









get cracking®
Egg Farmers of Ontario

annualreport22

egg farmers  of ontario
is a  farmer-run organization
that manages the  supply and
orderly  marketing of eggs
so customers  can enjoy 
fresh,  local, safe,
high-quality protein produced
under  fair farm pricing.



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Message from the Chair

If I had to choose one word to describe 2022, dynamic would be my choice, for many reasons. While it refers to some of the challenges we faced, it doesn't overlook the productive and progressive outcomes achieved throughout the year.

As Chair of Egg Farmers of Ontario (EFO), I was proud to work alongside my colleagues at the Board table as we navigated our way through 2022.

As the lingering impacts of COVID-19 continued, early in the year we were faced with decisions to keep both staff and farmers safe. With the return of farm visits, changes to protocols included masking requirements while on-farm. There were also processing issues which necessitated backup plans for flock removal in the case of COVID-19 disruptions. We continued to watch and manage market fluctuations as foodservice slowly opened up to full capacity and the surge of at-home cooks diminished. We also continued to support Ontario food banks to help manage extra demand.

As the pressures of the pandemic started to wane, the province was impacted by avian influenza. The first wave of outbreaks led to the difficult decision to postpone EFO's Annual General Meeting (AGM), originally scheduled for March, until June.

Governance training continued with the two financial governance modules and an industry insights session held in conjunction with the AGM. This session featured a number of speakers that provided an overview of how our supply-managed system was created and how it operates.

The Board's commitment to a comprehensive policy review continued and it will remain an area of focus into the coming year. In addition, industry-wide collaboration was a key objective of EFO's Board with a focus on relationship building.



We continued to be active in our all-party support of government, at all levels. Our Board was thrilled to once again hold our annual omelette breakfast on November 1 at Queen's Park, with record attendance. We participated in roundtable discussions with the Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs as well as one with Ontario Premier Doug Ford. I also attended the announcement by Minister Thompson of the *Grow Ontario* strategy, held at the Ontario Food Terminal in Toronto.

To invest in our industry's future and build leadership capacity, EFO established the *Brian Ellsworth Memorial Bursary* to honour the legacy of Brian Ellsworth, who served as General Manager of Ontario Egg Producers from 1970 until 2003. This bursary will provide \$5,000 towards eligible applicants' tuition costs for the *Advanced Agricultural Leadership Program*.

As we face the coming year, I take comfort in the knowledge that we are part of such a dynamic and stable industry. Although some of the issues of 2022 may continue into the new year, EFO's Board is ready to meet them head on.

I would like to thank everyone for the opportunity to represent Ontario egg and pullet farmers as Chair again in 2022.

SCOTT HELPS

Message from the General Manager

The success of an organization is a direct result of their ability to adapt to change. Egg Farmers of Ontario clearly demonstrated that ability in 2022 and I feel privileged to be part of such a vibrant and successful organization.

It's fair to say the world breathed a collective sigh of relief as COVID-19 restrictions loosened in 2022, and with it a gradual return to normal activities, including in-person meetings and events.

For EFO staff, this brought another change to the workplace, in the form of a hybrid in-office work schedule beginning in May 2022. There were other human resource updates during the year, including implementing a metrics-based merit system for EFO employees that incorporated formalized performance reviews. In addition to these adjustments, there were staff and structural changes throughout the organization within the Finance, Operations, Public Affairs and the Policy and Strategic Initiatives departments.

While adjusting to a post-pandemic world, the poultry sector was hit with an outbreak of highly pathogenic avian influenza (HPAI) in March. EFO staff worked with the Feather Board Command Centre to manage the initial and subsequent outbreaks that occurred right into December 2022. In addition to the reallocation of staff resources to respond to the outbreak, the Board was also forced to make some difficult decisions as a result, including the postponement of our Annual General Meeting to June and the use of faux hens at fairs and events.

Two existing projects continued to move forward during the year. In collaboration with Egg Farmers of Canada (EFC), the *Hyper-eye* project, a non-destructive technology for gender sorting of eggs pre-incubation, continued on the path towards commercialization.



The second project is related to vaccine egg production. A site visit with the pharmaceutical company Sanofi took place in 2022, and EFO continues to work with EFC, government agencies and stakeholders to support Canadian vaccine production. Sanofi has selected a bio-medics company that will lead the production of the egg embryos and EFO will be involved in discussions with them to determine our role in the project moving forward, with the focus of ensuring vaccine production successfully occurs within our supply management system.

Strategic planning has always been important to EFO, but this has become a key driver behind our decision-making during 2022. In that regard, work towards the development of a new three-year strategic plan began in late 2022. With in-person meetings taking place again, EFO seized the opportunity to organize roundtable discussions for direct and open communication at our November Egg and Pullet Farmers' Workshop. Input from these sessions has been reviewed and feedback will be used during Board discussions and during the development of our new strategic plan.

Despite a year filled with both internal and external challenges, one thing has become very clear - the egg and pullet sector in Ontario is strong and vibrant, thanks to the dedication of and collaboration between egg and pullet farmers, EFO staff and industry partners. I am proud of our accomplishments during 2022 and look forward to what opportunities 2023 will bring.

RYAN BROWN

A handwritten signature in black ink, appearing to read 'B K' followed by a long horizontal stroke.

Board of Directors & Zone Map

Lake Huron

Georgian Bay



Zone 7

Director: Scott Brookshaw (EFC Representative)
Counties of Bruce, Dufferin, Grey and Wellington

Number of Egg Quota Holders: 63
Number of Layers: 1,830,805
Number of Pullet Quota Holders: 23
Number of Pullets: 1,992,355



Zone 5

Director: Brian Miller
County of Huron

Number of Egg Quota Holders: 52
Number of Layers: 898,598
Number of Pullet Quota Holders: 12
Number of Pullets: 866,475



Zone 6

Director: Sally Van Straaten
County of Perth, the Regional Municipality of Waterloo and the City of Waterloo

Number of Egg Quota Holders: 61
Number of Layers: 969,071
Number of Pullet Quota Holders: 27
Number of Pullets: 1,698,668



Zone 1

Director: Scott Helps (Chair)
Counties of Essex, Kent and Lambton

Number of Egg Quota Holders: 51
Number of Layers: 1,078,075
Number of Pullet Quota Holders: 13
Number of Pullets: 816,904



Zone 2

Director: Lorne Benedict
County of Middlesex

Number of Egg Quota Holders: 51
Number of Layers: 612,300
Number of Pullet Quota Holders: 21
Number of Pullets: 1,521,371

Lake Erie



Zone 9

Director: Ian McFall

EAST: Counties of Dundas, Frontenac, Grenville, Lanark, Leeds, Lennox and Addington, Renfrew and the Regional Municipality of Ottawa-Carleton

NORTH: Territorial Districts of Ontario consisting of Algoma, Cochrane, Parry Sound, Kenora, Rainy River, Sudbury, Timiskaming and Thunder Bay

Number of Egg Quota Holders: 15

Number of Layers: 1,186,819

Number of Pullet Quota Holders: 6

Number of Pullets: 2,361,968

9

10



Zone 10

Director: Marcel Jr. Laviolette
Counties of Glengarry, Prescott, Russell and Stormont

Number of Egg Quota Holders: 49

Number of Layers: 1,377,907

Number of Pullet Quota Holders: 17

Number of Pullets: 920,690

8



Zone 8

Director: George Pilgrim
Regional Municipalities of Halton and Peel, the Counties of Haliburton, Hastings, Northumberland, Peterborough, Prince Edward, Simcoe and Victoria, the Regional Municipalities of Durham and York and the District Municipality of Muskoka

Number of Egg Quota Holders: 22

Number of Layers: 525,242

Number of Pullet Quota Holders: 5

Number of Pullets: 343,761

Lake Ontario



Zone 4

Director: Roger Pelissero
County of Brant, the Regional Municipalities of Hamilton-Wentworth and Niagara and that part of the Regional Municipality of Haldimand-Norfolk that, on the 31st day of March 1974, was the County of Haldimand

Number of Egg Quota Holders: 30

Number of Layers: 667,252

Number of Pullet Quota Holders: 12

Number of Pullets: 654,410

4



Zone 3

Director: Dan Veldman (Vice Chair)
Counties of Elgin, Oxford and that part of the Regional Municipality of Haldimand-Norfolk that, on the 31st day of March 1974, was the County of Norfolk

Number of Egg Quota Holders: 41

Number of Layers: 761,017

Number of Pullet Quota Holders: 7

Number of Pullets: 629,982



Pullet

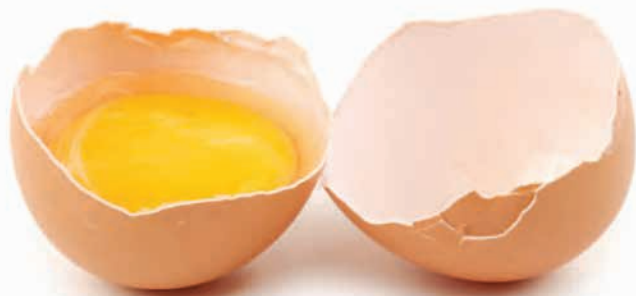
Director: Alvin Brunsveld

Total Number of Pullet Quota Holders: 143

Total Number of Pullets: 11,806,584

Egg Farmers of Canada Director's Report

The egg farming sector is in a good place as we enter 2023.



Like everyone in Canada, we face inflationary pressures, the instability caused by war, extreme weather, the lingering effects of the pandemic and the threat of avian influenza. Fortunately, the strong structures and effective processes we have in place provide us with the resiliency to handle these challenges.

What underpins our structures and processes is our collective willingness to collaborate. We are highly motivated to work together to find solutions—at all levels, among all groups and across all jurisdictions. It is collaboration that produced 2022's strong outcomes and I can safely say that our continued ability to work together will be the key to building further resiliency.

While much has been accomplished over the last year, there are several outcomes I want to highlight because they keep us on the path to becoming the world leader in per capita egg consumption.

This past year saw the roll-out of the redeveloped national *Animal Care Program*. The program was independently reviewed by the National Farm Animal Care Council, which confirmed that it meets all applicable requirements outlined in the *Code of Practice for the Care and Handling of Pullets and Laying Hens*. We are making this collective commitment to rigorous animal welfare standards for a very good reason: these standards are the cornerstone of the trust that we have nurtured with Canadians and with our value chain.

Our advocacy work in 2022 focused on keeping government decision-makers abreast of the issues that are important to egg farmers. It is because of our efforts with parliamentarians, officials and a growing number of departments and agencies, we are seeing progress on such issues as labelling modernization, the development of a national labour strategy, the roll-out of a green agricultural plan and the preparation of a national school food policy.

On the trade front, 2022 saw the announcement of new support measures for supply-managed farmers navigating the market access impact of the *Canada-United States-Mexico Agreement*. A sum of \$85 million has been allocated to the egg farming sector to support investments in farming operations and planning for the future. This is in addition to the \$134 million announced in 2021 to offset the impact of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership*. These funds will be directed to the existing *Poultry and Egg On-Farm Investment Program*, which offers us a tool to reinvest in our operations.

