulfill EFO's legislative responsibility of allocating quota to better manage the supply by whichever means the Board deems proper. [Will there be more eggs as a result of this Policy? No! Will there be better eggs as a result of this Policy? Yes!]
- Second, as of January 1, 2017 each flock will have a specific Home Week.

Example: if the flock is placed in week 3, week 3 every year will see that flock replaced. Each flock will be eligible for a Home Week Allowance of 1% for that flock.

Farmers possessing fowl after the 12 month allotment period [358 days + 7 days downtime] on a per flock basis will be in contravention of EFO's Policies, Programs & Procedures and subject to all of the sanctions outlined in those policies.

All birds including the Home Week allowance flock must be housed according to EFO's Housing Density Policy. The Home Week Policy allowance birds will be allocated to each flock and cannot be carried over and used at a later date. This program is flock specific and can only be used in the flock indicated.

### Effective Date

This Policy comes into force on the 1<sup>st</sup> day of January, 2017.

### Revocation

EFO's Program 358 is hereby revoked as at January 1, 2017 and this Policy is substituted therefore.

Producers who had placed flocks during specific weeks in order to participate in EFO's Program 358 will be given preference to remain in their specific week.



## EFO's Market Growth Allowance [MGA] Program

May 2015

This program will come into effect January 1, 2016.

The Board has set the MGA at 3% of National Production Allowance.

1. MGA birds will be issued on a pro rata basis. MGA birds will be attached to the National Production Allowance of each quota holder. (This is a number, excluding the EFP number).

National Production Allotment	EFP	NPA + EFP	3% MGA	Total Production Quota
9,175 +	825 =	10,000 +	275 =	10,275

*Example: the total allowable birds in the barn is made up of 9,175 national production allotment regular issuance + 825 EFP allotment for a total of 10,000; with the MGA set at 3%, it will be 3% of the 9,175 or 275 birds. Subsequently, the egg farmer will be able to place 10,000 plus 275 = 10,275 birds at 23 weeks [plus any other applicable programs].*

2. EFO's MGA birds will not be subject to any lease payment by the egg farmer.
3. EFO's MGA birds must be housed in accordance with EFO's Housing Density Policy, at the time of placement.
4. EFO's MGA birds that are not able to be used by the farmer will go into the EFO's Layer Lease Pool. The farmer will not receive any payment for these units of MGA. The egg farmer will be allowed to place the MGA birds once the farmer has enough space to place the birds in accordance with EFO's Housing Density Policy [EFO's Quota Policy Section 28].
5. EFO's MGA birds are non-saleable.
6. EFO's MGA birds will not be eligible for any quota credits.
7. EFO's MGA birds follow any transfer transactions [QTS and/or family].
8. If required, any future bird reductions would see the reduction or elimination of EFO's MGA Program.
9. In order to qualify for EFO's MGA birds, the farmer must be in good standing as defined by EFO's policy.

### Records

Egg quota holders will be able to log on line and acquire their records and MGA applied to their quota, by June 1, 2015.



## EFO's Pullet Growth Allowance [PGA] Program

May 2015

EFO felt it was necessary to make some allowances for growth in the Ontario pullet sector.

In 2014 there was almost 100% utilization of Ontario's pullet quota.

In order to allow Ontario pullet quota holders the opportunity to produce pullets for the Ontario egg farmers, the Board is implementing an EFO's Pullet Growth Allowance [PGA] Program.

Details of the PGA program are listed below.

1. Effective immediately an additional 5% will be added to the pullet quota holder's year end utilization number.

*As an example: if the Pullet Growers production quota is 10,000 units, the Pullet Grower may place up to 10,500 day old pullets in 2015. The Pullet Growers year end utilization will be 105% with no fees attached.*

2. Beginning 2016, an additional 5% will be added to the year-end utilization allowing Pullet Growers to end the year 2016 at 110% utilization.
3. EFO's PGA units of quota will not be subject to any lease payment by the pullet farmer.
4. EFO's PGA units of quota must be housed in accordance with EFO's Housing Density Policy [EFO's Quota Policy Section 28].
5. EFO's PGA units of quota are NOT eligible for any payments from the Pullet Leasing Pool Fund.
6. If required, any future quota cuts would see the reduction or elimination of EFO's PGA Program.
7. In order to qualify for the additional utilization the farmer must be in good standing as defined by EFO's policy.



