



ANNUAL

REPORT 2021



EGG FARMERS OF ALBERTA REPRESENTS THE PROVINCE'S MORE THAN 165 REGISTERED EGG FARMERS, WHO PROVIDE ALBERTANS WITH A STABLE SUPPLY OF FRESH, LOCAL EGGS.

You can connect with EFA online by visiting our website or engaging with us on social media. You can learn more about eggs and the egg farming families who are dedicated to caring for laying hens, committed to producing high quality food, and effectively steward over the land they farm.

Be Social with Us:

 eggs.ab.ca

 [@EFA_AB_eggs](https://www.facebook.com/EFA_AB_eggs)

 [EggFarmersAlberta](https://twitter.com/EggFarmersAlberta)

 [Egg Farmers of Alberta](https://www.youtube.com/EggFarmersofAlberta)

 [EggFarmersAB/pins](https://www.pinterest.com/EggFarmersAB/pins)

 [eggfarmersalberta](https://www.instagram.com/eggfarmersalberta)

TABLE OF CONTENTS

EFA Team	2	Message from the Chair	6	EFC Director's Report	10
Industry Snapshot	4	Message from the GM	9	A Sustainable Egg Industry	12

HEALTHY BIRDS

Animal Care Program & Hen Housing	14
Outcome-Based Measures	14
Farmer Engagement	14
Whole Barn Gassing	14
Euthanasia Workshop	15
Emergency Response	16
Alberta Poultry Industry Emergency Management Team	16
Movement Tracing Webinar	16
Poultry Diagnostics	16
U of C Veterinary Medicine Partnership	16
Virtual Post-Mortem Workshops	16

HEALTHY EGGS

Start Clean - Stay Clean® Program	17
Biosecurity	17
Salmonella Testing	17
SE Recall Mitigation	17

HEALTHY FARMS

Producer Environmental Egg Program	18
Farm Safety	18
Red Tape Reduction & Bylaw Development	18
Cost of Production Survey	19
Quota Exchange	19
New Entrant Program	19
GST Update	19
Farm Gate Pick-Up	19
Hatching Egg Shipper Policy	19
Modernized Early Fowl Removal	19
Government Relations	19
International Trade	20
Producer Portal	20
Digital Record Keeping	20
Technology Plan	20

HEALTHY COMMUNITIES

Fields to Forks	21
Easter at TELUS Spark	21
Public Relations	21
Eggstra! Eggstra!	21
Consumer Website	21
Social Media	23
Influencer Partnerships	23
Foodservice Partnership	23
Social Responsibility	23
Intensive Livestock Working Group	23
Farm Security Webinar	24
Board Governance	24
Human Resources	24
Research	24
Data Efficiency	24