2022 saw our innovative and award-winning marketing programs continue to encourage Canadians to eat eggs at any time and at any meal. Our initiatives have been especially effective in tapping into new audiences like new Canadians. As retail sales return to pre-pandemic levels and with the foodservice and restaurant sector rebounding, eggs continue to be a central part of Canadians' diets. They are also increasingly visible in restaurants as menus



are adapted to include food items with a longer shelf life and affordable price points.

Our sustainability journey continued to evolve in 2022 with the launch of the revolutionary new *National Environmental Sustainability Tool* (NEST). This online tool allows Canadian egg farmers to measure, monitor and manage their farm's environmental footprint and create action plans to improve sustainability on-farm. No other sector has a tool like NEST—and we will be rolling out enhancements to this tool in 2023. As farmers continue to embrace net-zero building practices, we will lead the way toward a more sustainable food system.

Similarly, 2022 also saw the advancement of our latest *Cost of Production* (COP) study, with the fieldwork phase wrapping up in the fall. The study was the first to measure the cost of producing a dozen marketable free run eggs in a way that gives a fair rate of return on labour and investment. These efforts will help produce the first-ever separate COP results for conventional, enriched colony and free run eggs. This milestone reflects the direction in which we are headed as the industry shifts to alternative methods of production.

Finally, our research program continues to thrive, generating insights that allow us to address gaps in our industry and prepare for the future in innovative ways.

There is one last item I want to highlight. On December 15, 2022, Egg Farmers of Canada marked the 50th anniversary of its creation and the introduction of egg supply management in Canada. As we reflect on how far we have come together, it is

worth remembering why supply management was created in the first place. It replaced a chaotic egg marketing system, bringing stability to farmers and allowing them to plan without having to worry about whether their eggs would sell.

While supply management serves the central purpose of orderly marketing, it does so much more.

Looking back on our achievements can give us a sense of history. But embracing history does not mean living in the past; it's about remembering where we come from and building on it as we head into the future. Our traditions of innovation, collaboration and willingness to embrace change will carry us forward as we focus our efforts on the future, our Vision 2020 Business Plan and our goal of becoming the world leader in per capita egg consumption.

To my colleagues at the national table and in my province, I want to express my heartfelt thanks for your ongoing dedication and commitment. Success would not be possible without your effort and collaboration. I also want to thank the staff and the farm families whose hard work and commitment make our industry strong.

Respectfully submitted,

SCOTT BROOKSHAW, EFC Director, Ontario

Pullet Director's Report

Collaboration is a term that is often used but less often understood. The pullet industry is one example of where working together, or collaborating, has led to a successful year.



Throughout the year, regular meetings were held with industry partners in both Ontario and Quebec. The purpose was to collectively address ongoing or potential new issues and identify possible solutions as we work towards the goals of the pullet industry.

With avian influenza (AI) impacting Ontario, following strict biosecurity practices has become even more important. As a result, a review of possible gaps in AI insurance in the event of an outbreak on a pullet farm was conducted, considering the financial impact it could have on layer farms.

During the year, we achieved consensus on a growing fee of \$2.90 as of January 1, 2023, plus 2 cents per day over 19 weeks, less the cost of catching pullets. These fees were negotiated and agreed upon by industry stakeholders and were reviewed and brought into effect by the Ontario Farm Products Marketing Commission. Concerning alternative housing, the industry agreed to adjust those fees by an additional \$1.00 for aviary and \$1.40 for organic pullets.

A review of the *Pullet Leasing Pool Policy* resulted in an adjusted lease fee for pullets - \$1.25 per bird for 0-7,500 birds; \$1.50 per bird for 7,501-17,500 birds. Lease fees will increase \$0.25 per bird for each additional increment of 10,000 birds. These rates will be brought into policy early in 2023. Day-old mandatory reporting was resumed during the year with no penalties applied until January 1, 2023.

On the audit side, Egg Farmers of Canada (EFC) have completed audits on all Ontario pullet farms during 2022, with some secondary audits already underway at the end of the year. The audits have gone well and are good reminders of the importance of daily mandatory reporting.

At the national level, a collaborative approach has also been taken by Pullet Growers of Canada (PGC), with initial plans underway to work towards a cost of growing survey in Ontario, Quebec and New Brunswick early in 2023. Serecon has been selected to move forward to lead this project.

Finally, PGC has met with EFC regarding an animal care program for pullets, setting growing space requirements for alternative housing and round feeder space requirements. We will continue moving these discussions forward into the new year.

I would like to thank pullet farmers for the privilege of representing them as the Ontario Pullet Director in 2022. I know that our continued collaboration and hard work will make us a strong industry well into the future.

A handwritten signature in blue ink, reading "Alvin Brunsveld".

ALVIN BRUNSVELD, Pullet Director

2022 ONTARIO EGGS BY THE NUMBERS

3,725,414,592

Number of ONTARIO LEVIABLE EGGS GRADED (includes eggs for processing [EFP])



578

Number of Ontario
EGG AND PULLET
QUOTAS HELD



100

Percentage of
PRODUCTION
HACCP-CERTIFIED



79.86

Percentage volume of
ONTARIO EGG
PRODUCTION TO
THE TABLE MARKET



EGG QUOTA

9,907,086

the amount of
ONTARIO'S
HEN ALLOTMENT

22,775

the average
PRODUCTION QUOTA
FOR EGG QUOTA
HOLDERS

10,623,540

the average
WEEKLY
INVENTORY

ONTARIO'S AVERAGE EGG GRADING BY SIZE %

EXTRA LARGE 26.03%



LARGE 48.37%



MEDIUM 16.18%



SMALL 2.96%



PEE WEE 0.34%



Bs,Cs, CRACKS,
NO GRADE 6.12%



49.45¢/45.45¢

LEVY ADMINISTRATION

The amount of Ontario's egg levy
deducted from farmers

3,953,460

ONTARIO INDUSTRIAL PRODUCT

The number of 15-dozen boxes

1,064,583

ONTARIO EGGS FOR PROCESSING (EFP)

The number of 15-dozen boxes



PULLET QUOTA

11,806,584

the amount of
ONTARIO'S
PULLET ALLOTMENT

82,564

the average
PRODUCTION QUOTA
FOR PULLET QUOTA
HOLDERS

AVERAGE PRODUCER PRICES: 2018 TO 2022



SIZE

EXTRA LARGE
LARGE
MEDIUM
SMALL

2018

\$1.96
\$1.96
\$1.75
\$1.35

2019

\$2.06
\$2.06
\$1.84
\$1.44

2020

\$2.08
\$2.08
\$1.84
\$1.44

2021

\$2.28
\$2.28
\$2.00
\$1.60

2022

\$2.53
\$2.53
\$2.24
\$1.85



Corporate Affairs

In 2022, the Corporate Affairs Department played an integral role to help facilitate a post-pandemic routine.



OFFICE UPDATES

With building maintenance falling under the responsibility of the Corporate Affairs department, a number of projects were undertaken in 2022 as part of our multi-year office upgrade strategy. This included the much-needed replacement of an outdated heating unit for more efficient temperature control and new paint and furniture in the General Manager's office. Finally, we initiated the placement of EFO's logo on the boardroom wall for a professional finish to updates that were made during 2021.

CORPORATE COMMUNICATIONS

As the impacts of COVID-19 on the workplace began to diminish, Corporate Affairs staff had to assist the organization in making the transition to a hybrid workplace, both with meetings and in-office workspace. This included keeping staff up-to-date with government guidelines for returning to in-office work, communicating ongoing policy changes and ensuring the health and safety of all employees. In addition, making in-person meetings available in a virtual format to meet the needs of all attendees was also required.

Another key function of the department is to keep farmers and stakeholders updated through various communications. This included policy and pricing updates, industry announcements and providing meeting information in a timely manner.

SOCIAL RESPONSIBILITY

As staff, we understand how involved our farmers are with their communities and as an organization, we strive to reflect this in our activities. Our *Food Bank Egg Donation Program* that partners with Feed Ontario and Ontario graders including Burnbrae Farms and Gray Ridge Eggs, continued throughout the year with an annual contribution of \$250,000 worth of eggs. This program distributes approximately 1.7 million eggs per year to member food banks across Ontario.

In lieu of Christmas gifts, EFO's Board of Directors chose to donate eggs to the Daily Bread Food Bank. Each Director contributed \$100 to the organization and EFO matched that for a total donation of \$2,200 to be put towards the purchase of eggs for the food bank. The Board also decided to donate their per diems from a meeting held December 22 to the charity. In addition to this financial contribution, EFO staff had an in-office food and clothing drive and also volunteered at the Daily Bread facility on December 13.

STRATEGIC PLANNING

The Corporate Affairs department is responsible for guiding the Board and staff through the strategic planning process. With 2022 marking the last year of EFO's three-year strategic plan, a full planning session was held late in November to work towards the development of the next plan for 2023-2025, with farmer and industry consultations to occur early in 2023.

Operations

For many, 2022 was marked by a lowering of pandemic restrictions, but for the Operations Department, another challenge took hold.

AVIAN INFLUENZA

Although highly pathogenic avian influenza (HPAI) is not a new challenge, how it persisted throughout Ontario, North America and the entire world in 2022 was unique. The first Ontario outbreak was reported in March 2022 and with it came a year of many hours of staff time dedicated to working with the Feather Board Command Centre (FBCC) to manage the disease response. In addition to staff time, HPAI outbreaks impacted the ability to perform audits and testing in Canadian Food Inspection Agency (CFIA) declared control zones. This resulted in changing timelines and using a third-party to conduct some on-farm activities in these primary control zones.

ON-FARM FOOD SAFETY AND ANIMAL CARE PROGRAM

Despite the demands of HPAI on staff capacity, the Operations Department was able to continue our work towards maintaining on-farm food safety and quality standards. During the year, 1,524 of Salmonella enteritidis (Se) tests and more than 2,286 inspections and flock counts were completed.

Egg Farmers of Canada continued with their transition of completing on-farm audits for both layer and pullet farms. The full shift in audits is timed to be complete with the release of the new *Animal Care Program* in the first half of 2023.

INVESTIGATIONS

The Investigations Unit was kept busy during the year with several investigations related to unlicensed egg dealers, depots and graders that were negligent in reporting and submitting levies. We ceased the operation of multiple unlicensed egg dealers and illegal egg production of non-quota farmers that were supplying farmers' markets and commercial establishments. The work of the unit also focused inspections on 500 exempt non-quota farmers that were only selling at farm gate. In addition, staff followed up on complaints made by the public and industry and also investigated issues with reporting, transportation and processing of spent fowl.

2022 HOUSING STATISTICS*

HOUSING TYPE	NUMBER OF PULLETS	% PULLET PRODUCTION	NUMBER OF BARNS	NUMBER OF LAYERS	% LAYER PRODUCTION	NUMBER OF BARNS
Conventional	8,880,135	78.4%	110	6,213,453	57.0%	276
Enriched	--	--	--	2,790,967	25.6 %	165
Aviary	1,637,464	14.5%	31	1,422,918	13.1 %	68
Free Run	804,288	7.1%	67	464,072	4.3 %	54
Organic	--	--	--	663,392 **	6.1%	40
Free Range	--	--	--	715,717**	6.6%	49

* birds in barns

** percentages for organic and free range are also included in free run or aviary data

Policy and Strategic Initiatives

Sometimes the best way to determine if you are on the right path is to step back and look at how far you have come.



