



Annual Report
2024



**EGG FARMERS
OF CANADA**



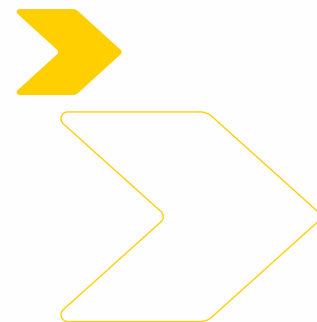
Board of Directors

- 1 **Roger Pelissero**, Chair
- 2 **Glen Jennings**, 1st Vice-Chair, Nova Scotia
- 3 **Emmanuel Destrijker**, 2nd Vice-Chair, Quebec
- 4 **Walter Siemens**, Executive Member, British Columbia
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- 8 **Regan Sloboshan**, Saskatchewan
- 9 **Jacqueline Pease**, Canadian Poultry & Egg Processors (Grading)
- 10 **Drew Corneil**, Canadian Poultry & Egg Processors (Hatcheries)
- 11 **Scott Brookshaw**, Ontario
- 12 **Mike Vanderpol**, Canadian Poultry & Egg Processors (Processing)
- 13 **Beatrice Visser**, Alberta
- 14 **Michael Wallington**, Northwest Territories
- 15 **Hans Kristensen**, New Brunswick
- 16 **Wayne Beggs**, Advisor to the EFC Board of Directors



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The fifty-second Annual Report of Egg Farmers of Canada (c.o.b. Canadian Egg Marketing Agency) is prepared for presentation to the Minister of Agriculture and Agri-Food and to Farm Products Council of Canada.



Chair's message



The decisions we make, the projects we begin, the priorities we set—these efforts help determine how the future plays out.

History moves only in one direction: Forward. As you will be able to tell from the pages of this report, we moved forward quite a lot in 2024. It was a historic year, with many significant accomplishments and positive outcomes. I can state with confidence that the goals we achieved throughout 2024 will set us on the path to grow in the years ahead.

Were there challenges? Of course. There always are as circumstances change and issues emerge. As usual, we were able to face those challenges head-on because of the work we have done to nurture programs and policies, build relationships and create a strong network of allies.

Looking back on the year, I can point to any number of memorable milestones that are propelling our sector forward. We continued to nurture support for our Egg Quality Assurance™ (EQA®) certification mark and moved ahead with a new Cost of Production (COP) for conventional, enriched colony and free run systems. We worked in partnership with our supply-managed counterparts to underscore the tremendous benefits our system brings to farmers and to Canadians and we continued to highlight the strong on-farm programs that give consumers the confidence they need in our products.

While there were many positive outcomes, the year's most significant accomplishment, one that will most help propel us forward in the coming decades, is the signing of the *Federal-Provincial-Territorial Agreement (FPTA)* for the Canadian egg farming sector. It took nearly a decade to pull this new Agreement together and before it was able to come into force on November 22, 2024, it needed the signatures of 38 different people representing governments, organizations and groups across the country. The impact of this guiding document, with its modern, principles-based approach, will be felt for generations. It was a proud moment when the final signature

was put on the document by Agriculture and Agri-Food Minister Lawrence MacAulay. The FPTA is an example of the exceptional things we can do together, and I could not be more excited for what comes next.

Egg farmers are on the front lines of our push forward, and I want to offer my appreciation for the work they do. They are the ones who deal with the realities of egg farming, day in and day out—realities like the pressure to keep their farms safe in the face of the threat of avian influenza. They have been exemplary on this issue, both in their approach and in their biosecurity vigilance. More than ever, this solid work is gaining traction with the public who see the value of our system of supply management. The stability and resiliency provided by supply management will help move us forward, and we all have to do our share to make sure Canadians understand this. We worked hard last year to get that message across and we will continue to do so in the future.

With per capita egg consumption trending upward and further growth anticipated in 2025, there is a tremendous opportunity ahead of us. We want farmers to embrace this growth opportunity by building new barns and retrofitting existing facilities. We must plan for the future, today. Farmers can look ahead with confidence, knowing that we have the people, policies and systems in place to help them deal with challenges as they arise. This structure is strong because it has been nurtured and refined over time.

In closing, I want to remind you that while the future can sometimes seem unclear, it is in fact built on the actions we take today. The decisions we make, the projects we begin, the priorities we set—these efforts help determine how the future plays out. What's important is to remain focused, steady, consistent and united. Together, we will correct course in response to emerging challenges.

I want to conclude by thanking the Egg Farmers of Canada (EFC) Directors and staff for their dedication and commitment, and by offering my sincere appreciation for the support I have received from egg boards and farmers across the country. We could not be moving forward without your hard work.



Roger Pelissero

Chair

CEO's message



Our strong and capable staff are one of the most important keys to our ability to meet challenges and face the headwinds we may encounter.

In my first full year at EFC, I spent a lot of time building relationships and seeing first-hand how things work. I visited farms, grading stations and processing plants; I heard from farmers in every region about the issues that matter to them; and I learned from Board-level committees, staff and stakeholders about our business, our processes and our systems. I am both humbled and impressed.

I knew when I joined the organization that EFC was ranked as one of the top corporate cultures in the country. Now, I can clearly see why. Our strong and capable staff are one of the most important keys to our ability to meet challenges and face the headwinds we may encounter. That was evident as I got to know people through all-staff meetings and team-building activities and as I attended departmental meetings and met with our management team. There truly is a sense of community in our workplace.

I can also say with confidence that our structure and our approach are of immense value. As Roger said, we have the right people and structure in place to deal with issues as they arise. I also came to understand how ably we manage the art of working cooperatively. A fundamental pillar of our corporate ethos is the profound value we place on collaboration and working together. This approach allows us to deliver outcomes that support the best interests of our sector and actively prepare for the future. The achievements we have realized are nothing short of remarkable, and they are a testament to our unwavering commitment to synergy and cooperation.

Throughout the year, I observed the many strong relationships across our vibrant sector. I also saw how the team at EFC is always looking for new ways to build on these relationships. Cultivating and maintaining these strong connections is of paramount importance to us as a forward-looking organization.

We benefit immensely when we gain insight into the challenges others encounter and draw on their expertise and experience. This allows us to not only broaden our perspective; it helps us establish a solid foundation for future collaboration across our value chain.

Last year, we helped set the stage for future success by addressing complex regulatory matters; launching new projects that will enhance how we serve our market; advocating for our system of supply management; and building a new framework that will guide our priorities into the future through our 2025-2027 Strategic Plan. This plan gives us the structure we need to push forward on ambitious goals that grow both egg production on Canadian farms and egg consumption, while maintaining a strong connection to Canadians, policymakers and our value chain.

I am looking forward to continuing to work across our sector to take advantage of the significant growth signals we are seeing in the marketplace. We are well-placed to deliver a growing supply of nutritious, made-in-Canada products that Canadians want and enjoy, all while working towards achieving our important goal of net-zero greenhouse gas emissions. Achieving our goals is not always going to be easy—but I know we have the right team and partners at the table. We have plenty to keep us busy and a positive track record to build on.

In closing, I want to thank everyone at EFC, the egg boards and Canada's egg farming industry for their willingness to work on creative solutions. I particularly appreciate your openness to share your perspectives and viewpoints with me.

I am excited about moving forward with you towards a future with a lot more eggs in it.



Drew Black

CEO



1 Research and innovation

Understanding that strong research leads to new innovations and practices, we continue to push forward with a well-rounded program that encompasses a cross-section of academia, partnerships and knowledge transfer. This year, our investments in research saw high returns, with new research results and stronger partnerships leading to increased opportunities to address challenges and share knowledge.

Our research priority areas include:

- Environment and sustainability
- End of flock management
- Innovative uses of eggs
- Animal care science
- Food safety
- Human nutrition and health
- Bird nutrition and health
- Public policy and economics
- Research gaps identified by the Code of Practice

Investing in our future through the Research Grant Program

Our Research Grant Program supports Canadian researchers pursuing new evidence-based outcomes and currently funds more than 50 projects. Our 2024 call for Letters of Intent to the scientific community allowed us to explore new research opportunities, while continuing to advance existing collaborations. Some examples of the research projects completed this year include Dr. Karen Schwean-Lardner's work at the University of Saskatchewan to determine the ideal perch space allowance for pullets. At the University of Calgary, Dr. Faizal Careem developed optimized vaccination strategies for infectious bronchitis virus, while at the University of Ottawa, Dr. Michael De Lisio explored how egg consumption can reduce inflammation and promote muscle repair in adults with obesity. These research outcomes provided the basis for various communications to stakeholders and inform best practices across our sector.



50+
ongoing projects
funded under our
Research Grant
Program.



Research Chair Network continues to innovate

Through our Research Chair Network, we provide long-term funding to leading researchers across Canada. As experts in their fields, these research chairs have established extensive programs. Dr. Maurice Doyon, Egg Industry Economic Research Chair at Université Laval, has focused his recent research on understanding consumer preferences, as well as exploring the economics of climate change. As Research Chair in Poultry Welfare, Dr. Tina Widowski has been studying hen behaviour and the optimization of equipment and enrichments to support egg production at the University of Guelph. In June, Dr. Widowski was inducted into the Ontario Agricultural



Hall of Fame for her internationally renowned research on poultry welfare, as well as her contributions to developing the *Code of Practice for the Care and Handling of Pullets and Laying Hens*. At the University of Waterloo, Research Chair in Public Policy Dr. Bruce Muirhead has been active in his work comparing supply management to agricultural policies around the world. Dr. Nathan Pelletier, from the University of British Columbia Okanagan, holds the Research Chair in Sustainability. His current research includes exploring potential areas to improve efficiency on-farm.



Dr. Widowski was inducted into the Ontario Agricultural Hall of Fame for her internationally renowned research on poultry welfare, as well as her contributions to developing the Code of Practice for the Care and Handling of Pullets and Laying Hens.

Together, these research chairs have established strong collaborations across their disciplines. For example, Drs. Doyon and Pelletier are advancing an extensive project exploring the environmental and economic impact of extended lay cycles. Drs. Muirhead and Doyon, together with Dr. Jodey Nurse, provided expert opinion to the Standing Senate Committee on Foreign Affairs and International Trade (AEFA) in support of supply management. Their commentary raised the profile of supply management as a tool that brings stability to food production in Canada and provided evidence-based comparisons to other jurisdictions.

New Student Innovation Challenge brings fresh ideas

In March 2024, we celebrated the winners of the inaugural Student Innovation Challenge. The initiative saw post-secondary students from across the country pitch their research ideas and creative solutions to help shape the future of Canada's egg sector. Dozens of students submitted videos to discuss their project and three finalists were selected by a jury. Mariève Dallaire-Lamontagne from Université Laval and Ravneet Kaur from the University of Alberta tied for first place, with their projects focused on enhancing on-farm management of waste material and improving nutritional outcomes for cancer patients, respectively. Violet Hipkin from the University of Guelph received the third-place award for her research that assessed pecking blocks as a foraging enrichment. The second round of the student challenge was launched in September and the winners will be announced in 2025.



Research partnerships deliver tangible results

Multiple research partnerships with organizations in both Canada and the United States (US) allow us to extend our investment and work with like-minded organizations in several areas. Our current partnerships deliver tangible outcomes and support a vision of evidence-based decision-making. These partnerships include:

- **Canadian Poultry Research Council (CPRC):** The organization brings together EFC, Chicken Farmers of Canada, Turkey Farmers of Canada, Canadian Hatching Egg Producers and the Canadian Poultry & Egg Processors to support poultry research. The CPRC administers the Poultry Science Cluster, a \$10.2 million research program funded in part through Agriculture and Agri-Food Canada (AAFC). In October, AAFC announced funding for the Poultry Science Cluster, committing up to \$5.1 million for the next four years.
- **Egg Nutrition Center (ENC):** The ENC is the science and nutrition education division of the American Egg Board, which funds research projects solely focused on human nutrition and health related to eggs. For example, a recent study explored the relationship between egg consumption and a reduced risk of Alzheimer's disease in older adults. Research findings like these are a core part of EFC's outreach to healthcare professionals, providing a strong foundation of sound, scientific work.
- **Egg Industry Center (EIC):** Based at Iowa State University, the EIC supports poultry-focused research. In recent years, much of the research it supports has focused on understanding and preventing the spread of avian influenza, among other diseases. This information provides current evidence that helps strengthen our response to emergency disease situations.

- **Poultry Innovation Partnership (PIP):** In partnership with the University of Alberta, the PIP brings together industry, government and academia with the goal of supporting and promoting poultry-focused research. The PIP administers a strong knowledge transfer program, with monthly webinars and in-person workshops for farmers. They also organize and host the Canadian Poultry Research Forum, an annual virtual conference showcasing leading poultry research.

Knowledge mobilization activities transfer vital information

We strive to share results from our research program with Canadian egg farmers and our network of stakeholders. Providing farmers with information about new research studies helps ensure farming practices remain current. These efforts extend to other critical groups who benefit from the latest information.

In 2024, our knowledge mobilization program focused on highlighting research projects in various ways, including through our newsletter, in research summaries and on our eggfarmers.ca website. We also circulated research summaries at conferences, both to farmers and to a broader audience including healthcare professionals. Several of our research chairs presented their work at workshops and conferences, reaching targeted groups who benefited from their insights, such as the participants in our national young farmer program and women in the egg industry program. We continued to find new synergies between our knowledge mobilization efforts and other EFC programs like our National Environmental Sustainability and Technology Tool (NESTT). The platform allows us to seamlessly integrate new information, helping farmers access the latest sustainability research and other valuable resources.



EIC supports forward-thinking poultry research



Renowned for its research in hen health, studies funded by the EIC have included research exploring avian influenza, false layer syndrome and avian reovirus, among other matters that affect flocks. Our partnership with EIC, dating back to 2015, has generated a growing body of research to support progress and shared learnings in the egg sector. Under the guidance of an Advisory Board, which includes EFC Chair Roger Pelissero, the EIC also plays an important role in connecting experts through their annual Egg Forum and disseminating research findings through a range of extension activities.

Some examples of recent research projects funded by the EIC include:

- Understanding the role of wild birds, rodents and insects in spreading the avian influenza virus to commercial egg barns
- Comparing hen gut and lung microbiomes in different housing systems to determine disease susceptibility
- Exploring ventilation options for free run and free range barns to reduce disease spread, improve air quality and enhance hen welfare



2 Sustainability

Environmental measures remain a core pillar of our sustainability journey, and our holistic approach prioritizes protecting the health and welfare of our hens; delivering safe, high-quality eggs to Canadians; and enhancing the well-being of others. These pillars provide a robust framework for action, all while safeguarding the future for the next generation. By drawing on this comprehensive approach, we are building a resilient farming sector and supporting a collective pathway to reducing emissions.

