

ANNUAL &
SUSTAINABILITY REPORT
2017

Egg Farmers
of Alberta





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EFA TEAM



BOARD OF DIRECTORS

Susan Schafers	Chair
John Hofer	Vice Chair
Joe Kleinsasser	EFC Representative
Beatrice Visser	EFC Alternate
Byron Toews	Director
Peter Waldner	Director

STAFF

Susan Gal	General Manager
David Webb	Marketing & Communications Manager
Christina Robinson	Farm Programs Manager
Jenna Griffin	Industry Development Officer
Kari Buijs	Business Manager
Laurel Martin	Office Manager
Angie Lang	Marketing & Social Media Coordinator
Erin Johnston	Farm Services Administrator
Brandy Addai	Logistics Coordinator
Kelly Pow	Application Support Analyst
Dave Lastiwka	Field Services Coordinator
Murray Minchin	Field Services Coordinator

TOTAL
NUMBER OF REGISTERED PRODUCERS
 2017: **172** 2016: **177**



TOTAL HENS
ISSUANCE
 2017: **2,313,314** | 2016: **2,195,476**



2017: **755,779** 2016: **671,625**

TOTAL INDUSTRIAL PRODUCT



TOTAL EGG PRODUCTION
 2017: **61,191,122**
 2016: **58,540,903**

AVERAGE FLOCK SIZE
 2017: **14,192** 2016: **13,471**



LEVY FOR REGISTERED PRODUCERS
\$11.346/ PER DOZEN



LEVY FOR UNREGISTERED PRODUCERS
\$0.446/ PER DOZEN



AVERAGE PRODUCER PRICE FOR LARGE EGG IN 2017
\$ 2.13 **\$0.109** from 2016



	All Eggs	Regular Eggs	Omega-3 Eggs	Other Specialty Eggs (ie: free range, free run, organic)
TOTAL EGG SALES (2017)	in AB: +4.2% in CAN: +4.1%	in AB: +4.7% in CAN: +6.1%	in AB: -9.0% in CAN: -17.5%	in AB: +10.5% in CAN: +5.4%
MARKET SHARE (2017)		in AB: 85.0% in CAN: 86.5%	in AB: 6.4% in CAN: 6.6%	in AB: 8.6% in CAN: 7.0%
TOTAL EGG SALES (2016)	in AB: +6.5% in CAN: +5.6%	in AB: +7.3% in CAN: +5.0%	in AB: -5.8% in CAN: +4.5%	in AB: +10.9% in CAN: +15.3%
MARKET SHARE (2016)		in AB: 84.5% in CAN: 84.8%	in AB: 7.3% in CAN: 8.3%	in AB: 8.1% in CAN: 6.9%

MESSAGE FROM THE CHAIR

ADAPTATION AND IMPROVEMENT ARE TWO WORDS THAT COME TO MIND WHEN I LOOK BACK ON 2017. ONE OF THE AREAS THAT THE EFA BOARD OF DIRECTORS COMMITTED TO IMPROVING WAS COMMUNICATION WITH PRODUCERS. AT THE EFA REGIONAL MEETINGS IN JUNE, WE TRIALLED A NEW FORMAT THAT FOCUSED HEAVILY ON FULL INVOLVEMENT, DIALOGUE AND FEEDBACK, WHICH ENGAGED ALL PRODUCERS IN ATTENDANCE. IN ADDITION, WE USED FOLLOW-UP SURVEYS TO POLL PRODUCERS ON HOW THEY FELT ON SPECIFIC ISSUES. THIS NEW FORMAT WAS A RESOUNDING SUCCESS AND IS ONE WE WILL CONTINUE TO USE FOR FUTURE MEETINGS.

The ensuing enthusiasm from the meetings also translated into more producers embracing the role of Egg Ambassador, volunteering to work events like Aggie Days and the Calgary Stampede, attending functions with various levels of government, and engaging with consumers at in-store appearances in Save-On Foods stores across Alberta. Producers have opened their barn doors to tours for a wide variety of guests, even going so far as having live-stream cameras in their barns to give the public a 24/7 view of their birds. The Alberta egg industry has so many good news stories

to share and we are #EFAproud with our #committedfarmers!

We've always known that eggs are nutritious, affordable and quick to prepare, and our industry is benefitting from the growth in egg consumption. This trend has



continued for several years and shows no signs of slowing down; however, producers have been reluctant to retrofit or build new barns due to the uncertainty around housing. With the release of the new Code of Practice for the Care and Handling of Pullets and Laying Hens, our industry has been hard at work to ensure that producers

are aware and prepared to make the necessary changes to their farming operations. The success of Alberta egg farmers is paramount, and is always top of mind during the development of programs and policies, as we transition away from conventional housing and adapt to other hen housing systems.

Engaging with stakeholders and understanding their unique needs and concerns led to the formation of the Egg Industry Advisory Committee (EIAC).

Having representatives from the graders, hatcheries, feed companies, processors and organics sectors together in one room allowed everyone to hear about the complexities we face as an industry. The first meeting was held in September and led to lively and candid discussions about the challenges and opportunities that are being faced by the egg industry.

As the "senior" Director, I'm honored to work with my fellow Directors to lead and guide our industry. Pooling our knowledge and diversity allows us to develop consensus on a variety of issues, and I would like to thank them for devoting their time to our industry. Our strong and forward-looking industry would not be where we are today without EFA's incredible staff team, who make sure that everything runs seamlessly, and I'd also like to thank them for their dedication!

SUSAN SCHAFERS
CHAIR

MESSAGE FROM THE GENERAL MANAGER

AS WE HEAD INTO OUR 50TH YEAR OF BUSINESS, MY THOUGHTS ABOUT MY MESSAGE FOR THIS YEAR CENTRE AROUND HOW MUCH HAS CHANGED, BOTH IN TERMS OF HOW EGG FARMERS PRODUCE EGGS AND WHAT THE ROLE OF EFA IS IN SUPPORTING THOSE FARMERS.

Even though the Board was established in 1967, the first annual meeting was not held until March 25, 1970. I was able to dig up the minutes from that meeting as the Board worked through their first year of operations, and the challenges they encountered in simply matching supply and demand. Their focus appeared to be on ensuring that they could find a home for all product produced under quota.

The report also refers to supporting and participating in the Canadian Egg Producers Council. This Council represented all provincial boards or associations of commercial egg producers. This group spear-headed the establishment of federal legislation to permit the formation of a National Egg Commission. To that end, a federal Bill passed first reading for the establishment of national marketing agencies for farm products and a National Farm Products Council.

The first Regulation relating to marketing of eggs and fowl in the Province of Alberta was filed and became law on January 24, 1969. In the initial stages the contents of the Regulation, and specifically those areas pertaining to the fixing of prices and the allotting of marketing quota in keeping with the terms and demands of market

conditions, were of major concern to the Board. In order to move through these challenging times, the Board decisions were based on the premise that whatever is good for the industry as a whole, is also good for the producer as well.



Since the national agency was not yet established and the Federal Provincial Agreement was not yet signed, the Board needed to be very mindful of the market conditions throughout all of Canada and the United States.

In Alberta, the Board struggled to determine how many eggs were being produced and marketed. In order to get a better handle on this, a system with which to regulate the flow and availability of product by allotting marketing quota in relation to the

demand of the market was developed. Even at that time, the Board had to take into consideration the fact that the wholesale industry found it both necessary and advantageous to import eggs from outside sources. This was necessary because Alberta production was below demand, and advantageous because of the availability of product at prices below those established by the Board.

Throughout 1969, the Board maintained a price structure that was generally accepted as being fair and just, despite the fact that at times eggs were available at prices less than the producer paying price set by the Board.

Fast forward 50 years, to a system that has a very solid foundation for managing supply while ensuring that producers are receiving a fair return, with no government support. In addition, eggs are well positioned with consumers as one of the most healthy, affordable foods on the grocery store shelf. Since 2009, the industry has seen an increase of over 50% in the quota allotted to Alberta.

In addition to the regular maintenance related to quota, pricing and levy, the system has evolved to help support producers with various on-farm programs that have been developed and supported by producers. We are fortunate as an industry that we have been able to proactively establish these programs, so that work done on the farm meets the standards that have been established.

In closing, I wish to thank all of the staff who work so passionately on behalf of Alberta egg farmers, and the Board Directors for all of their support and guidance.

SUSAN GAL
GENERAL MANAGER

EFC DIRECTOR'S REPORT

THIS PAST YEAR WAS A STRONG ONE FOR CANADA'S EGG INDUSTRY, AND WE ARE ENDING 2017 WITH SIGNIFICANT ADVANCES ON A NUMBER OF FILES. SET ASIDE FOR A MOMENT THE INTERNATIONAL TRADE ISSUES THAT DOMINATED THE NEWS, AND THE PROGRESS WE HAVE MADE OVER THE LAST YEAR COMES CLEARLY INTO FOCUS.

In 2017, the Canadian market grew for the 11th consecutive year, with a 4.1% increase in the retail sales of table eggs. During the same period, an additional 1.5 million hens were added into production. This growth is significant, and we have been working hard to make it happen smoothly. Needless to say, the Egg Farmers of Canada (EFC) Board remains committed to working with Farm Products Council of Canada to meet growing demand for eggs by bolstering production on our farms.

We also made significant advances on several other fronts by leveraging collaboration within the industry and a commitment to scientific evidence. Take, for example, the new Egg Quality Assurance (EQA) Program, which will begin to roll out in 2018. EQA encompasses the standards in our existing Start Clean-Stay Clean™ and Animal Care Program under one easy-to-identify mark.

We know that Canadians want to know where their food comes from, and want the assurance that it is produced according to the highest possible standards. The EQA mark will tell consumers, right on the egg carton, that their eggs come from farmers dedicated

to producing a top-quality product that meets the highest food safety and animal care standards.

Behind these programs is a commitment to scientific evidence and continuous improvement that builds confidence in the standards in place on farms



across the country. This commitment was evident in July, when the EFC Board unanimously voted to move ahead with implementation of the new Code of Practice for the Care and Handling of Layers, in line with the timelines outlined in the Code.