Without a doubt, 2022 has been a time to examine what EFO has done in the past, look at what we currently do and consider what improvements and updates can be made to make things work in an efficient, transparent and equitable way for egg and pullet farmers, as well as industry stakeholders.

We also placed increased emphasis on data analysis and forecasting to support decision-making and to guide EFO's involvement in a number of strategic initiatives throughout the year.

POLICY UPDATES

A comprehensive policy review was undertaken in 2022 with the objectives to: verify if the policy is relevant/required or should be consolidated with another policy; determine if the purpose or goal of the policy is still being achieved; ascertain if changes are required to improve the effectiveness or clarity of the policy; determine the accuracy of a policy; and implement a system that provides proper education, monitoring and ongoing review of all policies. As a result, the *Special Layer Lease Policy*, *Home Week Policy* and *Quota Credit Policy* were reviewed and amended. We will continue the process of reviewing all policies under this lens as we move through 2023.

EFO^{ONLINE}

The *EFO^{ONLINE}* platform continued to progress in 2022, primarily through a thorough examination of the online tool to evaluate if it continues to meet its original objectives. As part of this review, farmer focus groups were held to provide feedback on the performance of the platform and to make recommendations for improvements based on actual user experience. Several adjustments have already been made to the tool with plans underway for more. In 2023, the system work will be anchored by the development of the Layer Provincial Quota feature. We will continue to hold several focus group sessions to help us continually improve the effectiveness and usability of the system.

QUOTA TRANSFER SYSTEM (QTS)

Another key focus in 2022 was to improve the function and operation of the Quota Transfer System (QTS) to ensure that it was accessible and equitable to all farmers. To work towards this objective, the Production Management Committee, with Board approval, directed staff to conduct a full review of the QTS. This thorough examination of the system began in 2022 and is expected to be completed in the first half of 2023. Finally, to ensure an unbiased review is conducted and sufficient resources are allocated, EFO's Board decided in December to hire a consultant to carry out the final stages of this project.

EGG PRODUCTION BY ZONE

AT DECEMBER 2022



ZONE	NUMBER QUOTA HOLDERS	TOTAL EGG PRODUCTION QUOTA	AVERAGE EGG PRODUCTION QUOTA
1	51	1,078,075	21,139
2	51	612,300	12,006
3	41	761,017	18,561
4	30	667,252	22,242
5	52	898,598	17,281
6	61	969,071	15,886
7	63	1,830,805	29,060
8	22	525,242	23,875
9	15	1,186,819	79,121
10	49	1,377,907	28,121
TOTAL	435	9,907,086	22,775

PULLET PRODUCTION BY ZONE

AT DECEMBER 2022



ZONE	NUMBER QUOTA HOLDERS	TOTAL PULLET PRODUCTION QUOTA	AVERAGE PULLET PRODUCTION QUOTA
1	13	816,904	62,839
2	21	1,521,371	72,446
3	7	629,982	89,997
4	12	654,410	54,534
5	12	866,475	72,206
6	27	1,698,668	62,914
7	23	1,992,355	86,624
8	5	343,761	68,752
9	6	2,361,968	393,661
10	17	920,690	54,158
TOTAL	143	11,806,584	82,564



Research

Egg Farmers of Ontario (EFO) has an ongoing commitment to research that leads to future innovations within the egg and pullet industry. With that in mind, EFO funded several projects related to improvements in hen health and egg quality in 2022.

THE USE OF PECKING BLOCKS AS FORAGING ENRICHMENT FOR IMPROVEMENT OF FEATHER CONDITION IN ENRICHED COLONIES **DRS. TINA WIDOWSKI AND ALEXANDRA HARLANDER**

Department of Animal Biosciences
University of Guelph

Feather pecking in laying hens is a common problem in enriched colonies. One management factor associated with a reduced risk of feather pecking is the presence of foraging resources. The Code of Practice requires foraging resources, though it does not specify which resources are most suitable. In enriched colonies, scratch mats are used to fulfill this requirement, but come with hygiene issues such as soiling or egg contamination. In non-cage systems, edible enrichments such as pecking blocks have been shown to reduce feather pecking. Pecking blocks are compressed blocks of minerals (mainly calcium carbonate), grains and/or other fiber sources, and are suggested to also blunt hens' beaks. There is a wealth of studies on the impact of pecking blocks on feather pecking in enriched colonies. We will first conduct a series of preference tests to determine which pecking blocks hens prefer and which location(s) are most feasible within the system. Individual and strain differences in pecking/intake of different pecking blocks will be studied. One hypothesis to be investigated is whether calcium appetite influences hens' attraction to pecking blocks. Finally, we will quantify the effects of providing pecking blocks on feather pecking, feather damage and production outcomes throughout the lay cycle. Given the need for practical foraging resources in enriched colonies, research on the motivation of hens to interact with pecking blocks is warranted.

VALUE-ADDED PREBIOTIC SEAWEED FEED ADDITIVES TO ENHANCE LAYER PERFORMANCE **DRS. MAXWELL HINCKE, BRUCE RATHGEBER, ALAN CRITCHLEY AND GARIMA KULSHERESHTHA**

Department of Cellular and Molecular Medicine
University of Ottawa

Canada produces about 9 billion eggs per year and periodic outbreaks of salmonellosis due to contaminated poultry products is a human health concern. Regulations dictate that antibiotics in poultry production must be reduced due to increasingly resistant bacteria, resulting in human health and food safety challenges. Natural alternatives, including prebiotics and probiotics, must be considered to reduce the use of antibiotics in poultry. Among these, prebiotic feed supplements of specific seaweeds are an exciting option as they produce unique bioactive metabolites and have been utilized as prebiotics to improve bird health and enhance poultry products. However, processing and/or modification of seaweeds to produce feed supplements with enhanced immune-modulating functions remains to be explored. This project will study ways to optimize new formulations of red, brown and green seaweeds using a combination of technologies such as physical/mechanical disruption, chemical extraction and enzymatic hydrolysis, for improved performance, gut microbiome, immunity and disease resistance in poultry. Formulations will be screened in vitro to evaluate effects on beneficial probiotic bacterial growth as well as antimicrobial activity against *Salmonella Enteritidis*. The most active formulations will be tested as prebiotic feed supplements in laying hens, including a challenge study to assess protection against *Salmonella* infection.



DEVELOPMENT OF NOVEL ANTIVIRAL STRATEGIES FOR THE CONTROL OF INFECTIOUS BRONCHITIS VIRUS (IBV) IN CHICKENS USING NON-CODING RNAs

DR. FAZIAL CAREEM

Department of Veterinary Medicine
University of Calgary

The existence of many serotypes and strains of infectious bronchitis virus (IBV) result in minimal cross-strain protection of current vaccines. This research will clarify the initiation of the antiviral response against IBV in chickens and will have significant impacts on disease control strategies for IBV infection on poultry farms. The results of this project will introduce possible applications of a new generation of immune-stimulant agents or ingredients to modulate antiviral responses and increase vaccine efficiency. This study will provide proof of concept for numerous pathogens by demonstrating the immunomodulatory and therapeutic effects of microRNAs.

ON-GOING, MULTI-YEAR RESEARCH PROJECTS:

IMPACT OF DIFFERENT HOUSING SYSTEMS ON EGGSHELL CUTICLE QUALITY AND BACTERIAL ADHERENCE IN TABLE EGGS

DRS. MAXWELL HINCKE AND GARIMA KULSHRESHTHA

Department of Cellular and Molecular Medicine
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The goal of this study is to determine the impact of conventional, enriched, free run and free range housing systems on eggshell cuticle parameters and the eggshell bacterial load. Since this is a comparative study to evaluate the effect of differences, researchers worked closely with industry partner Burnbrae Farms Ltd. to obtain unwashed eggs from Lohmann white and brown hens at mid-lay. Results indicated the cuticle plug

thickness and pore length were higher in the free range eggs as compared to conventional eggs. Therefore, the characteristics of the cuticle plug are modified by the housing system. However, large differences in the cuticle deposition, hydrophobicity and bacterial adherence on eggshell surfaces between different housing systems were not observed; therefore additional studies are necessary to address possible variability within housing systems at the farm level.

CONVERSION OF POULTRY MORTALITY HYDROLYSATE TO LACTIC ACID, A BUILDING BLOCK FOR RENEWABLE BIOPRODUCTS

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Reducing the environmental impact of the Canadian poultry industry can be achieved in numerous ways, both directly through changes in management practices and indirectly through development of new sustainable technologies. This study is focused on a novel strategy for managing poultry mortalities, which represent economic loss, negative environmental impact, significant biosecurity risk, and production of value-added renewable platform chemicals and biomolecules. An ambient alkaline hydrolysis (AMAHY) process has been developed that economically solubilizes and stabilizes poultry mortalities. This project is investigating using the hydrolysate to produce higher-value products by using it as a growth medium for industrially relevant microbes. The team is investigating the potential of poultry hydrolysate as a media component for the growth of different lactic acid producing microorganisms. To date a variety of microbes are able to survive, grow and produce lactic acid using poultry hydrolysate as a lone medium or as a media component. Ongoing work is focused on optimization of process conditions to increase lactic acid yield.

Public Affairs

At a glance, 2022 seemed like just any other year for the Public Affairs department, but on reflection, it was anything but typical.

From avian influenza to the complete restructuring of the Public Affairs team, 2022 brought many new challenges and opportunities for the department as they worked diligently to promote egg and pullet farmers, farm families and the high-quality, nutritious egg to Ontario consumers.

ADVERTISING

REAL FARMERS. REAL EGGS. CAMPAIGN

Year three of the *Real Farmers. Real Eggs.* campaign launched with the first flight on May 16 and ran for six weeks. Two new farm families – the Arthur family from Oxford County and the Leroux family from Prescott County – were introduced to consumers in Ontario.

Advertising was positioned on digital billboards, digital pre-roll streaming videos and promoted social ads. New for 2022 was the introduction of mobile route runners on truck backs and sides. These ads featured Audrée Arthur and Mireille Leroux along with the 5-day freshness messaging. Radio ads were also incorporated into the 2022 plan, which aired Monday to Friday during high-volume commute times. These tags varied in messaging that included website call-outs and dinner ideas for busy commuters. In addition, a 30-second video was also created to highlight the journey of the egg from the farm, to the grading station, to the grocery store. The first flight of the campaign reached 114,589,690 impressions.

Flight 2 of the campaign launched September 19 and ran for 10 weeks with the Arthur and Leroux families continuing to be featured. Executions for this phase of the campaign again included mobile route runners, digital billboards, paid social media ads and radio tags. In October, lower-third advertising on CTV prime-time programming was also included. The second flight of the campaign achieved 159,678,984 impressions.



Above: Behind the scenes filming for Tim Hortons' video segment.