## Layer Leasing Allotment [LLA]

May 2015

With respect to Ontario's last three allocations from Egg Farmers of Canada [EFC], Egg Farmers of Ontario [EFO] made the decision to equally lease out the quota to egg quota holders; subject to the egg quota holder being able to place the birds within EFO's Housing Density Guidelines.

*Bird Allocation Figures:*

161,227	+	113,372	+	214,304	=	488,903
---------	---	---------	---	---------	---	---------

These recent allocations are subject to an EFC Administration Fee for a five year time frame.

In 2014 the Administration Fee was \$5.80 per bird; the fee is subject to review and change by EFC.

### QUESTION:

Ontario's egg quota holders asked if there is any way to predict the number of birds that would be available for leasing each year; this would help them in planning for the future.

### PROPOSAL:

EFO has established a Layer Leasing Allotment [LLA]. The LLA is the number of birds each quota holder would be entitled to lease from EFO's Layer Leasing Pool [LLP]. This number [of birds] would be assigned to each quota holder regardless of whether the birds could be or could not be housed. Consequently, quota holders would be provided with an element of certainty and a better ability to plan for the future.

### How would the LLA operate?

As of December 2014 there were 323 egg quota holders:

488,903 birds divided by 323 equals 1,513 birds

In order to allow for new and additional quota holders over the next 10 years [say 50 quota holders] the LLA number would be 1,310.

*Methodology:*

Current	323 quota holders	X 1,310 =	423,130 birds
Future growth	50 quota holders	X 1,310 =	65,500 birds
Total Allotted to LLA			488,630 birds

The future growth birds – 65,500 birds, would be the cushion to ensure EFO stays within its 97% allotment or used to help EFO's quota credit programs. The birds could also be placed into the pool to be leased out.

A review of the number of quota holders over the last 10 years:

2004	376
2005	370
2006	357
2007	350
2008	347
2009	344
2010	340
2011	329
2012	324
2013	318
2014	323

Each egg quota holder will have the ability to lease 1,310 birds at \$7.30 per bird. If they were unable to place the birds, 'those' birds would be put back into the pool. The LLA number will not be greater than a quota holder's production quota. This is the current policy and it would remain unchanged. Example: if you have a production quota of 600, then your LLA number would be 600.





## HOW WOULD THAT WORK?

Based on the most recent pool numbers, the following applies:

- Of the 323 quota holders, only 223 have room to place birds;
- So, 100 quota holders  $\times$  1,310 = 131,000 birds go back into the pool;
- Therefore, the 223 quota holders who have room to house the birds would be able to lease an additional 587 birds [131,000 divided by 223].

Those 223 quota holders would be able to lease a total of 1,897 birds:

[1,310 LLA birds plus 587 unused LLA birds from existing quota holders]

- When a quota holder is able to house their LLA birds, then the number available to everyone from the unused LLA birds is reduced accordingly.
- As agreed to by previous Board discussions, any funds from the lease pool would go towards minimizing or reducing levies needed to run EFO.
- When any additional allocations are allotted to Ontario, it would simply be a matter of adjusting the LLA for each quota holder.
- This number: 1,897 birds is less than what is currently leased out in 2015 because EFO's current Layer Lease Pool includes birds which will be used for New Entrant individuals, along with the Agricultural Census birds and EFO placed an additional 150,000 birds into the 2015 pool to help fill the table market.

## PAYMENT SCHEDULE:

A non-refundable fee of \$7.30 per bird with payments due by:

- October 30, 2015 for scheduled flock placements between January 1st and June 30th; and
- April 29, 2016 for scheduled flock placements between July 1st and December 31st.
- 25% payment at dates above to 'hold' the lease, and
- 75% payable at week 45 of flock life

Producers will receive an invoice for the number of birds they will be allowed to lease including payment details. All Producers are required to submit two cheques to the EFO office no later than October 30, 2015. The two cheques will include one dated either October 30 or April 29 based upon their placement date, as above, and an additional cheque post-dated to week 45 of flock life.

## SUMMARY:

The above proposal:

- Addresses the request from the egg quota holders to provide some essence of certainty to help them plan for the future;
- Shows Farm Products Council of Canada and the Ontario Farm Products Marketing Commission that Ontario can manage its allocations in a responsible manner;
- Allows EFO to fulfill its obligations to allocate by whatever means it deems proper for the orderly management of the system.

## 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 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.