

ANNUAL REPORT 2023



get cracking
Egg Farmers of Ontario





CONTENTS

- 2 Message from the Chair
- 3 Message from the Chief Executive Officer
- 4 Board of Directors and Zone Map
- 6 Egg Farmers of Canada Director's Report
- 8 Pullet Director's Report
- 9 2023 Ontario Eggs By The Numbers
- 10 Corporate Affairs Report
- 11 Operations Report
- 12 Policy and Strategic Initiatives Report
- 14 Research Report
- 16 Public Affairs Report
- 27 Officers, Committees and Representatives 2023-24
- 28 Staff and Partners

The mission of Egg Farmers of Ontario is to lead a progressive and thriving egg sector committed to high-quality eggs, consumer choice and sustainable practices.

MESSAGE FROM THE CHAIR



AS WE CLOSE THE BOOK ON 2023, IT PROVIDES A TIME TO REFLECT ON THE CHALLENGES AND OPPORTUNITIES WE FACED DURING THE YEAR AS I WORKED ALONGSIDE MY COLLEAGUES AROUND THE EGG FARMERS OF ONTARIO (EFO) BOARD TABLE.

Got Cracking Helps

From a capacity-building standpoint, our Board continued with our multi-year governance training program and this year focused on financial governance and change management at the Board level. This concluded with a final training opportunity being made available for Councillors and Delegates in a day-long session focused on *Communications and Interpersonal Skills*, with case study group work activities and round-table discussions.

Ensuring the voice of egg and pullet farmers is heard at the provincial and federal government level is critical in defending our Canadian system of supply management. As Chair, I provided input and attended meetings with elected officials and was involved in the legislative consultation processes on a number of significant Bills put forth, both provincially and federally. These included *Bill 97 - Helping Homebuyers*, *Protecting Tenants Act, 2023*; *Bill 156 - Security from Trespass and Protecting Food Safety Act, 2020*; and *Bill C-282, An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*.

A significant achievement was marked during the annual *MPP Omelette Breakfast* on November 1, 2023 at Queen's Park, with the signing of the *Federal-Provincial-Territorial Agreement (FPTA)*. The Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs and Amy Cronin, Chair of the Ontario Farm Products Marketing Commission, joined me in the signing of the FPTA. The document signing was a historic milestone that provides an updated framework for the future of our industry.

Within the existing environment of many Ontario families facing increased financial demands, EFO's Board was tasked with difficult

decisions with respect to pricing and levy. With a national levy increase announced November 5, EFO's Board decided to alleviate the negative impact by cost-sharing the increase, with EFO covering 8 cents and farmers covering 4 cents of the increase on an interim basis. On the pricing side, the Board made the difficult decision to delay any price increases, in an effort to stabilize the supply chain. Both of these items will continue to be reviewed as we move into 2024, based on current market conditions and cost of production data.

On the production side, the Board took a strategic approach to reviewing our policies to ensure they are relevant and outcome-based. This remains a high priority for the Board, as these policies are what defines our production practices and allows operational efficiencies across all aspects of our business.

As I look towards the future, our new Strategic Plan will provide the framework for the Board to move forward on significant issues we as an industry face. This includes housing transition, extended lay and pullets - all key components of our sector.

It can't be denied that 2023 was a difficult year for many people across our province, country and even globally. However, I feel very strongly that as a Board we worked to reach decisions that were fair to both consumers and Ontario egg and pullet farmers. I look forward to working together with my fellow Board members to ensure our sector remains strong and vibrant in the coming year.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



MOST PEOPLE UNDERSTAND THE IMPORTANCE OF HARD WORK TO REACH THEIR GOALS, BUT OFTEN OVERLOOK THE OBSTACLES THAT HAVE BEEN OVERCOME TO REACH THOSE OBJECTIVES. I BELIEVE THE MEASURE OF SUCCESS, ESPECIALLY WITHIN AN ORGANIZATION, CAN ALSO BE DETERMINED BY LOOKING AT HOW IT RESPONDS TO UNEXPECTED CHALLENGES.

Ryan Brown

Collaboration with industry partners certainly strengthens our ability to prepare and overcome the impediments to success; and EFO has worked hard to face the challenges of 2023 head-on, while building and strengthening these relationships.

Highly Pathogenic Avian Influenza (HPAI) persisted throughout Canada and the United States in 2023. In previous years, stringent biosecurity practices and monitoring would only be typical during migration times, but it has become apparent that an outbreak of the disease is a threat at any time of year. Trained EFO staff continued to work with the Feather Board Command Centre (FBCC) to take a proactive approach, even when Ontario has been outbreak-free. Through learnings from recent and prolonged outbreaks, EFO's team has been working to help FBCC evolve and be strategically positioned to respond to any future incidents.

Disease management outside of avian influenza was challenging, with increased cases of Salmonella Enteritidis (Se) occurring throughout the year. EFO responded not only with support to impacted farmers, but also by looking at ways that our practices and policies could help reduce the risk. By taking a look at things such as management of equipment, feed and water, combined with good farm practices such as cleaning and disinfection and rodent control, EFO has been looking at ways to identify and close any gaps that could lead to future occurrences of Se.

We have also made progress on two ongoing, significant projects. The first is related to vaccine egg production, with Valo Biomedica working with Sanofi Pasteur to coordinate egg embryo production. EFO has continued working with all involved stakeholders to

support the project, while maintaining the fundamentals of our supply-managed system. The second is related to the Canadian Egg Technologies project, a non-invasive method to determine the gender of embryos pre-incubation to determine egg usage from the first day. Through our partnership with Egg Farmers of Canada (EFC) on this project, the technology made significant progress during 2023 towards commercial viability.

Strengthening relationships with stakeholders, including our national counterparts at EFC, remained a focus during the year. With Drew Black coming on as Chief Executive Officer of EFC in November, work to align communications between the two organizations has strengthened as we collaborate on national issues and programs.

Finally, several items moved forward at the staff level during 2023. Implementation of a performance-based merit system was rolled out and EFO staff participated in goal setting for the year. As EFO continues to evolve as an organization and grow under the leadership of our Board, we have worked diligently to ensure the alignment of our senior leadership team, including the hiring of Michael Barun as Director of Finance. This strong team of exceptional staff worked alongside EFO's Board to develop the 2024-2026 *Strategic Plan* from which the work plan and priorities for the coming year have been determined.

I can say with confidence that thanks to an accomplished team, we have made very measurable progress on key priorities throughout the year. I am thankful for the cooperation and collaboration of our Board and staff and look forward to what 2024 will bring.

BOARD OF DIRECTORS AND ZONE MAP



ZONE 1

DIRECTOR: SCOTT HELPS (Chair)
Counties of Essex, Kent and Lambton
 Number of Egg Quota Holders: 53
 Number of Layers: 1,127,613
 Number of Pullet Quota Holders: 15
 Number of Pullets: 887,519



ZONE 2

DIRECTOR: LORNE BENEDICT
County of Middlesex
 Number of Egg Quota Holders: 51
 Number of Layers: 609,155
 Number of Pullet Quota Holders: 21
 Number of Pullets: 1,554,376



ZONE 3

DIRECTOR: DAN VELDMAN (Vice Chair)
Counties of Elgin, Oxford and that part of the Regional Municipality of Haldimand-Norfolk that, on March 31, 1974, was the County of Norfolk
 Number of Egg Quota Holders: 42
 Number of Layers: 779,133
 Number of Pullet Quota Holders: 7
 Number of Pullets: 642,345

lake huron



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 March 31, 1974, was the County of Haldimand
 Number of Egg Quota Holders: 31
 Number of Layers: 678,556
 Number of Pullet Quota Holders: 12
 Number of Pullets: 669,829



ZONE 5

DIRECTOR: BRIAN MILLER
County of Huron
 Number of Egg Quota Holders: 52
 Number of Layers: 918,934
 Number of Pullet Quota Holders: 13
 Number of Pullets: 885,434



ZONE 6

DIRECTOR: SALLY VAN STRAATEN
County of Perth, the Regional Municipality of Waterloo and the City of Waterloo
 Number of Egg Quota Holders: 66
 Number of Layers: 1,003,918
 Number of Pullet Quota Holders: 27
 Number of Pullets: 1,736,378



ZONE 7

DIRECTOR: SCOTT BROOKSHAW (EFC Representative)
Counties of Bruce, Dufferin, Grey and Wellington
 Number of Egg Quota Holders: 73
 Number of Layers: 1,875,771
 Number of Pullet Quota Holders: 23
 Number of Pullets: 2,026,574



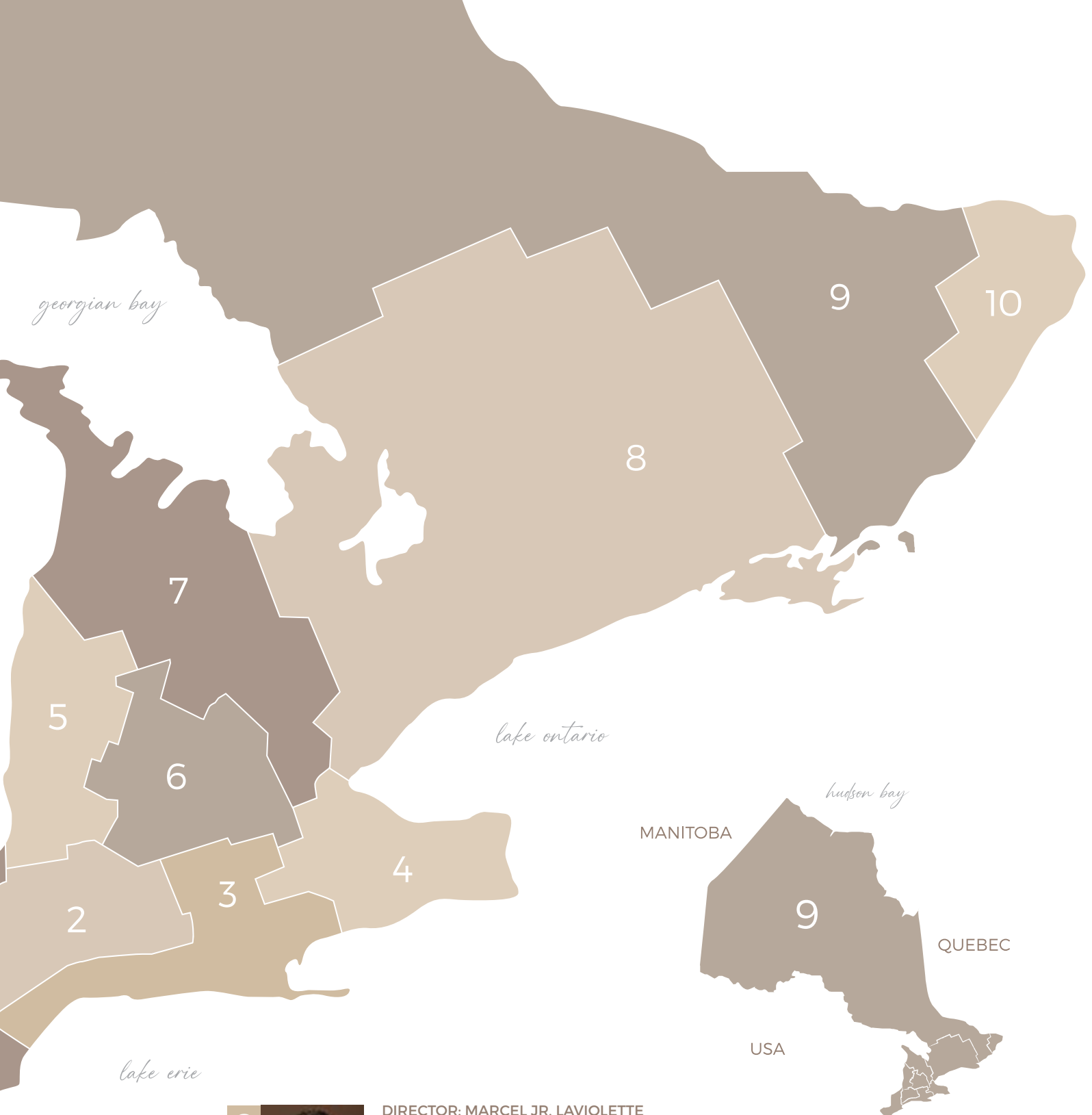
ZONE 8

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: 21
 Number of Layers: 533,232
 Number of Pullet Quota Holders: 5
 Number of Pullets: 351,205



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: 17
 Number of Layers: 1,207,768
 Number of Pullet Quota Holders: 6
 Number of Pullets: 2,347,641



ZONE 10

DIRECTOR: MARCEL JR. LAVIOLETTE
Counties of Glengarry, Prescott, Russell and Stormont

Number of Egg Quota Holders: 50
 Number of Layers: 1,411,524
 Number of Pullet Quota Holders: 17
 Number of Pullets: 943,019



PULLET

PULLET DIRECTOR: ALVIN BRUNSVELD
 Total Number of Pullet Quota Holders: 146
 Total Number of Pullets: 12,044,320

EGG FARMERS OF CANADA DIRECTOR'S REPORT



EGG FARMERS CAN BE PROUD OF THE PROGRESS MADE IN 2023. BY BUILDING ON THE ACCOMPLISHMENTS OF THE PAST AND THE STABLE FOUNDATION SUPPLY MANAGEMENT PROVIDES, WE ADVANCED ON MANY FRONTS THROUGHOUT THE YEAR.