TIM HORTONS

In November, Zone 7 egg farmer Tonya Haverkamp was featured in a new Tim Hortons video segment with Chef Tallis, Director of Innovations for the restaurant chain. In the English video, Chef Tallis shows Tonya how to make a perfect *Farmers' Wrap* with sausage – her favourite Tim's breakfast item. A French version was also filmed in partnership with Fédération des producteurs d'œufs du Québec and egg farmer Nicholas Tremblay.

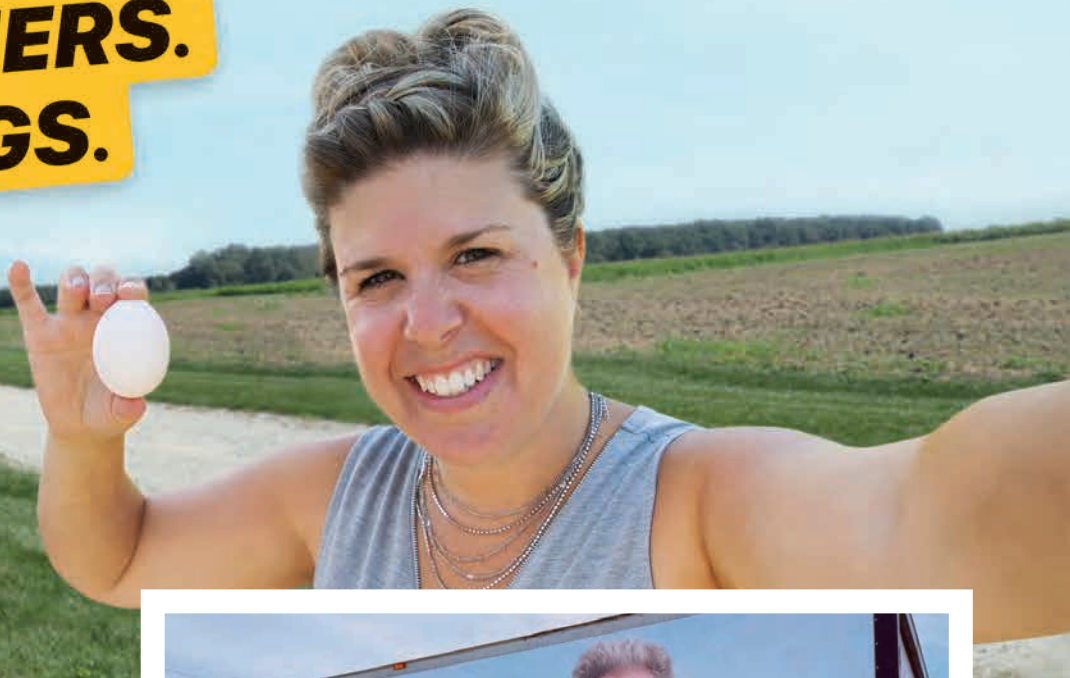
FIELDS TO FORKS

Although EFO has participated for several years in the London and Ottawa markets, 2022 brought a new opportunity to participate in the inaugural year for the Toronto *Fields to Forks* campaign. With a new group of consumers as an audience, a back-to-basics approach was taken as the theme. Using Janelle Cardiff (Zone 7) as spokesperson, the story of the egg from the farm, to the grading station, to the grocery store and how the entire process works to supply Ontario with fresh eggs was highlighted. The campaign ran in London and Toronto from August 22 to October 3 and October 3 to November 4 in Ottawa.

REAL FARMERS. REAL EGGS.

Egg Farmers
of Ontario  get
cracking.

Audrée Arthur, Egg Farmer, Oxford County, Ontario



Above: Audrée Arthur on a billboard ad for the 2022 Real Farmers. Real Eggs. campaign.

Right: New for 2022 was ad placement on mobile route runners, as seen in this Mireille Leroux ad.



In London, the program included three interviews on Newstalk 1290 CJBK's *Ask the Experts* show August 27 with Janelle Cardiff (Zone 7), September 10 with Gary West (Zone 6) and Lisa Linton (Zone 3) and September 21 with Julie Wynette (Zone 3).

Implementation within the Toronto market was similar to the others, but with TV placements on CTV Toronto and CP24, 30-second commercials 23 times per week on CHUM 104.5 and 99.9 Virgin Radio and 25 times per week on *NewsTalk* 1010. This also included a broadcast segment on *Things to Know TO* August 27, featuring Janelle Cardiff.

To supplement the Ottawa campaign, an extended length segment featuring the Longtin family (Zone 10) aired on CTV Ottawa.

Digital content, including big box and leader board ads were included in all three markets, as well as home page links on each of the *Fields to Forks* microsites.

ADVERTORIALS

During 2022, EFO broadened our strategic direction with recipe outreach to establish an always-in approach with coverage.

The year started off with our *Poached Egg Soup* recipe being featured in *edible* (Ottawa) magazine followed by *Runny Yolk Ravioli* and *Custard Brûlée* featured in the *Global Heroes* insert in the *Toronto Star*, *National Post* and *Globe & Mail*, reaching 1.85 million impressions. To help readers with their healthy habits, our *Egg Salad Lettuce Wraps* were highlighted in *Canada's Food and Drink* magazine in February.



Above: Janelle Cardiff was the *Fields to Forks* spokesperson in 2022.

Left: Desserts to celebrate Mother's Day featured in *Foodism*.



PUBLIC AFFAIRS CONTINUED...

Spring outreach continued in March with the *Kale Pesto Chicken Strata* featured on the cover of *City Parent* and *edible* magazines. Digital outreach continued on *Global Heroes*, with a combined reach of 78,275.

With Easter in April, an expanded approach for recipe outreach was implemented, as consumers look to publications for entertaining ideas. The *French Cruller* recipe was featured in *City Parent* and *House & Home* magazines, while a spread of sweet treat recipes was highlighted in *Chatelaine* and *Foodism* magazines. Combined print ads for April reached approximately 930,000 households.

Crisp Prosciutto and Parmesan Cloud Eggs were featured in *edible* magazine in May, along with our delicious *Lemon Blueberry Bars* in the *Global Heroes* insert. Combined print publications reached over 2 million impressions in May. In June, *Global Heroes* digital ads focused on Father's Day with our *Egg-in-a-hole Burgers* and *Foodism* shared a picnic spread featuring a number of EFO recipes. Combined print ads for June reached nearly 1.9 million impressions.

With summer being the perfect time to share recipes featuring local ingredients, the July issue of *House & Home* featured the *Spiced Cherry Buckle* made with fresh Ontario cherries. Our *Butter Chicken & Egg Flatbread* was also included in *edible* magazine and *Global Heroes* digital banner ads, resulting in 2.2 million impressions in July. LCBO's popular *Food & Drink* magazine featured *Mini Squash Pots* recipe in late August while *Foodism* included a beautiful egg-themed charcuterie spread. Finally, the *Crisp Prosciutto and Parmesan Egg Clouds* were showcased in *City Parent*, *Global Heroes* and *Canada's Food & Drink*. August advertorials had a combined print reach of just over 2 million impressions.

Fall outreach continued with the *Mini Squash Pots* being featured in *edible* and LCBO's *Food & Drink* magazine, while *Chocolate Tahini Cookies* were shared in *Global Heroes*, *City Parent* and *Elle Gourmet*. In October, to align with *World Egg Day*, an advertorial with a focus on the *Mini Squash Pots* and egg farming was featured in *Global Heroes* and *Foodism* magazine.

Holiday recipe outreach began in November with full-page ads in *edible*, *House & Home* and *Chatelaine* magazines featuring EFO's holiday spread or *Poached Egg Soup* recipe. In December, recipe ads were placed in *City Parent*, *Global Heroes*, LCBO's *Food & Drink* and *Foodism*, all featuring either EFO's holiday recipe inspiration collage or the festive *Chocolate Orange Roll*.

2022 RECIPE BANK

Twelve new recipes were developed, tested, photographed and shared in 2022. These recipes are housed on EFO's recipe portal and include *Egg Salad Lettuce Wraps*, *Rummy Yolk Ravioli*, *Kale Pesto Chicken Strata*, *French Crullers*, *Lemon Blueberry Bars*, *Butter Chicken & Egg Flatbread*, *Spiced Cherry Buckle*, *Crisp Prosciutto & Parmesan Egg*

Right: French Crullers make a colourful treat!



Left: EFO's Lemon Blueberry Bars were developed in 2022.



Below: Kale Pesto Chicken Strata is a perfect make-ahead meal.



Above: Four new infographics were created in 2022.

Clouds, Chocolate Tahini Cookies, Mini Squash Pots, Poached Egg Soup and Chocolate Orange Roll. Five how-to videos were also created for use in digital ads and to feature on EFO's social media platforms.

MEDIA RELATIONS

On February 1, to celebrate *Black Heritage Month*, Chef Raquel Fox appeared on Toronto's *Breakfast Television* with a segment theme of making something out of nothing by using simple ingredients to make delicious meals. Chef Fox made *Cheesy Mac & Beans* and *Bean & Rice Pilau with Smoked Ham and Eggs* during the segment with both recipes being featured on EFO's recipe website. Raquel returned August 17 to share *Eggs, Fennel & Crispy Prosciutto Pizza*. On October 22, popular mom influencer Julie Findlay joined *CTV News at Noon* (Ottawa) to share Halloween hosting ideas with eggs. Julie demonstrated delicious recipes that included mini carrot quiches, customizable egg muffins and spooky devilled eggs to serve up to guests.

RETAIL PARTNERSHIPS

EFO once again partnered with Fortinos, a GTA and Hamilton area grocery store chain, with their *Pick Ontario First* campaign. The program promotes fresh and locally produced products through advertising, flyers, newsletters and on their website. During August 4 to 31, Ontario eggs were featured with web page positioning, a dedicated landing page, full page advertorial content in their flyers and consumer eblasts. Featured advertising highlighted the Arthur family and fresh, high-quality Ontario eggs.

Below: #30daysoflocal online promotion that shared the love of local food.



RESOURCES

Four bilingual infographics were created in 2022 to highlight the impact of the egg industry across a variety of areas. The *Economics of Eggs*, *Eggs and the Environment*, *Eggs Giving Back* and *Eggs in Ontario* infographics illustrate how the egg industry supports communities, the economy and shares facts about Ontario eggs.

PROMOTIONS

FAIRS, EXHIBITS AND EVENTS

Approximately 50,976 recipes and education resources, 3,912 shopping pads, 53 gift baskets and 2,000 microwave egg cookers were distributed to egg lovers in Ontario during 2022.

The annual convention of the Ontario Association of Agricultural Societies (OAAS) was held February 18-20 in Richmond Hill. As a Silver Sheaf sponsor of the event, EFO had a virtual tradeshow booth and space on-site to share resources. In addition, EFO sponsored keynote speaker Shana McEachren.

Local Food Week was celebrated June 6 to 12 and EFO joined with other agricultural organizations to celebrate. This year, an online approach of *#30daysoflocal* was shared to extend the love of local food for a full month. In addition, recipes were produced and promoted by Chef Ted Reader on *CHCH Morning Live* throughout four segments and Chef Raquel Fox on *Breakfast Television* (Toronto). Rita DeMontis, National Lifestyle and Food editor for Sun Media, shared her love of local foods in a feature article in the *Toronto Sun*.