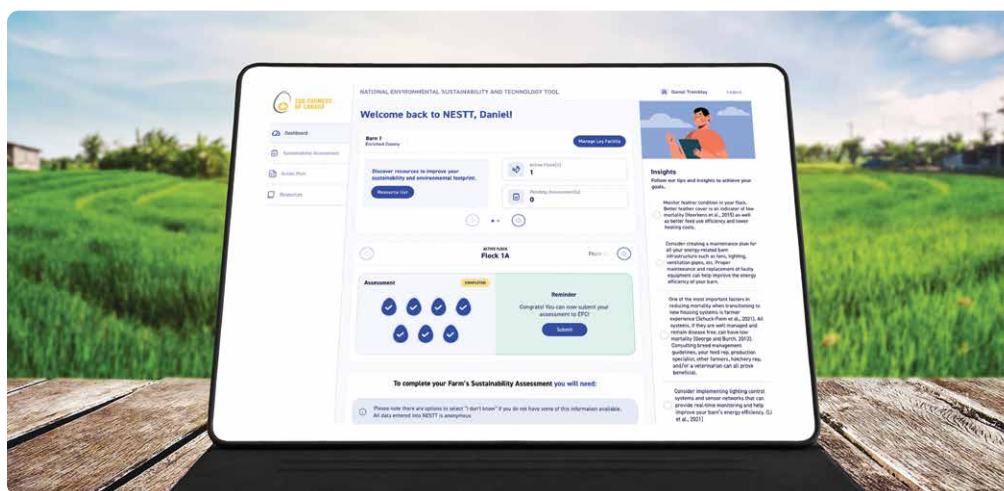
Developing our pathway to net-zero emissions

We are committed to working towards achieving net-zero greenhouse gas (GHG) emissions by 2050. To that end, we worked with egg boards and stakeholders in 2024 to develop a plan that supports a collective pathway to reducing emissions, while considering the unique circumstances of egg farming. In 2024, we hosted a workshop to build a shared understanding of net-zero approaches and explore key elements of a collective strategy. This workshop sparked valuable discussions about the importance of sharing

our story with Canadians and maintaining a balanced approach that integrates the environmental, economic and social lenses of sustainability. EFC is now drafting a preliminary roadmap to net-zero GHG for our sector. It will outline pathways to support our sustainability journey and highlight resources that can support farmers. Additional consultations with egg boards and industry stakeholders are planned for 2025 to refine the roadmap elements and strengthen our overall framework. These efforts will support a vision of a strong, resilient future for Canadian egg farmers and the broader industry.

Supporting farm-level environmental planning

NESTT continues to be the basis of our environmental programming. This innovative sustainability assessment tool allows egg farmers to measure, monitor and manage the environmental impact of their farm. In 2024, nearly 1 in 5 farmers who completed a NESTT assessment took the next step by initiating an action plan. By leveraging this feature of the tool, farmers were able to develop tailored goals aimed at enhancing their farm's performance across various areas and draw on NESTT to track their progress. The goal setting feature provides a framework for continuous improvement, driving progress in key aspects of environmental sustainability.



1,270
egg farms and
farm families
located across
Canada.

A technical assessment in 2024 allowed us to identify opportunities to integrate new functionality and improve performance and the user experience. Development work is underway to streamline the assessment questionnaire and shorten the amount of time required to input farm data. New resources will be added to the web-based tool to help users interpret their report and learn about the technologies, tools and practices that support their farm's sustainability. These updates are designed to enhance the overall experience, making the process more intuitive and efficient.




1,688
on-farm
audits
conducted
in 2024.



Continued progress in our approach to animal care

Our national Animal Care Program is a cornerstone of our on-farm operations. With the redeveloped Animal Care Program now in place, our focus this year was on updating the verification approach used by EFC Field Inspectors and third-party auditors. A new version of the Auditor Guidelines was released in August, developed under the guidance of the Production Management Committee of the EFC Board of Directors. The updated guidelines include clarification in the areas of housing requirements, feed and water consumption, ammonia testing, alarm testing, and handling and transportation requirements. These guidelines are a critical component in assessing compliance with animal welfare standards and maintaining a consistent approach across Canada.



With the redeveloped Animal Care Program now in place, our focus this year was on updating the verification approach used by EFC Field Inspectors and third-party auditors.

Another key initiative this year was the development of a national Free Range Standards Certification Program. This optional certification program standardizes several aspects when it comes to free range egg farming practices, including range access and vegetation requirements. The certification program is undergoing a final review in preparation for its launch in 2025.

Amendment initiated to the Code of Practice

In 2024, EFC initiated the amendment process for the 2017 *Code of Practice for the Care and Handling of Pullets and Laying Hens*. Under the guidance of the National Farm Animal Care Council, this robust process will ensure our Code of Practice draws on the most current practices and remains scientifically informed. The Scientific Panel presented their draft report containing a literature review related to the three amendment topics—space requirements for round feeders, the interpretation of the maximum number of tiers permitted in barn facilities and the minimum space allowance for pullets in multi-tier systems—to the Code Amendment Committee in September. The Committee will propose draft amendments for the three selected topics in 2025 and a 60-day public comment period will be initiated to solicit feedback before the amendments are finalized.



Taking part in the development of new Canadian Organic Standards

EFC contributed to the work underway to update the Canadian Organic Standards. The process, which is under the guidance of the Organic Federation of Canada and draws in an extensive cross-section of stakeholders, seeks to update the guidelines, standards and certification process related to organic farming. Several meetings took place throughout 2024 where EFC offered perspective and input on behalf of the egg farming sector. A public comment period is expected to take place in 2025 ahead of finalizing the new standards.

Working together to reduce antimicrobial resistance (AMR)

Our work to monitor trends in antimicrobial use (AMU) and AMR within our sector continued in 2024 with the support of the Canadian Integrated Program for Antimicrobial Resistance Surveillance. While stewardship and prudent use are key to maintain a responsible approach to antimicrobials on-farm, it is equally important to ensure Canadian veterinarians and farmers have access to a wide and varied range of veterinary healthcare tools. This year, we joined a group of organizations representing farmers and veterinarians to raise awareness of the regulatory barriers preventing access to new and alternative products that mitigate AMR in the agricultural sector. Our efforts emphasized the important role policymakers must take to improve access to new veterinary tools by prioritizing approvals and fast-tracking pharmaceuticals already approved by other trusted regulatory authorities such as the US. This outreach coincided with World AMR Awareness Week and the recommendations put forward were well received.



Delivering safe, high-quality food for Canadians

Canada has one of the most stringent food production systems in the world. This is one of the reasons why our country is ranked first in food quality and safety by the Global Food Security Index.¹ A prime example of this high degree of food safety in action are the rigorous protocols farmers embrace every day through the national Start Clean-Stay Clean® program. This approach supports the overall safety of our food system, while delivering the high-quality food Canadians expect.

The work of the national *Salmonella* Enteritidis (SE) Scientific Advisory Panel continued in 2024. The group, which consists of third-party food safety and poultry experts, submitted two comprehensive reports to the EFC Board of Directors. Their work focused on SE control at the farm level, examining the latest scientific evidence for mitigating the risk of SE and included a comparison of Canada's approach to SE control measures relative to other countries. While the findings support the existing guidance outlined in the National SE Protocol as an effective approach to reduce the incidences of SE in the egg farming sector, the three-year evaluation led to several recommendations. From standardizing laboratory testing methods, to a review of a farm's practices following an SE positive case, these recommendations will further enhance our already strong approach. The EFC Board of Directors approved the Advisory Panel's recommendations with plans to incorporate them into the National SE Protocol in 2025.

¹ Economist Impact (2022). *Global Food Security Index 2022*.



856
million
dozen eggs
produced
in Canada
in 2024.

Stepping up planning for the hen housing transition

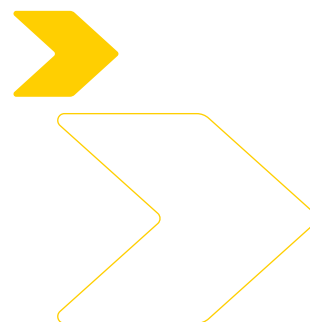
Egg farmers continue to make progress phasing out conventional housing and shifting to new methods of production. As of mid-2024, the share of hens housed in conventional systems has decreased to 43%, down from 45% in 2023 and 82% in 2016 when the transition process was initiated. Enriched colony housing remains the largest alternative production system, representing nearly 37% of hens in 2024. An upward trend in free run, organic and free range housing has been observed. Collectively, these alternative housing systems represent approximately 20% of hens in Canada. The industry continued to adapt to evolving consumer demand, ensuring the availability of various product categories. Current trends suggest conventional housing is projected to be fully phased out by 2035, if the transition maintains the pace observed over the past three years.

Hen issuance by production method

Production method	2024	2023	2022	2021	2020
Conventional housing	43.25%	45.28%	49.64%	52.88%	59.02%
Enriched colony	36.94%	35.33%	32.47%	29.30%	24.52%
Aviary/free run	13.51%	13.02%	11.14%	11.43%	10.42%
Organic	4.88%	5.02%	5.43%	5.07%	4.85%
Free range	1.42%	1.35%	1.32%	1.32%	1.19%

Source: Egg boards

Note: 2020-2023 data represents December, end of year values. 2024 data represents July, mid-year value.



We are preparing for upcoming milestones and critical moments in the hen housing transition process. For example, the requirement to increase the space per hen to 90 square inches will take effect in 2031, which is estimated to reduce the number of birds in conventional housing by up to 1.4 million across Canada. Our efforts are focused on planning for these adjustments through proactive measures, such as optimizing barn capacity and advancing projects that support the transition to new production methods.



Through a range of coordinated initiatives, we are advancing the systems and processes necessary to support the direction we are headed as an industry.

Through a range of coordinated initiatives, we are advancing the systems and processes necessary to support the direction we are headed as an industry. For example, the National Alternative Housing Project Team, whose mandate is to integrate new processes for the management of alternative housing into the approach of managing the egg supply, facilitated a workshop with egg boards and initiated a consultation on key policy documents. Additionally, the EFC Board of Directors approved the proposed interim policy presented by the Free Run Integration Team. The policy outlines a new pricing structure for free run production that enhances consistency across the country while respecting jurisdictional responsibilities. Another significant deliverable was the approval of the COP Study Report for conventional, enriched colony and free run systems.

Women in the egg industry program continues to grow



Our women in the egg industry program supports women in leadership roles within the egg farming sector. In 2024, the program welcomed eight exceptional delegates from across the country, who engaged in a 12-month development program. The group convened in Montreal where they had the opportunity to attend a variety of keynote speakers and presentations, including inspiring talks by Paralympian Aurélie Rivard and Canadian Centre for Food Integrity Executive Director Lisa Bishop-Spencer. The conversation touched on how to overcome challenges, and the importance of building public trust in the agriculture sector. Delegates also participated in a series of webinars on topics such as supply management, COP and quota allocation. A key component of the program is its active mentorship initiative, which pairs participants together to share knowledge, discuss common goals and exchange ideas on a variety of topics.

10 years of our national young farmer program



Young leaders from across Canada gathered in Montreal for the Future Egg Leaders' Summit.

This year marks the 10th anniversary of our national young farmer program. Since 2014, the program has supported more than 80 young egg farmers by offering networking opportunities and educational sessions to expand knowledge and build skills. To celebrate the 10-year milestone, we brought alumni together for our Future Egg Leaders' Summit in Montreal for a day of discussion, networking and skill-building. The Summit's activities included talks by keynote speakers like Abacus Data CEO David Coletto, Agricultural Historian Dr. Jodey Nurse and EFC CEO Drew Black. Attendees took in a panel discussion on lessons in leadership in addition to sharing their perspective on the future of egg farming in Canada.

The 2024 cycle of the program brought together another incredible group of young people at workshops in Ottawa and Montreal. Throughout the programming, a variety of educational content modules were presented by experts covering topics like trade, quota, forecasting demand and marketing. Delegates observed EFC Board of Directors meetings, attended egg sector events and took part in government relations training which included a private tour of the House of Commons and Senate.



3 Social license and public trust

It's a proud tradition to work with our fellow Canadians and share with them the many ways our sector contributes to the fabric of our country. From helping others learn about our approach to farming, to advocating in support of a strong domestic food system, to giving back to those around us, we want Canadians to know egg farmers are there for them. Our outreach initiatives are designed to connect people to the farmers behind the food they trust and nurture support for our system of supply management. Our virtual content, spokespeople in the media, public relations initiatives and other engagement tactics are reaching millions of Canadians.

Amplifying our voice through advocacy

EFC continues to advance the interests of egg farmers through a tailored, multi-faceted advocacy program. This year we expanded our engagement through a strategic program that included spring and fall advocacy days where members of the EFC Executive Committee took part in a series of meetings with Members of Parliament (MPs) and Senators. These connections allowed us to discuss the files of importance to the

egg farming sector, foster new relationships with Parliamentarians and provide recommended solutions to the issues at hand. EFC representatives participated in dozens of meetings with Ministers, Parliamentary Secretaries, MPs, Senators, senior government officials and policy advisors to offer perspective on topics such as supply management, biosecurity, emergency preparedness, food labelling, sustainability, avian influenza and other regulatory matters.

Regular correspondence, and engagement in studies and consultations facilitated by Parliamentary Standing Committees and federal departments, further complimented our work. For example, comprehensive submissions were prepared as the government sought input on the federal budget, labelling for alternative egg products, international development initiatives, sustainable farming practices, as well as trade related matters such as the upcoming Canada-United States-Mexico Agreement (CUSMA) 2026 Review and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) General Review.




65+
advocacy
meetings
in 2024.

Our voice was amplified through strategic collaborations with other organizations. We continued to work closely with the Canadian Federation of Agriculture, the other national supply-managed sectors and a cross-section of animal agriculture organizations to advance shared interests. Throughout the year, EFC worked with a range of industry associations to advocate for stronger penalties for trespassers on farms by encouraging Parliamentary support for Bill C-275, *An Act to amend the Health of Animals Act (biosecurity on farms)*. Joining forces with farm groups and veterinarians, we worked together to develop solutions to increase access to veterinary healthcare tools through a joint whitepaper that was distributed to government officials. We also played a role in the development of government policy which is exemplified in EFC's contribution to the Sustainable Agriculture Strategy through our participation in AAFC's Advisory Committee.