EFA TEAM



BOARD OF DIRECTORS

Peter Waldner
Chair

Conrad Vanessen
Vice Chair

Beatrice Visser
EFC Representative

Jerry Hofer
EFC Alternate

Elie Hofer
Director

John Hofer
Director



1



2



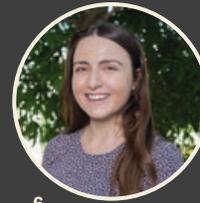
3



4



5



6



7



8



9



10



11

STAFF

1) Susan Gal
General Manager

2) David Webb
Marketing & Communications
Manager

3) Jenna Griffin
Manager, Programs & Research

4) Kari Buijs
Business Manager / Controller

5) Laurel Martin
Office Manager

6) Adelina Banaj
Marketing & Social Media
Coordinator

7) Carley Frerichs
Farm Programs Coordinator

8) Erin Johnston
Farm Services Administrator

9) Brandy Addai
Logistics Coordinator

10) Dave Lastiwka
Field Services Coordinator

11) Murray Minchin
Field Services Coordinator



INDUSTRY SNAPSHOT

	All Eggs	Regular Eggs	Omega-3 Eggs	Other Specialty Eggs (ie: free range, free run, organic)
TOTAL EGG SALES (2021)	in AB: -7.5% in CAN: -5.7%	in AB: -7.4% in CAN: -5.8%	in AB: -14.2% in CAN: -6.0%	in AB: -6.3% in CAN: -4.5%
MARKET SHARE (2021)		in AB: 85.3% in CAN: 86.1%	in AB: 3.4% in CAN: 3.9%	in AB: 11.3% in CAN: 10.0%
TOTAL EGG SALES (2020)	in AB: +7.2% in CAN: +9.5%	in AB: +7.9% in CAN: +9.8%	in AB: -4.4% in CAN: -9.7%	in AB: +5.6% in CAN: +16.6%
MARKET SHARE (2020)		in AB: 85.1% in CAN: 86.2%	in AB: 3.7% in CAN: 3.9%	in AB: 11.2% in CAN: 9.8%

LEVY FOR REGISTERED PRODUCERS \$12.962/ 

LEVY FOR UNREGISTERED PRODUCERS \$0.4884/ 

   
AVERAGE PRODUCER PRICE FOR LARGE EGG IN 2021
\$2.533  **\$0.169**
 from 2020

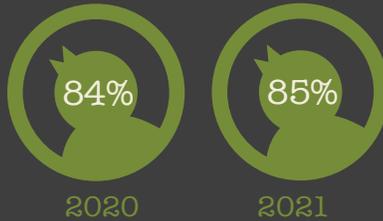

TOTAL ISSUANCE **HENS**
 2020: 2,799,299
 2021: 2,819,271


AVERAGE FLOCK SIZE
 2020: 16,564
 2021: 16,584

START CLEAN - STAY CLEAN
LAYERS
AVERAGE SCORE



PEEP
average scores



**ANIMAL CARE PROGRAM
AVERAGE SCORE**



TOTAL INDUSTRIAL PRODUCT
(IN BOXES)



**TOTAL
EGG
PRODUCTION**
(IN DOZENS)



**TOTAL
NUMBER OF
REGISTERED
PRODUCERS**



MESSAGE FROM THE CHAIR



WHEN THE CALENDAR FLIPPED TO 2021, THERE WAS WIDESPREAD BELIEF THAT WE HAD FINISHED LIVING THROUGH A YEAR UNLIKE ANY OTHER AND WERE READY TO TURN THE PAGE ON THE COVID-19 PANDEMIC. WE USHERED IN THE NEW YEAR WITH HOPEFULNESS ABOUT A RETURN TO NORMAL.

Another year has passed, and it has again been too long since we've had the opportunity to regularly engage face-to-face with our fellow farmers, industry partners, government officials, and Alberta consumers.

Despite the uncertainty, Egg Farmers of Alberta forged ahead and guided the Alberta egg industry through a very successful and transitional year.

Egg sales continued to grow in 2021, while the foodservice sector slowly bounced back as pandemic restrictions were eased and people returned to restaurants. EFA continued to work closely with Egg Farmers of Canada, provincial and territorial egg boards, and the egg supply chain, to respond to the shifting demand for shell and processed eggs. The egg industry overcame every challenge and was always able to provide a stable supply of fresh, nutritious, locally produced eggs for all Canadians.

For the first time in our history, EFA's Annual General Meeting was held virtually this past March, on the heels of another round of virtual regional producer meetings in January. We were thankful to be able to host in-person regional producer meetings in August, giving the provincial egg industry a chance to renew acquaintances and discuss important issues. While we enjoy gathering together, the ongoing pandemic helped us find value in virtual meetings and webinars, as an efficient way to provide timely updates and engage producers. EFA staff hosted webinars about movement tracing, outcomes based measures, data management, farm security, and the future of farming. Integrating more virtual meetings into our standard schedule of in-person meetings will help farmers feel more up-to-date and engaged about a wider variety of issues facing our industry.

The EFA staff launched a producer portal, where Alberta egg farmers can find real-time data about their individual farms and the provincial egg industry. Various forms and paperwork can also be completed

and submitted to EFA staff via the portal. Combined with EFA's producer website, egg farmers now have more information and resources available to them online than ever before. The portal will be expanded in the coming years to serve producers as their primary digital hub.