Strengthened by the processes and structures that keep our approach steady, even as people change and issues evolve, collaboration allowed us to draw on each other's strengths and push forward for the benefit of all.

Our major accomplishments of 2023 would not have happened without everyone pulling together towards a common goal. As your EFC Director, I am pleased to provide an overview of some of the events and outcomes that shaped the past year.

Modernizing our approach to collaboration: Our ongoing work to update how we work together and across jurisdictions through the *Federal-Provincial-Territorial Agreement (FPTA)* made great strides in 2023. The committee overseeing the process and Egg Farmers of Canada (EFC) Board of Directors unanimously approved the wording of the FPTA, clearing the path to get every province and territory signed on—something we expect to be completed in early 2024. The FPTA is the blueprint for the egg industry in Canada and lays out how stakeholders work together. A renewed FPTA is essential for securing the future of the egg industry.

Stronger protection for supply management: Advocating for egg farmers and our industry is an important part of what EFC does. This year, we made the most of a historic opportunity to protect supply management through new legislation. Bill C-282,

which cleared the House of Commons with support from a large majority of Members of Parliament (MPs) across all parties, would prohibit future trade agreements from making any new market access concessions in supply-managed sectors. We have worked with colleagues from the dairy and poultry sectors to make sure Parliamentarians have a complete understanding of why this Bill is good for farmers, Canadians and the country as a whole.

Preserving the trust of Canadians: EFC research, along with work done by the Canadian Centre for Food Integrity, confirmed that Canadians trust farmers and the systems in place to deliver safe, nutritious food produced to the highest standards. Our work this year allowed us to uphold the world-class standards in food safety and animal welfare that Canadian egg farmers are known for. 2023 saw the redeveloped *Animal Care Program* take effect, with the adoption of leading-edge standards of care for laying hens in all housing systems in Canada. We made the program requirements accessible to Canadians by making the program's manuals publicly available through our eggfarmers.ca website. This builds transparency in our processes—something that is critical to maintaining trust levels and our social license.

Progress on environmental issues: Sustainability is an important goal for our industry and we made noteworthy progress on environmental matters in 2023. EFC announced its commitment

to achieve net-zero greenhouse gas emissions by 2050. This goal builds on past efforts and demonstrates our commitment to the environment in our farming operations. The *National Environmental Sustainability and Technology Tool* (NESTT) was improved thanks to farmer feedback. Its capabilities have been expanded and new features added, enhancing the ability of Canadian egg farmers to set sustainability goals, create action plans, track progress and work towards making their farms even more sustainable.

Marketing eggs to Canadians: In 2023, EFC unveiled its latest marketing campaign, centered on the concept of enjoying eggs for dinner. The humorous, quirky ads featured relatable situations and asked, 'What's stopping you?' from serving eggs for dinner. With more consumers preparing meals at home, Canadians are exploring new ways of enjoying eggs. This insight gave us a strong launching point to demonstrate how eggs can be used at dinnertime and we are seeing traction, with egg sales and consumption growing.



Driving innovation through research: Our research program continued to thrive, generating insights that allowed us to address gaps in our industry and prepare for the future in innovative ways—from providing pathways to become more sustainable, to offering new insights to care for our hens. Throughout the year, we shared valuable research outcomes and findings with farmers and stakeholders who can put them into practice, helping to advance areas of importance and enhance efficiencies in our farming practices.

TO MOVE FORWARD IN 2024, WE MUST MAINTAIN A HIGH DEGREE OF COORDINATION AND COMMUNICATION.

While we are ending the year in a strong place, we must keep working on all fronts, from advocacy to sustainability. We must continue to work collaboratively as a sector on important issues such as hen housing transition. Our supply chain has applauded our efforts to transition to new methods of production, but there is still work to be done and we cannot afford to lose our momentum. To move forward in 2024, we must maintain a high degree of coordination and communication, especially as it relates to farmers making investments in new housing systems. Only through ongoing dialogue that keeps everyone informed of transition plans can we ensure a coordinated approach. By working together, we will continue to make progress on critical files.

I could not be more enthusiastic about embracing what lies ahead for my fellow egg farmers in the province of Ontario and our colleagues across Canada. I want to thank the staff and the farm families whose hard work and commitment make our industry strong and support the millions of Canadians who rely on our products.

Respectfully submitted,

SCOTT BROOKSHAW EFC DIRECTOR, ONTARIO

PULLET DIRECTOR'S REPORT



DURING 2023, EGG FARMERS OF ONTARIO (EFO) MADE IT A PRIORITY TO ENSURE THE VOICES OF PULLET GROWERS WERE HEARD.

EFO's Board and senior staff worked together to make that a key focus, resulting in the identification of pullets as a strategic priority in the *2024-2026 Strategic Plan*. The overall goal of this addition to EFO's strategic direction is to develop a comprehensive plan to support the pullet sector. This will ensure a proactive approach to issues related to pullets moving forward.

Egg Farmers of Canada (EFC) continued to conduct pullet audits and EFO staff followed up on active *Corrective Action Requests* (CARs). In May, updates were made to the pullet version of the *Start Clean-Stay Clean™ Program*. These updates included revised records for feed and water consumption and changes to the Pullet Flock History certificate. Pullet manuals were updated and sent out to farmers on request.

On the production side, EFO's Board approved a pullet allocation increase allocation, using the methodology of 70 per cent pro-rata and 30 per cent per quota holder, effective August 28, 2023.

Through an extensive collaboration involving EFO, feed mills, hatcheries, contractors and other industry stakeholders, an agreement was reached on the pullet growing fee. During the September meeting of the Ontario Farm Products Marketing Commission, the *2024 Pullet Growing Fee Agreement* for conventional housing for pullets was approved. This agreement set the pullet growing fee at \$3.09 per bird, effective January 1, 2024 and includes the cost associated with

catching for conventional housing. An additional 2 cents per bird, per day was added for the period from 19 weeks until placement.

On the national side, in January, Pullet Growers of Canada (PGC) announced Renaud Sanscartier as their new General Manager (GM) after a period of acting as Interim GM. However, late in 2023, a new search was required with Renaud's resignation announcement, effective December 2023. Marie-Josée Forest will act as Interim GM until the search is complete.

PGC also carried out a cost of growing survey, utilizing Serecon to conduct the study, which was completed during 2023. Preliminary findings of the study have been reviewed and analysis of the data will be completed in early 2024.

It was a privilege to once again represent pullet growers across the province throughout the year and to work with such a capable group of colleagues. I believe the many valuable discussions around the Board table have led to positioning the pullet sector to achieve great things, not only in the short term, but for years to come.

A handwritten signature in black ink, appearing to read 'A. Brunsveld'.

ALVIN BRUNSVELD PULLET DIRECTOR

2023 ONTARIO EGGS BY THE NUMBERS

3,693,772,596

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

602

Number of Ontario
EGG AND PULLET
QUOTAS HELD

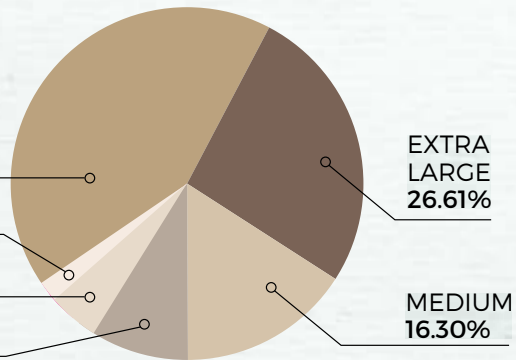
100

Percentage
EQA-CERTIFIED

82.97

Percentage volume of
ONTARIO EGG PRODUCTION
TO THE TABLE MARKET

ONTARIO'S AVERAGE EGG GRADING BY SIZE %



EGG QUOTA

10,145,604

The amount of
ONTARIO'S
HEN ALLOTMENT

22,395

The average
PRODUCTION
QUOTA FOR EGG
QUOTA HOLDERS

10,822,829

The average
WEEKLY HEN INVENTORY

PULLET QUOTA

12,044,320

The amount of
ONTARIO'S
PULLET ALLOTMENT

82,495

The average
PRODUCTION QUOTA
FOR PULLET QUOTA
HOLDERS

AVERAGE PRODUCER PRICES: 2019 TO 2023

SIZE	2019	2020	2021	2022	2023
EXTRA LARGE	\$2.06	\$2.08	\$2.28	\$2.53	\$2.55
LARGE	\$2.06	\$2.08	\$2.28	\$2.53	\$2.55
MEDIUM	\$1.84	\$1.84	\$2.00	\$2.24	\$2.25
SMALL	\$1.44	\$1.44	\$2.00	\$1.85	\$1.87

45.45 / 29.95 / 39.95 / 43.95

LEVY ADMINISTRATION

The amount of Ontario's egg levy deducted from farmers.

3,260,872

ONTARIO INDUSTRIAL PRODUCT

The number of 15-dozen boxes.

1,355,984

ONTARIO EGGS FOR PROCESSING

The number of 15-dozen boxes.

CORPORATE AFFAIRS REPORT



MAINTAINING EFFICIENT ORGANIZATIONAL COMMUNICATION AND OPERATIONAL EFFICIENCIES CONTINUED TO BE THE FOUNDATION FOR THE WORK OF THE CORPORATE AFFAIRS DEPARTMENT DURING 2023.

CORPORATE COMMUNICATIONS

An important aspect of the Corporate Affairs (CA) department is efficient and concise communication to farmers, industry stakeholders and staff. During 2023, the CA team worked diligently to provide up-to-date information regarding Board decisions, pricing updates and upcoming meetings. In addition, CA collaborated with the Public Affairs team on the Annual Meeting and November Egg and Pullet Farmers' Workshop to ensure an ordered delivery of meeting sessions and programs.

HUMAN RESOURCES

Training sessions were organized during the year by the team, including staff Cardiopulmonary Resuscitation/Automated External Defibrillator (CPR/AED) and first aid training, as well as leadership development for senior staff members. An all-staff team-building activity was organized and held in June. CA also worked with *People Management Group*, EFO's external human resources company, to ensure monthly health and safety training, vacation schedules and government-mandated programs such as *Workplace Hazardous Materials Information System* (WHMIS) were completed, as well as updating our Human Resources/Egg Team policies.