Leveraging the media to tell our story



Media commentary and lively discussion on various topics demanded careful attention and responses to ensure accuracy and fairness in the debate. Throughout the year our spokespeople delivered interviews and offered comments to reporters on topics ranging from avian influenza, to supply management, to new ways to use eggs. Our rapid response media approach allowed us to rebut inaccuracies and provide our viewpoint in a wide range of national publications through Letters to the Editors and opinion pieces. These efforts allowed us to underscore the importance of legislation such as Bill C-282 (supply management), provide commentary on the Canada-US trade dynamic, put a spotlight on the rigorous animal welfare standards in place on Canadian egg farms and set the record straight on inflationary trends and the price of eggs.

We reinforced our perspective through advertorial content in national publications such as The Globe and Mail, Toronto Star and Journal de Montréal, as well as a number of trade publications that reached our value chain, such as Foodservice and Hospitality and Canadian Grocer. Press releases, proactive outreach to journalists and regular public relations initiatives helped us engage with Canadians and celebrate important milestones, such as the entry into force of the FPTA and the launch of our new 'Play by Play' marketing campaign. Our Easter and holiday programs put a focus on eggs in entertaining, providing a platform to highlight what makes Canadian eggs so special. The combination of these efforts generated hundreds of articles and broadcast segments, reaching millions of people.

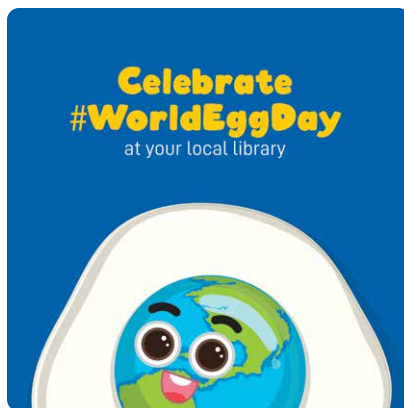
Promoting the care that goes into egg farming

Throughout the fall, our latest advertising campaign shared how egg farmers are passionate about providing fresh, high-quality eggs while taking care of their animals, communities and the environment. The campaign leveraged the tagline ‘care goes into Canadian egg farming’ and featured the Jennings family from Nova Scotia and B Jack Farms from British Columbia. The ads allowed us to target and engage with decision-makers throughout our value chain by leveraging a mix of channels, such as trade publications, online news outlets and social media. This national initiative put a focus on the rigorous standards in place on egg farms and provided an avenue for egg farmers to share—in their own words—their story. The initiative delivered nearly 35 million impressions and thousands of visits to our eggfarmers.ca website during a 12-week period.



94%
of Canadians prefer eggs, dairy and poultry products to be produced locally in Canada under supply management.²

Celebrating egg farmers on #WorldEggDay



Our World Egg Day campaign shined the light on the egg farmers and farm families who deliver fresh, local, high-quality eggs every day. The initiative featured a partnership with local libraries in Charlottetown, City of Québec, Hamilton, Red Deer and the Okanagan. An engaging pop-up display encouraged library patrons to learn about eggs and egg farming on World Egg Day as well as play our educational game, Earthwise Egg Quest: Canadian Egg Farming Trivia Challenge. Outreach to local media brought on positive news coverage in outlets such as the Vernon Morning Star,

Summerland Review, Kelowna Capital News, West K News, Lake Country Calendar and rdnewsNow and promoted the library partnerships in those regions. A number of Parliamentarians added their voice to the celebration by sharing their thanks and support for Canada’s egg farmers on social media. Our World Egg Day festivities wrapped up on a positive note, with a special recognition for egg farmers in the House of Commons.

² Abacus Data (December 2023). *9 in 10 Canadians Say It’s Important to Them that the Dairy, Eggs, Chicken and Turkey They Buy Come From Canada.*



Talking food security at the Downtown Diner

Our much-loved Downtown Diner event, co-hosted with Turkey Farmers of Canada, Chicken Farmers of Canada, Dairy Farmers of Canada and Canadian Hatching Egg Producers, took place in Ottawa on October 3. Farmer representatives spoke to their commitment to delivering safe, nutritious food and discussed government policies and legislation that ensure Canada can continue to prioritize a strong national food system. The support was overwhelming with over a thousand attendees dropping by the pop-up diner to meet farmers and show their support for made-in-Canada food.

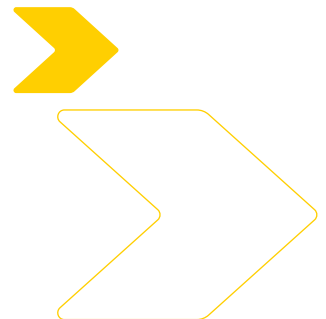


Farmer representatives spoke to their commitment to delivering safe, nutritious food and ensuring Canada can continue to prioritize a strong national food system.

The well-timed event provided yet another platform for our sectors to address the ongoing debate on Bill C-282 (supply management) with the many MPs and Senators in attendance. Agriculture and Agri-Food Minister Lawrence MacAulay joined us as our guest of honour and our popular The Farmers' Times newspaper was on hand as an additional resource. Social media engagement and a national press release reinforced our message about supply management and food security.

Driving conversation at Canada's largest gathering of municipal leaders

Our sponsorship and participation in the Federation of Canadian Municipalities (FCM) Annual Conference returned this year, with a delegation from the national supply-managed sectors joining municipal officials in Calgary. In addition to taking part in the trade show, our group delivered welcome remarks to all delegates during the plenary session, hosted a plinko-style trivia corner and facilitated an 'ask the expert' panel discussion where farmers and municipal officials discussed food security and sustainability. The panel featured City of Guelph Mayor Cam Guthrie, City of Yorkton Councillor and President of the Saskatchewan Urban Municipalities Association Randy Goulden, Canadian Hatching Egg Producers Chair Brian Bilkes and Vice-Chair of Alberta Chicken Producers Tara DeVries. Our panel was the top ranked 'ask the expert' session at the conference and positive feedback from attendees underscored the importance of bringing farmers to the table.





Supporting our neighbours at home and abroad

Our partnership with Food Banks Canada continued to reach Canadians in all parts of our country. The collaboration provided individuals with nutritious, protein-packed eggs in their hampers or community meal programs and offered support to Canadians experiencing food insecurity. By accessing government subsidies through the Nutrition North program, we were able to reach more fly-in and remote communities in the Northwest Territories, Nunavut and Yukon. Over 3.9 million eggs and 500 kilograms of powdered eggs were donated throughout the year, with plans to grow the program in 2025 to reach new locations in Iqaluit and northern Manitoba.

We expanded our longstanding partnership with Breakfast Club of Canada to help more children start their day with a nutritious meal. In the 2023-2024 school year, over 70,000 coupons for a dozen eggs and 250,000 individually wrapped hard boiled eggs were distributed through the program. Our ongoing collaboration reached over 368 schools and 68 regional nutrition hubs across the country and included the development of new large-batch recipes for school volunteers. Our work with food banks and breakfast programs was recognized by the Government of Canada in their 2024 Annual Report on the 2030 Agenda and the Sustainable Development Goals (SDGs). The report showcases how Canadians and businesses are supporting progress towards advancing the SDGs.



Our global partnerships support increased access to nutritious eggs and address malnutrition through improved diets. For example, in 2024 we provided 16,000 kilograms of powdered eggs to countries facing famine and malnutrition through Canadian Food For Children—and our work with Heart for Africa (Canada) reached a new milestone. These partnerships are a clear example of the important role of eggs in improving diets and health outcomes and the passion Canadian egg farmers have for giving back.

A decade of hope with Heart for Africa (Canada)



This year marked a special milestone in our partnership with Heart for Africa (Canada). In 2014, we started with a barren piece of land in Eswatini and transformed it into an egg farm. Now, ten years later, the egg project is having a significant impact on the diets of children in the region. In fact, our partners on the ground are reporting that access to these nutritious eggs has helped decrease cases of severe stunting in malnourished young children in the region.

Canadian egg farmers have been hands-on with this partnership since the beginning—whether lending their skills to design the barns, implementing best practices on the farm or supporting the initiative through fundraising. We offer our heartfelt thanks to the egg boards, egg farmers and partners who have made this lifesaving initiative a resounding success.





4 International trade

While EFC continued to monitor international trade talks between Canada and other countries in 2024, time was also dedicated to preparing for important milestones in existing agreements and shifting geopolitical dynamics. Our activities not only promoted Canada's system of supply management at the international level, but also showcased how the most optimal trade outcomes are achieved by keeping a balance between export-oriented and domestic sectors. By engaging with these global players in our food system, we are shaping policies and contributing to conversations that set the tone for the future.

Drawing on an extensive, global network

EFC representatives seized opportunities to exchange and network with our global peers. This level of engagement allowed us to gain exposure to the issues facing egg farmers in other jurisdictions, build relationships with like-minded organizations and learn about the priorities of farmers around the world. This year, EFC Chair Roger Pelissero was appointed Vice-Chair of the World Egg Organisation (formerly the International Egg Commission), and our participation continued in the Sustainable Egg Production

Expert Group and Young Egg Leaders program. We were also active in discussions at the World Trade Organisation (WTO) Public Forum, International Production and Processing Expo, EIC Egg Forum, World Organisation for Animal Health's General Session and the World Farmers' Organisation General Assembly, in addition to maintaining strong connections with our counterparts in the US, Norway, Switzerland and Japan. Our diplomacy helped garner support for our system, all while sharing our perspective with other influential groups.

No substantial progress at the WTO Ministerial Conference

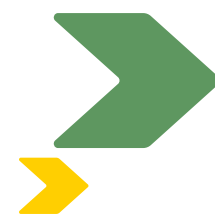
The 13th WTO Ministerial Conference, known as MC13, took place in February in the United Arab Emirates. Representatives from EFC, along with the other national supply-managed organizations, attended the agricultural negotiations. While the initial objective of the WTO was to achieve agreement on various outcomes, the approach evolved into reaching Ministerial agreement on a work program to guide the negotiations. Both approaches failed as there was not enough political consensus to finalize a path forward at MC13. Our Canadian delegation met with the Honourable Mary Ng, Minister of Export Promotion, International Trade and Economic Development, and attended regular briefings by Canada's negotiating team. This level of engagement provided insight into the negotiation process and offered an opportunity to speak about the issues important to egg farmers.

While the deadlock on agricultural issues remains, a few WTO member countries have put forward proposals to advance specific issues ahead of the next Ministerial Conference. Suggestions range from small working groups to facilitated discussions; however, there is some level of concern that these approaches could create resource constraints for developing countries. The next WTO Ministerial Conference will be hosted in 2026 in Cameroon, which provides nearly two years for negotiators to close gaps, address issues and prepare a plan for Ministerial consideration.

Preparations for the upcoming CUSMA Review

The CUSMA entered into force in 2020 with the provision that the multilateral agreement will be reviewed six years later. As such, the three member countries are preparing to discuss the parameters of the review ahead of initiating the process in 2026. To help inform Canada's approach, EFC contributed to a government-led consultation with businesses to evaluate the performance of the agreement and assess areas that require attention. Our message to Global Affairs Canada throughout the feedback period focused on encouraging an approach that preserves the current agreement and maintains effective import controls. It is our view that the CUSMA does not need to be reopened, Canada must respect its commitment not to grant any additional market access to the supply-managed sectors and should take steps to bolster the reciprocity of standards between domestic and imported eggs.

³ Abacus Data (December 2023). *9 in 10 Canadians Say It's Important to Them that the Dairy, Eggs, Chicken and Turkey They Buy Come From Canada.*



97%
of Canadians
feel it is
important
that Canada
has strong
domestic food
supply chains.³



United Kingdom joins the Trans-Pacific Partnership

EFC monitored the dynamics with the CPTPP as new countries expressed their interest in the trade agreement. In December, the United Kingdom (UK) became the 12th member country of the CPTPP agreement. While Canada has yet to ratify the terms of the UK's accession, six other member countries have taken steps, which means the agreement with the UK has come into force for those countries. In September, Indonesia formally requested to join the CPTPP, adding its name to a list of countries that have requested accession into the agreement. Member countries have the task to determine if Indonesia, along with China, Costa Rica, Ecuador, Taiwan, Uruguay and Ukraine, will become member states.

Global Affairs Canada launched public consultations in June to solicit views from Canadians and stakeholders on the CPTPP as part of the agreement's mandated General Review. EFC contributed input, encouraging the federal government to maintain effective import controls and ensure no changes to the market access levels for eggs. EFC also recommended that the government explore measures to ensure eggs entering the Canadian market meet the same food safety and animal welfare standards as Canadian eggs.

Poultry and Egg On-Farm Investment Program (PEFIP) continues

The PEFIP provides funding to egg and poultry farmers to offset the impact of the CPTPP and CUSMA on our sectors. Funding envelopes offer farmers a tool to reinvest in their operations in the areas of improved sustainability, biosecurity and productivity. Farmers continued to access the program throughout 2024, with more than 560 projects receiving funding from AAFC to date. Egg farmers who have not already registered for the program are encouraged to do as soon as possible to learn their funding envelope and streamline the application process.



Advocating for stronger protection for supply management



A significant focus of our advocacy efforts in 2024 was on Bill C-282, *An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*. This Private Member's Bill would prohibit future trade agreements from making any new market access concessions in supply-managed sectors. EFC, along with egg boards and the other supply-managed organizations, mobilized in support of the bill by engaging with Parliamentarians and discussing how the legislation strengthens our domestic food supply chain. The bill achieved an important milestone in the spring when it passed second reading in the Senate and was referred to AEFA for further study. In October, EFC 2nd Vice-Chair Emmanuel Destrijker and CEO Drew Black appeared as witnesses before AEFA to offer expert opinions and answer questions from Senators about the importance of this bill for egg farmers as well as the broader agriculture sector.

To rally in support of the bill, EFC and our national supply-managed partners initiated an email writing campaign to assist farmers in communicating directly with Senators from their respective provinces about the importance of supporting supply management and Bill C-282. Collectively more than 73,000 emails were sent to Senators. Advertising and social media outreach also shared our sector's viewpoint with elected and appointed officials. While we were disappointed the progress on the bill came to a halt with the announcement of the prorogation of Parliament in January 2025, our engagement allowed us to familiarize MPs and Senators with our sector and the importance of upholding supply management.