This decision follows four years of in-depth scientific evaluation and rigorous debate, which led to the release of the revised Code of Practice by the National

Farm Animal Care Council. The Code marks the first time housing standards for furnished housing systems are defined in Canada. This was a critical outcome for our industry. It gives producers guidance and supports the transition away from conventional housing.

One year into the transition that was announced in 2016, we have refined our ability to track progress, and will continue to push forward to safeguard the egg industry in Canada and meet the demands of the market and our customers.

The challenges we met in 2017 have been on the international front.

There were two big trade stories in 2017, both initiated by the new U.S. administration. First, there was the snap decision to pull the U.S. out of the Trans-Pacific Partnership, and then the decision to reopen the North American Free Trade Agreement.

It is easy to get lost in the trade issue, with its unexpected twists and news headlines. However, there is one constant, and one thing to remember as we head into 2018: as these issues unfolded in 2017, we were there to advocate on your behalf, and we will continue to do so as these trade negotiations progress.

We will continue, as we did throughout 2017, to press our government to support family farms, and uphold the system of supply management that delivers not just the fresh, high-quality products that Canadians want and enjoy, but also food security to our communities.

Canada is a vast country, with a range of climates and landscapes and a diverse population spread out over a large area. This reality makes issues of food security tremendously important. Our system



**EFC IS FULLY
COMMITTED
TO ENSURING
NO STONES ARE
LEFT UNTURNED**

enables the production of a product that is both nutritious and affordable across the entire country, including in regions where it may be the only locally produced food item on store shelves.

We will continue to work together to tell this story, and by telling it build trust in our industry. This commitment to build trust transcends everything we do—from the world-class standards on our farms, to giving back to our communities through partnerships with food banks and breakfast programs, to strengthening our practices through investments in research and innovation.

Part of this story is our continued dedication to nurture the system of supply management. Our success

today and moving forward, lies in our ability to set aside regional differences and strengthen the core of our system through collaboration. To this end, the EFC Board was pleased to have reached an updated Industrial Products Pricing Structure and Protocol with egg processors after steady progress throughout the year. In November, an equitable and evidence-based solution was achieved that will maintain both a strong processing sector and a vibrant egg industry.

As we head into 2018, bumps on the road are inevitable. It is impossible to know what surprises the year will bring but I find comfort in knowing that we will be tackling the coming challenges together, united by the drive to deliver

the best possible product to our families, to our neighbours and to the millions of Canadians who rely on our product.

To my colleagues at the national table and in my province, to the staff and to farm families all across the country, I want to express my heartfelt thanks for your ongoing dedication and commitment that makes this all possible.

JOE KLEINSASSER
EFC DIRECTOR



HEALTHY BIRDS

Code of Practice

The updated Code of Practice for Laying Hens was released in March, following a lengthy review process by the National Farm Animal Care Council. The updated Code of Practice was developed through a multi-stakeholder, consensus-based approach, and is of the utmost importance to the egg industry, as it provides a solid foundation on which the Canadian egg industry's animal care programs and standards are based.

With the finalization of the 2017 Code of Practice, the egg industry now has firm direction on standards for hen housing. EFA is committed to working with and supporting farmers in order to meet the 2017 Code of Practice requirements. EFA's Production Management Committee established transition plans for all housing systems to come into alignment with the 2017 Code, with the goal of giving farmers the information and time they need to make necessary updates.

Conventional Housing

The Code has set January 1, 2020 as the date to phase out grandfathering of conventional cages. As of this date, white hens must be provided with 67 square inches of space and brown birds with 75 square inches of space. This is consistent with a previous decision to follow an EFC recommendation to phase out grandfathering by January 1, 2020.

In July 2031, any farmers still using conventional cages will be required to house at a density of 90 square inches. We expect that by this point in time the majority of farms will have moved to alternative housing systems.

As of July 1, 2036 all hens must be housed in furnished or non-cage housing systems that meet the Code requirements. This is the final phase out date for conventional cages according to the Code.

Loose Housing

For loose housing systems, including those where flocks are raised on the floor or in aviaries, all housing systems that began construction after April 1, 2017 must meet final Code requirements when their facility goes into production.

For non-cage systems that were already in place or were under construction before April 1, 2017:

- Farms can continue to place at their current level, or house at 144 square inches per bird (whichever is higher).
- By January 1, 2019, existing farms must meet the April 1, 2017 requirements in the 2017 Code, or reduce their capacity and meet final Code requirements by January 1, 2020.

Furnished Housing

The transition plan for furnished systems was released in August following a review

of measurements from current facilities in the province. The final transition plan is very similar to that for loose housing systems. Furnished systems that began construction after April 1, 2017 will need to meet all final code requirements when their facilities go into production.

For furnished housing systems that were already in place or were under construction before April 1, 2017:

- Farms will need to continue to place at a density of 116.25 square inches.
- By January 1, 2019, these farms must meet the April 1, 2017 requirements in the 2017 Code for perch, nest and foraging space, or reduce their capacity accordingly.
- Farms must meet final Code requirements by January 1, 2022.



Animal Care Program

Egg Farmers of Canada is currently working to update the industry's national Animal Care Program (ACP) to align with the new 2017 Code of Practice. While there were no changes to the ACP in 2017, EFA is preparing for significant updates in the years ahead, and is involved in the process for updating the ACP. EFA's General Manager sits on the Animal Care Re-development team, and any proposed changes to the ACP will be reviewed by EFA's Production Management Committee, which provides EFA the opportunity to provide

feedback. As updates to the ACP are finalized, EFA will work to ensure every farmer is aware of the changes, and is equipped with what they need to be successful.

EFA finalized hen housing certificates for all farmers with conventional cage systems in 2017. These certificates outline measurements and capacities that have been verified by both EFA and EFC, which provides clarification on capacity for both farmers and on-farm auditors. An agreement has been reached to begin issuing hen housing certificates for farms with alternative housing systems starting in 2018.

2017 was the second full year for 3rd party auditors to be engaged in delivering the Animal Care Program, with the goal of increasing transparency of animal care practices. The Canadian egg industry aims to have 1/3 of farms across Canada evaluated by an outside auditor each year. In 2017, 40 farms in Alberta had a 3rd party auditor complete their ACP assessment. It is anticipated that by the end of Q1 2018, all farms in Alberta will have received a 3rd party audit in the ACP within the last 3 years, achieving the goal set out for the industry in late 2014.

Alberta's egg farmers have again demonstrated their dedication to the care and well-being of the birds in their care, through their achievements in the Animal Care Program. The average ACP rating for Alberta's egg farmers in 2017 was 99.9%, with 91% of farms achieving a perfect 100% score.

Animal Care Program for Pullets

To help educate pullet growers about the 2017 Code requirements and foster adoption of the Code, EFA is delivering an updated pullet animal care checklist. EFA's Field Coordinators review this checklist with pullet growers while on farm. The checklist clearly illustrates where farms currently are vs the 2017 Code. There are currently no requirements in place for pullet growers to meet the guidelines in the Code, but EFA does believe that could evolve in the future, and preparing pullet growers is an effective first step. EFA continues to support the development of a national Animal Care Program for pullet growers.



Hatching Ideas on Animal Welfare

EFA hosted a distinguished group of egg supply chain partners and industry stakeholders in September, for Hatching Ideas on Animal Welfare, a workshop that featured a dynamic discussion about the future of animal care in Canada's layer industry.

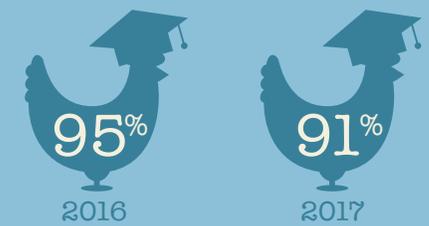
Over 40 participants had an opportunity to share their vision for the future of animal care in the egg industry, their thoughts on the biggest welfare challenges, and their ideas to address them. EFA worked to create an environment where tough discussions were welcomed with a sense of curiosity and passion. Honest input from outside voices

helps to identify priorities and provides more options as EFA evaluates strategies to move the industry forward, in terms of animal welfare success in the egg industry.

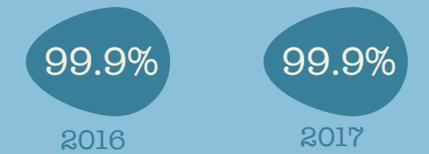
The event included a tour of the host farm, Fairview Colony. Jerry Hofer, the colony's egg manager, led the group on a tour of their newly constructed barn, where their 18,000 laying hens are raised in a furnished housing system.

This stakeholder engagement session highlighted the need for collaboration as EFA works towards the common goal of sustainable egg production through sound animal care practices. Opportunities were also highlighted for industry stakeholders to work together to share common messages and stories with consumers about where their food comes from, and how it is produced. EFA will use the information cultivated at Hatching Ideas on Animal Welfare to help shape plans for 2018 and beyond.

Percentage of farms achieving 100% scores in the Animal Care Program



ACP Average Score



40 farms had a 3rd party animal care assessment in 2017

Total # of Animal care assessments completed in 2017

166



Hen Housing

The release of the 2017 Code of Practice for pullets and layers has provided solid guidance for those farmers building new facilities or renovating. However, announcements from the retail sector with commitments to move to cage-free production continue to be made, which creates a challenge for farmers. With so many retail outlets committing to move to cage-free eggs well before the Code's 2036 phase out date for conventional cages, many would think that it should be a simple decision to move to a cage-free facility when it is time to update their barn. However, at this time the market for cage-free eggs has been saturated, meaning that farmers who choose to install a cage-free system at this time will not be paid more for their eggs. When eggs are so much more costly to produce in cage-free systems due to the increased feed consumption and larger barn footprints, this is an untenable business decision. As a result, EFA saw more egg farmers choose to install furnished housing systems in 2017, rather than loose housing systems.

The transition to alternative housing systems from conventional cages is continuing at a steady pace. Over the past year, 5% of Alberta's total production moved from conventional housing to an alternative system.