OFFICE UPDATES

With boardroom renovations completed in 2022, a final added touch was the addition of a wall accent. Made with a sleek silver material, EFO's *Get Cracking* horizontal logo is a striking enhancement that is highly visible, especially during virtual meetings. On the building maintenance side of our operations, despite several efforts to repair the door at the back entrance of the building, for security reasons it became necessary to install a new glass door in 2023.

STRATEGIC PLANNING

An important project during 2023 was working through a new process to develop our strategic plan. EFO worked with *Strive!*, who led the organization through a series of planning sessions with senior management and EFO's Board of Directors, along with stakeholder surveys and focus groups with farmers and industry. EFO's Board and management staff used the information derived from these sessions to develop a new vision and mission, along with seven strategic priorities that formed the *2024-2026 Strategic Plan*, culminating with the development of an internal work plan for staff.

SOCIAL RESPONSIBILITY

A principal core value of EFO, much like that of our farmers, is demonstrating the importance of giving back to communities across Ontario. With many families relying on food banks for support, EFO has continued our *Food Bank Egg Donation Program* in partnership with Feed Ontario and Ontario graders, including Burnbrae Farms and Gray Ridge Eggs. A yearly contribution of \$300,000 worth of eggs ensures that Ontario families can have access to high-quality, nutritious food. In November, EFO was honoured to receive the *Paul Mistele Award* at the 2023 Farm and Food Care Harvest Gala. This award is presented to agricultural partners that have made a significant commitment to ending hunger across Ontario. EFO was honoured with this award as a result of the egg donations made through our *Food Bank Egg Donation Program* with Feed Ontario. EFO also held a food drive for staff and Board Directors to make donations of non-perishable items leading up to Christmas 2023.

OPERATIONS REPORT

THE OPERATIONS DEPARTMENT WAS BUSY THROUGHOUT 2023 IN SEVERAL KEY AREAS TO SUPPORT THE PRODUCTION OF HIGH-QUALITY EGGS.

ON-FARM FOOD SAFETY AND ANIMAL CARE PROGRAMS

During 2023, the Operations Department completed over 1,575 farm visits for Se tests and inspections. Scheduling these continued to be challenging with the requirement to hold eggs until negative Se results are received and testing closer to the end of flock if no dry cleaning, detergent or disinfectant is used. Egg Farmers of Canada (EFC) conducted 583 audits throughout the year, with EFO staff managing active *Corrective Action Requests* (CARs) by collaborating with farmers and EFC to resolve those issues.

Amendments were made to the *Start Clean-Stay Clean™* program and new binders were printed for both layers and pullets to reflect those changes. A biosecurity plan is now a mandatory requirement of the program, effective May 1, 2023. In addition to those changes, an amended and redeveloped *Animal Care Program* was launched in May for layers and included new binders for farmers.

INVESTIGATIONS

The Investigations Unit continued to investigate farms and dealers selling ungraded eggs to food premises and unlicensed vendors. We also followed up on complaints supplied by industry stakeholders as well as the public. The unit finished several projects involving eggs being supplied to grading stations that were not compliant with EFO's regulations and policies and completed several joint investigations with the Canadian Food Inspection Agency (CFIA) and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) involving grading stations and public complaints. The team inspected exempted non-quota farmers with farm-gate-only sales and grading stations with inaccurate reporting and assisted EFO Inspectors with large inspections. The team also followed up on incidences of inaccurate reporting related to flock verifications and erroneous pullet and chick reporting.

AVIAN INFLUENZA, BIOSECURITY AND EMERGENCY MANAGEMENT

With an outbreak of Highly Pathogenic Avian Influenza (HPAI) in spring 2023, trained EFO staff continued to actively work in collaboration with the Feather Board Command Centre (FBCC). To reduce the strain on EFO's disease response team, additional Operations staff were trained to pull data for CFIA. Our emergency management team for HPAI also included Donna Lange who filled the role of Information Officer on behalf of EFO and the Investigations Unit who assisted by contacting affected premises and identifying unlisted farmers.

Unfortunately, HPAI was not the only disease outbreak faced during 2023. The team also collaborated with FBCC during outbreaks of Infectious Laryngotracheitis (ILT) and Fowl Cholera. In addition to that, five cases of Salmonella Enteritidis (Se) were detected in the summer and fall of 2023. No connection between the cases was identified and EFO's Operations team worked with farmers to provide support and resources related to these instances.

An essential part of disease management is following strict biosecurity measures and communicating the most up-to-date protocols to farmers. Updated messaging on the most effective ways to prevent HPAI was included in EFO's newsletter in both February and March, leading into the spring migration season. In addition, a biosecurity update on the four main risk factors for keeping HPAI out of the barn was provided in the April *Cackler*. Disease mitigation information and outbreak updates continued throughout the year to ensure farmers were kept informed.

2023 HOUSING STATISTICS*

HOUSING TYPE	NUMBER OF PULLETS	% PULLET PRODUCTION	NUMBER OF BARNs	NUMBER OF LAYERS	% LAYER PRODUCTION	NUMBER OF BARNs
CONVENTIONAL	8,906,359	76.30	108	6,035,911	54.72	271
ENRICHED	n/a	n/a	n/a	3,015,770	27.34	177
AVIARY	1,895,217	16.23	68	1,513,774	13.72	71
TRADITIONAL NEST SYSTEMS	872,394	7.47	33	465,381	4.22	57
ORGANIC	n/a	n/a	n/a	597,028	5.41	39**
FREE RANGE	n/a	n/a	n/a	624,544	5.66	45**

* birds in barns

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

POLICY AND STRATEGIC INITIATIVES REPORT

IF THERE WAS A CONSISTENT THEME OF THE POLICY AND STRATEGIC INITIATIVES (PSI) DEPARTMENT DURING 2023, THE WORD EVALUATION COMES TO MIND.

The PSI team recognizes that detailed analysis combined with planning generates fresh perspective, adds value to how we do things and ensures efficiency, consistency and fairness in policy and programs for egg and pullet farmers. With this in mind, a number of significant developments occurred in 2023.

POLICY UPDATES

In 2022, a comprehensive policy review was initiated by EFO, which continued throughout 2023. The purpose of this evaluation was to examine the relevance, purpose and goals of policies to determine if they still lead to effective and efficient results. As an outcome of this review, the *Flock Allotment Policy* was amended in October 2023 and the updated policy was posted online.

EFONLINE

Progress on updates to the *EFOonline* platform continued in 2023, with the layer production quota and program management features of the system near completion at the end of the year. These updates will provide a streamlined process to manage layer quota and programs, and implement allocation changes. Sessions to train and update farmers on the *EFOonline* portal were held during the year at the National Poultry Show and PSI staff were present at the Annual General Meeting to assist farmers with questions about the platform. In addition, a Communications Strategy was developed in August 2023 that included a platform review and recommendations to increase adoption of use as an invaluable farmer tool. Roll-out of the strategy began with helpful user tips in *The Cackler* newsletter and will continue across several phases as updates are made to the platform.

QUOTA TRANSFER SYSTEM (QTS)

In August 2023, following a thorough study of the effectiveness of the Quota Transfer System (QTS), a series of changes were announced. Effective January 1, 2024, the QTS price would be adjusted to \$391/bird for layer quota and \$33/bird for pullet quota. In addition, on an annual basis, the prices may be adjusted according to market conditions, as observed in changes in the consumer price index, and every

four years, the QTS will undergo a comprehensive review to ensure specified objectives are being met. It was also decided that in 2024, the Board will conduct a thorough analysis of the QTS performance in relation to changes made. Following this analysis, a decision will be made regarding whether to adopt or modify the changes moving forward.

LAYER LEASING PROGRAM (LLP)

In November, changes were made to the *Layer Leasing Program* (LLP) related to lease acceleration payments. At that time, quota holders who were eligible to accelerate their lease in 2024 were sent letters, intent forms and the LLP Policy. To assist EFO staff in planning the execution of the policy, eligible parties were requested to indicate whether or not they intended to accelerate their quota conversion.

Looking towards 2024, staff will be working towards launching additional enhancements to *EFOonline* and further evaluation and potential modifications of policies and programs to ensure an efficient, fair and transparent foundation is built for egg and pullet farmers. The PSI team are also looking forward to playing a key role in executing the first year of the *2024-2026 Strategic Plan*.



EGG PRODUCTION BY ZONE

AT DECEMBER 2023

ZONE	NUMBER OF QUOTA HOLDERS	TOTAL EGG PRODUCTION QUOTA	AVERAGE EGG PRODUCTION QUOTA
1	53	1,127,613	21,276
2	51	609,155	11,944
3	42	779,133	18,551
4	31	678,556	21,889
5	52	918,934	17,672
6	66	1,003,918	15,211
7	73	1,875,771	25,695
8	21	533,232	25,392
9	17	1,207,768	71,045
10	50	1,411,524	28,230
TOTAL	456	10,145,604	22,249

PULLET PRODUCTION BY ZONE

AT DECEMBER 2023

ZONE	NUMBER OF QUOTA HOLDERS	TOTAL PULLET PRODUCTION QUOTA	AVERAGE PULLET PRODUCTION QUOTA
1	15	887,519	59,168
2	21	1,554,376	74,018
3	7	642,345	91,764
4	12	669,829	55,819
5	13	885,434	68,110
6	27	1,736,378	64,310
7	23	2,026,574	88,112
8	5	351,205	70,241
9	6	2,347,641	391,274
10	17	943,019	55,472
TOTAL	146	12,044,320	82,495

RESEARCH REPORT



EGG FARMERS OF ONTARIO (EFO) HAS A LONG HISTORY OF CONTRIBUTING TO RESEARCH PROJECTS IN PURSUIT OF INNOVATION AND IMPROVEMENTS IN ON-FARM PRACTICES, TECHNOLOGY, SUSTAINABILITY AND ANIMAL WELFARE. DURING 2023, EFO FUNDED THE FOLLOWING RESEARCH:

MODIFIED EGGSHELL MEMBRANE FORMULATIONS AS A NOVEL SUPPLEMENT TO MAINTAIN GUT HEALTH

DR. MAXWELL HINCKE

Department of Cellular and Molecular Medicine
University of Ottawa

In developed countries including Canada, large amounts of eggshell (ES) and eggshell membrane (ESM) waste are generated through the processing of eggs in egg-breaking plants for the food and biopharmaceutical industries. ESM comprises 90% protein with a wide range of bioactivities such as antimicrobial, immunomodulatory, anti-inflammatory, antioxidant and anti-hypertensive properties. ESM as a supplement is a promising biomaterial to promote gut health through the modulation of its microbiome due to its immunomodulatory and anti-inflammatory activities. However, the development of novel technologies such as micro and nanofabrication to produce ESM-based functional platforms to improve gut health has not been reported. In a previous project, the research team developed a novel processing method to produce enhanced bioactive formulations of ESM nanoparticles (PEM) for biomedical applications with a skin health focus.

The primary objective of the current project is to produce ESM formulations to target gut health by further hydrolysis of the partial eggshell membrane (PEM) produced in the project

mentioned above. Chemical hydrolysis has been assessed using five different acids and two alkalis. Different temperatures, concentrations, reaction duration and stirring intensities have been evaluated. The in vitro work was started in March 2023 and was almost complete as of December 2023. The outcomes of the in vitro study will guide selection of the best concentrations to conduct the animal feeding study. This project will provide a new formulation of ESM with higher bioavailability and bioactivity that has the potential to promote gut health in supplement form.