5 Product marketing

Our approach to marketing is based on consumer insights and reflects the latest food trends. Focused on growing egg consumption among a range of Canadian audiences, our ads continue to make a splash in the marketplace and live up to our reputation as a fun and creative brand. These efforts play a central role in increasing egg consumption and sales at the retail level and in restaurants. This year, annual retail egg sales increased by 6.4% and egg orders at foodservice were up by 4.8% when compared to 2023.^{4,5}

We know Canadians love eggs and that there is room to keep the momentum going. That is why we pushed forward with new campaigns targeting households that consume less than six eggs per week, keeping our Eggs Anytime message top of mind and showing how eggs fit into a variety of lifestyles. Collaboration is a key component in our marketing, whether that's working with influencers and creators, connecting with leaders in healthcare or working in partnership with egg graders and processors to reach new markets and audiences.

⁴ Nielsen MarketTrack (2024). *Total Eggs—National.*

⁵ Ipsos Foodservice Monitor (2024). *Total egg orders at foodservice.*

Leveraging Canada’s enthusiasm for sports

This summer, Canadians were cheering for their favourite athletes during the Olympic Games and our Get Cracking® brand added to the excitement. Our ‘Play by Play’ ads cleverly showcased easy egg preparation within the context of golf, gymnastics, rowing and hockey. The ad audio mimicked sports broadcasts, with announcers and cheering crowds aligning to the visuals of preparing an egg dish. The ads featured four simple and nutritious meals—a hard boiled egg on cobb salad, mushroom and cheese omelette, a scrambled egg and cheese wrap and a sunny side up egg on fried rice. This approach drew on the insight that consumers are looking for easy ways of preparing eggs outside of breakfast. The ads were promoted on a variety of digital and television channels alongside sports broadcasts.

We worked with influencers, athletes and creators from across the country to bring the campaign to life and drive home our message with sports fans on social media. Well-known athletes like gymnast Ellie Black, diver Molly Carlson and breaker Phil Wizard shared their favorite egg recipes and added to the egg-citement. Post-campaign testing confirmed the ads were effective, with 94% of viewers saying they considered having eggs for dinner after viewing the campaign!⁷



4 in 5
Canadians are interested in new ways of preparing eggs outside of breakfast.⁶



⁶ Environics Research Group Ltd. (September 2024). *National Egg Consumption Omnibus Survey*. [Unpublished data]. Prepared for Egg Farmers of Canada.

⁷ Ipsos Ltd. (January 2025). *Campaign Evaluation*. [Unpublished data]. Prepared for Egg Farmers of Canada.

Eggs shine at the Spartan Race finish line



We launched a new partnership with Spartan Race this summer. Their mission is to help people live without limits, and their race events seek to assist participants in developing the physical and mental strength to take on all of life's challenges. For those who dared take on this challenge, Get Cracking® was ready to welcome them at the finish line with protein-rich, nutritious eggs.

Our partnership showcased eggs as a post-workout snack at Spartan Race events in Ontario, Alberta and Quebec. Our cheerful Get Cracking® brand was on full display at our sample station where Spartan 'finishers' indulged in our trendy on-site garnish bar, adding fun and exciting flavours like hot honey and chili crunch to hard boiled eggs. The partnership allowed us to reach over 20,000 participants, distribute over 13,500 egg samples and give away nearly 7,900 microwave egg cookers to Spartan athletes.

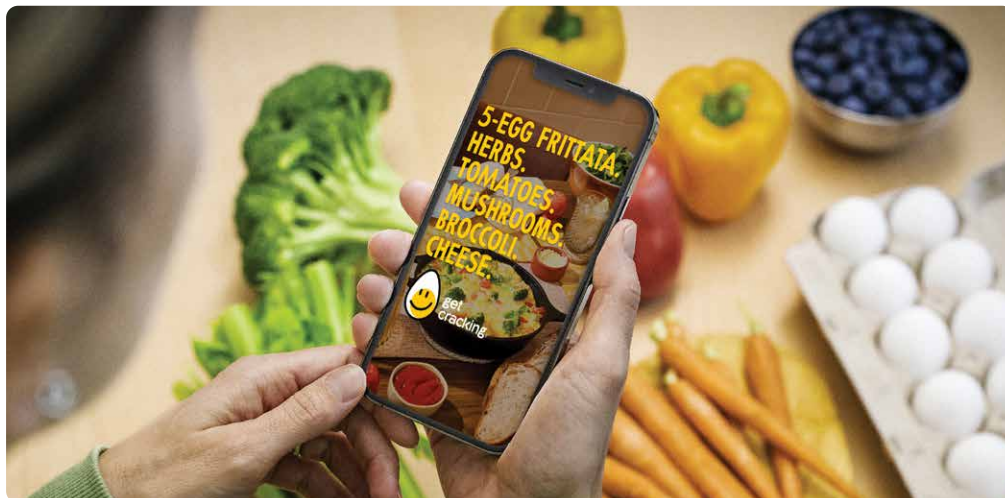


Showcasing eggs as a star ingredient

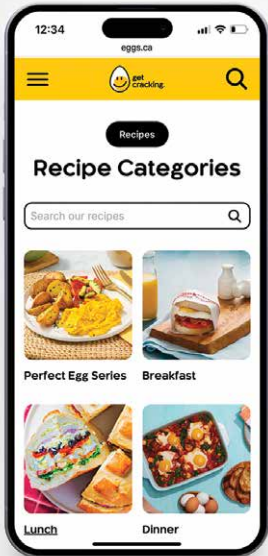
A new social media campaign cheekily called 'Main Character Energy' launched over the summer on TikTok, Instagram and Pinterest. The creative concept showcased how eggs are the star of the show—and the star of your meal! The high-energy approach presented eggs as the main character of the dish which especially appealed to Millennials and Generation Z audiences. From a grandfather teaching his granddaughter to make a five-egg frittata, to friends preparing and enjoying devilled eggs, these quick-cut videos with bold fonts and energetic music paired perfectly with eggs and appealed to our style-conscious audiences. The campaign was a wild success and delivered over 35 million impressions and 18 million video views during a 12-week period.



48
million
video views
across our
online
channels
in 2024.

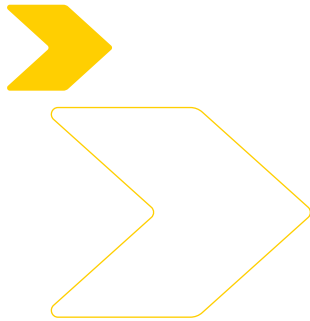


Vibrant online communities and egg-citing creator partnerships

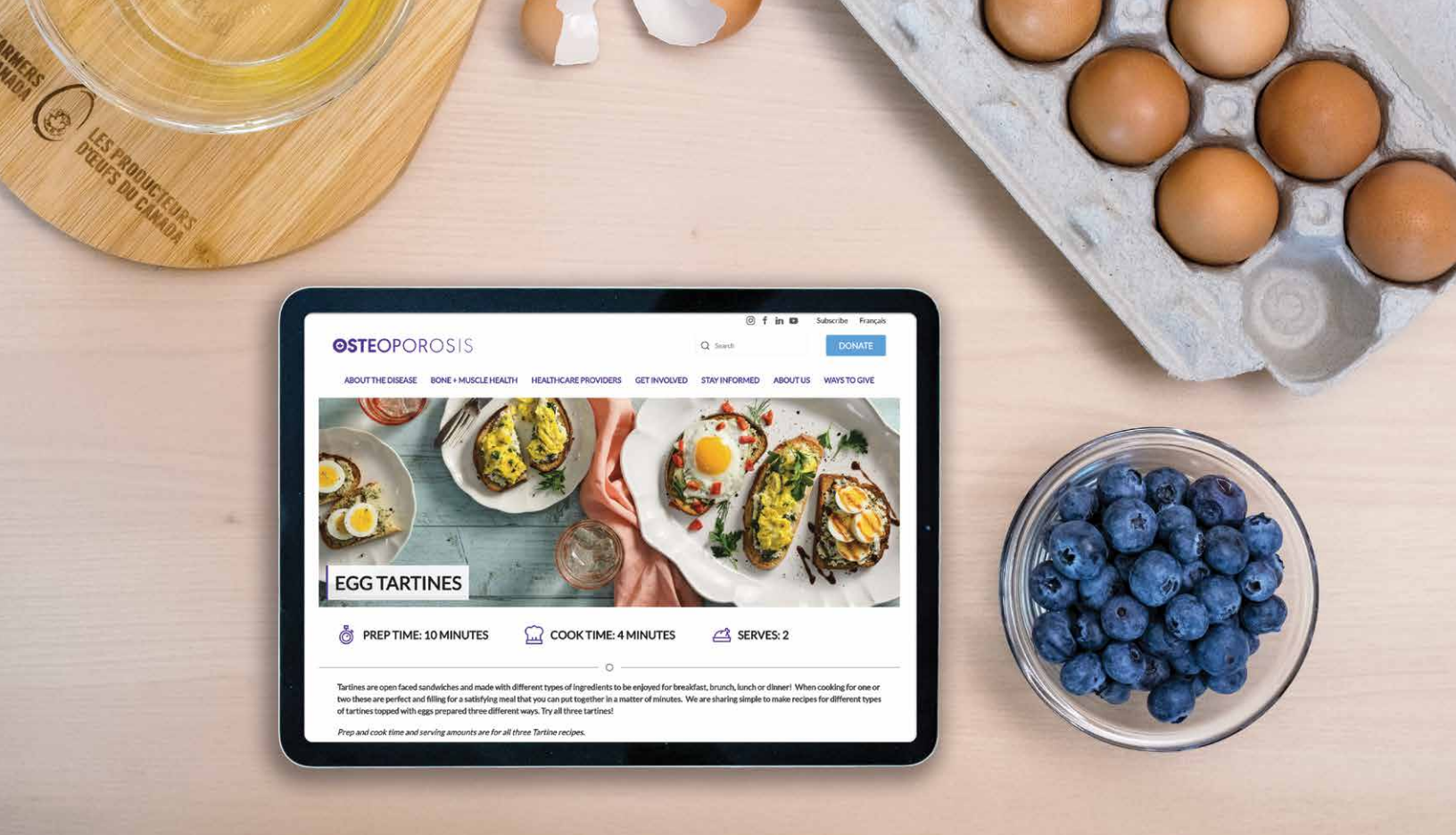


We redesigned our eggs.ca website in 2024, migrating over 600 recipes with updated photography to the new platform. With 80% of site users now visiting from a mobile phone, the new approach embraced the latest best practices in mobile design and enriched the user experience. Our approach is all about driving egg fans to the content they are looking for and offering extra inspiration.

We also embraced a growing number of partnerships with influencers and creators, adding fresh perspective to our campaigns and expanding the reach of our message. We worked with Arabic, Chinese and South Asian recipe developers to tap into authentic dishes that blend tradition with nostalgia and mass appeal. Partnering with popular dietitians added trusted voices to our nutrition message and our work with athletes extended the reach of our campaign. Collaborations with nearly three dozen influencers generated 33 million impressions throughout the year and reached Canadians of all ages.



A focus of our work online is to grow our communities across our extensive Get Cracking® and EFC-branded digital and social media network. By drawing on sophisticated strategies that drive users to our content, we are able to encourage new followers to join our network and subscribe to our channels. This online programming is showing promising results with visits to our eggs.ca, eggfarmers.ca, foodservice.eggs.ca, healthcare.eggs.ca and eggquality.ca websites up by 50% when compared to the previous year, representing over 24.6 million sessions in 2024.



Programming that connects with healthcare professionals

The focus of our work with the healthcare community is to serve up the latest research on cholesterol and protein quality. We connected with thousands of healthcare providers throughout the year at leading healthcare conferences like the International Congress of Nutrition and Dietetics, Family Medicine Forum and Congrès annuel de médecine. We also supported continuing education by sponsoring sessions at the Canadian Nutrition Society Conference and developed online education sessions through The Rounds, a popular hub for physician e-learning. These efforts share the latest nutrition science with healthcare professionals and encourage them to recommend eggs as part of healthy and balanced diets.

This extensive outreach program—that has been in place for nearly 15 years—is shaping the narrative on eggs and nutrition. In fact, research shows fewer physicians are counselling patients to limit eggs, even if they have high cholesterol. Today, close to 9 in 10 Canadian physicians surveyed are recommending to patients *not* to limit eggs in their diet.⁹ These positive indicators represent a significant shift in advice—in fact, when we first conducted this survey in 2007, only 3 in 10 physicians took this position.¹⁰ This encouraging downward

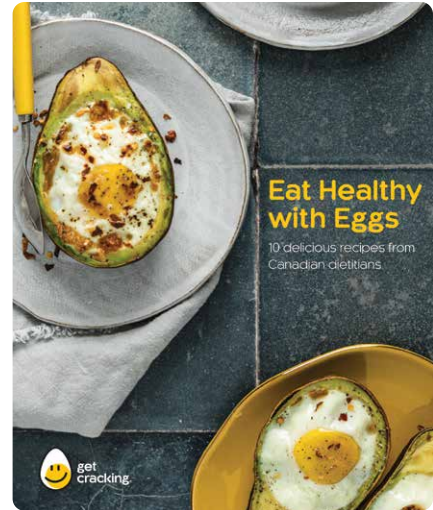


95%
of Canadians
consider
eggs to be a
healthy food.⁸

⁸ Environics Research Group Ltd. (September 2024). *National Egg Consumption Omnibus Survey*. [Unpublished data]. Prepared for Egg Farmers of Canada.

⁹ Environics Research Group Ltd. (July 2024). *Canadian Physician Study*. [Unpublished data]. Prepared for Egg Farmers of Canada.

¹⁰ Plunkett and Associates (July 2007). *Cholesterol Study with Canadian Physicians*. [Unpublished data]. Prepared for Egg Farmers of Canada.