EFA is actively working with industry partners and researchers to help address some of the common challenges farmers are facing as they move to alternative housing systems. Addressing feather cover issues has been identified as a priority, with a major research project and resource development underway.

Feather Cover

With the transition from conventional cage housing to alternative housing (ie: furnished cages or non-cage systems) there is an increased risk of feather cover damage. In 2017, with funding from Egg Farmers of Canada, Dr. Harlander from the University of Guelph initiated a research project to better understand the development of feather cover damage under commercial conditions on Canadian farms. This research hopes to help farmers prevent and/or reduce feather cover damage, by ultimately developing a Canadian Feather Pecking Management Plan.

EFA supported the research by delivering the surveys to producers with alternative housing, and addressing questions and concerns about the study. By participating in this research, Alberta egg farmers have helped in the development of tools for farmers to assess and manage feather cover. Ultimately, the results will help increase awareness of potential management strategies that could be used on farm to directly improve the welfare of hens. In 2017, the EFA Board set a goal that trends for feather cover are improving over time, which the results of this project will assist in benchmarking.

Layer 2 tests were negative for SE/ST/SH post-vaccination. The two samples that came back positive were pooled with swabs from unvaccinated flocks placed either before or after the pilot program.

The project also saw 26 producers complete full flock serology testing. Participating producers received information about the quality of their vaccination program and exposure of their flock to viral challenges.

Poultry Health Services and Alberta Agriculture also conducted an on-farm trial as part of the project to evaluate the use of a vaccination machine. The goal was to determine whether a machine could provide equivalent or better performance to manual vaccination, while also getting user feedback on whether it could decrease labour and thus, increase the likelihood of using injectable vaccines. Results of this trial were pending at the time of publishing.

STORY: As Easy as a double-barreled vaccination gun

One of the participating farmers commented that when they heard from Alberta Agriculture that they were positive for ST, they took extra precautions before placing their next flock. They disinfected twice, and fogged the barn. For this producer, the vaccination was seen as being one more thing that helped get rid of ST in the barn. The producer felt that doing the injection at the same time as their other killed injections was as easy as using a double-barreled vaccination gun.

Serology & Vaccine Projects

As part of a disease risk management project funded by Alberta Agriculture and EFA, 4 producers that had a history of repeat positives with Salmonella Typhimurium (ST) or Salmonella Heidelberg (SH) had their flocks vaccinated with an injected SE/ST/SH vaccine. Those flocks have now had follow up layer Salmonella testing. 12 out of 14 Layer 1 and

Hen Housing in Alberta 2017



Conventional



Furnished



Free-run/aviary



Free-range/organic



When statistics and reporting are done on the full data set in 2018, the industry will have improved epidemiological data and producers will have detailed recommendations on vaccination best practices.

To build on messaging related to serology and vaccinations, EFA worked with Alberta Agriculture to deliver the Flock Talk, “Titres and Techniques.” Over 55 producers attended the meetings in December, which focused on troubleshooting vaccine application and sprayers, and reading and interpreting serology reports. Leanne Cooley from Grayridge Farms and Harold Echeverry from Merck covered a significant amount of content. Over 95% of producers attending the sessions indicated that “yes” they would be implementing new practices on their farm as a result of attending the Flock Talk. One producer commented that the session offered “the kind of information and hands on learning that [he] needed” and another wrote that the information on titres was “eye opening”.

End of Lay

In June, the United Federation of Animal Welfare (UFAW) and the Humane Slaughter Association (HSA) co-hosted a symposium in the United Kingdom (UK) on the Welfare Impacts of Controlled Atmosphere Stunning (CAS). To get a broader perspective on the welfare science related to gassing and LAPS, including international regulations and challenges, EFA sent one Board member (Susan Schafers) and one staff member (Jenna Griffin) to the event. At the symposium

there was an opportunity to meet people from around the world and learn what the egg industry does for mass depopulation on farms in different countries.

The EFA Board invited 10 producers to participate in an End of Lay Depopulation Strategic Working Session in June. The goals of the facilitated session were to:

- Develop a collective understanding of facts and a common language to use in discussions.
- Engage in discussions of the issue at a strategic level.
- Develop and analyze potential options to address the issue while understanding factors like cost, risks, and long-term opportunities.
- Provide input to the Board's strategic planning session

The day included a review of past work and discussions, a discussion on trends in other markets, and key conclusions to consider that will drive options development. There was also a panel discussion where participants discussed the history of the issue and EFA's original Board vision, key trends, and a discussion on future options, including their pros and cons.

Soft Audits

Early in the year EFA began the delivery of soft audits on all layer farms to verify that mass depopulation is meeting AVMA standards. During the delivery of the audit checklist, EFA Field Inspectors identified and reported improvement areas. When an improvement area was identified, it was reported to the EFA office and a follow-up letter was sent to the producer with suggestions and resources on how to implement improvements, as well as an explanation of the importance of doing so.

164 producers had soft audits in 2017. The breakdown by method was as follows:

- 8 Low Atmospheric Pressure Stunning (LAPS)
- 77 Gassing
- 48 Physical Methods
- 65 Electrical

Note that some producers may use more than one method. The most common corrective actions were related to gassing including not having used a CO2 monitor, not having a system in place to warm the gas, and not having a flow meter and/or regulator.

Low Atmospheric Pressure Stunning

After the implementation of a pilot program in late 2016, 2017 saw LAPS used on 16 farms. EFA worked with Poultry Health Services to develop a LAPS Service Audit. The audit was piloted on a farm in July, which involved an assessment of catching and handling, loading densities, hold times, and training and documentation. The audit also had a Cleaning & Disinfection component, with the unit being swabbed and a Colony Forming Unit (CFU) count being established.

Sea Container

EFA supported a producer investigating an alternative method of gassing using a sea container, by contracting out Poultry Health Services to conduct a preliminary field evaluation. The assessment will be used to support the development of standard operating procedures.

Emergency Preparedness & Response

EFA is currently working together with the other feather Boards in Alberta to improve our emergency preparedness programs so that we can more effectively prevent, respond to, and recover from emergencies such as disease outbreaks like avian influenza, weather related emergencies, or those crises that can't be predicted.

There are a number of elements to this project, which will take three years to complete, and for which EFA has received significant government funding from the Federal Agri-Risk program:



- Updating the emergency response plan – the provincial response plan is being updated so that it aligns with the Incident Command Structure that the Canadian Food Inspection Agency (CFIA) and Alberta Agriculture & Forestry currently use
- Developing a crisis communication plan to provide guidance while responding to an emergency
- Developing plans and having equipment in place to protect people during an emergency (with Personal Protective Equipment), as well as for depopulating and disposing flocks due to an emergency (Depopulation and Disposal Program)
- Finally, in looking at options for how to substantially improve emergency response times, new technology for Geo Fencing was discovered and Be Seen Be Safe and will be piloting it in 2017/2018. Be Seen Be Safe is a real-time, automated visitor log that has been designed to prevent a minor disease outbreak from becoming a catastrophic event. All poultry farms in Alberta are being geo-fenced, which is basically a virtual line that goes around your farm and is saved in the Be Seen Be Safe program. Visitors to the farm download the Be Seen Be Safe app on their phone, and then whenever they enter and exit a poultry farm in Alberta, their visit is tracked. Farmers can go to the website and look at their own report showing who has been on and off their farm. In the event of an emergency, everyone linked to the farm through Be Seen Be Safe can be sent immediate alerts and notifications. Traceability for diseases used to take weeks and months, but it can now be done instantly and in real time.

Workshops on the emergency preparedness project were held in four locations across Alberta in September, providing an opportunity for farmers to learn about what the poultry industry is doing to manage and reduce risks, provide their feedback and input, and to sign up for the Be Seen Be Safe pilot program.

The Avian Influenza Coordinating Committee continued to meet on a monthly basis throughout 2017, to discuss the risk level for Avian influenza and various issues. While 2017 was quiet for AI outbreaks in North America, the industry remained vigilant and watchful as significant, damaging outbreaks took place in Europe, Asia, the middle East and Africa. There is always concern that these viruses could be brought to Canada through the migration of wild birds. To protect flocks and the industry, EFA continued to remind farmers of the steps they can take to protect their flocks on a regular basis.

In November, EFA invited a group of stakeholders including farmers, government and organic organizations to discuss how to coordinate appropriate emergency measures for organic birds with outdoor access, when the threat of AI and other diseases is elevated. During the stakeholder session we agreed on a plan of action for developing a practical process to define periods of elevated risk. We will continue to develop this process with the Avian Influenza Coordinating Committee in 2018.

Education

The third annual Western Poultry Conference (WPC) was held on February 27, in Red Deer. The one day conference was attended by more than 300 poultry farmers and stakeholders. Farmers who attended heard presentations on a wide variety of practical topics including managing Salmonella, barn sanitation, euthanasia, poultry gut health, ventilation, and training new poultry workers.

Alberta Farm Animal Care (AFAC) worked with the poultry industry through 2016 and 2017 to build a comprehensive transportation manual and workshop program, with the goal of helping transporters and farmers continue

to improve the handling and welfare of birds during catching and transportation. The workshops, which were held in 5 locations across Alberta in April and May, were also designed to meet anticipated regulatory requirements under the updated Health of Animals Act. The revised act will necessitate that each person involved in and responsible for transporting livestock be trained to know how to prepare, load and monitor birds, as well as understand how driving affects birds during transport. The Poultry Handling and Transportation manual that was developed is now a long standing resource for Alberta's poultry industry.

International Conferences on Animal Welfare

In September, three representatives from Egg Farmers of Alberta – Jenna Griffin, Christina Robinson and Beatrice Visser – attended the International Conference on the Assessment of Animal Welfare at Farm and Group Level (WAFL) in Ede, Netherlands. While in the Netherlands the team also had the opportunity to visit two farms.