INVESTIGATIONS ON FEEDSTUFFS FOR ENHANCING PERFORMANCE AND HEALTH OF PULLETS AND SUBSEQUENT EFFECTS ON HENS DURING LAYING

DR. ELIJAH KIARIE

Department of Animal Biosciences
University of Guelph

The egg industry is in transition to adopt alternative housing and to reduce antimicrobial use. Pullet housing is also moving to alternative systems to allow pullets to adapt to complex housing during laying. More frequent social encounters and exposure to fecal particulate matter can exacerbate stress in high-density rearing environments with a profound and lasting effect. Susceptibility to enteric and respiratory infections may

increase during conditions of high stress, such as opportunistic Avian Pathogenic Escherichia Coli (APEC), which often causes lethal respiratory and systemic diseases in commercial farms. Feedstuffs such as omega-3 fatty acids and yeast metabolites are known to improve birds' performance and overall health through boosting immunocompetence. Components in these feedstuffs react with the animal's immune cells to activate various immunity pathways. It is plausible that such dietary approaches hold great promise in optimal pullet rearing, particularly in high-stress housing environments. However, there is little data on the impact of feeding these functional feedstuffs on pullet development and overall health in different housing conditions and subsequent impacts on laying hen performance and livability. So far, the results indicate that dietary provision of omega-3 fatty acids and yeast metabolites influenced pullet body weight at sexual maturity, the development of lymphoid organs, and modulated some plasma metabolites in response to an immune challenge.

ON-GOING, MULTI-YEAR RESEARCH PROJECTS:

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

DR. BRANDON GILROYED

School of Environmental Science

University of Guelph

This study is focused on a novel strategy for both managing poultry mortalities and production of value-added renewable platform chemicals and biomolecules. Through current research, an ambient alkaline hydrolysis (AMAHY) process that economically solubilizes and stabilizes poultry mortalities has been developed. To date, the biogas potential of the nutrient-rich hydrolysate that comes out of the AMAHY process found that there is tremendous value in the material. This study investigates using the hydrolysate to produce higher-value products by using it as a growth medium for industrially relevant microbes. The study is investigating the use of AMAHY hydrolysate as a nitrogen source for fermentative production of lactic acid, which is a platform chemical precursor used to manufacture bioplastics, polyacrylates, food flavoring, pharmaceuticals, personal care products and more. This project is investigating the conversion of AMAHY poultry hydrolysate to lactic acid using *Lactobacillus* spp. bacteria and the fungus *Rhizopus oryzae*.

Three things to note about this project:

- 1) Poultry mortalities have value as substrates for downstream processes, such as fermentation to platform chemicals like lactic acid. This project is trying to develop a new valorization pathway for that material that will both derive value for farmers but also improve sustainability by reducing the environmental footprint of poultry production.
- 2) The proof of concept for conversion of poultry hydrolysate to lactic acid works.
- 3) There is still a lot of research to perform to further refine and optimize the process. This work is ongoing.

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

This project comprises a series of experiments investigating the use of different pecking blocks with various nutrient compositions by laying hens housed in enriched colonies. These include:

- 1) Preliminary studies to optimize data collection; completed.
- 2) Preference tests to determine which block(s) to use and where to position them in enriched colonies. Data collection from videos is nearly complete and all other data analysis is in progress.
- 3) Determining the effect of providing pecking blocks to different strains of hens housed in enriched cages on behaviour, feather condition and production measures; study in progress.

Three things to note about this project:

- 1) The brown and white strains of hens used in our experiments had different relative preferences for pecking blocks with different nutrient/sensory characteristics.
- 2) White hens pecked more at mineral-based blocks at the end of the day compared to other times of day, which is suggestive that it is motivated by calcium appetite.
- 3) Hens may be using the different types of pecking blocks (with different nutrient compositions/sensory characteristics) for different reasons (e.g. nutrients versus foraging enrichment).

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

Avian Infectious Bronchitis Virus (IBV) is a highly contagious coronavirus that causes moderate or severe respiratory infections and a decrease in egg production and quality in chickens, leading to significant economic losses for the poultry industry. The control of IBV infections in poultry flocks in Canada is conducted through biosecurity measures and vaccination, but new variants of IBV frequently emerge due to genetic events, leading to potential outbreaks in vaccinated flocks. There is a need to gain a better understanding of host-pathogen interactions at the early stages of viral infection. Researchers are using candidate micro RNAs (miRNAs) in young chickens as immunostimulatory agents before infection with IBV, to determine the potency of candidate miRNAs as vaccine adjuvants to increase the efficacy of the formalin-inactivated IBV vaccine. The results of this project will introduce possible applications of a new generation of immunostimulant agents or adjuvants to modulate antiviral responses and increase vaccine efficiency. This study in progress will provide proof of concept for numerous pathogens by demonstrating the immunomodulatory and therapeutic effects of miRNAs.

PUBLIC AFFAIRS REPORT



MAINTAINING CONSUMER TRUST AND CONFIDENCE IS A KEY FOCUS OF EFO'S PUBLIC AFFAIRS (PA) DEPARTMENT. THROUGHOUT THE YEAR WE EXECUTED MANY PROGRAMS AND INITIATIVES THAT FEATURED FARM FAMILIES, RECIPES AND THE EGG TO ENGAGE WITH A VARIETY OF CONSUMER AUDIENCES.

ADVERTISING

REAL FARMERS, REAL EGGS. CAMPAIGN

The *Real Farmers. Real Eggs.* campaign continued as our foundation for promoting egg farmers and their families while incorporating key messages about farming, egg freshness, nutrition and quality. Flight one launched on May 29 and ran for four weeks. This flight featured the Laver family on digital billboards on Toronto's Gardiner Expressway and 400-series highways, traffic tags and taxi-tops, earning over 81,428,290 impressions and also featured a bonus extension for another four weeks, with 2 million additional impressions garnered. Flight two, featuring the Arthur family from Oxford County, launched on October 1 for another four weeks with mobile route runners, digital billboards, taxi tops, radio tags and CTV lower-third ads during prime-time programming.

FIELDS TO FORKS

EFO sponsored the fall flight of the *Fields to Forks* campaign with CTV London for six weeks beginning August 22. Elements of the flight included a vignette on CTV channels, online ads, pre-roll video, online advertorials and radio ads on CJBK News 1290 radio and Pure Country 93. Egg farmers Kayla Veldman (Zone 6) and Megan Veldman (Zone 3) were featured in the video. The Ottawa execution of the program launched in October,

featuring Valérie Grenier, who shared what it was like to grow up on an egg farm and how that prepared her to become an exceptional athlete.

2023 RECIPE BANK

Twelve new recipes were developed, tested and photographed in 2023. They were created to appeal to a wide range of tastes and occasions and included *Za'atar Lentil Power Bowl*, *Air Fryer All-Day Breakfast Tartine*, *Mediterranean Sheet Pan Omelette*, *Coconut Lime Cupcakes*, *Bacon, Egg and Cheese Scones*, *Chimichurri Steak and Egg Skillet*, *Raspberry Lemon Curd Pops*, *Cajun Summer Veggie Skillet*, *Sundried Tomato Pesto Eggs*, *Harvest Cobb Salad*, *Chorizo Shakshuka* and *Black Forest Crinkle Cookies*. Four videos were also created for use on EFO's recipe website and social media platforms.

Four lifestyle recipe theme images were also created for 2023 as inspiration and included: *A Day at the Fair*, *Spring Entertaining*, *Multicultural* and *Holiday Entertaining*.

ADVERTORIALS

Recipe outreach remains a key opportunity to connect with consumers. Our strategic focus on the monthly promotion of egg recipes continued throughout the year in food and lifestyle publications.



Above: Out-of-home digital highway ad for the 2023 RFRE campaign.
 Left: RFRE billboard with Audrée Arthur.



We kicked off the new year focusing on healthy and versatile meal options and included the *Za'atar Power Bowl* recipe in *Edible* (Ottawa) and *House & Home* in January and *Global Heroes* in February. Also in February was EFO's *Air Fryer All-Day Breakfast Tartine* in *Canada's Food & Drink* magazine.



March advertorials included *Coconut Lime Cupcakes* in *Chatelaine* and *City Parent* magazines. The *Mediterranean Sheet Pan Omelette* was showcased in *edible* (Ottawa) and *Food & Drink* magazine promoted EFO's *Chimichurri Steak and Egg Skillet* recipe.

Leading up to Easter, the *Global Heroes* insert in the *Globe & Mail*, *Toronto Star* and the *National Post* featured our *Coconut Lime Cupcakes*, which was also showcased on the front cover of *City Parent* magazine. *Elle Gourmet* magazine featured *Bacon, Cheese and Egg Scones* and *Foodism* included a beautiful spring entertaining spread to prepare for Mother's Day.

May was leveraged as a season of celebration with eggs, including Mother's Day or showers for summer brides. A collection of recipes utilizing EFO's lifestyle photography were shared in full-page ads in *House & Home* and *Canadian Living* magazines. Leading up to Father's Day, EFO's *Chimichurri Steak and Egg Skillet* was featured in *edible* (Ottawa) magazine.



Above (left): Advertorial in *City Parent* and (right) a recipe ad featured in *Canadian Living* magazine.

Left: Holiday entertaining recipes were shared in various publications in December.

Summer recipe outreach continued with *A Day at the Fair* recipe collage and *Chimichurri Steak and Egg Skillet* recipe being featured in ads in *Foodism* and *Global Heroes* in June and July.

Raspberry Lemon Curd Pops were featured in *City Parent* and *edible* (Ottawa) magazine, *Sundried Tomato Pesto Eggs* were in *LCBO's Food & Drink* and *Cajun Summer Veggie Skillet* was in *Canada's Food & Drink* in August.

The delicious and colourful *Harvest Cobb Salad* recipe was promoted in several publications during the fall, including *Canadian Living*, *Foodism*, *Global Heroes* and *House & Home*, just in time to use up Thanksgiving leftovers.

PUBLIC AFFAIRS CONTINUED...

The *Holiday Entertaining* collage featuring five recipes perfect for get-togethers was featured in several publications leading up to the holidays including *Denninger's Foods*, *Elle Gourmet*, *Foodism*, *House & Home* and *Horizon* magazines. *Black Forest Crinkle Cookies* were showcased in full-page ads in *Canadian Living*, *Canada's Food & Drink*, *Chatelaine*, *edible* (Ottawa) and *Global Heroes* magazines.

RESOURCES

A new recipe resource - *One Pan Wonders* - was created in 2023. The resource featured three hearty meal ideas, with each recipe using only one pan. *Chorizo Shakshuka*, *Mediterranean Sheet Pan Omelette* and *Chimichurri Steak and Egg Skillet* were included in the resource which was printed in English.

SPICE CARDS

2023 saw our popular spice cards back in full production, with two new cards being produced. The spring card featured the Arthur family and *Spiced Cherry Buckle* recipe with 60,000 cards printed - 48,000 English and 1,500 French cards for Ontario and the balance for other provincial egg boards. The Chaudary family and the *Butter Chicken and Egg Flatbread* recipe was the fall spice card with the same number being printed.

PROMOTIONS

FAIRS, EXHIBITS AND EVENTS

Approximately 56,764 recipes and education resources, 5,400 shopping pads, 67 gift baskets, and 2,300 microwave egg cookers were distributed to egg lovers in Ontario through a variety of outreach events.

PA staff attended the Ontario Association of Agricultural Societies (OAAS) conference on February 17 where they promoted resources and our education trailers. Approximately 1,000 fair delegates from 300 fairs participated in the event. EFO also sponsored the keynote address speaker Michael Bradley from Disney.

Below: Bonnie and Andy DeWeerd (Zone 6) with Minister Thompson at the International Plowing Match.



Right: Chimichurri Steak and Egg Skillet was perfect for Father's Day!



Left: Raspberry Lemon Curd Pops made a refreshing summer treat!

Below: Air Fryer All-Day Breakfast Tartines are a quick and easy meal option.



Below: Public Affairs team members Kwesi Jacob and Robin Singh at the OAAS conference in February.



In addition to the OAAS conference, EFO participated in a number of events across the province, including Western Fair (London), the International Plowing Match and Rural Expo (Bowling Green), Dorchester Fair, Ilderton Fair, West Niagara Agricultural Fair and iFarm in Stratford. Each event was an opportunity to connect our farmers with consumers to share their stories and talk about animal care and the versatility of the egg.