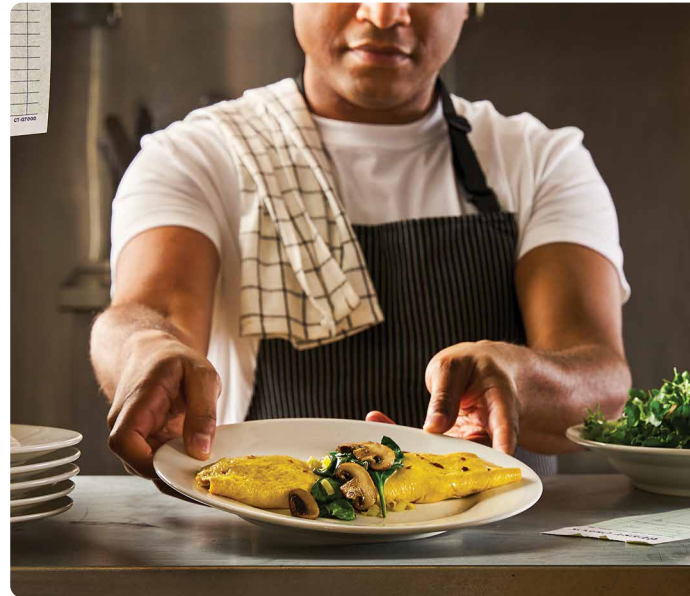
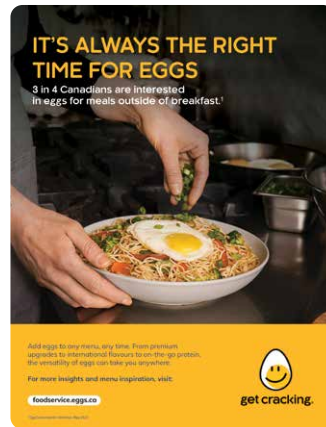
trend indicates awareness of the current nutrition science research on eggs. We continue to make our nutrition resources available to healthcare professionals for their own information and as material to share with their patients and clients. Thousands of resources were ordered and distributed this year, including our Healthy You cholesterol resource, Eggs for Babies booklet and Eat Healthy with Eggs recipe booklet.

Growing awareness and uptake of the EQA® certification mark

We launched an in-store and online consumer-focused EQA® advertising campaign this fall. The initiative promoted the EQA® certification mark by celebrating the rigorous standards on farms and putting a focus on the incredible quality of Canadian eggs. The campaign creative highlighted that Canadians can trust the quality in every egg and was a key part of building awareness of the certification mark among Canadian consumers. With 1 in 4 Canadian consumers saying they recall seeing the EQA® certification mark,¹¹ we look forward to further showcasing EQA® in 2025.



¹¹ Environics Research Group Ltd. (January 2025). *Egg Quality Assurance™ Awareness and Mindset Survey*. [Unpublished data]. Prepared for Egg Farmers of Canada.



We highlighted the EQA® certification mark and shared the qualities that make eggs the ideal menu offering for foodservice owners and operators such as simplicity, profitability and versatility.

Engaging with potential egg grader, processor, retail and foodservice licensees who may choose to use the certification mark on their products, in their stores or on their menus continues to be a main focus of our work. Our promotional efforts saw us participate in the RC Show—Canada’s largest trade show for foodservice operators. Under the theme ‘Where Can Eggs Take You Today?’ we highlighted the EQA® certification mark and shared the qualities that make eggs the ideal menu offering for foodservice owners and operators such as simplicity, profitability and versatility. These efforts were complemented by advertorials that targeted our downstream supply chain, a revamped website and tailored social media content. In November, we were thrilled to announce Subway® Canada added the EQA® certification mark to its in-store menus, online menus and digital app, becoming the latest licensee to support the program. They joined a growing group of 71 licensees including Tim Hortons, McDonald’s, Denny’s, DeDutch, graders and farmers who are already using the EQA® certification mark.



6 Resource and risk management

We are fortunate to have a range of tools at our disposal that support a rapid response to changing conditions and emerging risks. These tools allow us to efficiently manage the national supply of eggs and provide an effective framework to work across jurisdictions. From modernizing fundamental policies, to ensuring farmers receive a fair return for their eggs, to strengthening our emergency response strategies, these outcomes have a direct impact on the work egg farmers do every day and build even more resiliency into our sector.

New COP for conventional, enriched colony and free run systems

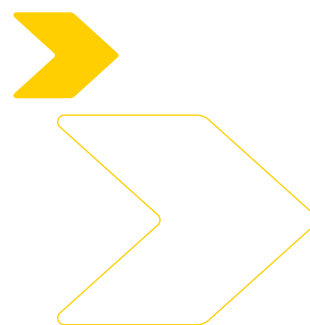
Following a multi-year process, the COP Committee of the EFC Board of Directors presented their findings and recommendations on their latest study. The information was reviewed by the EFC Board of Directors and a new COP for conventional, enriched colony and free run systems was subsequently approved in November. The COP process—which gathers farm data to measure all the costs necessary to produce one dozen

marketable eggs on a typical Canadian farm—is necessary for our system of supply management to work effectively and ensures farmers receive a fair return for their eggs. The evidence-based approach draws on farmer participants from different regions of the country, and EFC would like to offer a heartfelt thanks to all those who offered their time in support of the study. Our attention is now on implementing the study results, which will be coordinated through multiple project teams in support of an orderly, systematic transition towards new methods of production.



Launch of Supply and Demand Optimization Project

With the goal of effectively meeting the total Canadian demand for eggs with domestic production while accounting for current trade obligations, EFC launched a new project to evaluate a pathway forward. The Supply and Demand Optimization Project kicked off in July, bringing together a project team consisting of representatives from egg boards and the hatching, grading and processing sectors. The group is tasked with assessing the necessary tools, program and approaches that will allow our sector to reduce its reliance on supplemental imports and meet market demand with eggs from Canadian farms. Part of the deliverables will also include recommendations to offset any additional costs generated from these efforts. This long-term project is particularly important given the complexity of our industry and our ambitions to grow our sector to meet rising consumer demand for our products.





FPTA enters into force

This year, EFC was pleased to announce the entry into force of the *FPTA on the Guiding Principles for the Marketing of Eggs in Canada*. After years of collaboration and partnership between provincial and territorial egg boards, supervisory boards and governments, Farm Products Council of Canada (FPCC) and the EFC Board of Directors, the Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food, added his signature to the Agreement which marked the final step in an extensive and thorough process.

This monumental accomplishment represents a historic outcome for egg farmers. The FPTA, which sets out the responsibilities of EFC and the provincial and territorial egg boards, strengthens the underlying framework for egg marketing in Canada and is a concrete example of the modernization of supply management. The Agreement was also reviewed and endorsed by all 10 provincial governments and the Northwest Territories earlier in the year—exemplifying the pan-Canadian support for a renewed Agreement across the country. This new guiding document will have a lasting impact on our sector for generations to come and will ensure a bright future for egg farmers and our industry.



Converting Eggs For Processing (EFP) quota

The EFP Review and Redevelopment Project Team completed a multi-year impact analysis of the EFP program and put forward a recommendation to phase out EFP quota. The proposed approach, which was approved by the EFC Board of Directors in November, outlined a one-time plan to convert EFP quota to federal quota and a process to distribute the allocation to egg boards through the Quota Allocation Calculation methodology. The transition plan takes into consideration current layer inventories and ensures no substantial losses of egg supply to processors in regions that had EFP. Moving in this direction allows for more flexibility in managing the national egg supply in Canada. Once the transition is completed, eggs can be directed to where they are most needed and new efficiencies are added to our system.

Responding to avian influenza

While the spring months saw few cases of highly pathogenic avian influenza (HPAI) affecting egg farms in Canada, cases sharply increased in the fall in western and central provinces. We continued to work closely with egg boards, our poultry partners and with the government to navigate the risk and impact of HPAI on egg farms. Farms remained on high alert and our work extended to cross-sector collaborations to strengthen the overall response strategy and the tools available to farmers. For example, EFC supported the establishment of an Expert Review Panel for Poultry Depopulation Methods, and we maintained our participation in CFIA-led working groups to discuss the use of vaccinations for hens and ongoing policy improvements.

Enhanced communications and resources for farmers emphasized the critical need for heightened biosecurity. Visual assets, such as a new biosecurity poster, helped ensure everyone entering a farm is knowledgeable about the protocols in place. Our team worked diligently with egg boards, graders and processors to arrange interprovincial shipments of eggs from regions not experiencing outbreaks to the hard-hit provinces. This multi-layered approach allowed our sector to navigate additional waves of HPAI outbreaks and ensured Canadians in all regions of the country have access to a staple food item.

PROTECT OUR ANIMALS WITH ON-FARM BIOSECURITY

By remaining on high alert and continuing to embrace strong disease prevention measures as part of your day-to-day practices, you can minimize the risk of introducing Highly Pathogenic Avian Influenza (HPAI) to your farm. All farm employees have an important role to play to protect the health of hens and pullets.

Keep HPAI off the farm by following these practices:

IN THE BARN

- ANYONE ENTERING A BARN MUST**
 - Change boots or wear disposable booties
 - Use hand sanitizer and hand washing stations
 - Wear facility-dedicated clothing or protective gear (e.g. disposable coveralls)
- KEEP WILD BIRDS AWAY**
 - Use bird prevention devices
 - Minimize standing water
 - Seal and screen all openings
 - Cover feed and clean feed spills quickly
- NO SHARING OF EQUIPMENT OR MATERIALS**
 - Designate supplies for one barn
 - Do not move items between barns
 - No shared-service trucks
- FOLLOW LINES OF SEPARATION**
 - Separate the restricted and unrestricted zones
 - Do not move between the zones without proper biosecurity
 - Do not move between barns

ON THE FARM

- THOROUGHLY CLEAN & DISINFECT**
 - Equipment
 - Vehicles
 - Tools
- LIMIT UNNECESSARY VISITS**
 - Keep to essential personnel only
 - Ensure all visitors sign the Visitor Log and follow biosecurity measures
 - Create drop-off locations
- NO EMPLOYEES WORKING ON MULTIPLE FARMS**
 - Keep workers at one location
 - No one working on other poultry or livestock operations
- PREVENT TRANSFER OF DISEASE ON MULTI-SPECIES FARMS**
 - Establish zones and do not cross into restricted areas without changing outer clothing and footwear
 - Do not share equipment
- REDUCE OTHER RISKS OF CONTAMINATION**
 - Limit movement of animals between farms
 - Prevent pests, rodents and other animals that can carry disease
 - Ensure all staff and family are trained on the farm-specific Biosecurity Plan

Upholding strong biosecurity protocols and following the requirements of the national Start Clean-Stay Clean® program is our strongest defense from HPAI. Contact your egg board for more information.



Temporary allocation helps boost industrial products pool

With HPAI having a lasting impact on farms and limited imports coming in from the US due to their own devastating outbreak, surplus egg inventories were low throughout the year and made it difficult for the domestic egg processor market to obtain supply. Special Temporary Market Requirement Quota (STMRQ) was used to increase the production of eggs intended for the egg processing sector. This risk mitigation tool enabled the use of additional barn capacity and extended flock cycles to boost the supply of eggs available, temporarily increasing the quantity of eggs for the processing market and helping to address the situation.

Upwards growth trend continues

Under the guidance of a robust market analysis, the EFC Board of Directors undertook a comprehensive review of egg supply and demand, as well as assessed factors that are expected to impact egg sales in 2025. An upward trend in per capita egg consumption, largely driven by an increase in retail sales, is anticipated to remain in 2025. In the processing market, indicators suggest that an anticipated drop in the processor price for eggs in 2025 will trigger increased demand and result in growth in the per capita consumption of processed eggs.

Another important input into our forward-looking approach and evaluation of egg supply and demand trends is changes to the Canadian population and overall economy. Population growth in Canada has been almost exclusively driven through immigration in recent years. However, the federal government is signaling that targets will be drastically reduced in 2025, suggesting that population growth will return to moderate levels. Lastly, with

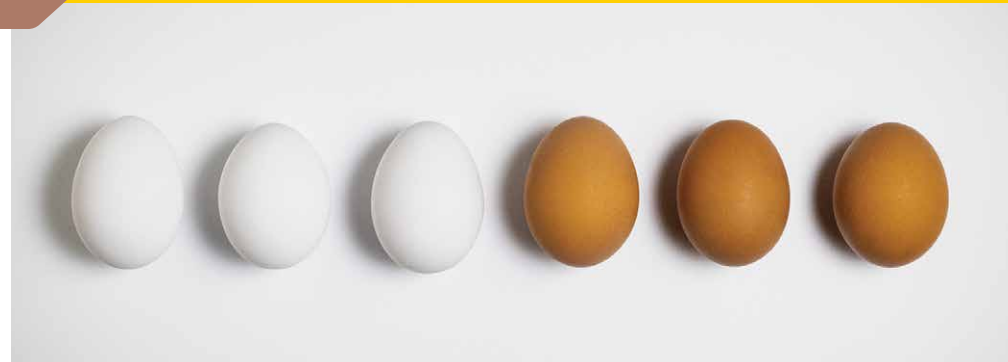
inflation pressures lowering across the economy, discretionary spending is anticipated to increase foodservice and restaurant sales. This detailed assessment points to strong growth in egg demand in 2025 and an increase in federal regulated quota equal to 2,494,009 layers to ensure the supply keeps up with these positive market trends.

As a result of these trends in our market, the EFC Board of Directors was pleased FPCC prior approved the following quota allocation requests in 2024:

Quota allocation

Allocation	Effective
Federal regulated quota increase of 2,494,009 layers	Week 1 of 2025
STMRQ decrease of 784,273 layers	Week 1 of 2025
Eggs for processing quota repealed	Week 1 of 2025
Vaccine quota layers decrease of 211,680 layers	Week 1 of 2025

EFC’s mandate as outlined in the *Farm Products Agencies Act*



The objects of an agency are:

- a) to promote a strong, efficient and competitive production and marketing industry for the regulated product or products in relation to which it may exercise its powers; and
- b) to have due regard to the interests of producers and consumers of the regulated product or products.

1970-71-72, c. 65, s. 22.



7 Partnerships and collaboration



The EFC Board of Directors has long championed an approach of collaboration in the pursuit of our organizational goals. This outlook shapes every aspect of our work— from our approach to strategic planning and consulting with stakeholders, to our day-to-day operations and how we support our staff. This level of engagement with our partners allows us to solve challenges, all while seizing new opportunities. A shared commitment to these common goals and a vibrant sector helps us all achieve new levels of success.



Charting a clear vision forward

The EFC Board of Directors carried out their annual strategic planning process in May to discuss priority areas and a shared vision for the Canadian egg industry for the next three years. The plan was developed through a robust strategic planning process, which included a workshop with egg boards in April. The outcome of the process was seven strategic priority areas that make up the 2025-2027 Strategic Plan. These priorities, which are included in the graphic below, are highly interrelated and equally important for us to be able to deliver on our vision, mission and mandate. The combination of these activities supports the overall ambition of having Canadians enjoy at least one egg a day—or a target of 365 eggs in annual per capita egg consumption.