Given the avian influenza outbreaks that occurred in Ontario during the year, EFO made the difficult decision to not include hens in our outreach events in 2022. Instead, realistic faux hens were displayed in the housing units of both trailers. While not the same as having live birds, this provided us the opportunity to continue outreach efforts and engage with consumers.

Below: Faux hens on display at the 2022 CNE.



PUBLIC AFFAIRS CONTINUED...

Three *Breakfast from the Farm* events were held in 2022 on June 4 at the Paris fairgrounds, August 27 at the Elora Grand Raceway and finally on October 8 at the Milton fairgrounds. EFO participated in all three events as a Guardian level sponsor and provided grocery bags, recipe cards and egg-related items at the popular events. In addition, EFO had a display at each event, which was staffed by farmers along with representatives from Burnbrae Farms and Gray Ridge Eggs.

The first in-person Canadian National Exhibition (CNE) since 2019 was held August 19 to September 5 and EFO's large Egg Education trailer was displayed in *The Barn*. Farmer volunteers were on-hand each day to connect with consumers visiting the display that featured a trivia wheel, housing display, video content and resources.



Above: EFO's booth at the 2022 Canadian National Exhibition.

The Western Fair was held in-person September 8 to 18 at the Western Fair Agriplex in London. Local egg and pullet farmers participated with the small Egg Education trailer, complete with trivia wheel, antique egg grader and faux hens displayed in enriched-style housing. Megan Veldman (Zone 3) hosted a virtual farm tour on September 26 to round out the event for those unable to attend in person.

The International Plowing Match and Rural Expo was held September 19 to 24 in Kemptville and EFO's large Egg Education trailer was featured in the Hydro One education area. Farmer volunteers were kept busy answering questions and connecting with groups that circulated through the tent.

The Farm & Food Care (Ontario) Culinary School tour was held on October 12 and Zone 8 farmer Hubert Schillings was the egg farmer expert on board the event bus. Participants toured Burnbrae Farms' Mississauga location and were provided a microwave egg cooker courtesy of EFO.



Above: Josiah Mullet Koop (Zone 4) at the *Breakfast from the Farm*, Milton on October 8.

The 100th anniversary marked the return to the in-person Royal Agricultural Winter Fair (RAWF), which ran from November 4 to 13. EFO participated in the *Food and Nutrition Forum*, the *Culinary Academy* and also had our large education trailer on display as part of the *Discovery Zone* education program. In addition, EFO sponsored the egg hacks video series with Chef Missy Hui, one of the *Culinary Academy*'s Chef hosts.

PROMOTIONAL ITEMS

A number of new promotional items were introduced in 2022, including a foam football, frisbee, measuring spoons, travel mug, black hoodie, toque, soft-shelled jackets and aprons. All promotional items were branded with the *Get Cracking* logo.





Above: Tonya Haverkamp (Zone 7) joins the hosts of *Breakfast Television* on World Egg Day.

FALL HARVEST SALAD WITH FARM FRESH EGGS

October 12, 2022 / By zimmysnook / 2 Comments



Fall Harvest Salad with Farm Fresh Eggs. In honour of World Egg Day on October 14, we created this hearty and health-conscious salad with boiled eggs. Loaded with our favourite seasonal ingredients: beets, Honeynut squash, kale, brussels sprouts, Honey Crisp apples. Then layered with crispy prosciutto, cranberry goat cheese, maple syrup candied pecans & pumpkin...

Above: Delicious content created by influencer @zimmysnook to celebrate World Egg Day.

Opposite page: An Easter contest entry in the new Learning Tree category.

PUBLIC RELATIONS

EGGS & BAKIN' NEWSLETTER

EFO's consumer-facing newsletter *Eggs & Bakin'* continued to gain in popularity, closing out 2022 with 8,034 subscribers and an average open rate of 43.7 per cent.

EASTER

Expanding on the popularity of the previous year, EFO once again encouraged Ontario to decorate egg trees and enter our *#EasterTree Contest* for a chance to win. New for 2022 was the creation of a teacher portal on the website, to direct educators to a variety of activities and education resources and to also participate in the *Learning Tree* category of the contest for schools and classrooms. Using egg farmer Tonya Haverkamp (Zone 7) as a host, an Instagram live event was held on April 9 and had a reach of 1,102,489 views and 12 shares. Instagram influencers @cucina_kids and @extrasparklesplease joined in the live event to further extend the reach. Mom blogger Julie Findlay (@momintheknow) shared contest details on *CTV Morning Live* (Ottawa) on April 13 along with kid-friendly Easter activities. 128 contest entries were received and judged by egg farmers Colin Vyn (Zone 1), Audrée Arthur (Zone 3) and Mireille Leroux (Zone 10) to select the final winners in each category.

WORLD EGG DAY

World Egg Day (WED) was on October 14 and EFO celebrated in a number of ways. A WED landing page with links to featured farmers, recipes and activities was created along with a separate education landing page that included classroom resources and activities. The education page also included a *Rocks & Rings* prize draw teachers could enter to win.

Social media content, including the creation of a farmer video, was used to encourage Ontario consumers to join egg and pullet farmers in celebrating *World Egg Day*. Reach of the video on Facebook and Instagram combined was 187,457 with 359,770 impressions and a post engagement of 118,634.

Three influencers developed delicious egg creations to celebrate WED and were shared with their followers. @andreabuckettcooks created jammy egg bowls while @tiannastastebuds made a fried egg skillet and @zimmysnook made a fall harvest salad with fresh eggs. Combined reach of their content was 12,266 unique accounts viewing video content with 13,041 video plays.

Tonya Haverkamp (Zone 7) joined the hosts of *Breakfast Television* on October 14 to share fun egg trivia in a game-show style activity. Tonya visited *CTV News at Noon* (Kitchener) later that day to share WED messaging. Professional Home Economist Emily Richards was also featured on *Global News Morning Show* (Kingston) to share WED fun. Rita DeMontis shared EFO's *Mini Squash Pots*, *Runny Yolk Ravioli* and *Pumpkin Pecan Custard* in a feature article in Sun Media publications.

PUBLIC AFFAIRS CONTINUED...

EDUCATION

With school-related COVID-19 restrictions slowly lifting, work towards EFO's education program began. The first step of hiring an Education Programs Coordinator took place in June, and work on the development of targeted education programs for elementary and high school programs began. A full audit of EFO's education literature and resources has taken place and plans for an in-person egg education program and associated website are currently in the development stage.

EFO partnered with AgScape to support a fully accessible, self-paced learning platform for ages 5 to 18 called *Camp AgScape*. This web-based learning platform featured a daily schedule of activities that connected students with agriculture and food related themes, including local food and farm to fork information.

SPONSORSHIPS

Making the connection between athletic activity and eggs as an excellent source of high-quality food fuel has always been an important strategy for EFO. For that reason, EFO continued to support a number of exceptional athletes during 2022 including Valérie Grenier, Alpine Canada Olympic team member; Canadian women's curling champions Team Homan; Lois Betteridge, Canadian national team athlete in canoe and kayak slalom events; and Tyler McGregor, Captain of Canada's para ice hockey team, who brought home silver from the Paralympic games in Beijing.

ROCKS & RINGS

EFO extended our existing partnership with the *Rocks & Rings* program for another four years, leading up to the next Winter Olympics. This extension will mark 10 years of title sponsorship with the program, reaching over 2 million students since it began.

ONTARIO MINOR HOCKEY ASSOCIATION

Our partnership with the Ontario Minor Hockey Association (OMHA) continued in 2022 with the introduction of a new playoff structure. Championship games took place over three weekends (March 25-27, April 1-3 and April 8-10) and were hosted in five locations – Barrie, Kingston, Oakville, Whitby and Windsor - allowing more than 375 teams the opportunity to play in over 850 games. The new playoff format leading up to the championships was designed to extend the length of play for all players while providing hometown support opportunities as teams met to determine who would continue on to the final games. Local farmers were on-hand at tournament locations to present championship medals, the coveted championship red hats and the most valuable player (MVP) prizes to participants.

Right: Local farmers attended OMHA tournaments to present medals, red hats and MVP prizes to participants.



Above: EFO continued its sponsorship with Valérie Grenier.

Below: EFO sponsored Tyler McGregor, captain of Canada's para ice hockey team.





Left: A package that included an omelette breakfast invitation, letter and information was sent to MPPs in September.

ZONE SPONSORSHIP

Each year, EFO provides funds to Zones to support local activities, events and community fundraisers. In 2022, EFO provided \$15,000 to each Zone to support these initiatives that encourage healthy activities and nutrition, such as food bank donations, sports teams and local events.

GOVERNMENT RELATIONS

Several activities took place in the area of government relations during the year to share EFO's voice on a number of key issues related to agriculture. These events also provided the opportunity to show our appreciation to the elected officials for their continued support of fair farm pricing by all political parties.

On March 1, Minister Thompson met with more than 125 leaders of the food and agriculture industry, including EFO Chair Scott Helps and General Manager Ryan Brown, who provided information on the stability of our sector and the importance of innovation and research to our industry.

Leading up to the provincial election in June 2022, EFO shared key messages and a briefing document with all egg and pullet farmers to assist in meeting with local candidates.

A roundtable session with MP Kody Blois, Chair of the *Standing Committee on Agriculture and Agri-Food*, was held on August 18 and EFO Chair Scott Helps attended the event, organized by the Ontario Federation of Agriculture and the Niagara Federation of Agriculture. The discussion focused on the challenges the agriculture industry is facing and allowed for agricultural organizations to share their perspective on government programs and activities. In addition, it provided insight into what issues the Standing Committee could focus on moving forward.

In September an invitation to the November omelette breakfast was sent to all Members of Provincial Parliament (MPPs) along with a letter of congratulations on their election, a copy of EFO's *2021 Annual Report* and our infographics on sustainability, economics and social responsibility.

MEMBER OF PROVINCIAL PARLIAMENT (MPP) OMELETTE BREAKFAST

The 22nd MPP Omelette Breakfast was held November 1, in-person, at Queen's Park in the Legislative Dining Room. Premier Ford and more than 80 MPPs (including approximately 22 Ministers), along with more than 90 legislative staff attended the event, where EFO's Board of Directors prepared fresh, made-to-order omelettes for attendees. The Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs brought greetings and shared her passion for agriculture and belief in the importance of the egg industry to Ontario agriculture.

DIABETES CANADA

For the second year, EFO sponsored three *Flame of Hope* golf tournaments in Flamborough, London and Ottawa. Egg farmer Charlotte Huitema (Zone 4) was on hand in Flamborough to handout microwave egg cookers to registered golfers and microwave egg packages were provided at the London and Ottawa events. In October, a virtual *Lace Up for Diabetes* marathon was held and EFO provided resources for their virtual swag bag.

CANADA SUMMER GAMES

The Canada Summer Games, which featured over 5,000 top Canadian amateur athletes competing in 18 different sports, was held in Niagara August 6 to 21. EFO was the *official breakfast protein for the Niagara 2022 Canada Summer Games* and through this sponsorship provided eggs to athletes and also had event signage on display during the games.