LOCAL FOOD WEEK

June 5-11 was *Local Food Week* in Ontario and EFO celebrated through Instagram and Facebook posts, a trivia series on the social platform X and a blog post that shared five fresh summer recipes made with local ingredients, including eggs. EFO also collaborated with the Ontario Produce Marketing Association, Ontario Processing Vegetable Growers and Ontario Veal to promote recipes on *CTV News at Noon* (Kitchener) and *CHCH Morning Live* (Hamilton) with Home Economist Emily Richards. EFO also partnered with 4-H Ontario with the *Bulletin in a Box* program where Ontario teachers were provided with a box of items to decorate a bulletin board to celebrate *Local Food Week*.

BREAKFAST ON THE FARM

EFO participated in three *Breakfast on the Farm* (BOTF) events in 2023, with the first held in Huron County at Grazing Meadows Waygu Farm on June 17. The second BOTF event was held on August 26 in Napanee, with the final event being held October 21 at Laprise Farms in Pain Court. EFO was a Guardian Sponsor of all of the events and had a trailer, including the spinning wheel, recipes and resources, at each location to interact with attendees.

CANADIAN NATIONAL EXHIBITION

The Canadian National Exhibition ran from August 18 to September 4 and EFO participated with our large egg education trailer and trivia spinning wheel. A team of egg and pullet farmers worked each day to engage with consumers and test visitors on their knowledge of eggs.

CULINARY STUDENT TOUR

EFO participated in the Ontario Culinary School Tour, hosted by Farm and Food Care Ontario, on September 22. Culinary students visited Eisses Egg Farm as part of the tour, where Jeff and Monica Wohlgemuth (Zone 8) toured the group through the barn and packing room. Participants were gifted a microwave egg cooker package following the tour.



Right:
Consumers
visit EFO's
CNE display.

Far Right:
Stephanie
Nanne in the
CTV Morning
Live studio for
Easter.

ROYAL AGRICULTURAL WINTER FAIR

EFO participated in the 101st Royal Agricultural Winter Fair (RAWF) which ran from November 2 to 12. Once again, farmer volunteers dedicated their time to answer questions about egg farming and engage with school groups. EFO also sponsored five cooking sessions in the *Burnbrae Culinary Academy*, where participants learned how to prepare egg dishes with the help from five celebrity chefs.

PROMOTIONAL ITEMS

During the year, several new promotional items were created and introduced including magnets, a utility tote bag, luggage tags and bento boxes. Three wooden egg toss games were also created for use at fairs and events.

PUBLIC RELATIONS

EGGS & BAKIN' NEWSLETTER

The popular consumer-facing newsletter got a new look in 2023 with excellent results. As 2023 came to an end, *Eggs & Bakin'* had 8,795 subscribers, with an average open rate of 50.28%, well above the industry average for digital newsletters.

EASTER

During 2023, EFO brought back the popular *#EasterTreeContest*, where egg-decorating enthusiasts were invited to create an egg tree for a chance to win one of five EFO prize packages. The contest began on March 17 and ran until April 10, receiving a total of 101 entries. A panel of egg farmers - Megan Veldman (Zone 3), Sally Van Straaten (Zone 6) and Kevin Laviolette (Zone 10) - had the difficult task of judging the entries and determining contest winners. To support the contest, Stephanie Nanne (Zone 9) visited *CTV Morning Live* (Ottawa) and *Global News Morning* (Kingston) to share easy Easter recipe ideas.



PUBLIC AFFAIRS CONTINUED...

Julie Wynette (Zone 6) was featured on *CTV News* (Kitchener) to share delicious EFO recipes for entertaining. In addition, EFO collaborated with education and food influencers including @zimmynook and @modestmarce to promote the contest, reaching a total of 26,497 impressions.

WORLD EGG DAY

October 13, 2023 marked World Egg Day (WED) and EFO celebrated with the *It's Egg O'Clock Somewhere* contest, where Ontario consumers were encouraged to share how and when they love to eat their eggs! Participants were eligible to win daily prizes and also had a chance to win the grand prize of a gift basket filled with egg swag and eggs for a year. A total of 135 entries were received. In addition to the contest, Tonya Haverkamp (Zone 7) visited *Breakfast Television* (BT) (Toronto) to share the versatility of eggs and why she loves being an egg farmer. Finally, WED outreach was supported by two influencers who followed the *It's Egg O'Clock Somewhere* theme to create unique egg recipes that reflected their ethnic backgrounds.

EDUCATION

The *Farm to Table Student Eggs-perience* elementary education program was developed during 2023 and on August 16, farmer training for the program took place with 16 farmers from Zones 1 through 10 participating. During the session, farmers were prepared for the in-person pilot program launch in Ontario schools that began in October. This unique program consists of 3 parts: *On the Farm*; *The Grading Station*; and *At the Grocery Store*. Part 1 is the in-person, farmer-led portion with parts 2 and 3 being teacher-led. During 2023, 17 presentations for the pilot program were given in schools across Ontario at all elementary grade levels.

In addition to the school program, an education website (eggeducation.ca) was developed and launched to not only complement the program but also act as a resource for educators. The website features lesson plans, activities, print materials, games and videos, and also includes a section where teachers can learn more about the in-person education program.

The *thinkAg Career Competition*, hosted by AgScape, was held on April 19 in Norfolk County. More than 400 grade 7 and 8 students rotated through interactive stations that helped students learn about careers in agriculture, including EFO's display. Josiah Mullet Koop (Zone 4) led a presentation about egg farming and tested students on their egg knowledge. A second competition was held in Burlington on October 18, with Josiah once again participating.

SPONSORSHIPS

Eggs continued to fuel a number of accomplished athletes during 2023. Ongoing successful partnerships were executed throughout the year with Lois Betteridge, Canadian national team athlete in canoe and kayak slalom; Valérie Grenier, Alpine Canada team member and two-time Olympic athlete; Team Homan, Canadian women's curling champions; and Tyler MacGregor, captain of Canada's para ice hockey team that brought home silver from the Paralympic games in 2023.

HAMILTON SPORTS GROUP

In May, EFO kicked off a partnership with Hamilton Sports Group to become an *Official Partner of the Hamilton Tiger-Cats, Forge FC and Tim Hortons Field*. As a partner, EFO is also a presenting



Right: A beautiful Easter Tree contest entry.

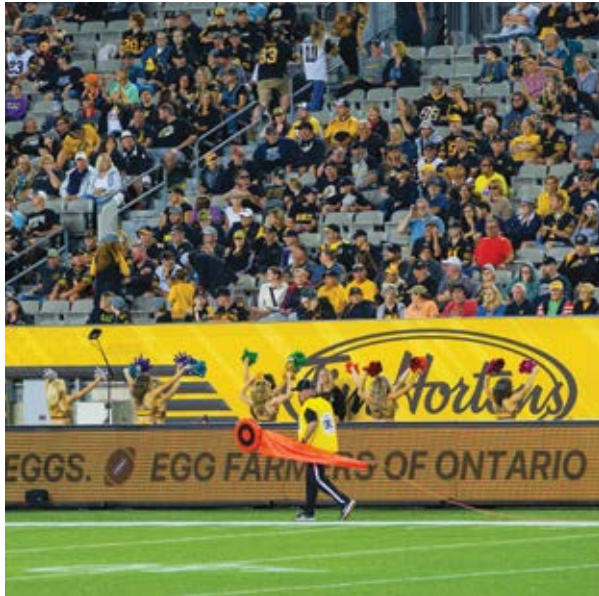
Below: Julie Wynette (Zone 6) at CTV Kitchener.



Above: Tonya Haverkamp (Zone 7) joins BT hosts Meredith Shaw and Sid Seixeiro to promote WED.



Above: Egg farmer Claire Ross (Zone 7) participating in one of the 17 in-person pilots of the education program.



Above: EFO on-field advertising through the Hamilton Sports Group partnership.

Below: Ad for Ontario's Best Butter Tart Festival, where EFO was a sponsor of the Ontario Butter Tart Contest.

EFO KICKED OFF A NEW PARTNERSHIP TO BECOME AN OFFICIAL PARTNER OF THE HAMILTON TIGER-CATS.

sponsor of the *Fit with Forge* program, where students learn about fitness and health from Forge FC players and the *Guest Coaching Program*, where FC players make guest coaching appearances at local high schools. The sponsorship also includes in-stadium advertising during Forge FC and Tiger-Cats home games. EFO was also recognized as an *Official Sponsor of the 2023 Grey Cup Festival* and a presenting sponsor of the *2023 YWCA Rise & Shine Young Trailblazers Breakfast*. The breakfast was held on November 16 and Tonya Haverkamp (Zone 7) had an opportunity to address the more than 600 young women attending about overcoming obstacles. EFO staff were at the breakfast to hand out resources and encourage participants in a fun egg-toss game.

ROCKS & RINGS

EFO continued to lead the national partnership to sponsor the *Rocks & Rings* program, which has seen tremendous increases to in-school programs and online educational opportunities. In addition to their regular programming, a virtual *Rocks & Rings* session featuring Olympic and Paralympic curlers was held on February 23, in advance of Curling Day in Canada. Two free 40-minute sessions were held and included games and activities for more than 50,000 students as they learned about the sport of curling and wheelchair curling.

ONTARIO MINOR HOCKEY ASSOCIATION (OMHA)

As part of our partnership with the Ontario Minor Hockey Association (OMHA), EFO was once again the title sponsor for the OMHA Championships. Championship games were held over four weekends beginning March 17 to April 9 and were held in Oakville, Barrie, Halton Hills, Kingston, Whitby and Windsor, where more than 390 teams battled to be named one of the 45 champion teams. Local egg farmers were on hand each weekend at the various venues to present EFO/OMHA branded Red Hats, medallions, banners and Most Valuable Player awards.

ONTARIO'S BEST BUTTER TART FESTIVAL

Ontario's Best Butter Tart Festival was held on June 10 in Midland and EFO participated as a sponsor of the *Ontario Butter Tart Contest*. Local egg farmers Harry Eisses and Kailee Wohlgemuth (Zone 8) participated as two of the 27 judges for the contest. Joining over 200 vendors and food trucks at the event, EFO staff also held an on-site activation with an egg toss game with prizes for the winners.

FORTINOS PICK ONTARIO FIRST CAMPAIGN

For the third consecutive year, EFO partnered with popular Hamilton and GTA grocery chain Fortinos to highlight Ontario farmers with their *Pick Ontario First* campaign. The spotlight was on eggs from July 27 to August 23, featuring the Laver family (Zone 8). The promotion included two weekly social media posts with some of EFO's 2023 recipes and ads in their flyers (distributed to over 800,000 households). In addition, EFO was featured in a weekly e-newsletter with direct links back to getcracking.ca.

PUBLIC AFFAIRS CONTINUED...

ZONE SPONSORSHIPS

To provide community-level support across the province, EFO provides funds each year to Zones to support local activities and events that encourage a healthy, active lifestyle. In 2023, EFO provided \$20,000 to each Zone in support of egg donations, school nutrition programs, teams and community events.

GOVERNMENT RELATIONS

Considerable work in government relations took place throughout 2023 to ensure the voice of Ontario's egg and pullet farmers were heard, both provincially and federally.

Nationally, EFO advocated in support of *An Act to amend the Department of Foreign Affairs, Trade, and Development Act (supply management)*, which passed second reading on February 8, 2023. Scott Helps attended in the gallery, along with representatives from EFC and Fédération des producteurs d'œufs du Québec (FPOQ). In addition, EFO partnered with FPOQ to conduct an omnibus survey to measure Canadian support for supply management. On June 21, the Bill was passed on the third and final reading in the House of Commons, moving to the Senate for further review.

Tonya Haverkamp (Zone 7) and Mirielle Leroux (Zone 10) joined a virtual Roundtable with then federal Minister of Agriculture and Agri-Food Marie-Claude Bibeau and influential women in agriculture, which was held in celebration of International Women's Day. The session was an opportunity to discuss experiences, challenges and opportunities that exist for women in the agricultural sector.