Attending the WAFL conference provided EFA an opportunity to learn about outcome based welfare measures in order to support improved on farm animal care programs and farmer education. This is especially important as EFA works to provide valuable input into the development of an updated national Animal Care Program. By visiting farms in the Netherlands, EFA was able to learn about different management practices and tools used, which can help Alberta egg farmers transitioning to alternative housing systems address animal care and production issues. Information collected during the trip has been compiled and distributed to other EFA committees and groups, including the Board and Production Management Committee, to help inform future decisions. EggNotes is also featuring articles with insights gained from the experience.

EFA would like to thank the Alberta Agriculture Industry and Market Development program for the funding that made attendance at these conferences possible.

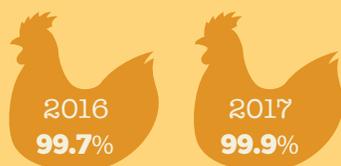


HEALTHY EGGS

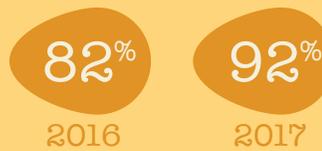
Start Clean – Stay Clean Layer Program

Food safety assurance is a fundamental part of what egg farmers in Alberta do on their farms every day. This is demonstrated through their stellar results in the Start Clean – Stay Clean™ (SC-SC) on farm food safety program. It has been mandatory for all egg farmers in Alberta to be accredited in the SC-SC program since 2009. Farmers have shown that they do not only work to achieve the minimum requirement, but continue to work to improve on their farms. In 2017, 153 farms achieved a perfect score of 100% and the average score was 99.9%.

Average Score



Percentage of Farmers Scoring 100%



Start Clean - Stay Clean Pullet Program

The Start Clean – Stay Clean™ (SC-SC) Pullet on farm food safety program provides guidelines on best practices for keeping pullets healthy and free from disease. Since the program was introduced in 2009, farmers have supported the program, with all pullet growers scoring well above the 90% required for full CEIRA coverage. In 2017, the average SC-SC pullet score was 99.58%, with 95 farmers achieving a perfect 100% score.

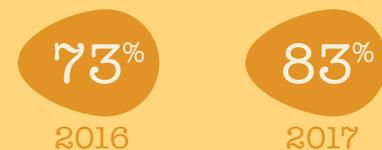
EFA is proud of how far pullet growers have come, but the highest standard has yet to be achieved. As of the end of 2017, a total of 99

pullet growers have achieved accreditation in the SC-SC program, which represents 86% of pullet growers in the province. Alberta's pullet growers have just a very small step to take to reach a very big milestone – 100% accreditation. Following consultation with farmers at the regional meetings in June, EFA finalized a policy that will make accreditation in the SC-SC Pullet Program mandatory as of January 1, 2019.

Average Score



Percentage of Farmers Scoring 100%



SE Prevention and Response

There was a sharp decrease in the number of Salmonella Enteritidis (SE) cases reported on Alberta egg farms in 2017, with 20% of the number of positive cases in 2017, compared to the provincial 3 year average.

As part of EFA's salmonella prevention strategy, egg farmers have been working to phase out multi-species production facilities, which will help reduce the biosecurity risk and ensure that all farmers are fully insured under the CEIRA program for Salmonella Enteritidis. In early 2017, all farms with multi-species production facilities were required to submit an action plan for how they would move to facilities dedicated to the regulated egg industry by January 1, 2020. EFA will continue to monitor progress until the deadline, at which time dedicated facilities will be a license requirement under EFA's on farm food safety policy. As of January 1, 2018,

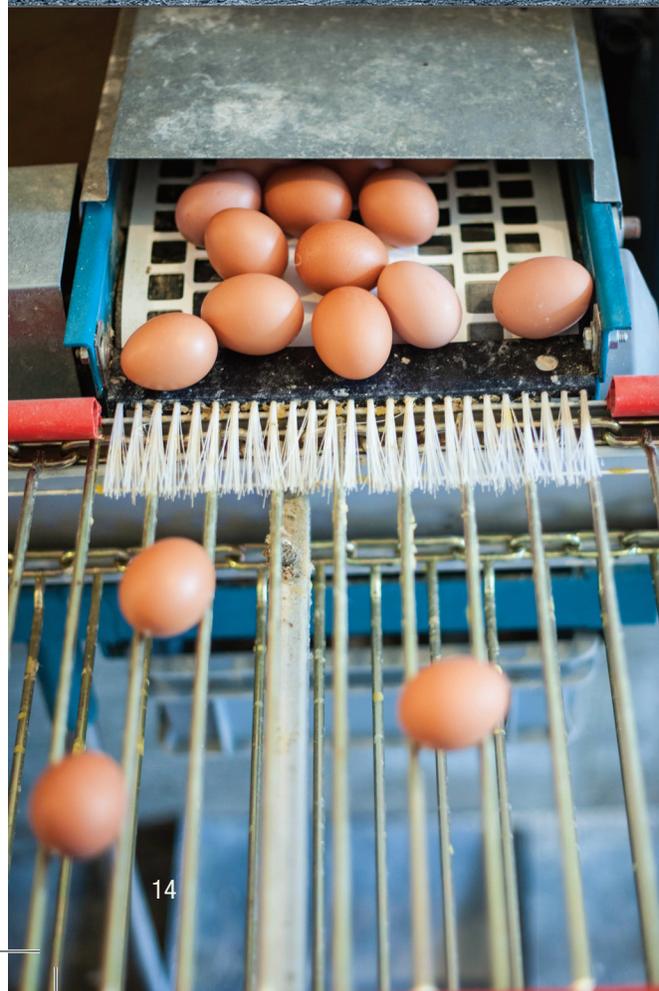
any producers who are SE positive and have production facilities that are not dedicated to the regulated egg industry must switch to dedicated production facilities before repopulating their barn.

STORY: Development of a Salmonella Rapid Test

In January, EFA surveyed producers to understand interest levels in developing an on farm rapid test for Salmonella Enteritidis, Heidelberg, and Typhimurium. Producers expressed a strong interest in having a test that could be used on farm for various purposes, including post C&D verification, post-positive investigations, and testing vehicles and equipment on farm. EFA entered into a research agreement with Aquila Diagnostics to develop such a test, and initial development work began in December.

Biosecurity

In 2017, funding through Growing Forward 2 was granted to Alberta's poultry industry to develop enhanced biosecurity resources and programs. Progress has been made in developing "Basic, Better, Best" resources that can help farmers determine how to make practical improvements to biosecurity on the farm, as well as an assessment that can help identify areas where the industry may need support in safeguarding facilities from pathogens. Through the project, the industry is also investigating the possibility of avian influenza surveillance as part of its prevention strategy. Biosecurity plays an important role in not only maintaining food safety assurances, but also in protecting flocks from disease outbreaks.





HEALTHY FARMS

Quota

2017 began the same as 2016, with a quota allocation. During this allocation 133,016 layers were distributed in accordance with current EFA policy, with 10% (13,302 quota units) set aside for the New Entrant Program and 119,714 units distributed pro-rata to existing quota holders, at a rate of 7.0185%.

The application process for the 2018/2019 pool started in September 2017. This pool was streamlined by changing the application process; producers told EFA what number they wanted to be at, rather than how much they wanted to lease to or from the pool. The feedback from the producers on this change was very positive.

Service Fee

EFA continues to promote that the collection of the EFC Service Fee should be calculated based on market share rather than on birds allocated. There is continued pressure by other provinces for Alberta to submit the balance owing to EFC.

Quota Leasing Pool

With the January 1, 2017 quota allocation the 2017/2018B Quota Leasing Pool (QLP) was run. This enabled all the producers that did not receive 100% of their requests in the 2017/2018A pool to be fulfilled.

Specialty Pricing

EFA collaborated with the western provinces to update the Specialty Pricing Model. A meeting was held in October with EFC and all of the provincial boards to review the model and discuss the possibility of a national framework for pricing of all eggs with appropriate differentials.

Pool	Quota Placed Into Pool	# of Farmers Leasing to the Pool	Quota Requested from the Pool	# of Farmers Leasing from the Pool	Quota Leased from the Pool
2017/2018A	264,471	94	311,111	71	213,636
2017/2018B	99,979	151	54,516	60	54,516

New Entrant Program

The New Entrant Program (NEP) was first launched for public applications in 2014, providing an opportunity for those interested in egg farming to gain access to quota. There are currently 20 new entrants in the program, 4 of which were converted from the MDLP program. The EFA Board met with some new entrants in 2017, and made the decision to provide new entrants quota allocations, starting with the January 1, 2017 allocation. This change will require quota from future quota allocations to satisfy current commitments to new entrants. As such, EFA estimates that it will be 2-3 years (2019 or 2020) before there will be sufficient available quota to reopen the NEP.

EFA's goal is for the NEP to instill confidence and security in the provincial egg industry,

and to help new egg farmers succeed in building a viable and sustainable egg farm. During 2017, two new entrants returned their quota, and four went into production. Five more will be going into production in 2018.



Producer Environmental Egg Program

The PEEP program remained relatively the same as 2016, with only one small change to the assessment. Question 3.3, related to manure treatment, was adjusted to reflect multiple designs of manure drying systems (ie: the use of heat exchangers versus drawing internal barn air). The question was modified to ensure that any producer testing their manure and achieving a

moisture content of less than 50% is eligible for full points.

For 2017, the average score on PEEP moved from 72% to 79%. One driver of overall improvement was improved scores on Question 3.2, related to manure and compost storage capacity. In January, EFA sent a letter to all producers scoring 0 on this question, in order to draw attention to best practices around temporary and permanent manure storage. As a result, many producers considered alternative options for their layer manure and the average score on Question 3.2 improved from 10 to 15.

In 2017, EFA set a goal of having 90% of farms pass PEEP. Producers were able to exceed this goal with 91% of producers now obtaining a score of 60% or greater. Notably, 34 producers achieved a score above 90%.