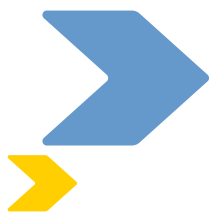


A leading employer with a growing team

Every member of our EFC team is an integral part of helping us deliver on our business objectives. This year, we added six full-time roles to our team as the scope of our departments expanded. Our award-winning approach to human resources continued to feature a comprehensive compensation and benefits package, paid time off for volunteering and professional development opportunities. New policy updates were implemented to support our diverse team, including more flexibility on hours of work and the option to substitute denominational holidays for statutory holidays.

Our approach to supporting a leading corporate culture and nurturing a sense of community throughout the office remained a priority. Several team-building opportunities and social events, including a staff picnic, golf tournament and cross-departmental lunch and learn sessions, allowed team members to connect with each other and build relationships. A new staff newsletter, department-level activities and on-site amenities were also introduced. These initiatives complemented our annual Staff Day, which featured a few discussions, a high-energy demonstration to prepare hard boiled eggs and an egg-citing escape room challenge.

Regular surveys throughout the year measured employee feedback and provided opportunities to adjust as we go. This approach to human resources and corporate culture once again earned us recognition as a National Capital Region's Top Employer and a lifetime award in the Canada's Most Admired Corporate Cultures™ Hall of Fame.



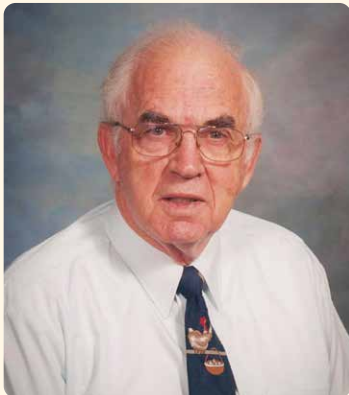
73

*dedicated
employees.*

Augmenting our business intelligence systems

A wide array of data management and artificial intelligence tools are vital to our work—they equip our team to execute complex analysis and deliver data-driven insights that support decision-making. This level of sophistication is supported by a robust IT infrastructure that connects the organization and facilitates our day-to-day work. In 2024, we invested in our internal capacity by adding new positions to our IT team which allowed us to strengthen our approach to cybersecurity, enhance productivity across our organization and modernize our IT infrastructure. These tools help us maintain a high degree of collaboration across our office and support a number of project teams and working groups in achieving their objectives.

Honouring Joe Hudson



Joe Hudson, co-founder and longtime President of Burnbrae Farms, passed away peacefully on March 14, 2024, at the age of 94. He was a beloved family member and a strong pillar of his community in Lyn, Ontario. While a high school project helped Joe get his start in egg farming, it was his passion and dedication that shaped Burnbrae Farms into a national agri-business success story.

He has made many outstanding contributions to our sector, and he will always be remembered as a pioneer who helped advance our industry. From serving as a Director with Egg Farmers of Ontario, to championing research and innovation, to being a patron of his community, his impact will forever be remembered.

On behalf of the Canadian egg industry, EFC wishes to pay respect and thanks to a great leader and sends condolences to his family.



Collaborating on shared goals

A common theme for our 2024 accomplishments is the success that stems from working together. This level of collaboration has allowed us to advance national priorities while simultaneously addressing emerging issues. Many committees, working groups and project teams convened during the year to advance areas of focus and discuss the matters at hand. The following groups mobilized in 2024:

Standing Committees

- Executive Committee
- Audit Committee
- Budget Committee
- COP Committee
- Marketing and Nutrition Committee
- Production Management Committee
- Research Committee

Ad Hoc Project Teams

- Buyback Assessment Review Team
- EFC-Processor Protocol Technical Team
- EFP Review and Redevelopment Project
- Free Run Integration Team
- Hazard Analysis and Critical Control Points Review Team
- National Alternative Housing Project Team
- National Vaccine Committee
- Natural Overrun Review Team
- SE Scientific Advisory Panel
- Supply and Demand Optimization Project Team

Vision

A world where everyone—whether it be due to want or need—can enjoy the immeasurable benefits of the humble egg.

Mission

To position the Canadian egg industry as a leader in Canada's agricultural future through sustainable growth, continuous improvement and social responsibility, working collaboratively under the system of supply management to uphold the interests of all those who depend upon and enjoy our products.

Market analysis and industry information

Visit eggfarmers.ca for the latest reports and data on egg prices, production, imports and industrial products.

Farmers and average flock size per province and territory

Province or territory	Number of farmers	Average number of layers per farmer
BC	155	23,183
AB	168	18,737
NT	1	48,343
SK	71	18,189
MB	154	17,064
ON	462	22,057
QC	207	28,069
NB	15	35,843
NS	24	37,679
PE	7	20,378
NL	6	60,944
Total	1,270	22,503

Source: EFC

Note: Reported data for 2024. Excludes inventory for EFP. BC average up to week 42, prior to HPAI infections.



Limits to federal quota (dozens)

Province or territory	2025	2024	2023
BC	117,477,963	104,161,441	96,982,502
AB	100,627,639	88,536,480	82,111,689
NT	3,965,288	3,757,213	3,643,332
SK	42,722,300	38,381,905	36,087,273
MB	79,159,095	75,107,927	72,889,975
ON	335,886,939	301,045,335	283,060,210
QC	189,763,232	171,352,370	161,463,125
NB	17,809,743	16,123,121	15,246,856
NS	27,088,109	25,714,547	24,962,573
PE	4,497,872	4,267,260	4,141,016
NL	12,138,821	11,503,872	11,156,230
Total	931,137,001	839,951,471	791,744,781

Source: EFC

Note: The limits reflect the actual, total production permitted by the quota regulations issued during the year.

Limits to STMRQ (dozens)

Province or territory	2025	2024	2023
BC	2,720,907	6,443,355	4,956,417
AB	4,619,499	2,223,495	689,602
NT	0	0	0
SK	398,100	3,736,275	1,853,279
MB	4,644,845	4,296,534	2,284,263
ON	13,716,137	22,971,830	17,670,646
QC	6,805,095	8,404,316	6,464,860
NB	398,100	1,848,936	1,422,260
NS	953,237	4,482,288	3,447,904
PE	398,100	398,100	306,231
NL	398,100	1,061,600	816,615
Total	35,052,121	55,866,729	39,912,077

Source: EFC

Note: The limits reflect the actual, total production permitted by the quota regulations issued during the year.

Limits to EFP quota (dozens)

Province	2025	2024	2023
BC	N/A	2,654,000	2,654,000
AB	N/A	663,500	663,500
SK	N/A	3,317,500	3,317,500
MB	N/A	5,308,000	5,308,000
ON	N/A	20,368,176	20,368,176
QC	N/A	7,962,000	7,962,000
Total	N/A	40,273,176	40,273,176

Source: EFC

Note: The limits reflect the actual, total production permitted by the quota regulations issued during the year. EFP quota was removed from the Quota Regulations effective December 29, 2024.

Limits to vaccine quota (dozens)

Province	2025	2024	2023
ON	2,155,083	2,661,750	2,661,750
QC	6,735,477	10,674,090	10,674,090
Total	8,890,560	13,335,840	13,335,840

Source: EFC

Note: The limits reflect the actual, total production permitted by the quota regulations issued during the year.

Eggs from vaccine production going into the Industrial Products Program (dozens)

Province	2024	2023	2022
ON	1,816,470	1,854,000	1,090,800
QC	4,568,835	5,942,280	4,613,820
Total	6,385,305	7,796,280	5,704,620

Source: Fédération des producteurs d'œufs du Québec

Note: Table reports actual shipments to the Industrial Products Program.



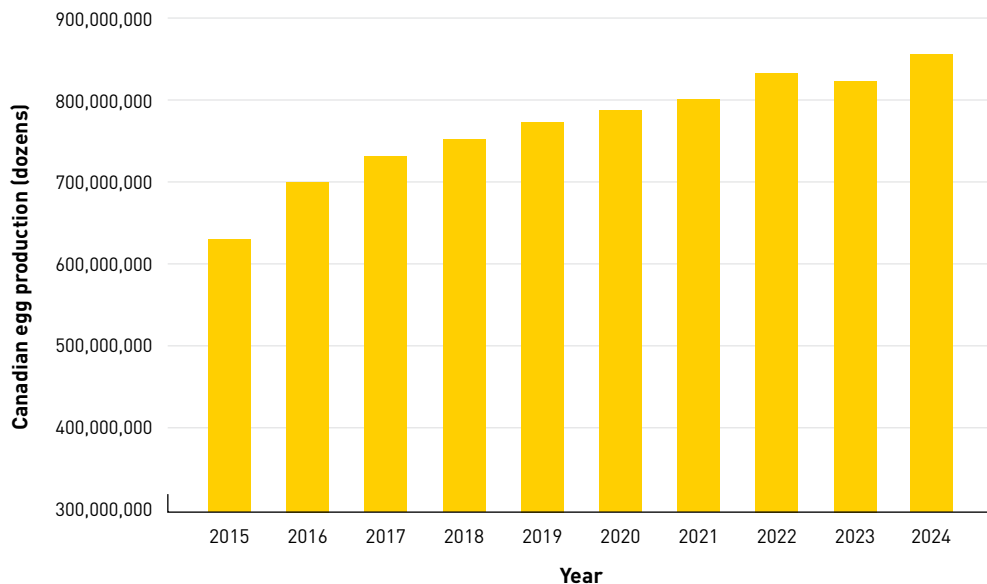
Federal quota utilization

Province or territory	Week 8 – 2024	Week 8 – 2023	Week 8 – 2022
BC	91.86%	93.18%	96.23%
AB	96.89%	95.53%	97.33%
NT	82.08%	95.14%	82.77%
SK	93.29%	97.17%	99.59%
MB	97.61%	94.07%	95.43%
ON	97.74%	98.65%	99.73%
QC	95.53%	96.40%	98.62%
NB	91.30%	95.71%	95.56%
NS	97.10%	98.22%	93.01%
PE	94.23%	97.89%	97.35%
NL	98.19%	93.61%	88.04%
Total	96.04%	96.54%	97.85%

Source: EFC

Note: Utilization is calculated using inventory over allocation for a 52-week period. The period starts on week 9 and continues to week 8 of the following year. Excludes inventory for EFP.

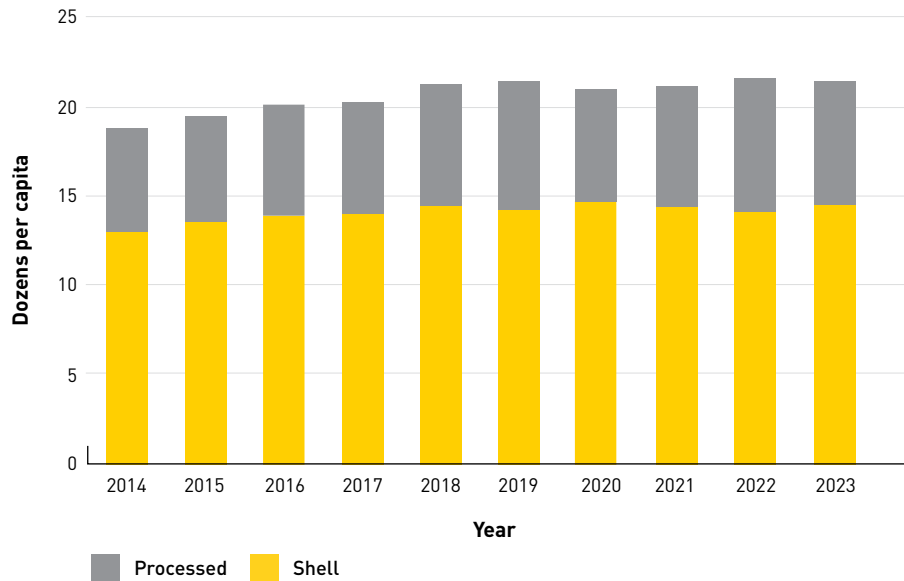
Canadian egg production



Source: Egg boards

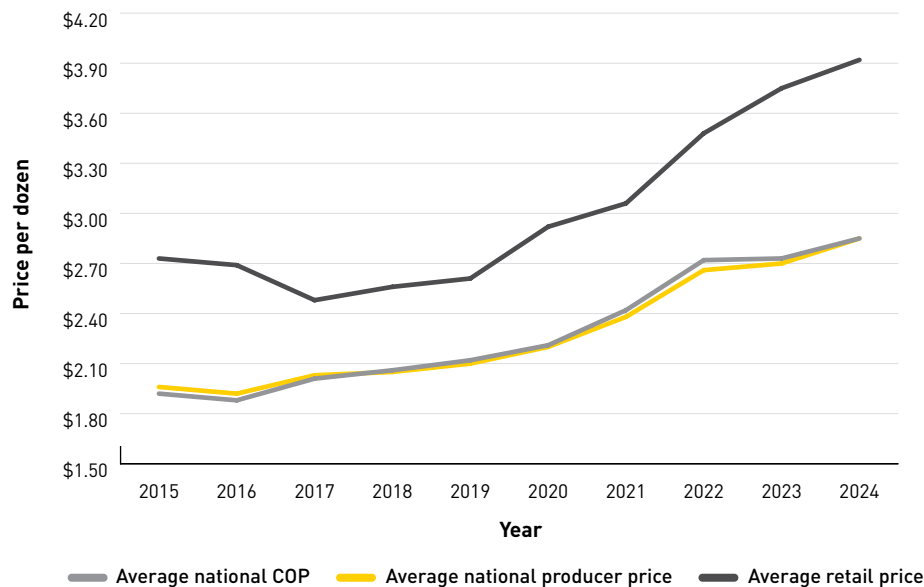
Note: 2016 and 2022 data represent 53 weeks of production. Data includes federal quota, STMRQ and EFP quota. 2024 production numbers are not final and are subject to revision.

Canadian apparent per capita disappearance of eggs and egg products



Sources: Statistics Canada—Eggs available per person; per capita disappearance of processed eggs estimated by EFC; per capita disappearance of shell eggs estimated by EFC based on the EFC QAC Policy.