Provincially, *The Grow Ontario Strategy Summit* was held on March 27 and was hosted by Ontario Minister of Agriculture, Food and Rural Affairs Lisa Thompson. The summit provided an opportunity to meet with members of the agri-food sector to discuss opportunities for collaboration as outlined in the *Grow Ontario Strategy*. Scott Helps and Ryan Brown attended on behalf of EFO.

In April, Scott Helps attended two announcements with Minister Thompson on the funding to address veterinary shortages and the government funding for the new poultry research centre in Elora.

MPP Rob Flack held a roundtable in May on the *Proposal to Modernize the Veterinarians Act Discussion Paper*. Scott Helps attended and a written submission was registered through OMAFRA on behalf of egg and pullet farmers.

EFO provided a written submission through the Regulatory Registry on *Bill 102 – Strengthening Safety and Modernizing Justice Act, 2023* and worked with other commodities to provide comments on *Bill 97 – Helping Home Buyers, Protecting Tenants* to discuss land use planning concerns.

On May 6, EFO commemorated the coronation of King Charles III and Queen Camilla by donating 22,000 eggs to Feed Ontario for distribution to food banks across the province. Since Canadian



Above: Digital flyers from Fortino's Pick Ontario First campaign.



Above: Representatives from EFO, EFC and FPOQ attended the second reading of Bill C-282 in February.

Below: Tonya Haverkamp (Zone 7) with Minister Thompson at an event in Kleinberg in October.





Above: EFO Board members and CEO Ryan Brown get ready to prepare omelettes at the MPP Omelette Breakfast.



Above: Ryan Brown, CEO joined Minister Lisa Thompson and Scott Helps, EFO Chair at the annual MPP Omelette Breakfast.

Below: EFO Executive members with Minister Thompson and Ryan Brown at the signing of the Federal-Provincial-Territorial Agreement.



Confederation was signed in 1867, the donation represents the monetary value of 1867 dozen eggs.

In August, egg farmer Colin Vyn (Zone 1) joined Minister Thompson at Walker Dairy Farm for a funding announcement under the *Biosecurity Enhancement Initiative*, through the *Sustainable Canadian Agricultural Partnership* (SCAP).

On October 18, Minister Thompson and Minister Leece held an event at George Sant and Sons Greenhouses in Kleinberg, with Tonya Haverkamp (Zone 7) attending.

The annual MPP Omelette Breakfast was held at Queen’s Park on November 1, which was open to all Members of Provincial Parliament (MPPs) and their staff. EFO’s Board Directors made custom omelettes for 51 MPPs including 12 Ministers that attended, along with more than 140 legislative staff. The Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs spoke during the event and was followed by comments from John Vanthof, MPP Temiskaming-Cochrane; Stephanie Bowman, MPP Don Valley West; and Mike Schreiner, MPP Guelph. The signing of the *Federal-Provincial-Territorial Agreement* also took place in conjunction with the breakfast.

COMMUNICATIONS

Our annual Egg Ambassador training was held in conjunction with the 2023 Annual General Meeting. Over 25 Egg Ambassadors took part in the session to develop their communication skills to better engage during events.

A social media session was held the following day, with over 30 attendees who learned about the different platforms, how to engage within those platforms and were introduced to TikTok through a casting call for farmer volunteers.

NUTRITION STRATEGY

Communicating about the nutritional powerhouse, the egg, continues to be an important component of our programming.

Nutrition outreach started early in the new year with Registered Dietitian Michelle Jaelin visiting CHCH *Morning Live* (Hamilton) on January 12. During the segment, Michelle shared why it’s important to change your food mindset and instead of depriving yourself, make better choices with nutritious foods, like eggs.

EFO worked with OFX Media Group to place nutrition ads in approximately 60 family medicine and primary care office waiting rooms on digital screens. Ads ran from January 23 until March 31, 2023 and featured egg-nutrition facts in an attention-catching video format.

On June 1, Michelle Jaelin visited CHCH *Morning Live* (Hamilton) to share healthy recipes that combine budget and nutrition-boosting ingredients with eggs. During the segment, Michelle demonstrated the versatility of eggs with a spinach, black bean and scrambled egg quesadilla and an eggy potato salad. To promote health during those hot summer days, Andrea D’Ambrosio shared an Instagram reel and blog post on boosting protein in your summer salads with eggs.

PUBLIC AFFAIRS CONTINUED...

Working as a new partner with EFO, Registered Dietitian Christina Iaboni began a "nutrient of the month" series on Instagram, where each month a different egg nutrient would be featured. Over the partnership, content featuring iron, protein, folate, selenium and vitamins A, D and E was shared to showcase the egg's nutritional benefits.

To prepare for the routines that come with back-to-school, Michelle Jaelin visited CHCH *Morning Live* (Hamilton) in August with fun lunch and snack recipe ideas with eggs.

On October 24 Andrea D'Ambrosio visited CHCH *Morning Live* (Hamilton) to share easy meal planning tips to save time, money and reduce food waste with EFO's *Meal Plan Like a Pro* resource.



Above: Michelle Jaelin joins CHCH host Annette Hamm to chat about boosting meal nutrition with eggs.

DIGITAL

SOCIAL MEDIA

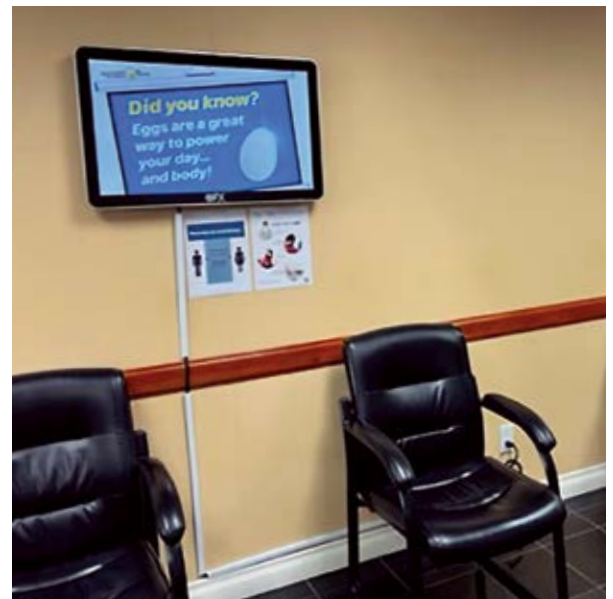
Daily organic posts that aligned with strategic content pillars were scheduled for all of EFO's social media platforms. In addition, paid digital ads featured monthly content such as TikTok egg hacks that shared how to make the perfect poached egg and how to make a frittata. A series of five "hacks" in total were created. In May, paid ads featured the *Real Farmers. Real Eggs.* (RFRE) campaign, education-focused content and Mother's Day recipe outreach. Paid social ads in June and July focused on EFO's *Real Farmers. Real Eggs.* campaign, *Egg Quality Assurance* (EQA), summer crafts and recipe ideas. In September, paid ads included the journey of an egg video, campaign ads, recipe outreach, TikTok air fryer hard-cooked egg hacks and *Muffin Tin Frittata* recipe. Each month over 8 million impressions were reached through this program.

2023 SAW THE FOODSERVICE SECTOR CONTINUE TO BOUNCE BACK FOLLOWING THE PANDEMIC.

Throughout the year, EFO worked with influencers to share content for Valentine's Day, Easter, back-to-school meal prep, World Egg Day and finally, Christmas. EFO utilizes a number of influencers that further extend our social reach and create engaging content, including crafts and recipes.

EFO also used some of our athletic partners (Tyler MacGregor and Team Homan) to showcase their favourite Mother's Day recipes. To celebrate Canada Day, EFO worked with our team of sponsored athletes to share their favourite egg recipes through Instagram reels. Lois Betteridge started her Canada Day with Overnight Sourdough Pancakes topped with maple syrup. Valérie Grenier

Below: Digital ads with nutritional benefits of the egg were placed in healthcare waiting rooms in the GTA.



Below: Andrea D'Ambrosio shares meal planning tips with host Tim Bolen on CHCH Morning Live.





Above: @andreabuckett shares her delicious Basque cheesecake with followers to celebrate the holidays.

Below: EFO's foodservice team promote eggs at the Flanagan trade show.



Above: Tyler McGregor makes a healthy meal with eggs on Canada Day.

Left: Lois Betteridge shares her favourite egg recipe to celebrate Canada Day.

prepared EFO's *Sesame Ginger Buddha Bowl* and Canadian Olympic curler Emma Miskew celebrated by making EFO's *Garlic Shrimp and Asparagus Noodle Bowl*. Finally, Tyler McGregor spent a relaxing day at home, where he made an *Air Fryer All-Day Breakfast Tartine*. A blog post that shared all of their creations was shared on getcracking.ca.

FOOD SERVICE

With the foodservice sector continuing to bounce back following COVID-19 restrictions, EFO updated our image library to include new photos for restaurant promotions. This photography reflects current tastes and trends and is used to promote new menu ideas to operators.

The first Health Care e-blast of 2023 was distributed in March with a 42.9 per cent read rate. The newsletter shared recipes and tips on reducing food waste while saving money in a healthcare setting.

EGG CHEF

The foodservice team continued to promote the *Egg Chef* portal throughout 2023 to restaurant owners and operators. An ad highlighting the *Egg Chef* portal was included in the *Flanagan Foodservice Dish* newsletter that is sent to their distributors. A quarterly e-blast promoting *Egg Chef* is also distributed to all registered foodservice operators.

DISTRIBUTOR OUTREACH

To connect with distributors, EFO participated in three trade shows: The Gordon Food Service trade show March 22; the Flanagan Foodservice trade show on April 26 in Kitchener; and the Sysco Distributor Show September 9 in Toronto. Each of these was an opportunity for EFO's foodservice team to promote the *Egg Chef* portal and connect with restaurant operators and distributors.

PUBLIC AFFAIRS CONTINUED...



Left: Plaque placed outside the kitchen area of The Grove Hub in Fergus.

Below: EFO's foodservice image library was updated during the year.



SOCIAL RESPONSIBILITY

STUDENT NUTRITION ONTARIO

Fueling student learning continues to be important to Ontario egg and pullet farmers. With this in mind, EFO continues to be a proud partner with Student Nutrition Ontario. In October, Zone 2 Director Lorne Benedict visited Lord Elgin Public School to present a cheque for \$85,000, the first installment of a \$255,000, three-year commitment to Student Nutrition Ontario.

THE GROVE

The second year of the five-year commitment to *The Grove Youth Wellness Hubs* continued in 2023 through several activities, both in-person and online. The Grove Youth Wellness Hubs has now opened four locations, supporting youth through a one-stop-shop for youth mental health and wellness.



Above: Zone 2 Director Lorne Benedict presents a cheque to Student Nutrition Ontario representatives during a visit to Lord Elgin Public School during WED.

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

In November, a second team of egg farmers that included Tonya Haverkamp (Zone 7), Kayla Veldman (Zone 6), Hubert Schillings (Zone 8) and Scott Graham (Zone 6) joined Donna Lange, EFO Director of Public Affairs, to once again make the trip to Nepal. After developing several resources for members of the Vulnerable Women's Groups (VWGs), the team developed two comprehensive training programs to deliver to VWG members as well as extension officers/government officials in both Nuwakot and Makwanpur districts. In addition to the training sessions, the team conducted field visits and met with commercial poultry farmers to better understand the market landscape, challenges and opportunities the Nepali poultry industry is currently facing.