STORY: Alberta Agriculture and Egg Farmers Collaborate to Identify Manure Drying Best Practices

Alberta Agriculture (AF) and Egg Farmers of Alberta (EFA) are working together to help fill gaps in information related to the costs, benefits and challenges of using manure belt dryers in Alberta. As a result of social pressures associated with climate change and public trust, as well as improved manure handling and storage technologies, egg farmers are working to reduce emissions and improve bird welfare and worker safety. This project is investigating variables that help minimize ammonia release and retain nutrients in manure, as well as economics and net environmental impacts of drying systems in Alberta conditions. In fall 2016,

an initial phone survey was conducted with egg farmers to baseline the type of manure drying being done in Alberta. From the initial survey, partners were selected for a further in-barn study. Two producers opened their barn doors to enable AF staff to collect a large amount of data measures during in-barn testing throughout the summer of 2017. One of those producers commented, "I've always wanted to know how much it is costing to run my manure belt and whether it is beneficial to the farm overall. I didn't have the tools to monitor it on my own and measure what should be measured like ammonia and dust. I enjoy the visits from AF staff and look forward to seeing the results from different scenarios." Winter testing will begin in February, 2018. Results of the study will be incorporated into the manure drying recommendations in PEEP.

STORY: Cooler Energy Efficiency

In 2014, EFA and AF partnered with Brant Colony to design and construct an egg laying facility that would come as close as possible to balancing energy generation and consumption (ie: Net-0). Thanks to funding from Growing Forward 2, the facility was able to include several upgrades to their egg cooler. In addition, the barn was equipped with energy submeters

to capture detailed data on areas of energy consumption in the layer barn. Data collected with respect to the cooler includes:

- Compressor motor load
- Condenser fan load
- Evaporator fan load

As a wrap-up to the Net-0 Barn project, EFA contracted EnSave to compare this data against benchmark coolers of a similar size, in order to better communicate the cost-benefit of these technologies to other egg

farmers. From March 11 to April 9, data logging equipment captured real-time energy use on four similarly sized coolers with conventional equipment. Three information bulletins related to cooler technologies were developed and recommendations related to Evaporative Fan Controls, Electronically Commutated Motors (ECMs), and High Efficiency Scroll Compressors were integrated into PEEP for assessment in 2018.



STORY: Barn Energy Assessments

In December, thanks to funding from Growing Forward 2 and as a result of a recommendation by EFA's Production Management Committee, EFA released a Request for Proposals for an Energy Assessment Project. The project has three main objectives:

1. Examine new barn construction plans for layer and/or pullet barns and make both specific and general recommendations on optimal facility design for energy efficiency and reduced carbon footprint.

2. Examine layer barns performing poorly on the energy efficiency component of PEEP and make farm-specific recommendations on improvements.

3. Summarize and report on the opportunities for farmers and for the sector to improve energy efficiency and carbon footprint, based on findings from all energy assessments.



Farm Safety

Throughout the year, EFA continued to encourage farmers to complete Job Task Hazard Assessments (JTHAs) for the top risks on an egg farm. EFA field staff supported farmers by walking through an example and collecting near miss stories.

In total, over 110 such conversations were had:

- 5 incidents involved children under the age of 10
- 14 incidents involved the egg packer or escalator, including two lost finger tips
- 5 incidents involved falls from heights, including a shattered ankle which took five months to heal
- 7 incidents involved manure augers or belts

Common corrective actions identified included:

- Ensuring augers have covers in place and that the power is off before any maintenance is done
- Implementing policies prohibiting loose clothing around the egg packer and other moving equipment
- Improved communication with workers and helpers



Farm Safety Committee

In 2017, EFA established a Farm Safety Committee (FSC) with 3 producer representatives to:

- Provide advice to EFA on programs and services related to farm safety including feedback on their quality and effectiveness.
- Provide advice to EFA on emerging regulations and their sector impact.
- Identify existing and emerging occupational health and safety issues and trends to support the strategic development of new initiatives.
- Provide a forum for the exchange of health and safety information between EFA, members of the Advisory Committee, and selected guests.
- Act as advocates of farm safety by supporting and promoting farm safety activities and initiatives as appropriate.
- Participate in external farm safety working groups on behalf of EFA as needed and report back to the Committee.

The FSC held their first meeting in April to get up to speed, review ways to encourage the uptake of JTHAs, and review and provide feedback on initial materials

developed by AgSafe Alberta. In December, the Committee met with representatives from Alberta Labour to review the Working Group Recommendations and establish key messages for feedback to the Government on Bill 6 OH&S recommendations.



AgCoalition and Bill 6

When the agricultural industry met in January 2016, in response to the Bill 6 challenge, it was with the express vision of advancing farm safety culture and leading this effort in Alberta. It was clear from producers that the establishment of an industry led safety association or society would enable the vision for safety leadership to be realized. On September 2, 2017, the formation and registration of the agricultural safety association “AgSafe Alberta” was publically announced. The AgSafe Board met for the very first time in November 2017, to review and approve society objectives, review bylaws, draft a business and strategic plan, and strategically consider synergies with the Alberta Farm and Ranch Safety Extension Fund Working Group effort, as well as incident reporting and safety performance metrics.

Extension Working Group

EFA continued to work with the Alberta Farm and Ranch Safety Extension Grant Working Group to develop and deliver safety education and awareness for farmers across Alberta, with funding from the provincial and federal governments as part of Growing Forward 2.

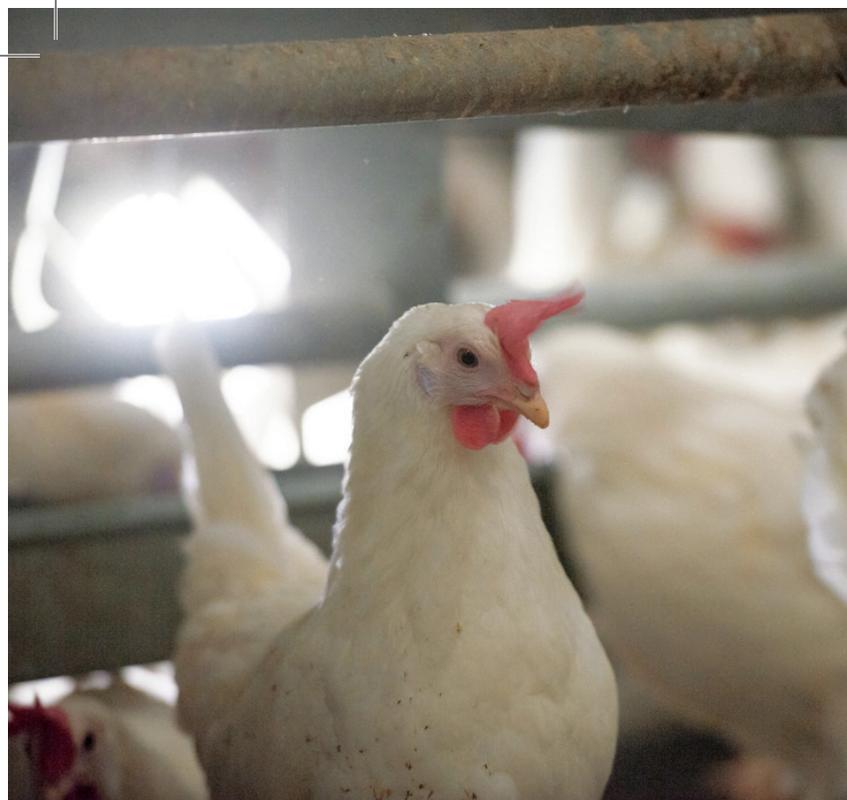
2017 saw the launch of numerous resources as a result of this initiative, including:

- AgSafe Alberta Website
- 8 QuickStart Guides to help farmers get started on building safety plans
- Online QuickStart modules
- AgSafe Alberta advisors to provide on-farm support to producers as part of a pilot project
- A series of quick tip and story videos

We hope this work will serve the industry long-term as foundational programming.



42 Farms completed their job Task Hazard Assessments in 2017.



AEPA Update

The Agri-Environmental Partnership of Alberta (AEPA) is a group comprised of both provincial commodity organizations and staff from Alberta Agriculture and Forestry. Through this organization, the provincial government is able to regularly communicate high level policy, strategic direction, and economic initiatives with senior officers, delegates, and directors from the provincial commodity groups and boards. Likewise, commodity boards and groups are able to review these governmental communications and provide feedback, input, and advice to AF representatives.

The benefits to being involved with AEPA are both obvious and varied. For instance, EFA is provided with a “face-to-face” forum to develop relationships with both the staff from the agricultural side of the government and with the counterparts from other provincial commodity groups. EFA is also able to provide strategic communication, advice, and input to the AEPA members. Finally, EFA is able to garner ministry program information often before it is officially announced, and to identify and meet with the key stakeholders that produce and direct governmental programs and policy. It is a great strategic benefit for EFA to belong to AEPA, and it should be considered essential that EFA continues its strong commitment to, and support of, the Agri-Environmental Partnership of Alberta.



#WakeUpToYellow

GLENBEA FARMS

HEALTHY COMMUNITIES

Event Marketing

EFA participated in several major events in 2017, including the Calgary Stampede, Aggie Days (Calgary), Aggie Days Lethbridge, Amazing Ag (Edmonton), and the Calgary Zoo's Easter Eggstravaganza. A highlight was EFA's new booth debuting at Aggie Days Calgary, equipped with a brand new furnished hen house. The new booth attracted huge crowds at all the events, extending EFA's presence across three major cities in Alberta, which was a great way to bring farming to the city and demonstrate how farmers care for laying hens (15 brown and 15 white). EFA wants to extend a special thanks to the Egg Ambassadors and contractors for doing an exceptional job at engaging the public, as well as those egg farmers who generously donated the hens.

In-Store Appearances

Egg Ambassadors made in-store appearances in over 15 Save-On Foods locations throughout the province. Egg

farmers greeted customers and spoke about eggs and egg farming. EFA had many positive comments about customers feeling a connection with the farmers they spoke with, many of whom went out of their way to buy extra eggs.

Digital Marketing

The digital world is a big part of marketing and EFA continues to make it a priority to engage with broader audiences on multiple platforms, to promote local eggs and egg farmers.