CANADIAN U21 MEN'S & WOMEN'S CURLING CHAMPIONSHIPS

EFO was proud to be a diamond sponsor for the championships, held at the Stratford Rotary Complex on March 25 to April 1. As part of this sponsorship EFO had in-ice logo presence, a full-page ad in the official souvenir program and branding on the website and throughout the event venue. Members of all 36 teams, as well as event volunteers, received microwave egg cookers and Zone 6 supplied eggs to keep athletes and volunteers fueled throughout the tournament.



Above: EFO Chair Scott Helps joins Ontario Premier Doug Ford, The Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs and EFO General Manager Ryan Brown at the MPP Omelette Breakfast, November 1.

PUBLIC AFFAIRS CONTINUED...

NUTRITION STRATEGY

CONSUMER OUTREACH

Nutrition outreach during 2022 was achieved using three Registered Dietitians as EFO's voice on everything related to eggs as a high-quality source of nourishment.

Healthy eating with eggs was off to a great start in January, with Registered Dietitian Michelle Jaelin featured on *Breakfast Television* (Toronto) on January 11. Michelle discussed upcoming food trends and how to incorporate healthy eating into everyday meals. With rising food costs, the segment focused on a back-to-basics approach to meals using affordable, nutritious ingredients, like eggs. To illustrate the versatility of eggs, Michelle made a Mediterranean-inspired quiche. Michelle celebrated *Asian Heritage Month* in May with Okonomiyaki, a savoury Japanese pancake via Instagram and TikTok. On September 5, Michelle got viewers back-to-school ready on *CHCH Morning Live* with ideas to make school lunches more fun using inspiration from around the world. Finally, on November 2, Michelle made an in-person visit to *CHCH Morning Live* to discuss mood-lifting foods to beat the winter blues, which of course included eggs.

On February 8, Andrea D'Ambrosio was a virtual guest on *CHCH Morning Live* (Hamilton) for *Heart Month* where she shared ways to lead a healthy lifestyle while taking care of your heart. The segment had a focus on heart-healthy foods, including eggs. In April, Andrea again visited *CHCH* to connect with viewers on using meal theme ideas to plan and simplify meals. Following the announcement of her pregnancy, Andrea had her final segment of the year on October 26 with *CHCH Morning Live* to share pregnancy superfoods that support nutrition during critical stages of development. Corresponding blog posts and social media content complemented Andrea's television segments throughout the year.

March 28, Registered Dietitian Nicole Osinga was a virtual guest on *Global News Morning* (Kingston) with the theme of nutrition myth busting. During the segment, Nicole demonstrated fast and easy breakfast ideas, including eggs. A *Global News* segment on June 10 featuring Nicole shared healthy recipes to make for dad on Father's Day. Finally, Nicole was also featured during a virtual segment on *Global News Morning* (Kingston) on November 8 to discuss easy snack recipes that are healthy and delicious. During the show, Nicole shared how eggs are the original "protein ball" and that they are an easy and nutritious "prep and go" snack.

To coincide with *Nutrition Month* in March, EFO partnered with Registered Dietitian Rowena Leung to host three virtual cooking classes for low income seniors and their caregivers. In partnership with the Yee Hong Centre for Geriatric Care (Scarborough), classes were held on March 9, 14 and 23 and participants were provided with EFO recipes to prepare



Above: Registered Dietitian Andrea D'Ambrosio during a virtual segment with *CHCH Morning Live*.

and were also given a \$25 grocery gift card to purchase the necessary ingredients. Finally, registered participants were sent a microwave egg cooker and a Chinese version of the microwave cooker recipe brochure.

DIGITAL STRATEGY

INFLUENCERS

Leading up to the holidays in December, EFO utilized key influencers to share egg recipes with Ontario consumers. The theme was "Hosting for the Holidays" and celebrated that family and friends could safely share time together after two years of COVID-19 restrictions. Eight influencers with a variety of backgrounds were selected and included Ontario chefs, family-oriented influencers and even Registered Dietitian Michelle Jaelin. Total campaign reach was 99,551, with 103,896 views and an engagement rate of 5,784.

SOCIAL MEDIA

The social media strategy for 2022 was to share engaging content directed at consumers, that worked to promote eggs in a number of different ways. The first was to utilize the knowledge of egg and pullet farmers to dispel myths about the egg industry. Egg nutrition and recipe content was shared, encouraging consumers to cook with eggs while providing science-based nutrition information from credible sources. We also worked to keep



consumers engaged and active by sharing tips and tricks for making eggs and supported our education program by sharing fun egg videos, crafts and resources. During 2022, our Facebook followers were up 11.7% from the previous year, Twitter followers increased by 3.8% and Instagram followers were up by 10.3%. As a step towards a presence on TikTok, a special ad was created for *World Egg Day* and we also introduced the use of influencer posts on the platform. Pinterest activity in 2022 included Easter and Christmas campaigns. Pinterest content generated 7.5 million impressions and a total audience of 1.35 million.

WEBSITE UPDATES

Considerable work was directed towards Search Engine Optimization (SEO) in 2022, which included a complete audit of current website results. A final report with recommendations was created and work began in the last half of the year to implement changes. Work in this area will continue into the new year.

FOODSERVICE

EGG CHEF

Early in the new year restaurants were finally able to open at 100% capacity, but continued to experience some challenges. EFO's foodservice team resumed visiting operators to provide support during this time and to re-introduce them to the *Egg Chef* portal, which offers free customizable promotional egg materials such as table cards and posters.

Quarterly newsletters were distributed to foodservice operators to share ideas on how to incorporate eggs in their menus and one dedicated to health care foodservice teams launched in April.

Opposite page: Michelle Jaelin features her egg Shakshuka recipe on TikTok.

Below: Some of the delicious recipes created by influencers for EFO's holiday campaign.



The Restaurants Canada show was held May 9 to 11, where EFO introduced our *Egg Masters* promotion to operators. The event marked the first show since 2019 to be in-person and allowed staff to connect directly with foodservice operators.

Our foodservice team encouraged Ontario to celebrate *World Egg Day* by helping restaurant operators #PutAnEggOnIt on their menu items. Fifteen restaurants throughout the GTA and southern Ontario participated in the promotion with free *World Egg Day* posters available from the *Egg Chef* portal.

EGG MASTERS CONTEST

The *Egg Masters* contest launched June 6 and ran until July 3. Twenty-five restaurants across Ontario participated in the contest where consumers visited a participating location, ordered a featured egg-menu item and cast their vote for their favourite item and location. Customers would visit the restaurant's Facebook page to post their votes and win weekly prizes of gift cards and microwave egg cookers. The contest generated 963,611 impressions and 510 entries. Posters, table cards, server buttons and placemats were created to support the promotion.

Tim Horton's *Breakfast Anytime* campaign, featuring the *Egg Quality Assurance* logo, launched beginning of May and pulsed in and about of market until December 2022.

On October 17, EFO sponsored the Chef's Collective's *Chef Battle* in Toronto, a culinary "battle" where three chefs had one hour to create an appetizer and entrée for the judges. EFO's sponsorship of the event supported the appetizer portion of the competition, where chefs had to include eggs in their creation.

Below: Digital ad for the *Egg Masters* promotion in June.



PUBLIC AFFAIRS CONTINUED...

SOCIAL RESPONSIBILITY

STUDENT NUTRITION ONTARIO

Now in the final year of the current partnership of Student Nutrition Ontario (SNO), EFO presented the 2022-2023 installment of \$75,000 on *World Egg Day*. The funds are distributed by SNO to purchase eggs or the equipment needed to serve eggs through these student nutrition programs across the province.

THE GROVE

On January 25, EFO launched a multi-year partnership with the *Grove Youth Wellness Hubs* with a 5-year funding commitment. The partnership includes the naming of Hub kitchen facilities and also will lead to opportunities for farmer-led cooking classes for youth. The Guelph Hub opened on June 21 at the University of Guelph and Zone 7 egg farmer Anneke Donkers-Stickney joined Donna Lange at the grand opening of the facility.



Above: Anneke Donkers-Stickney (Zone 7) visits the opening of the Grove's Hub at the University of Guelph.

Right: A collage of images from EFO's visit to Nepal for the RENEW Project.



Above: Chris Mullet Koop (Zone 4) presents a cheque to Student Nutrition Ontario on World Egg Day.

RIGHTS AND ECONOMIC DEVELOPMENT FOR NEPAL'S EMPOWERED WOMEN (RENEW)

Prior to the onset of the pandemic, EFO's Board partnered with World Accord, an organization that works to support women around the world who face issues such as poverty, gender-based violence and inequality by providing them with opportunities to become self-sustaining. On November 29, an EFO team comprised of Scott and Laurie Graham (Zone 6), Hubert and Cindy Schillings (Zone 8) and Donna Lange (EFO Director of Public Affairs) made the first trip to Nepal. EFO's team will be working with World Accord to determine obstacles to raising chickens as a permanent source of income for women in remote villages of Nepal and provide opportunities for knowledge transfer and extension services.



Officers, Committees and Representatives 2022-2023

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PULLET GROWERS OF CANADA ALTERNATE

Marcel Jr. Laviolette

**EFO's Chair serves as an ex officio Member on all EFO Committees*



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DIRECTOR OF OPERATIONS Ryan Trim

PROJECT MANAGER Pamela Kuipers-Malek

OPERATIONS ADMINISTRATIVE ASSISTANT (CONTRACT) Liberty Mitchell

INSPECTORS Mike Andersen, Terry Gray, Connie Hutchinson,
Guylain Levac, Cassandra O'Donnell

INSPECTOR/INVESTIGATOR Justin Patterson

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SPECIAL PROJECTS CONSULTANT Sean Wennerlind

LEGAL COUNSEL Wilson Spurr LLP, St. Catharines, Ontario



EGG FARMERS OF ONTARIO
FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

EGG FARMERS OF ONTARIO
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FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of: Egg Farmers of Ontario

Opinion

We have audited the accompanying financial statements of Egg Farmers of Ontario, which comprise the statement of financial position as at December 31, 2022 and the statements of changes in net assets, operations and cash flows for the 53 weeks then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Egg Farmers of Ontario as at December 31, 2022 and the results of its operations and its cash flows for the 53 weeks then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario
March 1, 2023

Chartered Professional Accountants
Licensed Public Accountants


EGG FARMERS OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 16,141,395	\$ 26,067,364
Cash in trust - QTS	3,955,826	4,743,303
Short term investments - due in less than 12 months (note 6)	2,426,898	1,281,004
Accounts receivable levies	7,796,719	7,332,415
Accounts receivable from EFC	5,148,940	9,077,939
Per bird levy receivable	1,048,938	1,729,171
Prepaid expenses	363,235	356,153
Eggs for processing receivables	3,250,527	0
Quota receivable (note 20)	5,017,107	4,362,355
Other receivables	<u>2,652,437</u>	<u>1,478,818</u>
	47,802,022	56,428,522
LONG TERM INVESTMENTS - due in more than 12 months (note 6)	4,361,321	5,680,867
CAPITAL ASSETS (note 7)	<u>427,165</u>	<u>434,081</u>
	<u>\$ 52,590,508</u>	<u>\$ 62,543,470</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 7,469,684	\$ 9,421,190
Accounts payable in trust - QTS	3,955,826	4,743,303
Accounts payable to EFC	7,821,884	7,463,047
Farmers' payable EFP	6,978,763	18,262,979
Government remittances payable (HST)	<u>346,157</u>	<u>130,465</u>
	<u>26,572,314</u>	<u>40,020,984</u>
NET ASSETS		
Internally restricted for bacteria control (note 8)	1,750,760	1,798,972
Internally restricted for special projects (note 9)	834,202	834,202
Internally restricted for pullet quota (note 10)	1,625,961	1,545,550
Internally restricted for CETPP (note 11)	3,508,531	4,446,528
Internally restricted for disease initiative (note 16)	703,781	871,647
Internally restricted - other (note 17)	3,380,587	0
Unrestricted net assets (note 20)	<u>14,214,372</u>	<u>13,025,587</u>
	<u>26,018,194</u>	<u>22,522,486</u>
	<u>\$ 52,590,508</u>	<u>\$ 62,543,470</u>