OFFICERS, COMMITTEES AND REPRESENTATIVES 2023-2024

CHAIR Scott Helps*

VICE CHAIR Dan Veldman

TREASURER Ryan Brown

SECRETARY Jennifer Correa

EGG FARMERS OF CANADA REPRESENTATIVE
Scott Brookshaw

EGG FARMERS OF CANADA ALTERNATE
George Pilgrim

EXECUTIVE COMMITTEE
Scott Helps, Dan Veldman, Scott Brookshaw,
Marcel Jr. Laviolette

AUDIT COMMITTEE
Scott Helps, Brian Miller, Dan Veldman

EGG INDUSTRY ADVISORY COMMITTEE
Scott Helps, Dan Veldman, Scott Brookshaw,
Marcel Jr. Laviolette, Alvin Brunsveld

FINANCE COMMITTEE
Scott Helps, Marcel Jr. Laviolette, Ian McFall,
George Pilgrim, Sally Van Straaten

PRODUCTION MANAGEMENT COMMITTEE
Scott Brookshaw, Scott Helps, Marcel Jr. Laviolette,
George Pilgrim, Sally Van Straaten, Dan Veldman

PUBLIC AFFAIRS COMMITTEE
Scott Brookshaw, Ian McFall, George Pilgrim,
Sally Van Straaten, Dan Veldman

PULLET COMMITTEE
Scott Brookshaw, Alvin Brunsveld, Marcel Jr. Laviolette,
Dan Veldman

RESEARCH COMMITTEE
Alvin Brunsveld, Brian Miller, Dr. Mike Petrik, George Pilgrim

FARM & FOOD CARE (ONTARIO) REPRESENTATIVES
Janelle Cardiff, Sally Van Straaten

FARM & FOOD CARE (ONTARIO) ALTERNATE
Alvin Brunsveld

ONTARIO FEDERATION OF AGRICULTURE REPRESENTATIVE
Sally Van Straaten

POULTRY INDUSTRY COUNCIL REPRESENTATIVE
Sally Van Straaten

PULLET GROWERS OF CANADA REPRESENTATIVE
Alvin Brunsveld

PULLET GROWERS OF CANADA ALTERNATE
Marcel Jr. Laviolette

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



STAFF AND PARTNERS

STAFF

CHIEF EXECUTIVE OFFICER Ryan Brown
DIRECTOR OF CORPORATE AFFAIRS Jennifer Correa
CORPORATE AFFAIRS EXECUTIVE ASSISTANT
Siobhán Desrochers
CORPORATE AFFAIRS COORDINATOR Tiffany Hughes
DIRECTOR OF POLICY AND STRATEGIC INITIATIVES
James Corpuz
INDUSTRIAL PRODUCT AND QUOTA UNIT MANAGER
Julie Cangiano
ECONOMIC AND POLICY ANALYST Nicci Soque-Jasmins
INVENTORY AND QUOTA SYSTEMS ANALYST Ryan Kwok
FLOCK PLACEMENT AND VERIFICATION ANALYST vacant
QUOTA COMPLIANCE SPECIALIST Lily Ekwenuke
INDUSTRIAL PRODUCT COORDINATOR vacant
QUOTA TRANSFER AND ADMINISTRATIVE COORDINATOR
Mai Saleh-VanDeventer
DIRECTOR OF FINANCE Michael Barun
ACCOUNTS RECEIVABLE, LEVY & STATISTICAL
COORDINATOR Suzanne Walton
ACCOUNTS PAYABLE & EFP COORDINATOR Joan Davies
DIRECTOR OF PUBLIC AFFAIRS Donna Lange
COMMUNICATIONS TEAM LEAD Pam Passerino
MARKETING/PR TEAM LEAD Robin Singh

EDUCATION PROGRAMS COORDINATOR Emma Anifowose
MARKETING/PR COORDINATOR Kwesi Jacob
DIGITAL MEDIA COORDINATOR Emma Morales Neyra
OUTREACH COORDINATOR vacant
FOODSERVICE CONSULTANTS
Nancy Hewitt, Debbie Fantauzzi
DIRECTOR OF OPERATIONS Ryan Trim
PROJECT MANAGER Pamela Kuipers-Malek
OPERATIONS ADMINISTRATIVE ASSISTANT
Liberty Mitchell
INSPECTORS
Mike Andersen, Terry Gray, Connie Hutchinson,
Haley Langdon, Guylain Levac, Cassandra O'Donnell
INVESTIGATIONS TEAM LEAD Justin Patterson

PARTNERS

ADVERTISING AGENCY Evolve, Markham, Ontario
AUDITORS RLB LLP, Guelph, Ontario
BANK Royal Bank of Canada, Agriculture and Agribusiness,
Guelph, Ontario
DIGITAL AGENCY BDO Canada, Toronto, Ontario
HUMAN RESOURCES People Management Group,
Innerkip, Ontario
BUSINESS ANALYST CONSULTANT Khurram Qidwai
SPECIAL PROJECTS CONSULTANT Sean Wennerlind
LEGAL COUNSEL Wilson Spurr LLP, St. Catharines, Ontario



get cracking[®]
Egg Farmers of Ontario



Egg Farmers of Ontario

7195 Millcreek Drive, Mississauga, Ontario L5N 4H1

Telephone: 905 858 9790 Fax: 905 858 1589

getcracking.ca



EGG FARMERS OF ONTARIO
FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

EGG FARMERS OF ONTARIO
INDEX TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Changes In Net Assets	6
Statement of Operations	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 15
Schedule of Eggs For Processing Program	16
Schedule of Industrial Product Program	17
Schedule of Administrative Expenses	18



INDEPENDENT AUDITOR'S REPORT

To the Members of: Egg Farmers of Ontario

Qualified Opinion

We have audited the accompanying financial statements of Egg Farmers of Ontario, which comprise the statement of financial position as at December 30, 2023 and the statements of changes in net assets, operations and cash flows for the 52 weeks then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Egg Farmers of Ontario as at December 30, 2023 and the results of its operations and its cash flows for the 52 weeks then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis for Qualified Opinion

Due to the collection and reporting of the organization's revenues, the completeness of levies and licence fees retained is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Egg Farmers of Ontario and we were not able to determine whether any adjustments might be necessary to revenue, (deficiency) excess of revenues over expenditures and cash flows for the year ended December 30, 2023, current assets as at December 30, 2023, and net assets as at January 1 and December 30, 2023.

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 Egg Farmers of Ontario 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 qualified audit 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 Egg Farmers of Ontario'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 Egg Farmers of Ontario or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Egg Farmers of Ontario'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 Egg Farmers of Ontario'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 Egg Farmers of Ontario'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 Egg Farmers of Ontario 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 4, 2024

Chartered Professional Accountants
Licensed Public Accountants

EGG FARMERS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 37,688,459	\$ 16,141,395
Cash in trust - QTS	0	3,955,826
Short term investments - due in less than 12 months (note 6)	1,827,490	2,426,898
Accounts receivable levies	7,986,724	7,796,719
Accounts receivable from EFC	5,233,548	4,152,872
Accounts receivable hypereye (note 21)	2,587,185	996,068
Per bird levy receivable (note 23)	999,235	754,402
Prepaid expenses	382,890	363,235
Eggs for processing receivables	2,877,251	3,250,527
Quota receivable	5,621,230	5,017,107
Other receivables	1,244,100	2,652,437
Government remittances receivable (HST)	<u>1,262,462</u>	<u>0</u>
	67,710,574	47,507,486
LONG TERM INVESTMENTS - due in more than 12 months (note 6)	5,299,823	4,361,321
CAPITAL ASSETS (note 7)	<u>415,902</u>	<u>427,165</u>
	<u>\$ 73,426,299</u>	<u>\$ 52,295,972</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,748,677	\$ 7,469,684
Accounts payable in trust - QTS	0	3,955,826
Accounts payable to EFC	8,601,450	7,821,884
Farmers' payable EFP	29,347,571	6,978,763
Per bird levy payable (note 20)	3,459,050	0
Government remittances payable (HST)	<u>0</u>	<u>346,157</u>
	<u>50,156,748</u>	<u>26,572,314</u>
NET ASSETS		
Internally restricted for bacteria control (note 8)	1,824,715	1,750,760
Internally restricted for special projects (note 9)	834,202	834,202
Internally restricted for pullet quota (note 10)	1,741,315	1,625,961
Internally restricted for CETPP (note 11)	1,729,322	3,508,531
Internally restricted for disease initiative (note 16)	679,653	703,781
Internally restricted - other (note 17)	3,380,587	3,380,587
Unrestricted net assets (note 23)	<u>13,079,757</u>	<u>13,919,836</u>
	<u>23,269,551</u>	<u>25,723,658</u>
	<u>\$ 73,426,299</u>	<u>\$ 52,295,972</u>

APPROVED ON BEHALF OF THE BOARD:


 _____ Chair


 _____ Vice Chair

See notes to the financial statements

EGG FARMERS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

	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	52 weeks 2023 Total	53 weeks 2022 Total
BALANCE , beginning of period (note 23)	\$ 1,750,760	\$ 834,202	\$ 1,625,961	\$ 3,508,531	\$ 703,781	\$ 3,380,587	\$13,919,836	\$25,723,658	\$22,003,924
Excess (deficiency) of revenue over expenditures (note 23)	73,955	0	115,354	(1,779,209)	(24,128)	0	(840,079)	(2,454,107)	3,719,734
Transfers (note 17)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
BALANCE , end of period	<u>\$ 1,824,715</u>	<u>\$ 834,202</u>	<u>\$ 1,741,315</u>	<u>\$ 1,729,322</u>	<u>\$ 679,653</u>	<u>\$ 3,380,587</u>	<u>\$13,079,757</u>	<u>\$23,269,551</u>	<u>\$25,723,658</u>

EGG FARMERS OF ONTARIO
STATEMENT OF OPERATIONS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

	Budgeted 52 Weeks 2023 (note 5)	Actual 52 Weeks 2023	Actual 53 Weeks 2022
REVENUE			
Sales	\$ 85,014,573	\$ 103,654,011	\$ 132,664,927
Less			
National IP fees (note 12)	61,606,910	83,248,450	115,290,276
EFC administration levies (note 12)	9,445,009	9,453,648	9,465,566
EFO early adopters housing incentive	0	0	175,409
Per bird levy rebate (note 20 and 23)	<u>(800,000)</u>	<u>6,353,849</u>	<u>(538,987)</u>
Levies and licence fees retained	14,762,654	4,598,064	8,272,663
Investment and other income (note 6)	250,000	1,806,716	763,617
EFC - Natural overrun fee refund	0	0	3,380,587
Layer leasing revenue	9,930,000	10,179,287	10,185,179
NEQLP program	0	233,345	0
EFP program (schedule I)	0	(654,526)	(305,620)
Special EFP & STMRQ program (note 18)	<u>0</u>	<u>501,815</u>	<u>(202,157)</u>
	<u>24,942,654</u>	<u>16,664,701</u>	<u>22,094,269</u>
EXPENDITURES			
IP program (schedule II)	3,608,800	4,177,516	4,507,943
Public affairs	4,018,500	3,783,341	3,424,197
Consumer choice campaign	300,000	132,778	218,493
Producer incentive program	0	80,250	0
Administrative expenses (schedule III)	8,439,094	7,726,686	7,081,309
Research, grants, scholarships and memberships (note 15)	446,229	516,333	205,330
McGill Hypereye Project (note 21)	2,170,598	61,994	996,068
Table eggs program (note 19)	<u>1,600,000</u>	<u>1,025,883</u>	<u>867,531</u>
	<u>20,583,221</u>	<u>17,504,781</u>	<u>17,300,871</u>
TOTAL OPERATING EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES for the fiscal period	<u>\$ 4,359,433</u>	<u>(840,080)</u>	<u>4,793,398</u>
NET REVENUE (EXPENDITURES) OF INTERNALLY RESTRICTED ASSETS			
Bacteria control (note 8)		73,955	(48,212)
Pullet quota (note 10)		115,354	80,411
CETPP (note 11)		(1,779,209)	(937,997)
Disease initiative (note 16)		<u>(24,128)</u>	<u>(167,866)</u>
		<u>(1,614,028)</u>	<u>(1,073,664)</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES for the fiscal period		<u>\$ (2,454,108)</u>	<u>\$ 3,719,734</u>