Website

EFA's website (eggs.ab.ca) continues to be the primary hub for all online activity. In 2017, there were more than 191,000 visits (+56% over 2016) and 265,000 pages viewed (+40% over 2016). The website features important information about the egg industry, farming, and nutrition. A key draw continues to be EFA's expanding collection of delicious egg inspired recipes.

Paul Wurz, from Morinville Colony, was added to the farmer profiles, showcasing even more local family farms. Susan Schafers' blog, Farming by Dog Rump Creek, saw a steady increase in visits in 2017, and Susan continues to publish new and engaging posts.

Social Media

EFA continued to increase activity and engagement on social media, by adding two new social platforms - Instagram and Pinterest. On Facebook, EFA's average page engagement was over 70,000 and had over 60,000 daily post impressions. On Twitter, EFA's tweets generated over 200,000 impressions and elicited on average 1.5% engagement, while EFA was mentioned over 190 times.

EFA launched Instagram in August and has over 160 followers. EFA's World Egg Day contest on Instagram generated over 100 comments and 50 likes. Pinterest has on average 240 monthly viewers, which drives traffic back to the EFA website through recipes and egg nutrition facts.

Classroom Presentations & CAP

With interest in where food comes from and how it was produced at an all-time high, it is increasingly important to ensure that students are receiving agricultural education in the classroom. For this reason, in 2017 EFA revamped its classroom strategy, launched Albert the Egg, attended Ag for Life's Agriculture Education Teacher's Symposium, and continued to support the Classroom Agriculture Program (CAP).

For the 2016-2017 school year, CAP presentations were made in over 1,000 classes across the province, reaching more than 23,000 grade-4 students. EFA looks forward to getting back into Alberta classrooms in 2018, to engage students and educate about all things eggs, from farming to nutrition.

Agriculture Education

EFA once again supported the Poultry Research Centre in its mission of "excellence in research and innovation" by providing foundational support of \$38,896.

EFA sponsors students with the goal of providing a framework for leadership development within agriculture, by promoting and supporting research and education related to the egg industry.

In 2017, EFA provided the following sponsorships:

- Cara Hughes, University of Saskatchewan:
 - Awarded \$1,000 to present her research "Effect of Beak Morphology of Infrared Beak Treatment (IRBT) hens on welfare and production" at the Southern Poultry Science Association meeting held in Atlanta, Georgia in January
 - The research was completed in partial fulfillment of the requirements for the Degree of Bachelor of Science in Agriculture
- 2 students to attend the AFAC Livestock Care Conference with EFA mentors

EFA also hosted farm tours for agriculture classes from the University of Alberta and Lethbridge College, giving students the unique opportunity for hands-on learning, by having the chance to get inside an authentic commercial layer barn and talk to real egg farmers about their operation.

Taste Alberta

Taste Alberta continues to promote local food and local producers, by hosting and sponsoring a variety of popular foodie events and tours. Taste Alberta (TA) is involved in a variety of events across Alberta, involving local chefs and food influencers. The highlight in 2017 was Christmas in November, the third year in a row that EFA sponsored a breakfast and the fireside chat. Susan Schafers and Angie Lang attended the event to represent the egg industry, alongside other provincial industry groups and TA-sponsored chef, Ned Bell.

EFA also partnered with Taste Alberta to host an egg-themed brunch and farm tour at Morinville Colony, with several food influencers from the Edmonton area. The goal was to help the guests better understand the benefits of local food and egg production.

Food Truck

In 2016, with funding from the Alberta Livestock and Meat Agency, EFA took steps to encourage the establishment of an egg themed food truck by offering \$15,000 in sponsorship money toward start-up costs of a chosen operator, as well as professional branding and pre-launch marketing support by AdFarm. EFA is thrilled to have identified a well-respected and talented industry professional to partner with, and is looking forward to the food truck launch in the spring of 2018.

Government Relations

EFA had a busy year in the realm of government relations, as many pertinent issues were in the limelight throughout 2017. EFA was involved with industry consultations on NAFTA, and made formal submissions to the federal government about the TPP-11 trade negotiations, proposed small business tax changes, and the draft revised Canada Food Guide. EFA also had meetings with MLAs, and took advantage of every opportunity to engage politicians and government representatives, to discuss a wide range of issues and initiatives.

Alberta Supply Management

EFA continued to work collaboratively with the other four supply managed commodities, as the Alberta SM5, to engage collectively in government relations efforts on common issues. The SM5 sponsored the Premier's breakfast events in Calgary and Edmonton once again, where EFA supplied local eggs and Egg Ambassadors had the opportunity to mingle with many MLAs. The SM5 arranged several meetings with Alberta MLAs and MPs, participated in agri-foods consultations, and hosted a group of MLAs on a multi-commodity farm tour. The SM5 shares the benefits to consumers and farmers that the uniquely Canadian system of supply management provides.

Social Responsibility

EFA continued to support Food Banks Alberta (FBA) and Breakfast Club of Canada (BCC), through a combination of monetary donations, egg donations, and volunteerism. EFA donated \$30,000 worth of eggs to FBA, to help provide high-quality protein to families in need throughout the province. A big thank you to Sparks Eggs for helping with the logistics to deliver the eggs to FBA's network of food banks. EFA Board and staff were personally engaged with these initiatives, having the opportunity to tour the Airdrie food bank, and help deliver a hot breakfast to students at Q.W. Skene Elementary School. Alberta's egg farming families are proud to give back to the communities they call home.

Board Governance

At the February AGM, Joe Kleinsasser agreed to continue to serve as Alberta's EFC Director making him eligible to serve a third consecutive term as EFA Director which was supported by producers. In addition, John Hofer was elected for his second 3-year term.

In April, Peter Waldner was appointed by the Board to serve until the next AGM to replace Meb Gilani, who became ineligible to serve as a result of amendments to the Board's regulation to disallow processors from serving on the Board.

Human Resources

In June, Kelly Pow joined EFA as the Application Support Analyst. She is helping EFA move forward on many Information Technology (IT) endeavors, and is continually steering EFA's many IT projects in the right direction. Angie Lang joined EFA in April as the Marketing & Social Media Coordinator. Angie has a vibrant personality and brings a lot of enthusiasm to her work. You can find Angie tweeting or pinning about all the wonderful qualities of eggs. Brandy Addai also joined the EFA team as Logistics Coordinator, as a permanent employee.

Office Efficiency

EFA improved its IT foundation in 2017, in order to make more significant software changes in 2018. Without the proper foundation, EFA would not be able to effectively plan for future improvements.



STORY: Working from New Zealand

In February 2017, my family and I left Alberta on a great adventure. We transplanted ourselves to Tauranga, New Zealand with the goal of broadening our perspectives and learning about a new culture. While New Zealand is very similar to Canada in both language and customs, we did begin to notice differences right away – kids wear uniforms at school, most stores close by 5:00pm each night and people are a little more laid back, which might have something to do with the ocean, kiwifruit orchards and luscious forests that stay green year round, being right on the doorstep.

Working from New Zealand has been easier than I imagined – thanks to video conferencing and technology, I have been able to speak to farmers and co-workers

on a daily basis. In fact, some days it feels like I am still in the office, just with a different view!

In September I had the opportunity to attend the New Zealand Egg Conference as a guest speaker. At the conference, I met egg farmers and industry reps from across New Zealand. I learned that egg farmers in New Zealand are facing many of the same challenges as those in Canada – housing transitions and quality assurance programs are hot topics in both countries. Egg farms in New Zealand tend to be larger than our farms, have integrated grading stations and are responsible for their own egg marketing. This difference illustrated to me how fortunate we are in Alberta to be part of a supply managed system that provides stability and fosters an environment where egg farmers can work together, not in competition to solve our problems and build a strong, sustainable industry.

As I go about my travels, I see so many things through the lens of the egg industry – from the wild chickens that roam on the side of the road, to the bacon and egg pies present at every bakery and gas station in the country, to forest biosecurity stations that require boot washing – it all makes me think of egg farming and has shown me how much the egg industry is part of me, and colours much of my thinking and experiences!

I would like to thank EFA for the opportunity and trust they have granted me during this time working abroad. I will always treasure the memories made during our time in this beautiful country. The experience has also re-enforced the passion I have for the egg industry. I look forward to seeing all of you in person soon!

Christina Robinson



STORY: New Engaging Format for Regional Meetings

EFA has traditionally held 2 sets of regional meetings each year, providing an opportunity to engage farmers face-to-face, share information about a wide variety of topics from governance to farm management, and hear feedback from them.

EFA took a radical new approach to regional meetings in June 2017. Instead of coming with an agenda full of information and updates for farmers, we designed a day full of topics to discuss with them. EFA knows that building a sustainable egg industry

requires collaboration, to develop a common understanding of where we are, what needs to be done, and how we are going to do it.

Using engagement strategies learned at a workshop attended by EFA Board and staff early in the year, we worked to create opportunities for everyone in the room to think about challenges facing our industry, to provide their input, and to discuss different opinions and perspectives. The results of the meeting were beyond expectations. EFA heard from farmers that these were the best regional meetings they had ever attended, and the Board received more useful input into key issues than they had ever before.

EFA staff was motivated by the level of engagement, as well as the passionate and strategic discussion about the future of the industry.