For the past seven years, EFA's sustainability strategy helped steer Alberta's egg industry towards a more sustainable and prosperous future. This effort was reported on via Sustainability Reports that were published from 2014-2020, which detailed progress made to achieve several critical goals set for our industry. EFA worked to develop a revamped sustainability strategy in 2021, which will be our roadmap to help EFA and the provincial egg industry navigate the years ahead in pursuit of our mission to cultivate a sustainable egg industry in Alberta and across Canada.

I would like to thank the EFA staff for their hard work and perseverance, doing whatever it takes to serve Alberta egg farmers for the betterment of the industry. I would also like to thank my fellow Directors for their support and commitment through an extremely challenging year. On that note, I would be remiss if I did not thank Meb Gilani, who served as the Chair of the EFA Board of Directors for over half of 2021, after being elected to the Board at last year's AGM. Finally, I would like to thank Albertans for their continued support of Alberta farmers and their devotion to the fresh, local food we are so proud to provide.

PETER WALDNER
CHAIR





MESSAGE FROM THE GM

LAST YEAR FOLLOWED IN THE FOOTSTEPS OF THE PREVIOUS YEAR, PRESENTING EGG FARMERS OF ALBERTA, THE EGG INDUSTRY, AND ALL OF US WITH A CONTINUATION OF UNPRECEDENTED CHALLENGES AND FRUSTRATIONS.

Though the pandemic has certainly taken its toll on our staff and Directors, as well as the more than 170 egg farming families we are honoured to represent, I was proud of the resiliency and dedication demonstrated by the egg industry throughout 2021.

Working closely with Egg Farmers of Canada, other provincial and territorial egg boards, and our egg supply chain partners, we were able to respond to fluctuating demand for eggs from consumers and the foodservice sector. Alberta egg farmers continued to answer the call to participate in the Modernized Early Fowl Removal Program (MEFR), which had been implemented in late 2020 to help resolve the issue of surplus industrial product (IP). When the Government of Alberta announced plans to have the province open for summer, EFA partnered with both provincial graders – Burnbrae Farms and Sparks Eggs – for a joint social media campaign to encourage Albertans to return to restaurants and their pre-pandemic foodservice egg purchasing habits.

In addition to contributing to the egg supply issues, being in and out of lockdown multiple times throughout the year also put tremendous pressure on the mental health and well-being of EFA staff and Alberta egg farmers. Staff were forced to adjust to the constantly changing requirements around masking, social distancing, meetings, and working either remotely or at the EFA office.

Our staff turned this challenge into opportunity by building on the success of the various virtual meetings hosted the previous year, to proactively develop a series of producer engagement webinars. Thanks to a great turnout from egg farmers, who are becoming more comfortable and familiar with virtual meetings, webinars about vital topics like movement tracing, outcomes based measures, data management, farm security, and the future of farming were incredibly successful. Having proven to be an effective method of sharing updates and engaging egg farmers, virtual meetings will be an important tool for EFA staff even as we return to traditional in-person producer meetings.

While the global COVID-19 pandemic has both directly and indirectly required a significant amount of our attention over the past two years, to navigate the uncertainty, EFA must also focus on steering the provincial egg industry into the future. For a marketing board to operate efficiently, the Board of Directors and staff must work collaboratively and adhere to the fundamentals of effective governance; the Directors are responsible for setting the strategic direction of the organization, and the staff are responsible for developing a comprehensive operational plan to accomplish what the Board has directed. With the help of a partner who offers expertise in sustainability reporting, one of the most important achievements of 2021 was the redevelopment of EFA's sustainability strategy. Using our inaugural sustainability strategy from 2014 as a stepping-stone, the Board and staff have jointly laid the foundation that should enable EFA to take the steps necessary in the coming years to build a truly sustainable egg industry in Alberta.

I would like to thank EFA's Board of Directors for their commitment to strategic leadership, even in the face of an ongoing pandemic and several other critical issues the provincial egg industry faced in 2021. I would also like to thank my staff for their perseverance and passion, which helped EFA overcome any obstacle to serving producers. Alberta egg farming families continued to provide fresh, nutritious, local food for their fellow Albertans,



while dealing with an array of value chain, technological, and logistical challenges; they have my respect and gratitude.