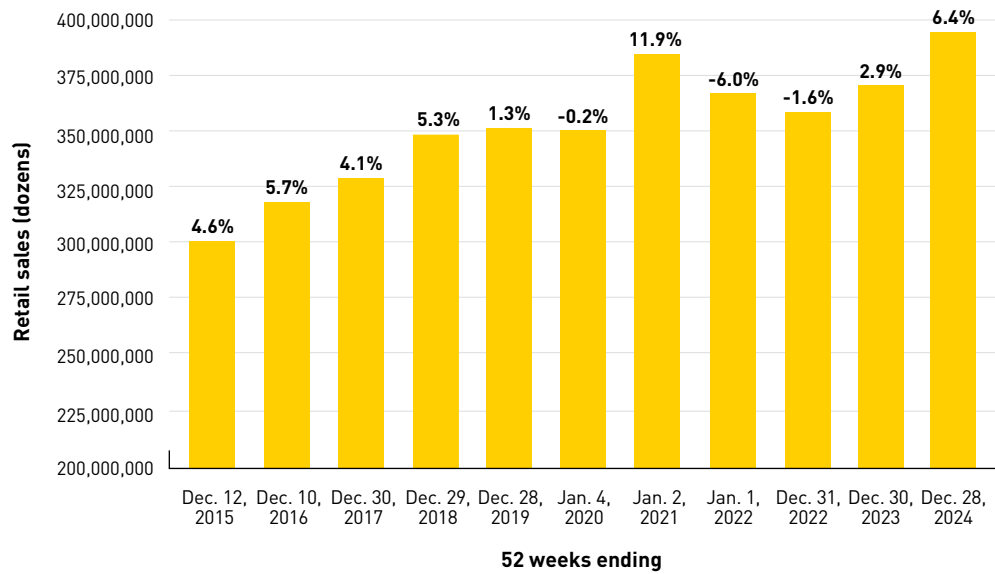
Pricing trends in the Canadian egg industry



Sources: COP: EFC; producer price: egg boards; retail price: AAFC

Note: COP and producer price for Grade A large eggs. Retail price for large, regular, white eggs. Simple averages.

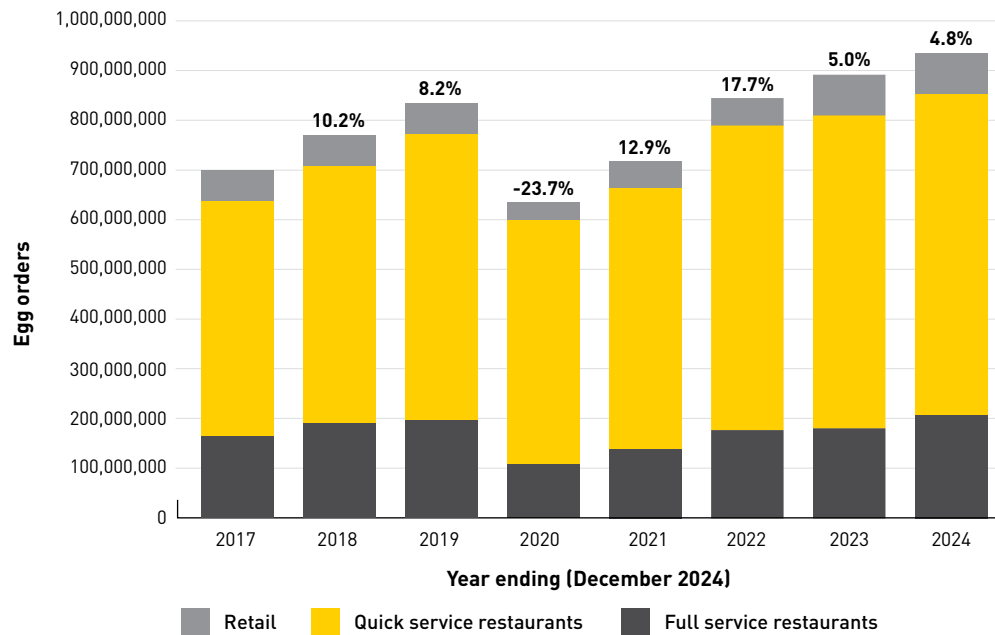
Retail egg sales



Source: Nielsen MarketTrack, Total Eggs—National

Note: Annual enhancements are applied to Nielsen MarketTrack to increase coverage and data quality. The enhancements impact data trends and historic data. As a result, Nielsen Canada recommends using the most current database to understand growth trends.

Total egg orders at foodservice by segment



Source: Ipsos Foodservice Monitor

Note: Data reflects updated egg order definition to account for changes in menu offerings. This change has been applied historically. Retail includes fully-prepared foods for immediate consumption sold at grocery, discount, convenience and dollar stores, gas stations, cafeterias and more. It does not include the quick service or full service restaurant categories.

Consolidated Financial Statements of

**CANADIAN EGG MARKETING AGENCY
C.O.B. EGG FARMERS OF CANADA**

And Independent Auditor's Report thereon

Fifty-two weeks ended December 28, 2024



KPMG LLP

150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Egg Marketing Agency c.o.b. Egg Farmers of Canada,
The Minister of Agriculture and Agri-Food, and
Farm Products Council of Canada

Opinion

We have audited the consolidated financial statements of the Canadian Egg Marketing Agency c.o.b. Egg Farmers of Canada ("EFC"), which comprise:

- the consolidated statement of financial position as at December 28, 2024
- the consolidated statement of operations and changes in fund balances for the fifty-two weeks then ended
- the consolidated statement of cash flows for the fifty-two weeks then ended
- notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements, present fairly, in all material respects, the consolidated financial position of EFC as at December 28, 2024, and its results of operations and its cash flows for the fifty-two weeks then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of EFC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

Management is responsible for other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the annual report document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the annual report document as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 EFC's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate EFC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing EFC'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 the financial statements.

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



Page 3

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 the 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 EFC'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 EFC'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 EFC 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

March 3, 2025

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Consolidated Statement of Financial Position

December 28, 2024, with comparative information for December 30, 2023
(In thousands of dollars)

	2024	2023
Assets		
Current assets:		
Cash	\$ 82,083	\$ 43,680
Accounts receivable (note 3)	58,110	54,632
Inventory	1,544	1,324
Prepaid expenses	791	362
Investments (note 4)	69,310	16,717
	<u>211,838</u>	<u>116,715</u>
Capital assets (note 5)	6,423	9,394
	<u>\$ 218,261</u>	<u>\$ 126,109</u>

Liabilities and Fund Balances

Current liabilities:

Accounts payable and accrued liabilities (note 6)	\$ 63,672	\$ 34,931
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Fund balances (notes 8, 9):

Administration:

Unrestricted administration (schedule I)	10,890	5,473
Internally restricted research (schedule I)	5,753	4,936
	<u>16,643</u>	<u>10,409</u>

Pooled income:

Unrestricted pooled income (schedule II)	118,067	69,359
Internally restricted risk management (schedule II)	3,940	8,193
Internally restricted natural overrun fee (schedule II)	15,939	3,217
	<u>137,946</u>	<u>80,769</u>

	<u>154,589</u>	<u>91,178</u>
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Commitments (note 10)

	<u>\$ 218,261</u>	<u>\$ 126,109</u>
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See accompanying notes to consolidated financial statements.

Approved by the Board of Directors



Chair of the Board of Directors



Chair of the Audit Committee

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Consolidated Statement of Operations and Changes in Fund Balances

Fifty-two weeks ended December 28, 2024, with comparative information for the fifty-two weeks ended December 30, 2023
(In thousands of dollars)

		Pooled Income Fund	Administration Fund	2024 Total	Pooled Income Fund	Administration Fund	2023 Total
Revenue:							
Egg sales	\$	313,427	\$	313,427	\$	358,756	358,756
Levy and service fees		333,924	32,301	366,225	224,479	26,847	251,326
Interest and other		5,041	484	5,525	1,666	377	2,043
Total revenue		652,392	32,785	685,177	584,901	27,224	612,125
Expenses:							
Trade operations:							
Cost of eggs sold		557,080	-	557,080	516,872	-	516,872
Transportation and handling		16,129	-	16,129	17,654	-	17,654
Third party verification		1,377	-	1,377	1,549	-	1,549
		574,586	-	574,586	536,075	-	536,075
General and administration:							
Advertising and promotion		-	8,230	8,230	-	8,904	8,904
Donations		1,854	36	1,890	1,386	35	1,421
Meetings and travel		-	2,966	2,966	-	2,652	2,652
Office and other administrative		-	3,430	3,430	-	2,877	2,877
Per diems		-	1,044	1,044	-	1,198	1,198
Research (notes 8, 9)		-	2,500	2,500	-	3,323	3,323
Professional fees and consulting		208	1,237	1,445	252	2,287	2,539
Public affairs and communications		-	2,990	2,990	-	3,783	3,783
Salaries and benefits		-	8,366	8,366	-	7,873	7,873
Amortization of capital assets		-	645	645	-	590	590
Risk management (notes 8, 9)		13,674	-	13,674	1,588	-	1,588
Allocation of administration expenses (note 11)		4,893	(4,893)	-	4,290	(4,290)	-
		20,629	26,551	47,180	7,516	29,232	36,748
Total expenses		595,215	26,551	621,766	543,591	29,232	572,823
Excess (deficiency) of revenue over expenses for the period		57,177	6,234	63,411	41,310	(2,008)	39,302
Fund balances, beginning of period		80,769	10,409	91,178	39,459	12,417	51,876
Fund balances, end of period	\$	137,946	\$	154,589	\$	80,769	\$
						10,409	91,178

See accompanying notes to consolidated financial statements.
See accompanying Schedules I and II.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Consolidated Statement of Cash Flows

Fifty-two weeks ended December 28, 2024, with comparative information for the fifty-two weeks ended December 30, 2023
(In thousands of dollars)

	2024	2023
Cash provided by (used in)		
Operating activities:		
Excess of revenue over expenses	\$ 63,411	\$ 39,302
Item not involving cash:		
Amortization of capital assets	645	590
Loss on disposal of capital assets	562	-
Change in non-cash operating working capital (note 12)	24,614	(37,129)
	89,232	2,763
Investing activities:		
Purchase of investments	(70,867)	(16,717)
Proceeds on disposal of investments	18,274	35,796
Purchase of capital assets	(156)	(907)
Proceeds on disposal of capital assets	1,920	-
	(50,829)	18,172
Increase in cash during the period	38,403	20,935
Cash, beginning of period	43,680	22,745
Cash, end of period	\$ 82,083	\$ 43,680

See accompanying notes to consolidated financial statements.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Schedule I – Detailed Consolidated Statement of Operations and Changes in Fund Balances – Administration Fund

Fifty-two weeks ended December 28, 2024, with comparative information for the fifty-two weeks ended December 30, 2023
(In thousands of dollars)

	Unrestricted Administration Fund	Internally Restricted Research Fund	2024 Total	Unrestricted Administration Fund	Internally Restricted Research Fund	2023 Total
Revenue:						
Levy and service fees	\$ 28,829	\$ 3,472	\$ 32,301	\$ 23,449	\$ 3,398	\$ 26,847
Interest and other	221	263	484	187	190	377
Total revenue	29,050	3,735	32,785	23,636	3,588	27,224
Expenses:						
General and administration:						
Advertising and promotion	8,230	–	8,230	8,904	–	8,904
Donations	36	–	36	35	–	35
Meetings and travel	2,966	–	2,966	2,652	–	2,652
Office and other administrative	3,430	–	3,430	2,877	–	2,877
Per diems	1,044	–	1,044	1,198	–	1,198
Research (notes 8, 9)	–	2,500	2,500	–	3,323	3,323
Professional fees and consulting	1,237	–	1,237	2,287	–	2,287
Public affairs and communications	2,990	–	2,990	3,783	–	3,783
Salaries and benefits	8,366	–	8,366	7,873	–	7,873
Amortization of capital assets	645	–	645	590	–	590
Allocation of administration expenses (note 11)	(5,311)	418	(4,893)	(4,591)	301	(4,290)
Total expenses	23,633	2,918	26,551	25,608	3,624	29,232
Excess (deficiency) of revenue over expenses for the period	5,417	817	6,234	(1,972)	(36)	(2,008)
Fund balances, beginning of period	5,473	4,936	10,409	7,445	4,972	12,417
Fund balances, end of period	\$ 10,890	\$ 5,753	\$ 16,643	\$ 5,473	\$ 4,936	\$ 10,409

See accompanying notes to consolidated financial statements.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Schedule II – Detailed Consolidated Statement of Operations and Changes in Fund Balances – Pooled Income Fund

Fifty-two weeks ended December 28, 2024, with comparative information for the fifty-two weeks ended December 30, 2023
(In thousands of dollars)

	Unrestricted Pooled Income Fund	Internally Restricted Risk Management Fund	Internally Restricted Natural Overrun Fee Fund	2024 Total	Unrestricted Pooled Income Fund	Internally Restricted Risk Management Fund	Internally Restricted Natural Overrun Fee Fund	2023 Total
Revenue:								
Egg sales	\$ 313,427	\$ –	\$ –	\$ 313,427	\$ 358,756	\$ –	\$ –	\$ 358,756
Levy and service fees	333,176	748	–	333,924	223,749	730	–	224,479
Interest and other	3,646	673	722	5,041	1,183	339	144	1,666
Total revenue	650,249	1,421	722	652,392	583,688	1,069	144	584,901
Expenses:								
Trade operations:								
Cost of eggs sold	557,080	–	–	557,080	516,872	–	–	516,872
Transportation and handling	16,129	–	–	16,129	17,654	–	–	17,654
Third party verification	1,377	–	–	1,377	1,549	–	–	1,549
	574,586	–	–	574,586	536,075	–	–	536,075
General and administration:								
Donations	1,854	–	–	1,854	1,386	–	–	1,386
Professional fees and consulting	208	–	–	208	252	–	–	252
Risk management (notes 8, 9)	–	13,674	–	13,674	–	1,588	–	1,588
Allocation of administration expenses (note 11)	4,893	–	–	4,893	4,290	–	–	4,290
	6,955	13,674	–	20,629	5,928	1,588	–	7,516
Total expenses	581,541	13,674	–	595,215	542,003	1,588	–	543,591
Excess (deficiency) of revenue over expenses for the period	68,708	(12,253)	722	57,177	41,685	(519)	144	41,310
Fund balances, beginning of period	69,359	8,193	3,217	80,769	7,674	16,712	15,073	39,459
Interfund transfers - Other (note 13)	(20,000)	8,000	12,000	–	20,000	(8,000)	(12,000)	–
Fund balances, end of period	\$ 118,067	\$ 3,940	\$ 15,939	\$ 137,946	\$ 69,359	\$ 8,193	\$ 3,217	\$ 80,769

See accompanying notes to consolidated financial statements.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

1. Description:

Objective of EFC

In 1972, Parliament enacted the *Farm Products Marketing Agencies Act*, which was renamed the *Farm Products Agencies Act* (the "Act") in 1993. The Canadian Egg Marketing Agency c.o.b. Egg Farmers of Canada ("EFC"), a statutory corporation, was then established by proclamation and incorporated pursuant to the Act. The Act, along with the *Federal-Provincial-Territorial Agreement on Guiding Principles for the Marketing of Eggs in Canada (FPTA)*, which replaced the *Federal-Provincial Agreement* in November 2024, identifies EFC's responsibilities, including: to promote a strong, efficient and competitive egg industry and to have due regard to the interests of producers and consumers of eggs. EFC is exempt from income taxes under subsection 149(1) (e) of the *Income Tax Act (Canada)*.