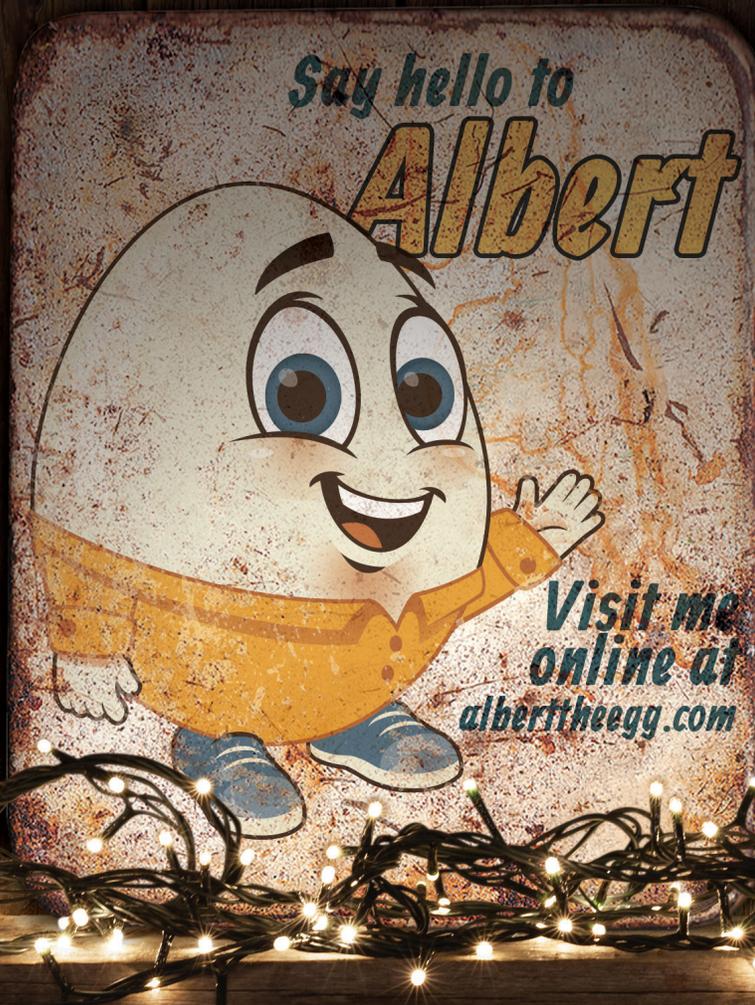
Following the meetings, updates were provided on several key discussions held throughout the day, demonstrating a clear linkage between what was heard during the meeting and how it impacted decision-making for the industry moving forward. EFA plans to continue using this engagement model for regional meetings in the future, so that we can continue to build a strong and sustainable egg industry together.



Funding for the U of A's Poultry Research Centre



MEET OUR NEW BEST FRIEND, ALBERT



This year EFA launched Albert the Egg, an educational mascot that continues to educate and entertain children and their parents, while building brand equity for EFA. Year one has proven to be fairly successful, and EFA plans to continue creating a deeper connection with consumers moving forward into year two.



Albert's Website

Albert the Egg's website is the hub for all of his adventures, crafts, recipes and activities. Children and parents can follow along with Albert's adventures, while creating his feature recipes that include eggs.

EFA's goal for year one was to direct traffic back to the website, where parents were able to sign their children up for Albert's kids club, the Sunnyside Club. This is a special club for all of Albert's fans, where members receive a membership card in

the mail and quarterly magazines full of activities and recipes.

The Sunnyside Club already has over 50 children and EFA's goal for 2018 is to at least double that number, and increase awareness for Albert the Egg.



Albert's Facebook

EFA launched Albert's Facebook page in April, in efforts to more effectively connect and engage with Albert's online audience. Albert's Facebook page has over 1,000 followers steadily increased every month.

It is EFA's goal to turn those followers into Sunnyside Club members and direct traffic back to the Albert the Egg website. On average, Albert's Facebook page has over 150 engagements and over 2,500 people reached per post.



Financial statements of Egg Farmers of Alberta

December 30, 2017

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Independent Auditor's Report

To the Registered Producers of
Egg Farmers of Alberta

We have audited the accompanying financial statements of Egg Farmers of Alberta, which comprise the statement of financial position as at December 30, 2017, the statements of operations and changes in unrestricted net assets and cash flows for the 52-week period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Egg Farmers of Alberta as at December 30, 2017 and the results of its operations and changes in unrestricted net assets and its cash flows for the 52-week period then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants
February 8, 2018

Egg Farmers of Alberta

Statement of operations and changes in unrestricted net assets

52-week period ended December 30, 2017

	Notes	December 30, 2017 \$ (52 weeks)	December 31, 2016 \$ (53 weeks)
Revenue			
Levy		21,365,811	14,352,360
Interest		277,985	202,292
Grant	8	143,957	754,547
Industrial product program	11 & Schedule 2	23,175,525	18,373,773
Research levy and grant	Schedule 3	58,204	84,959
Over base quota fund	Schedule 4	191,047	88,517
Service fee fund	11 & Schedule 5	1,338,422	1,802,333
Other income		19,262	19,871
Amortization of deferred capital contributions	9	5,411	—
Gain on sale of investments		53,086	50,631
Unrealized gain on investments		119,659	172,480
		46,748,369	35,901,763
Expenses			
Administrative	Schedule 1	2,514,761	2,383,808
Egg Farmers of Canada levy		19,099,037	12,273,122
Grant projects	5, 8 and 9	149,367	754,547
Industrial product program	11 & Schedule 2	21,719,305	18,546,609
Research project disbursements	Schedule 3	90,863	109,836
Over base quota fund	Schedule 4	237,731	83,650
Service fee fund	11 & Schedule 5	1,388,887	1,788,729
		45,199,951	35,940,301
Excess (deficiency) of revenue over expenses		1,548,418	(38,538)
Internal transfer (to) from industrial product program	Schedule 2	(1,456,220)	172,836
Internal transfer from research fund	Schedule 3	32,659	24,877
Internal transfer from (to) over base quota fund	Schedule 4	46,684	(4,867)
Internal transfer from (to) service fee fund	Schedule 5	50,465	(13,604)
Unrestricted net assets, beginning of period		3,169,692	3,028,988
Unrestricted net assets, end of period		3,391,698	3,169,692

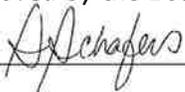
The accompanying notes are an integral part of the financial statements.

Egg Farmers of Alberta
Statement of financial position
As at December 30, 2017

	Notes	December 30, 2017	December 31, 2016
		\$	\$
Assets			
Current assets			
Cash		455,237	198,988
Accounts receivable	4	1,422,863	1,161,926
Government remittances recoverable		—	70,366
Prepaid expenses		117,306	137,906
		1,995,406	1,569,186
Long-term investments			
	3	8,258,959	6,299,803
Tangible capital assets	5	1,152,747	1,131,576
Intangible asset	6	5,112	5,112
		11,412,224	9,005,677
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,384,210	1,297,301
Government remittances payable		18,022	—
Due to Egg Farmers of Canada	7	2,681,360	1,859,249
Deferred contributions	8	49,054	139,609
		4,132,646	3,296,159
Deferred contributions related to tangible capital assets			
	9	21,642	—
		4,154,288	3,296,159
Net assets			
Unrestricted net assets		3,391,698	3,169,692
Industrial product program	Schedule 2	2,990,936	1,534,716
Research fund	Schedule 3	250,000	282,659
Over base quota fund	Schedule 4	624,622	671,306
Service fee fund	Schedule 5	680	51,145
		7,257,936	5,709,518
		11,412,224	9,005,677

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 _____, Director

 _____, Director

Egg Farmers of Alberta**Statement of cash flows**

52-week period ended December 30, 2017

	December 30, 2017	December 31,
	\$	\$
	(52 weeks)	(53 weeks)
Operating activities		
Excess (deficiency) of revenue over expenses	1,548,418	(38,538)
Items not affecting cash		
Amortization of tangible capital assets	120,946	114,936
Gain on sale of tangible capital assets	(7,619)	(13,200)
Amortization of deferred contributions related to tangible capital assets	5,411	—
Gain on sale of investments	(53,086)	(50,631)
Unrealized (gain) loss on investments	(119,659)	(172,480)
	1,494,411	(159,913)
Changes in non-cash working capital		
Accounts receivable	(260,937)	(78,431)
Government remittances recoverable	70,366	(70,366)
Prepaid expenses	20,600	(75,327)
Accounts payable and accrued liabilities	86,909	184,266
Government remittances payable	18,022	(37,750)
Due to Egg Farmers of Canada	822,111	173,430
Deferred contributions	(90,555)	(110,271)
Deferred contributions related to tangible capital assets	21,642	—
	2,182,569	(174,362)
Investing activities		
Purchase of tangible capital assets	(147,528)	(68,874)
Proceeds from sale of tangible capital assets	7,619	13,200
Proceeds on sale of long-term investments	1,159,010	493,284
Purchase of long-term investments	(2,945,421)	(1,375,250)
	(1,926,320)	(937,640)
Net increase (decrease) in cash	256,249	(1,112,002)
Cash, beginning of period	198,988	1,310,990
Cash, end of period	455,237	198,988

The accompanying notes are an integral part of the financial statements.

1. Nature of business

Egg Farmers of Alberta ("EFA") was incorporated by statute in 1968 as a not-for-profit body. The purpose of EFA is to provide effective promotion, control and regulation of the marketing of eggs in Alberta. EFA is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following policies:

Method of accounting

EFA follows the deferral method of accounting for revenues whereby revenues restricted for a specific purpose are deferred until such time as they are expended.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value. EFA has not elected to carry any such financial instruments at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and changes in unrestricted net assets as interest income or expense.

With respect to financial assets measured at cost or amortized cost, EFA recognizes in the statement of operations and changes in unrestricted net assets an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations and changes in unrestricted net assets in the period the reversal occurs.

Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis at rates calculated to amortize the cost of the assets over their estimated useful lives as follows:

Building	25 years
Automobiles	3-5 years
Promotional display	3-5 years
Office equipment	3-10 years
Office improvements	20 years
Software	5 years

2. Significant accounting policies (continued)

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and its carrying amount may not be fully recoverable. An impairment loss is recognized when and to the extent that management assesses the future useful life of an asset to be less than originally estimated.

Intangible asset

Intangible assets with an indefinite life are accounted for at cost and are tested for impairment whenever events or changes in circumstances indicate that they might be impaired. When the carrying amount of an item exceeds its fair value, an impairment loss is recognized in the statement of operations and changes in unrestricted net assets in an amount equal to the excess.

Revenue recognition

Egg sales are recognized at declaration when the amounts are determinable and collection can be reasonably assured.

Levies are legislated at least annually, collected monthly, and recognized on a per-bird basis each period when the amounts are determinable and collection is reasonably assured.

Interest revenue and other income are recognized when amounts can be reasonably determined and collectability is assured.