On a more personal note, after serving the Canadian egg industry for more than 30 years, including the past 25 years as General Manager of Egg Farmers of Alberta, it is with mixed emotions that I announced my retirement in 2022. I want to thank all Directors, industry partners, and especially staff – past and present – for their ongoing dedication and support. I have every confidence in EFA going forward, knowing we have such a strong team and that the Board has a comprehensive transition plan in place. EFA and Alberta's egg farmers have been an integral part of my life over the last 30 years, and I thank you for the opportunity to learn and grow with the organization. I wish you all continued success in the future!

SUSAN GAL
GENERAL MANAGER

EFC DIRECTOR'S REPORT



WE KNEW THAT 2021 WOULD STILL BE CHALLENGING, BUT I THINK WE ALL THOUGHT THAT THINGS WOULD BE EASIER AND MORE STRAIGHTFORWARD THAN THEY TURNED OUT TO BE.

Despite the continued challenges that the pandemic threw at us, we did move things forward for our industry. When lockdowns and disruptions continued this year, we were able to act decisively and continued our steady supply of eggs to consumers. Again, this year proved that one of the most critical tools we have is supply management itself. We have known for a long time that supply management offers many benefits and one of them is the ability to manage production in a crisis. As a result, we were able to

do an amazing job in being nimble and collaborative while managing the ups and downs in our market.

As we look ahead, rest assured that we will do everything in our power to make sure our supply management system continues to be supported and that established processes remain strong and effective. The lessons learned during the pandemic will be applied across many aspects of our operations and we are confident we will be even more resilient in the future. I am also confident that the future of egg farming is strong, even in the face of a future that remains uncertain when it comes to labour shortages, recovery of the food industry, further COVID-19 variants and possible natural disasters.

With all the ups and downs, we never stopped working and we made progress on a number of fronts:

Innovation and research are central to EFC's Vision 2020 Business Plan. To achieve these results, the Research Committee of the EFC Board of Directors continued to champion EFC's research funding priorities in 2021, which are closely aligned with the priorities identified under Vision 2020. This includes supporting innovative projects across the country under EFC's Research Grant Program.

Recognizing the importance of research and innovation, EFC's research program keeps providing a comprehensive, holistic approach to funding research and putting results into practice. As our Research Chair Network celebrated 10 years of excellence they continued to inspire new research projects and build collaboration. EFC's four research chairs met throughout the year to share updates and discuss new projects, while moving forward on ambitious research programs.

Dr. Maurice Doyon, Research Chair in Economics continued his work on farming and the circular economy, while also pursuing projects specifically around eggs and vitamin D.

At the University of Waterloo, Dr. Bruce Muirhead, Research Chair in Public Policy, began work on a new book that will detail the history and contributions of supply management in Canada, incorporating comparisons with agricultural systems around the world.

As the Research Chair in Poultry Welfare, Dr. Tina Widowski launched a new research project focused on behavioural enrichments. For this study, she will be exploring if using pecking blocks as foraging enrichment can improve hens' feather condition in enriched colony housing systems.

Based at the University of British Columbia, Dr. Nathan Pelletier, EFC's Research Chair in Sustainability, has continued his extensive research program. In 2021, his research team continued to explore the possibility of net-zero barns, while also publishing important results on nitrogen-use efficiency technologies.

Collaboration continued to be a mainstay of the research chairs network.

Drs. Pelletier and Doyon began work on a joint project involving a cost/benefit analysis of how extended production cycles can affect economic, environmental and animal welfare aspects on-farm.

EFC continued to support nutrition-focused research through our partnership with the Egg Nutrition Center, resulting in sound, science-based recommendations for policy makers and health professionals.

Over the course of 2021, the Canadian Poultry Research Council continued to manage 19 projects under the Poultry Research Cluster, an \$8.24 million investment from the Government of Canada. The current cluster's funding ends in 2023, and CPRC, in tandem with the SM4, is currently in discussion with Agriculture and Agri-food Canada to determine the amount and focus of the next iteration of the cluster.