2. Significant accounting policies:

The consolidated financial statements have been prepared by management in accordance with *Part III of the CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the following accounting policies:

(a) Basis of presentation:

The consolidated financial statements of EFC reflect the assets, liabilities and activities of EFC and its controlled not-for-profit organization, Advanced Layer Technologies Corporation ("ALT") (note 16). All significant transactions between the organizations have been eliminated.

(b) Fund accounting:

The Unrestricted Pooled Income Fund consists of the Industrial Products Program levy and service fees and related expenses. All transactions involving the buying and selling of eggs are recorded in this Fund.

The Unrestricted Administration Fund consists of the administration levy and service fees, and all administrative expenses.

EFC follows the restricted fund method of accounting.

(c) Inventory:

Inventory consists of eggs which are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

2. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments include cash, accounts receivable, investments, accounts payable and accrued liabilities. Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. EFC has not elected to carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, EFC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount EFC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Capital assets:

Capital assets are initially recorded at cost. Amortization is calculated using the straight-line method over their anticipated useful lives once placed in service as follows:

Asset	Useful life
Buildings	40 years
Building renovations	10 years
Office equipment	10 years
Computer hardware and software	3 - 5 years
Leasehold improvements	over the term of the lease
Corporate identity	10 years

(f) Revenue recognition:

Egg sales are recognized on the date eggs are delivered to the customer.

Levy and service fees are recognized either in the period of issuance, placement, production or provision of service as applicable.

Levy revenue is calculated based on the weekly layer allocation or issuance and a weekly per layer levy rate.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

2. Significant accounting policies (continued):

(g) Employee future benefits:

EFC sponsors and administers The Pension Plan for the Employees of the Canadian Egg Marketing Agency, which is a defined contribution plan registered under the *Ontario Pension Benefits Act*. Contributions for this plan are expensed as incurred.

(h) Allocation of expenses:

Administration expenses described in Note 11 are allocated from the Unrestricted Administration Fund to the Unrestricted Pooled Income Fund. The allocation is based on the level of effort and time spent by EFC directors and staff on operating the Industrial Products Program.

Administration expenses described in Note 11 are also allocated from the Unrestricted Administration Fund to the Internally Restricted Research Fund. The allocation is based on the level of effort and time spent by EFC staff on managing EFC's research programs and activities.

(i) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the consolidated financial statements in the period they become known. Estimates used in preparing these consolidated financial statements include assumptions related to determining the collectability of accounts receivable, the estimated useful lives of capital assets and the amount of accrued liabilities.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

3. Accounts receivable:

	December 28, 2024	December 30, 2023
Levy and service fees	\$ 19,352	\$ 18,892
Egg sales	35,048	34,637
Other	3,710	1,103
	\$ 58,110	\$ 54,632

Egg sales are dependent upon three groups of companies. During the period, these customers represented 97% (December 30, 2023 - 98%) of eggs sales revenue; 59% (December 30, 2023 - 62%) of accounts receivable are owing from these customers.

4. Investments:

	December 28, 2024	December 30, 2023
Cash	\$ 13	\$ 1
Guaranteed investment certificates	69,297	16,716
	\$ 69,310	\$ 16,717

Investments comprise longer-term guaranteed investment certificates that are capable of reasonably prompt liquidation. Guaranteed investment certificates bear interest at fixed rates ranging from 3.60% and 5.00% and maturing between 2025 and 2026 (December 30, 2023 - 5.45% and 5.75% maturing in 2024).

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

5. Capital assets:

			December 28, 2024	December 30, 2023
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 656	\$ –	\$ 656	\$ 943
Buildings	5,938	1,811	4,127	5,908
Building renovations	1,158	316	842	953
Office equipment	282	277	5	6
Computer hardware and software	2,922	2,129	793	871
Leasehold improvements	–	–	–	713
Corporate identity	345	345	–	–
	\$ 11,301	\$ 4,878	\$ 6,423	\$ 9,394

Cost and accumulated amortization as at December 30, 2023 amounted to \$14,398 and \$5,004, respectively.

On November 14, 2024, EFC completed the sale of its building located on James Street for \$2,000, which resulted in total proceeds of \$1,920 after adjustments. The carrying value of the building, including leasehold improvements, at the time of sale was \$2,482. The transaction resulted in a loss on disposal of \$562.

6. Accounts payable and accrued liabilities:

Government remittances (sales and payroll withholding taxes) of \$2,142 (December 30, 2023 - \$2,003) are included in accounts payable and accrued liabilities.

7. Demand loan facility:

EFC has a revolving demand loan facility with a total approved limit of \$15,000 (December 30, 2023 - \$15,000) at an interest rate of prime. The facility is secured by a first ranking general security agreement. As at December 28, 2024, loans under this facility were \$Nil (December 30, 2023 - \$Nil).

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

8. Fund balances:

Consistent with the Federal-Provincial-Territorial Agreement, egg boards act as agents of EFC for the collection, control and remittance of levy, as enacted by EFC.

EFC sets the levy rates to meet its projected cash flow requirements for restricted and unrestricted funds. Effective levy rates per dozen eggs marketed have been set as follows:

	Levy effective September 4, 2022	Levy effective January 29, 2023	Levy effective July 16, 2023	Levy effective November 5, 2023
	(cents)	(cents)	(cents)	(cents)
Unrestricted Administration Fund	3.00	3.00	3.00	3.75
Restricted Research Fund	0.45	0.45	0.45	0.45
Unrestricted Pooled Income Fund	40.40	22.40	32.40	43.65
Restricted Risk Management Fund	0.10	0.10	0.10	0.10
	43.95	25.95	35.95	47.95

9. Fund descriptions:

EFC's objectives with respect to its fund balances are to safeguard its ability to continue operations while keeping levy rates at a minimum. The Board of Directors has established thresholds for its Funds that are reviewed annually with any changes requiring Board approval.

(a) Unrestricted Administration Fund:

The Unrestricted Administration Fund finances EFC's administrative and regulatory activities. It supports the costs associated with managing and overseeing EFC's operations including the marketing and promotion of eggs.

The Unrestricted Administration Fund is to maintain a balance of at least \$1,000. Effective December 29, 2024, the start of EFC's 2025 fiscal year, the minimum balance will be \$4,000.

(b) Internally Restricted Research Fund:

In 1997, the Board of Directors created a restriction in the Unrestricted Administration Fund for Canadian research programs and activities related to the egg industry including; the Research Grant Program, Research Partnerships, Research Chair Network, and Knowledge Mobilization activities.

The lower and upper thresholds of the Internally Restricted Research Fund are \$2,000 and \$5,000, respectively.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

9. Fund descriptions (continued):

(c) Unrestricted Pooled Income Fund:

This fund supports the activities of the Industrial Products Program. All transactions involving the buying and selling of surplus eggs are recorded in the Unrestricted Pooled Income Fund. EFC purchases all eggs that meet EFC specifications and have been declared as excess to table market requirements at specified buyback prices. These eggs are then sold to domestic processors and grading stations.

The lower and upper thresholds of the Unrestricted Pooled Income Fund are \$45,000 and \$105,000. New minimum and maximum thresholds are \$60,000 and \$120,000 respectively, effective December 29, 2024, the start of EFC's 2025 fiscal year.

(d) Internally Restricted Risk Management Fund:

In 2001, the Board of Directors established the use of certain funds in the Unrestricted Pooled Income Fund to self-finance potential costs related to emerging risks and opportunities of the egg industry. All expenses of this Fund are in accordance with the Internally Restricted Risk Management Fund Policy and are approved by the Board of Directors.

The Internally Restricted Risk Management Fund is to maintain a balance of at least \$8,000.

(e) Internally Restricted Natural Overrun Fee Fund:

At their meeting on September 28, 2022, EFC's Board of Directors decided to suspend Natural Overrun Fee Program (NOFP) calculations, including the annual fee and Unrestricted Pooled Income Fund Requirement, while the Program was under review. On November 14, 2024, the Board approved revisions to the Natural Overrun Fee Program.

The revised program, effective December 29, 2024, is designed to support the Unrestricted Pooled Income Fund for the costs associated with producing eggs over and above the amount needed to meet table market demand. The NOFP will be funded by egg boards based on their share of the program's requirements.

The Internally Restricted Natural Overrun Fee Fund does not have balance thresholds.

The balances of the Unrestricted Administration Fund, Unrestricted Pooled Income Fund, Internally Restricted Research Fund, and Internally Restricted Risk Management Fund as at December 28, 2024, compared to established thresholds, are considered appropriate.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

10. Commitments:

EFC is committed under contract for the purchase of advertising and other services in fiscal 2025 for an amount of \$6,293 (December 30, 2023 - \$6,295).

EFC is committed to \$999 (December 30, 2023 - \$1,482) over the next three years to support the University Research Chairs at University of British Columbia, University of Guelph and Université Laval.

11. Allocation of administration expenses:

EFC allocates administrative expenses from the Unrestricted Administration Fund to the Internally Restricted Research Fund, and also to the Unrestricted Pooled Income Fund to provide for the full cost of operating their respective programs and activities as follows:

	Restricted Research Fund	Pooled Income Fund	December 28, 2024 Total
Building costs	\$ —	\$ 186	\$ 186
Insurance	—	76	76
Meetings and travel	—	598	598
Office and other administrative	—	838	838
Per diems	—	138	138
Professional fees and consulting	—	43	43
Salaries and benefits	418	2,886	3,304
Amortization of capital assets	—	128	128
	<u>\$ 418</u>	<u>\$ 4,893</u>	<u>\$ 5,311</u>

	Restricted Research Fund	Pooled Income Fund	December 30, 2023 Total
Building costs	\$ —	\$ 186	\$ 186
Insurance	—	82	82
Meetings and travel	—	629	629
Office and other administrative	—	625	625
Per diems	—	186	186
Professional fees and consulting	—	35	35
Salaries and benefits	301	2,380	2,681
Amortization of capital assets	—	167	167
	<u>\$ 301</u>	<u>\$ 4,290</u>	<u>\$ 4,591</u>

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

12. Change in non-cash operating working capital:

	December 28, 2024	December 30, 2023
Accounts receivable	\$ (3,478)	\$ 2,104
Inventory	(220)	(225)
Prepaid expenses	(429)	(24)
Accounts payable and accrued liabilities	28,741	(38,984)
	\$ 24,614	\$ (37,129)

13. Interfund transfers:

Interfund transfers consist of the following:

	December 28, 2024	December 30, 2023
Unrestricted Pooled Income Fund	\$ (20,000)	\$ 20,000
Internally Restricted Risk Management Fund	8,000	(8,000)
Internally Restricted Natural Overrun Fee Fund	12,000	(12,000)

On February 24, 2023, temporary transfers of \$20,000 to the Unrestricted Pooled Income Fund, \$8,000 from the Internally Restricted Risk Management Fund and \$12,000 from the Internally Restricted Natural Overrun Fee Fund, were approved by EFC's Board of Directors in order to mitigate significant events that negatively affected the Unrestricted Pooled Income Fund balance in the final quarter of 2022.

On February 14, 2024, the EFC's Board of Directors approved the temporary transfers of \$20,000 to the Unrestricted Pooled Income Fund be transferred back to the Internally Restricted Risk Management Fund of \$8,000 and Internally Restricted Natural Overrun Fee Fund of \$12,000, effective February 24, 2024, due to the stronger Unrestricted Pooled Income Fund financial position.

14. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that EFC will be unable to fulfill its obligations associated with financial liabilities on a timely basis or at a reasonable cost.

EFC manages its liquidity risk by monitoring its operating requirements. EFC prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

14. Financial risks (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty to a financial instrument may default on its contractual obligations resulting in a financial loss.

EFC is exposed to credit risk with respect to the accounts receivable. EFC assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At period-end, there were no amounts allowed for in accounts receivable.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in interest rate.

EFC is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 4.

(d) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

EFC is exposed to currency risk in the Unrestricted Pooled Income Fund as the pricing of egg sales revenues is based on US dollar inputs. EFC mitigates this risk by actively monitoring its Fund balances.

(e) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

EFC is not exposed to significant other price risk on its investments.

There have been no changes to the risk exposures from 2023.

15. Low-High Price (LHP) Program:

Due to volatility of the base component for processor pricing during the period, the pricing calculation on eggs sold to processors was amended. Beginning in June 2019, the price per the Low-High Price (LHP) Program was used for eggs sold to processors by EFC instead of the processor protocol calculation. The difference between the price per the processor protocol and the price per the LHP Program is the Total Differential Balance (TDB). Additions to the TDB are to be reduced on future egg sales when the price per the LHP Program is higher than the price per the processor protocol. As of December 28, 2024, the TDB is \$1,030 recoverable from processors (December 30, 2023 - \$9,060, recoverable from processors).

CANADIAN EGG MARKETING AGENCY C.O.B. EGG FARMERS OF CANADA

Notes to Consolidated Financial Statements (Continued)

Fifty-two weeks ended December 28, 2024

(Amounts in thousands of dollars unless otherwise noted)

16. Advanced Layer Technologies Corporation:

ALT is a subsidiary of EFC focused on supporting innovation in the production and marketing of eggs and all related technologies. ALT was incorporated on June 27, 2022, as a not-for-profit organization without share capital under the *Canada Not-for-profit Corporations Act*. It is exempt from income taxes under subsection 149(1)(e) of the *Income Tax Act (Canada)*. As the sole member, EFC controls ALT and has the power to appoint its Directors.

On December 23, 2022, ALT joined Egg Research Development Fund (ERDF) and Canadian Egg Technologies Inc. (CET Inc.) in a limited partnership to form Canada Egg Technologies LP (CET LP) under the *Limited Partnerships Act (Ontario)*. ALT and ERDF are limited partners in CET LP with CET Inc. serving as the general partner. CET Inc. was incorporated under the *Business Corporations Act (Ontario)* on December 22, 2022.

ALT and ERDF are shareholders of CET Inc., each owning four common shares. Both CET Inc. and CET LP were created to support a project to mitigate a consumer facing issue of the egg industry.

NOTES



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