EGG FARMERS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

	52 Weeks 2023	53 Weeks 2022
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	\$ (2,454,108)	\$ 3,719,734
Add: Items not involving cash		
Amortization of capital assets	80,729	64,456
Per bird levy restatement (note 23)	<u>0</u>	<u>(518,562)</u>
	<u>(2,373,379)</u>	<u>3,265,628</u>
Net change in non-cash operational balances		
Accounts receivable levies	(190,005)	(464,304)
Accounts receivable from EFC	(1,080,676)	2,932,931
Accounts receivable hypereye	(1,591,117)	996,068
Per bird levy receivable (note 23)	(244,833)	974,769
Prepaid expenses	(19,655)	(7,082)
Industrial product receivables	373,276	(3,250,527)
Quota receivable	(604,123)	(654,752)
Other receivables	1,408,337	(1,173,619)
Government remittances payable (HST)	(1,608,619)	215,692
Accounts payable and accrued liabilities	1,278,993	(1,951,506)
Accounts payable to EFC	779,566	358,837
Farmers' payable EFP	22,368,808	(11,284,216)
Per bird levy payable	<u>3,459,050</u>	<u>0</u>
	<u>24,329,002</u>	<u>(13,307,709)</u>
	<u>21,955,623</u>	<u>(10,042,081)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Investments	(339,094)	173,652
Purchase of capital assets	<u>(69,465)</u>	<u>(57,540)</u>
	<u>(408,559)</u>	<u>116,112</u>
CHANGE IN CASH	21,547,064	(9,925,969)
CASH, beginning of fiscal period	<u>16,141,395</u>	<u>26,067,364</u>
CASH, end of fiscal period	<u>\$ 37,688,459</u>	<u>\$ 16,141,395</u>

EGG FARMERS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

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, per bird levy receivable, accounts payable and accrued liabilities, per bird levy payable, Farmers' payable EFP and useful life of capital assets. Actual results could differ from those estimates.

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

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 52 WEEK PERIOD ENDED DECEMBER 30, 2023

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, \$0 (2022 - \$3,955,826) 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 2023 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 8, 2022, 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 2024 - 2033, administered by RBC Dominion Securities and BMO Nesbitt Burns. Bond and GIC interest rates vary from 0.75% to 5.60%. In the current year, \$1,745,872 (2022 - \$668,224) of income was earned on investments.

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2023	Net 2022
Land	\$ 162,000	\$ 0	\$ 162,000	\$ 162,000
Office equipment	1,288,404	1,271,235	17,169	21,463
Building	779,492	631,129	148,363	167,850
Automobiles	3,372	3,372	0	0
Promotional trailer	42,755	42,642	113	161
Computer equipment	<u>839,546</u>	<u>751,289</u>	<u>88,257</u>	<u>75,691</u>
	<u>\$ 3,115,569</u>	<u>\$ 2,699,667</u>	<u>\$ 415,902</u>	<u>\$ 427,165</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 \$91,424 (2022 - (\$48,212)). Expenses paid from the bacteria control account during 2023 totalled \$17,469 (2022 - \$0) for a net increase/(decrease) of \$73,955 (2022 - (\$48,212)).

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 (2022 - \$0) were paid out of the special projects account.

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, \$85,162 of interest has been earned/(paid) (2022 - (\$41,730)) and has been allocated to the pullet quota account. Revenues paid into the pullet quota account during 2023 were \$462,428 (2022 - \$471,822) and expenses paid from the pullet quota account during 2023 were \$432,236 (2022 - \$349,681) for a net increase of \$115,354 (2022 - \$80,411).

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 2023 were \$7,704,298 (2022 - \$5,444,028), and revenues paid to the CETPP account during 2023 were \$5,925,089 (2022 - \$4,506,031) for a net decrease of \$1,779,209 (2022 - \$937,997).

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

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>	
	December 30, 2023	December 31, 2022
National IP fee	44.50	40.50
EFC administrative levy	3.45	3.45
Ontario administrative and research levy	2.60	2.60
Ontario reserve	(9.50)	(4.00)
Provincial IP levy	<u>2.90</u>	<u>2.90</u>
Total farmer portion	43.95	45.45
Grading station portion (voluntary)	<u>0.02</u>	<u>0.02</u>
Total levy collected	<u>43.97</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:

2024	\$ 1,239,809
2025	838,809
2026	838,809
2027	577,500
2028	<u>577,500</u>
	<u>\$ 4,072,427</u>

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

15. RESEARCH, GRANTS, SCHOLARSHIPS AND MEMBERSHIPS

DESCRIPTION	RECIPIENT	2023	2022
LRIC and Research		\$ 197,430	\$ 0
Agricultural Research Institute of Ontario		87,500	0
Pullet Growers of Canada Membership		76,611	74,828
Administration	Poultry Industry Council	48,838	46,688
Farm Food Care Ontario		38,850	39,930
AALP Class Sponsorship		26,385	0
Other Sponsorships/Memberships		13,045	27,710
Canadian Centre for Food Integrity		10,000	10,000
Ontario Chamber of Commerce		6,000	0
HGH Foundation		5,000	0
Ontario Federation of Agriculture		3,500	3,000
Canadian Poultry & Egg Processors		1,424	1,424
Junior Farmers Association			
Sponsorship		1,000	1,000
Ontario Agricultural Hall of Fame		<u>750</u>	<u>750</u>
		<u>\$ 516,333</u>	<u>\$ 205,330</u>

16. INTERNALLY RESTRICTED FOR DISEASE INITIATIVE

This account represents funds received from EFC to cover S.E. related matters. A total of \$59,500 was paid during 2023 (2022 - \$146,728) for expenses related to the disease initiative. During the period, \$35,372 (2022 - (\$21,138)) of interest has been earned/paid, for a net decrease of \$24,128 (2022 - \$167,866).

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, 2023. During the prior year, the full refund of \$3,380,587 was transferred from the unrestricted account, as motioned by the board on December 7, 2022. There were no increases or decreases to this account in the current year.

18. SPECIAL EFP & STMRQ PROGRAM

	52 Weeks 2023	53 Weeks 2022
Special EFP & STMRQ revenue	\$ 3,213,653	\$ 1,518,928
Special EFP & STMRQ expenses	<u>2,711,838</u>	<u>1,721,085</u>
Special EFP & STMRQ program profit (loss)	<u>\$ 501,815</u>	<u>(202,157)</u>

19. TABLE EGGS PROGRAM

	52 Weeks 2023	53 Weeks 2022
Table eggs revenue	\$ 15,934,277	\$ 20,663,010
Table eggs purchases	<u>16,960,160</u>	<u>21,530,541</u>
Table egg program loss	<u>\$ (1,025,883)</u>	<u>(867,531)</u>

EGG FARMERS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

20. PER BIRD LEVY REBATE

On September 13, 2023, the board of directors passed a motion to reinstate the per bird levy collection system by rebating producers who overpaid levies resulting from a higher than the national rate of lay and invoice producers who underpaid resulting from a lower than the national rate of lay. The board decision was to issue a rebate retroactively on 2022 per bird levies paid.

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.

Effective January 1, 2023, EFO and Advanced Layer Technologies Corporation entered into an agreement associated with the McGill Research Project (Hypereye), whereby all eligible costs will be reimbursed in full, up to a maximum of \$5,000,000. Once the \$5,000,000 limit has been reached, each party shall be responsible for 50% of costs through to the end of the project.

	52 Weeks 2023	53 Weeks 2022
Total expenses	\$ 2,649,179	\$ 1,992,136
Third party contributions	<u>(2,587,185)</u>	<u>(996,068)</u>
EFO portion of expenses	<u>\$ 61,994</u>	<u>\$ 996,068</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.

23. PRIOR PERIOD RESTATEMENT

During the year it was discovered that in fiscal 2021 and 2022, the per bird levy calculations were not being updated to include the levy adjustment coming from the eggs for processing program at year end. The levy adjustment results from dozens moving from the eggs for processing program into leviable dozens. As this adjustment was not reflected in the per bird levy, the amounts in the per bird levy receivable and per bird levy income were misstated.

The 2022 figures presented for corresponding purposes were restated to reflect this prior period error. The opening unrestricted net assets decreased \$518,563 due to the 2021 understatement of the per bird levy rebate and overstatement of excess of revenue over expenditures for the fiscal period then ended. The 2022 per bird levy rebate decreased by \$224,026, therefore increasing excess of revenue over expenditures for the fiscal period then ended by the same amount. The net effect of these adjustments were to decrease the per bird levy receivable and ending net assets by \$294,536.

EGG FARMERS OF ONTARIO
SCHEDULE OF EGGS FOR PROCESSING PROGRAM
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

Schedule I

	<u>Fiscal period ended December 30, 2023</u>	
	52 Weeks 2023	53 Weeks 2022
Revenues		
Farmer EFP revenue - levies	\$ 49,656,454	\$ 49,687,444
EFP farmer refund	<u>(36,850,367)</u>	<u>(32,736,466)</u>
	12,806,087	16,950,978
EFP sales to breakers	<u>35,846,219</u>	<u>21,811,141</u>
	<u>48,652,306</u>	<u>38,762,119</u>
Costs		
Egg purchases	46,581,929	37,121,618
EFP administration costs	52,972	54,168
EFP storage costs	163,551	237,671
Transportation	664,839	540,344
Packaging	203,398	159,687
Grading handling allowance	1,640,143	930,024
Provincial early fowl removal program	<u>0</u>	<u>24,227</u>
	<u>49,306,832</u>	<u>39,067,739</u>
EFP program loss	<u>\$ (654,526)</u>	<u>\$ (305,620)</u>

EGG FARMERS OF ONTARIO
SCHEDULE OF INDUSTRIAL PRODUCT PROGRAM
FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

Schedule II

Fiscal period ended December 30, 2023

	Budgeted 52 Weeks (note 5)	52 Weeks 2023	53 Weeks 2022
Revenues			
IP revenue	\$ <u>135,456,400</u>	\$ <u>112,919,949</u>	\$ <u>135,136,289</u>
Costs			
Egg purchases	132,981,200	112,168,819	134,183,043
Packaging	608,400	489,518	593,055
Labelling and other costs	0	5,601	4,241
Grading handling allowance	5,475,600	4,097,621	4,638,438
Field supplies and S.E. testing	<u>0</u>	<u>335,906</u>	<u>225,455</u>
	<u>139,065,200</u>	<u>117,097,465</u>	<u>139,644,232</u>
IP program loss	\$ <u>(3,608,800)</u>	\$ <u>(4,177,516)</u>	\$ <u>(4,507,943)</u>

EGG FARMERS OF ONTARIO

SCHEDULE OF ADMINISTRATIVE EXPENSES

Schedule III

FOR THE 52 WEEK PERIOD ENDED DECEMBER 30, 2023

	Budgeted 52 Weeks 2023 (note 5)	Actual 52 Weeks 2023	Actual 53 Weeks 2022
ADMINISTRATIVE EXPENSES			
Salaries and benefits	\$ 3,684,275	\$ 3,295,414	\$ 3,141,412
Staff professional development and travel	389,736	416,325	279,341
Annual and farmer meetings	560,000	428,285	561,160
Fraudulent disbursement	0	0	179,433
Directors			
Per diem	462,026	410,140	420,750
Expenses	177,925	277,106	225,865
HACCP/ACP Third Party Audit	0	7,881	6,042
Amortization	75,000	80,729	64,456
Office and building	367,646	413,066	293,556
Computer maintenance	365,486	355,177	433,843
EFO Online	1,400,000	1,008,802	549,080
Professional fees	610,000	628,429	649,152
Councilors' grants	45,000	44,400	44,700
Bank charges	7,000	60,930	6,127
Foodbank donations	<u>295,000</u>	<u>300,002</u>	<u>226,392</u>
	<u>\$ 8,439,094</u>	<u>\$ 7,726,686</u>	<u>\$ 7,081,309</u>