Linking sustainability with innovation has proven to be essential in driving new sustainable practices. Our continued work with researchers and experts has revealed important information around green technology and best practices that can be implemented directly on farm. A key part of these endeavours was the development of the National Environmental Sustainability Tool (or NEST). During 2021, the tool underwent significant development, with researchers and developers making strides in creating a tool that will allow farmers to measure, manage and benchmark sustainability on their farms. With the early version set to roll out in early 2022, this tool will provide essential resources for farmers seeking to understand and improve sustainability in their day-to-day operations.

Roger Pelissero continued his work as a member of the Egg Industry Center Board of Advisors of Iowa State University, while also being on the Board for the International Egg Commission. These cross border working relations are key to our overall collaborative efforts within the egg industry as a whole.

Because of continued pandemic restrictions—for a second year in a row—our advocacy programs had to be adjusted to ensure the issues facing egg farmers continued to be discussed with key decision-makers in government. Over the course of the year, dozens of meetings took place connecting EFC with parliamentarians and other officials. In addition, EFC stayed connected with our key stakeholders through continued written communication that were sent throughout the year. We hosted our annual spring advocacy days where we met with parliamentarians to discuss issues relating to trade mitigation support and sustainability initiatives. We also joined representatives from the chicken, turkey and hatching egg sectors to discuss the United Nations Food Systems Summit with Agriculture and Agri-Food Canada along with the Ministers of International Development and Agriculture and Agri-Food. Discussions also took place with the Chief Veterinary Officer and Canadian Food Inspection Agency to address national priorities in the areas of animal welfare, food safety and product labelling.

In April of 2021, the Poultry and Egg On-Farm Investment Program (PEFIP) was launched to provide mitigation funding to offset the

impact of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The program provides close to \$647 million over ten years and offers additional opportunities for farmers to reinvest in their operations and plan for the future as they navigate the long-term market losses under the CPTPP agreement.

Throughout the federal election, EFC took part in a number of advocacy initiatives to ensure the voices of all Canadian egg farmers were heard. Prior to the election and in partnership with the chicken, turkey and hatching egg sectors, letters were sent to all major parties requesting that support for supply management be included in their election platforms along with no further market access in future trade agreements.

We continued to advance Vision 2020, with the goal of becoming a world leader in per capita egg consumption. Part of that goal is facilitated by the strong support we see for farmers and for our product. Buying local eggs continues to be more and more important to Canadians. Canadians trust Canadian eggs, and we have been able to showcase the production of fresh, local eggs and the system that makes it possible.

Great progress has also been made on the FPTA renewal in 2021. The FPA committee had regular meetings this year to draft and reach consensus on renewed FTPA wording and agreement. The committee took part in workshops and negotiations to ensure the strength of the new agreement and is very close to providing a recommendation to the EFC Board, which is the first step in the signatory process. We anticipate the reviewed FPTA wording will be circulated in 2022. At the same time, we continued our positive working relationship with the FPCC on the FPTA matter and other important files.

The continued impact of the pandemic challenged Canadians from coast to coast and reminded us of the absolute importance of supporting our fellow Canadians. With food bank use on the rise and school closures affecting breakfast programs, egg farmers continued to offer a helping hand to communities across the country. Once again, our sector stepped up in a big way in 2021, donating 8 million eggs to food banks and other charitable organizations.