APPROVED ON BEHALF OF THE BOARD:

 Chair

 Vice Chair

EGG FARMERS OF ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

	Internally Restricted for Bacteria Control (note 8)	Internally Restricted for Special Projects (note 9)	Internally Restricted for Pullet Quota (note 10)	Internally Restricted for CETPP (note 11)	Internally Restricted for Disease Initiative (note 16)	Other Internally Restricted (note 17)	Unrestricted	53 weeks 2022 Total	52 weeks 2021 Total
BALANCE , beginning of period (note 20)	\$ 1,798,972	\$ 834,202	\$ 1,545,550	\$ 4,446,528	\$ 871,647	\$ 0	\$13,025,587	\$22,522,486	\$19,725,368
(Deficiency) excess of revenue over expenditures	(48,212)	0	80,411	(937,997)	(167,866)	0	4,569,372	3,495,708	2,797,118
Transfers (note 17)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,380,587</u>	<u>(3,380,587)</u>	<u>0</u>	<u>0</u>
BALANCE , end of period (note 20)	<u>\$ 1,750,760</u>	<u>\$ 834,202</u>	<u>\$ 1,625,961</u>	<u>\$ 3,508,531</u>	<u>\$ 703,781</u>	<u>\$ 3,380,587</u>	<u>\$14,214,372</u>	<u>\$26,018,194</u>	<u>\$22,522,486</u>

See notes to the financial statements

EGG FARMERS OF ONTARIO
STATEMENT OF OPERATIONS
FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

	Budgeted 53 Weeks 2022 (note 5)	Actual 53 Weeks 2022	Actual 52 Weeks 2021
REVENUE			
Sales	\$ 129,859,525	\$ 132,664,927	\$ 121,012,411
Less			
National IP fees (note 12)	110,748,747	115,290,276	101,739,793
EFC administration levies (note 12)	9,500,908	9,465,566	9,352,335
Enriched housing incentive	130,000	0	0
EFO early adopters housing incentive	0	175,409	388,845
Per bird levy income	<u>(1,000,000)</u>	<u>(314,961)</u>	<u>(1,220,392)</u>
Levies and licence fees retained	10,479,870	8,048,637	10,751,830
Investment and other income	170,000	763,617	146,242
EFC - Natural overrun fee refund	0	3,380,587	0
Layer leasing revenue	9,750,000	10,185,179	9,077,821
EFP program (schedule I)	50,000	(305,620)	328,944
Special EFP & STMRQ program (note 18)	<u>0</u>	<u>(202,157)</u>	<u>0</u>
	<u>20,449,870</u>	<u>21,870,243</u>	<u>20,304,837</u>
EXPENDITURES			
IP program (schedule II)	4,958,733	4,507,943	4,090,870
Public affairs	3,933,500	3,424,197	2,867,800
Consumer choice campaign	300,000	218,493	166,916
Administrative expenses (schedule III)	8,147,733	7,081,309	6,178,446
Research, grants, scholarships and memberships (note 15)	891,353	205,330	364,013
McGill Hypereye Project (note 21)	307,500	996,068	763,137
Table eggs program (note 19)	<u>1,134,752</u>	<u>867,531</u>	<u>2,251,617</u>
	<u>19,673,571</u>	<u>17,300,871</u>	<u>16,682,799</u>
TOTAL OPERATING EXCESS OF REVENUE OVER EXPENDITURES for the fiscal period	\$ <u>776,299</u>	<u>4,569,372</u>	<u>3,622,038</u>
NET REVENUE (EXPENDITURES) OF INTERNALLY RESTRICTED ASSETS			
Bacteria control (note 8)		(48,212)	(264,823)
Special projects (note 9)		0	(1,029,344)
Pullet quota (note 10)		80,411	156,932
CETPP (note 11)		(937,997)	523,696
Disease initiative (note 16)		<u>(167,866)</u>	<u>(211,381)</u>
		<u>(1,073,664)</u>	<u>(824,920)</u>
EXCESS OF REVENUE OVER EXPENDITURES for the fiscal period		\$ <u>3,495,708</u>	\$ <u>2,797,118</u>

EGG FARMERS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

	53 Weeks 2022	52 Weeks 2021
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 3,495,708	\$ 2,797,118
Add: Items not involving cash		
Amortization of capital assets	64,456	71,346
(Gain) loss on disposal of capital assets	<u>0</u>	<u>(10,389)</u>
	<u>3,560,164</u>	<u>2,858,075</u>
Net change in non-cash operational balances		
Accounts receivable levies	(464,304)	(722,622)
Accounts receivable from EFC	3,928,999	(3,264,042)
Per bird levy receivable	680,233	(402,355)
Accounts receivable MGA	0	1,171,092
Prepaid expenses	(7,082)	21,969
Industrial product receivables	(3,250,527)	1,292,326
Quota receivable	(654,752)	(2,136,588)
Other receivables	(1,173,619)	(746,728)
Government remittances payable (HST)	215,692	508,072
Accounts payable and accrued liabilities	(1,951,506)	2,788,577
Accounts payable to EFC	358,837	(2,435,783)
Farmers' payable EFP	<u>(11,284,216)</u>	<u>13,357,770</u>
	<u>(13,602,245)</u>	<u>9,431,688</u>
	<u>(10,042,081)</u>	<u>12,289,763</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Investments	173,652	(18,733)
Purchase of capital assets	(57,540)	(174,196)
Proceeds of disposal on capital assets	<u>0</u>	<u>12,389</u>
	<u>116,112</u>	<u>(180,540)</u>
CHANGE IN CASH	(9,925,969)	12,109,223
CASH, beginning of fiscal period	<u>26,067,364</u>	<u>13,958,141</u>
CASH, end of fiscal period	<u>\$ 16,141,395</u>	<u>\$ 26,067,364</u>

EGG FARMERS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

1. ACTIVITIES OF EGG FARMERS OF ONTARIO

Egg Farmers of Ontario (EFO) is engaged in the control and regulation of the production of eggs and pullets in Ontario, the collection of levies and licence fees, the promotion of eggs and the purchase and sale of industrial product.

2. LEGISLATION RELEVANT TO OPERATIONS

Egg Farmers of Ontario receives its authority from the Farm Products Marketing Act (Ontario) and The Commodity Boards and Marketing Agencies Act, 1978 (Ontario). Egg Farmers of Ontario is a not for profit organization and is exempt from tax under Section 149(1)(e) of the Income Tax Act.

Egg Farmers of Ontario acts as an agent for the Egg Farmers of Canada (EFC) in collecting EFC's administrative levies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) CAPITAL ASSETS

Expenditures made for the purchase of capital assets are capitalized. Amortization is recorded at rates estimated to charge the original cost to operations over the estimated useful lives of the assets as follows:

Office equipment	- 20% declining balance basis
Building	- straight-line over 40 periods
Automobiles and promotional trailer	- 30% declining balance basis
Computer equipment	- straight-line over 4 periods

Amortization is taken at 100% of the above rates in the period of addition.

(b) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Significant areas requiring the use of management estimates and assumptions relate to accounts receivables, accounts payable and accrued liabilities, and useful life of capital assets. Actual results could differ from those estimates.

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Transaction costs

The organization recognizes its transaction costs in net surplus in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(e) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ontario levies for egg quota

Egg Farmers of Ontario is empowered under the enabling legislation to collect levies and licence fees on all eggs marketed in Ontario. Levy revenue is based on dozens of eggs marketed, and is recognized when eggs are shipped from the farmer. The levy is collected based on marketing and reconciled annually against quota issuance and any underpayment is collected from the farmer.

With respect to grading stations and farmers over a prescribed flock size, Egg Farmers of Ontario operates a system of requiring regular reports of marketing affected by these registered parties and monitors the validity of these reports by reference to known flock sizes and estimated rates of lay. Egg Farmers of Ontario includes in income levies and licence fees on marketing reported by registered grading stations and farmers.

With respect to smaller farmers, some of which are not covered by the system described above, it is considered by Egg Farmers of Ontario that their marketing are not significant and that the amount of additional levies and licence fees, which might be collectible, would not be sufficient to justify the cost of instituting the additional controls required to identify and monitor the marketing by unregistered farmers. Egg Farmers of Ontario has alternative methods in place to help monitor these smaller farmers.

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) REVENUE RECOGNITION (continued)

Layer leasing revenue

Layer leasing revenue is generated through the leasing of quota to farmers that have capacity. Farmers apply to lease the quota from Egg Farmers of Ontario. Once the farmers' requests are approved, Egg Farmers of Ontario has earned the revenue. Layer leasing revenue is recorded when collection is reasonably assured and the amount of revenue to be recognized is determinable.

Other revenue

All other revenue, including market growth allowance fees, EFP sales to breakers, IP revenue, CETPP revenue, pullet quota sales, per bird levy income, STMRQ revenue, EFC - natural overrun fee refund, table eggs, investment, and other income, is recognized when earned and collection is reasonably assured.

(f) IN TRUST ACCOUNTS

The organization is required to maintain separate trust accounts for any cash, receivable and payable in respect of monies collected on behalf of the quota transfer system. Thus, \$3,955,826 (2021 - \$4,743,303) is restricted from current use other than for the payment of trust liabilities.

4. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2022 compared to the previous period.

5. BUDGETED FIGURES

The budgeted figures are presented for comparison purposes as prepared and approved by the Board of Directors on December 7, 2021, reclassified to conform to the current financial statement presentation. They have not been audited or reviewed by the auditor.

6. INVESTMENTS

Egg Farmers of Ontario has invested surplus cash in bonds, Guaranteed Investment Certificates (GICs) and fixed income Exchange-Traded Funds maturing at various dates from 2023 - 2033, administered by RBC Dominion Securities and BMO Nesbitt Burns. Bond and GIC interest rates vary from 0.75% to 3.45%.