Grant revenue is recognized when the related expenses are incurred. Unrestricted grants are recognized as revenue when received or receivable if the amount is fixed or can be reasonably assured and collection is reasonably assured.

Use of estimates

The preparation of financial statements in conformity with ASNPO 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Estimates primarily arise in the determination of the estimated useful lives of tangible capital assets, the potential impairment of tangible capital and intangible assets, determination of accrued liabilities and potential contingencies.

3. Investments

Long-term investments

The long-term investments include:

	December 30, 2017	December 31, 2016
	\$	\$
Equity investments	8,258,959	6,299,803

The equity investments are recorded at fair market value.

3. Investments (continued)

Investment policy

EFA has initiated an investment policy that RBC Wealth Management is required to follow. The policy states that EFA's excess cash is to be invested in low-risk Canadian, American and international investments, which include equities, bonds, T-bills and short-term investments. EFA determined that the investments should be diverse; therefore, restrictions were set on the amount that could be invested in each type of investment, which is outlined as follows (these percentages are based on the market value of the investments):

	Target %	Current %
Short-term investments	1-15	4
Fixed income investments	50-80	60
Equity investments	20-40	36
Country of exposure		
Canada	85	71
U.S.	10	11
International	5	18

The investments are currently not in compliance with the investment policy that has been outlined by EFA, as based on the current portfolio the investment percentage for the U.S. and international investments are higher than EFA's board of directors' approved targets while the Canada investments are lower. Management is evaluating the current volatility of the market and how best to change the investments in order to bring the portfolio back in compliance with the policy.

4. Accounts receivable

	December 30, 2017	December 31, 2016
	\$	\$
Egg Farmers of Canada	1,320,268	1,005,902
Grant receivable	27,428	34,936
Other	75,167	121,088
	1,422,863	1,161,926

5. Tangible capital assets

	December 30, 2017		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	168,000	—	168,000
Building	902,214	346,503	555,711
Automobiles	76,057	29,906	46,151
Promotional display	57,184	11,437	45,747
Office equipment	258,614	219,473	39,141
Office improvements	543,410	245,413	297,997
Software	19,553	19,553	—
	2,025,032	872,285	1,152,747

	December 31, 2016		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	168,000	—	168,000
Building	902,214	310,414	591,800
Automobiles	65,785	39,359	26,426
Promotional display	91,898	91,898	—
Office equipment	250,362	208,899	41,463
Office improvements	518,766	218,243	300,523
Software	19,553	16,189	3,364
	2,016,578	885,002	1,131,576

Total amortization for the 52-week period ended December 30, 2017 was \$126,357 (\$114,936 in 53-week period ended December 31, 2016), of which \$6,026 (\$3,280 in December 31, 2016) was included in advertising and product promotion, \$19,192 (\$16,442 in December 31, 2016) was included in travel, and \$5,411 (nil in December 31, 2016) was included in grant project expenses.

6. Intangible asset

	December 30, 2017	December 31, 2016
	\$	\$
Trademarks	5,112	5,112

7. Due to Egg Farmers of Canada

Total due to Egg Farmers of Canada ("EFC") for the 52-week period ended December 30, 2017 was \$2,681,360 (\$1,859,249 in 53-week period ended December 31, 2016), of which \$1,780,957 (\$1,220,698 in December 31, 2016) is under negotiation with EFC.

8. Deferred contributions

Deferred contributions represent externally restricted grants relating to expenses of future periods. The changes in deferred contributions are as follows:

	December 30, 2017	December 31, 2016
	\$	\$
	(52 weeks)	(53 weeks)
Deferred contributions, beginning of period	139,609	249,880
Grants received	25,974	609,340
Grants receivable (Note 4)	27,428	34,936
Less: amounts amortized to revenue	(143,957)	(754,547)
Deferred contributions, end of period	49,054	139,609

Grants receivable relates to \$27,428 (\$34,936 in December 31, 2016) of expenses incurred and grant revenue earned by EFA in 2017, but for which funds had not yet been received at period-end.

9. Deferred contributions related to tangible capital assets

Deferred contributions related to tangible capital assets represent the unamortized portion of restricted contributions, which have been expended on EFA's tangible capital assets.

The changes in deferred contributions relating to tangible capital assets are as follows:

	December 30, 2017	December 31, 2016
	\$	\$
	(52 weeks)	(53 weeks)
Deferred contributions related to tangible capital assets, beginning of period	—	—
Grants received	27,053	—
Less: amortization - current period	(5,411)	—
Deferred contributions related to tangible capital assets, end of period	21,642	—

10. Financial instruments

Fair value

The carrying amounts of EFA's financial assets including cash and accounts receivable, and financial liabilities including accounts payable and accrued liabilities, due to Egg Farmers of Canada and deferred contributions approximate their fair values due to their short-term nature.

The long-term investments are recorded at fair market value.

10. Financial instruments (continued)

Credit risk

EFA is exposed to credit risk to the extent that its producers or customers may experience financial difficulty and would be unable to meet their obligations. However, this risk is mitigated as the majority of accounts receivable is due from Egg Farmers of Canada, a producer organization formed by the provincial boards.

Market risk

EFA is exposed to market risk as a portion of their investment portfolio is held in marketable securities, which fluctuate with market pressures. Revenue could be affected adversely by changes in the market.

Interest rate risk

EFA is exposed to interest rate risk given that its bonds that are included in long-term investments have varying maturity dates and interest rates. Accordingly, if interest rates decline, EFA may not be able to reinvest the maturing investment at a rate similar to that of the balance maturing.

Liquidity risk

EFA's objective is to have sufficient liquidity to meet its liabilities when due. EFA monitors its cash balances and cash flows generated from operations to meet its requirements.

11. Comparative figures

Certain of prior year balances have been reclassified to conform to the current year's financial statement presentation. In the current year, EFA has presented service fee revenues and expenses in a separate fund called the service fee fund (Schedule 5). These amounts had previously been presented in the industrial product program (Schedule 2). The accounts affected between the two funds include revenue, expenses, and net assets. The deficiency of revenue over expenses balance and unrestricted net assets balance remain unchanged.

Egg Farmers of Alberta**Schedule 1 - Schedule of administrative expenses**

52-week period ended December 30, 2017

		December 30, 2017	December 31, 2016
		\$	\$
	Notes	(52 weeks)	(53 weeks)
Advertising and product promotion	5	369,460	315,124
Amortization	5	95,728	95,214
Board governance		32,240	39,490
Building operations		44,225	41,216
Directors' and committee allowances		178,544	150,514
Employee benefits		152,803	138,433
Insurance		15,088	19,198
Meetings		58,486	54,571
Memberships		16,986	21,906
Office and printing		135,725	137,400
Postage		8,594	10,200
Professional fees		132,904	178,881
Salaries		889,227	861,002
SE testing kits and diagnostic services		90,696	66,814
Telecommunications		10,870	11,758
Travel	5	283,185	242,087
		2,514,761	2,383,808

Egg Farmers of Alberta**Schedule 2 - Schedule of internal restrictions - industrial product program**

52-week period ended December 30, 2017

	December 30, 2017	December 31, 2016
	\$	\$
	(52 weeks)	(53 weeks)
Industrial product program, beginning of period	1,534,716	1,707,552
Add		
Egg sales	20,163,486	16,577,137
Levy revenue	3,012,039	1,796,636
	23,175,525	18,373,773
Less		
Egg purchases	21,723,493	18,312,719
Levy (short) over	(4,188)	233,890
	21,719,305	18,546,609
Net change in program during the period and amount internally transferred from (to) unrestricted net assets	1,456,220	(172,836)
Industrial product program, end of period	2,990,936	1,534,716

The industrial product program relates to eggs which are sold for further processing. EFA purchases eggs from grading stations and sells them to Egg Farmers of Canada for fixed prices. Shortfalls from the program are funded by an internal allocation of levies received from producers. Eggs are only purchased to the extent necessary for sale to the program; no inventory is carried.

Egg Farmers of Alberta**Schedule 3 - Schedule of internal restrictions - research fund**

52-week period ended December 30, 2017

	December 30, 2017	December 31, 2016
	\$	\$
	(52 weeks)	(53 weeks)
Research fund, beginning of period	282,659	307,536
Add		
Transfer from overbase quota fund	58,204	—
Transfer from levy revenue	—	84,959
Less		
Disbursements to research projects	90,863	109,836
Net change in fund during the period and amount internally transferred to unrestricted net assets	(32,659)	(24,877)
Research fund, end of period	250,000	282,659

The research fund was established in 2003 and is funded by an internal allocation of the producer levies to provide research funds to the industry.

Egg Farmers of Alberta**Schedule 4 - Schedule of internal restrictions - over base quota fund**

52-week period ended December 30, 2017

	December 30, 2017	December 31, 2016
	\$	\$
	(52 weeks)	(53 weeks)
Over base quota fund, beginning of period	671,306	666,439
Add		
Over base quota user fee revenue	191,047	88,517
Less		
Disbursements	237,731	83,650
Net change in fund during the period and amount internally transferred (to) from unrestricted net assets	(46,684)	4,867
Over base quota fund, end of period	624,622	671,306

The over base quota fund is funded by an internal allocation of the funds earned from a user fee for the allocation of over base quota for specific projects authorized by the board of directors.

Egg Farmers of Alberta**Schedule 5 - Schedule of internal restrictions - service fee fund**

52-week period ended December 30, 2017

	December 30, 2017	December 31, 2016
	\$	\$
	(52 weeks)	(53 weeks)
Service fee fund, beginning of period	51,145	37,541
Add		
Levy revenue	1,338,422	1,802,333
Less		
Disbursements to Egg Farmers of Canada	828,629	1,667,033
Amount due to Egg Farmers of Canada	560,258	121,696
	1,388,887	1,788,729
Net change in fund during the period and amount internally transferred (to) from unrestricted net assets	(50,465)	13,604
Service fee fund, end of period	680	51,145

The service fee fund relates to quota allotted since 2014. EFC sets a fee annually that is included in the levy.

Payments are made to EFC annually.