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2022	Net 2021
Land	\$ 162,000	\$ 0	\$ 162,000	\$ 162,000
Office equipment	1,288,403	1,266,940	21,463	26,827
Building	779,492	611,642	167,850	187,337
Automobiles	3,372	3,372	0	0
Promotional trailer	42,755	42,594	161	230
Computer equipment	<u>770,079</u>	<u>694,388</u>	<u>75,691</u>	<u>57,687</u>
	<u>\$ 3,046,101</u>	<u>\$ 2,618,936</u>	<u>\$ 427,165</u>	<u>\$ 434,081</u>

8. INTERNALLY RESTRICTED FOR BACTERIA CONTROL

The bacteria control account are utilized for payments for claims from Salmonella-infected flocks that include the cost of vaccines and compensation for birds that are destroyed. The current period's interest earned/(paid) totalled (\$48,212) (2021 - \$1,389). Expenses paid from the bacteria control account during 2022 totalled \$0 (2021 - \$266,212) for a net decrease of \$48,212 (2021 - \$264,823).

9. INTERNALLY RESTRICTED FOR SPECIAL PROJECTS

The special projects account is for the funding of egg research and other special projects. During the period, expenses of \$0 (2021 - \$1,029,344) were paid out of the special projects account for a net decrease of \$0 (2021 - \$1,029,344).

10. INTERNALLY RESTRICTED FOR PULLET QUOTA

The pullet quota is an account which represents transfers of pullet quota to farmers that have made a request for an increase in quota or over quota assessments. During the period, (\$41,730) of interest has been earned/(paid) (2021 - \$982) and has been allocated to the pullet quota account. Revenues paid into the pullet quota account during 2022 were \$471,822 (2021 - \$440,378) and expenses paid from the pullet quota account during 2022 were \$349,681 (2021 - \$284,428) for a net increase of \$80,411 (2021 - \$156,932).

11. INTERNALLY RESTRICTED FOR CONVENTIONAL TO ENRICHED TRANSITION IN PRODUCER PRICE

The Conventional to Enriched Transition in Producer Price (CETPP) account was established in 2019 as a means of transitioning the market price from conventional to enriched. Expenses paid from the CETPP account during 2022 were \$5,444,028 (2021 - \$4,904,530), and revenues paid to the CETPP account during 2022 were \$4,506,031 (2021 - \$5,428,226) for a net decrease of \$937,997 (2021 - \$523,696).

EGG FARMERS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

12. ALLOCATION OF LEVIES AND LICENCE FEES

Egg Farmers of Ontario is responsible for the collection of levies and licence fees from farmers on eggs marketed in Ontario. The levies and licence fees paid by the farmers were allocated as follows:

	<u>Cents per dozen</u>	
	<u>December 31, 2022</u>	<u>December 25, 2021</u>
National IP fee	40.50	38.50
EFC administrative levy	3.45	3.45
Ontario administrative and research levy	2.60	2.60
Ontario reserve	(4.00)	(2.00)
Provincial IP levy	<u>2.90</u>	<u>2.90</u>
Total farmer portion	45.45	45.45
Grading station portion (voluntary)	<u>0.02</u>	<u>0.02</u>
Total levy collected	<u>45.47</u>	<u>45.47</u>

The levy is 1 cent less for Northern Ontario farmers (Zone 9N).

13. CONTINGENCIES

At the date of issuance of the financial statements, there are two lawsuits outstanding against Egg Farmers of Ontario. One lawsuit is for an indeterminate amount, the other has exposure of up to \$8 million. Neither the amounts nor the outcome of these actions are determinable. Therefore, the financial statements have not accrued an amount for possible losses resulting from these actions.

14. COMMITMENTS

Egg Farmers of Ontario has made various commitments for the next five periods:

2023	\$ 1,255,309
2024	920,309
2025	850,309
2026	643,000
2027	<u>658,500</u>
	<u>\$ 4,327,427</u>

EGG FARMERS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

15. RESEARCH, GRANTS, SCHOLARSHIPS AND MEMBERSHIPS

DESCRIPTION	RECIPIENT	2022	2021
Pullet Growers of Canada Membership		\$ 74,828	\$ 73,597
Administration	Poultry Industry Council	46,688	46,337
Farm Food Care Ontario		39,930	38,850
Other Sponsorships/Memberships		27,710	9,064
Canadian Centre for Food Integrity		10,000	0
Ontario Federation of Agriculture		3,000	2,500
Canadian Poultry & Egg Processors		1,424	1,390
Junior Farmers Association			
Sponsorship		1,000	1,000
Ontario Agricultural Hall of Fame		750	1,500
LRIC and Research		0	172,275
Advanced Agricultural Leadership			
Program		0	10,000
Scholarship for Graduate Student	University of Guelph	0	5,000
Christian Farmers Partnership Sponsor		0	2,500
IEC Membership		<u>0</u>	<u>0</u>
		<u>\$ 205,330</u>	<u>\$ 364,013</u>

16. INTERNALLY RESTRICTED FOR DISEASE INITIATIVE

This account represents funds received from EFC to cover S.e. related matters. A total of \$146,728 was paid during 2022 (2021 - \$212,071) for expenses related to the disease initiative. During the period, (\$21,138) (2021 - \$690) of interest has been earned/(paid), for a net decrease of \$167,866 (2021 - \$211,381).

17. OTHER INTERNALLY RESTRICTED

This account represents funds received from EFC, representing EFO's portion of the Natural Overrun Fee Fund refund in 2022. The purpose of this restricted account has not yet been established by the Board of Directors at December 31, 2022. During the year, the full refund of \$3,380,587 was transferred from the unrestricted account, as motioned by the board on December 7, 2022.

18. SPECIAL EFP & STMRQ PROGRAM

	53 Weeks 2022	52 Weeks 2021
Special EFP & STMRQ revenue	\$ 1,518,928	\$ 0
Special EFP & STMRQ expenses	<u>1,721,085</u>	<u>0</u>
Special EFP & STMRQ program loss	<u>\$ (202,157)</u>	<u>0</u>

19. TABLE EGGS PROGRAM

	53 Weeks 2022	52 Weeks 2021
Table eggs revenue	\$ 20,663,010	\$ 19,175,263
Table eggs purchases	<u>21,530,541</u>	<u>21,426,880</u>
Table egg program loss	<u>\$ (867,531)</u>	<u>(2,251,617)</u>

EGG FARMERS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

20. FRAUDULENT DISBURSEMENT

In October of 2022, the organization was involved in an incident where a fraudulent party impersonated a vendor and the result was a fraudulent transaction of \$179,433. Once this situation was identified, the Board of Directors was notified. An investigation was initiated with a third party and recommendations for improvement have been identified.

21. MCGILL RESEARCH PROJECT - HYPEREYE

Effective January 1, 2022, EFO and EFC entered into a cost sharing agreement for the costs associated with the McGill Research Project (Hypereye), whereby EFC will reimburse EFO for 50% of the costs incurred in the period.

	53 Weeks 2022	52 Weeks 2021
Total expenses	\$ 1,992,136	\$ 763,137
EFC contribution	<u>(996,068)</u>	<u>0</u>
EFO portion of expenses	<u>\$ 996,068</u>	<u>\$ 763,137</u>

22. CORRESPONDING FIGURES

Certain prior fiscal period figures presented for corresponding purposes have been reclassified to conform to the current fiscal period's presentation.

EGG FARMERS OF ONTARIO**EGGS FOR PROCESSING PROGRAM****Schedule I****FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022**

<u>Fiscal period ended December 31, 2022</u>		
	53 Weeks 2022	52 Weeks 2021
Revenues		
Farmer EFP revenue - levies	\$ 49,687,444	\$ 40,470,496
EFP farmer refund	<u>(32,736,466)</u>	<u>(25,106,036)</u>
	16,950,978	15,364,460
EFP sales to breakers	<u>21,811,141</u>	<u>2,701,993</u>
	<u>38,762,119</u>	<u>18,066,453</u>
Costs		
Egg purchases	37,121,618	14,527,552
EFP administration costs	54,168	52,654
EFP storage costs	237,671	249,346
Transportation	540,344	187,254
Packaging	159,687	73,981
Grading handling allowance	930,024	483,160
National early fowl removal program	0	393,744
Provincial early fowl removal program	24,227	1,248,550
Early egg removal program	<u>0</u>	<u>521,268</u>
	<u>39,067,739</u>	<u>17,737,509</u>
EFP program revenue (expense)	\$ <u>(305,620)</u>	\$ <u>328,944</u>

**EGG FARMERS OF ONTARIO
INDUSTRIAL PRODUCT PROGRAM**

Schedule II

FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

<u>Fiscal period ended December 31, 2022</u>			
	Budgeted 53 Weeks (note 5)	53 Weeks 2022	52 Weeks 2021
Revenues			
IP revenue	\$ <u>135,873,450</u>	\$ <u>135,136,289</u>	\$ <u>136,396,071</u>
Costs			
Egg purchases	134,391,848	134,183,043	134,635,121
Packaging	643,950	593,055	661,574
Labelling and other costs	4,000	4,241	28,816
Grading handling allowance	5,473,575	4,638,438	5,058,040
Field supplies and S.e. testing	268,810	225,455	103,390
Medium Storage Costs	<u>50,000</u>	<u>0</u>	<u>0</u>
	<u>140,832,183</u>	<u>139,644,232</u>	<u>140,486,941</u>
IP program loss	\$ <u>(4,958,733)</u>	\$ <u>(4,507,943)</u>	\$ <u>(4,090,870)</u>

EGG FARMERS OF ONTARIO
ADMINISTRATIVE EXPENSES
Schedule III
FOR THE 53 WEEK PERIOD ENDED DECEMBER 31, 2022

	Budgeted 53 Weeks 2022 (note 5)	Actual 53 Weeks 2022	Actual 52 Weeks 2021
ADMINISTRATIVE EXPENSES			
Salaries support	\$ 2,982,823	\$ 2,464,400	\$ 3,063,104
Employee benefits	587,683	677,012	539,630
Staff professional development and travel	145,500	91,180	142,401
Travel - fieldstaff	316,977	188,161	158,432
Annual and farmer meetings	485,000	561,160	71,631
Fraudulent disbursement (note 20)	0	179,433	0
Directors			
Per diem	516,500	420,750	449,536
Expenses	112,000	225,865	43,181
Trade	20,580	0	0
FarmGate5	4,250	0	0
HACCP/ACP Third Party Audit	0	6,042	186,884
Amortization	498,314	64,456	71,346
Office supplies and printing	96,571	42,691	55,975
Building expenses	172,571	181,779	143,832
Computer maintenance	219,990	433,843	355,305
EFO Online	1,115,000	549,080	0
Professional fees	469,774	649,152	591,945
Councilors' grants	30,000	44,700	29,000
Telephone and fax	6,000	24,893	38,547
Postage	22,000	17,877	20,415
Insurance	48,000	26,316	28,896
Bank charges	17,200	6,127	11,275
(Gain) loss on disposal of assets	0	0	(10,389)
Bad debts	1,000	0	0
Foodbank donations	<u>250,000</u>	<u>226,392</u>	<u>187,500</u>
	\$ <u>8,117,733</u>	\$ <u>7,081,309</u>	\$ <u>6,178,446</u>



A photograph of several eggs. One white egg is in the foreground on a white tablecloth with a blue line-art pattern of farm items. A light blue bowl in the upper right contains two brown eggs and one white egg. Another brown egg sits on a white napkin in the background. The background is a warm-toned wooden surface.

egg farmers of ontario

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