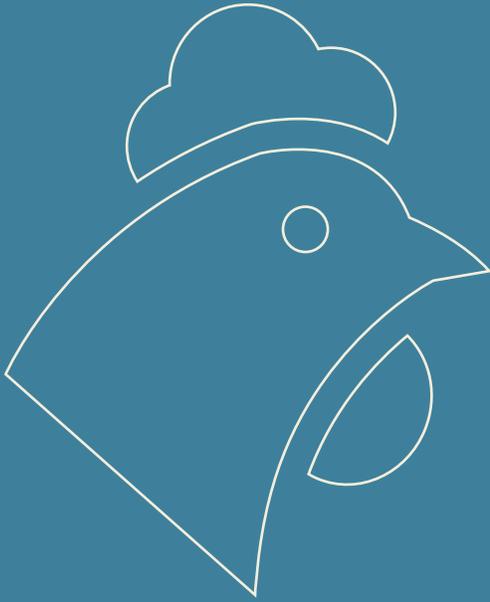
A milestone was achieved this year with the completion of stage 1 of the redeveloped Animal Care Program (ACP). This undertaking to redevelop the ACP with requirements from the 2017 Code of Practice for the Care and Handling of Pullets and Laying Hens has been ongoing for several years and includes the addition of a suite of new requirements and corresponding assessment measures to the ACP.

We continue to make significant progress in phasing out conventional hen housing systems. Based on early indicators and assuming current market conditions, Egg Farmers of Canada projects that conventional egg production will be phased out by 2031—five years ahead of schedule. Conventional production has dropped to 59% of the total, with 25% of production in enriched colony housing, and 16% in free range, free run and organic systems.

Looking into 2022 we must remain committed to the united approach that has served us so well these past two years. Full recovery will take time. We pride ourselves in providing Canadians with a steady supply of high-quality eggs, produced according to some of the highest standards in the world. We are here for Canadians every day when they make breakfast, lunch or dinner—all of us are integral in providing healthy food for all Canadians.

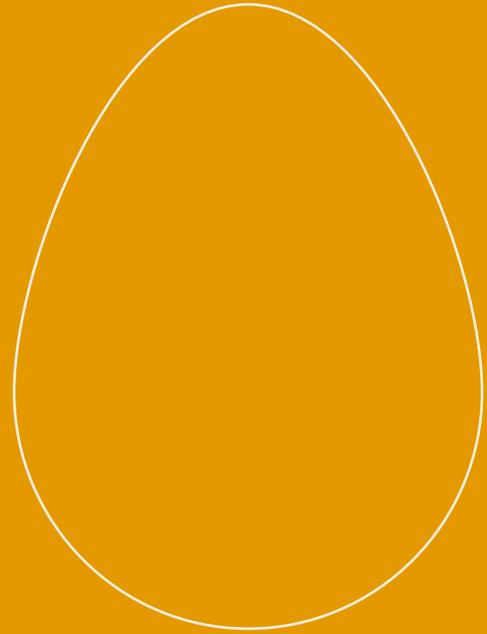
To my colleagues across the country and in my province, I want to express my gratitude and thanks for your ongoing dedication and commitment in what has been another challenging year. Success would not be possible without all your work, collaboration and effort. I also want to thank the staff and the farm families whose hard work and commitment make our industry strong.

BEATRICE VISSER
EFC REPRESENTATIVE



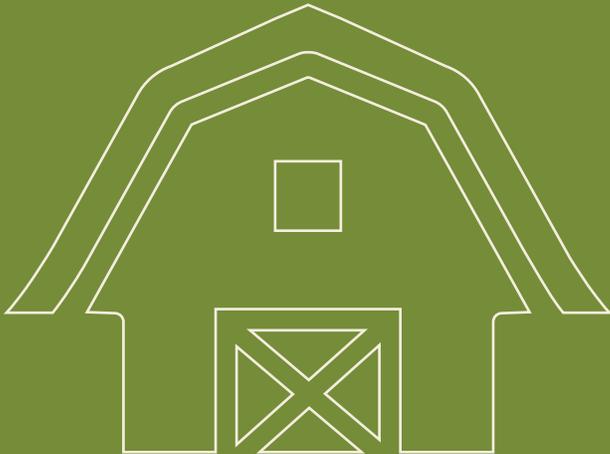
Healthy Birds:

Alberta egg farmers raise healthy birds. They are dedicated to the well-being and care of their laying hens.



Healthy Eggs:

Alberta egg farmers produce healthy eggs. They are committed to providing local eggs that are safe, fresh, and nutritious.



Healthy Farms:

Alberta egg farmers operate healthy farms. They are responsible stewards who work to minimize their environmental impacts while operating economically viable farms, to ensure successful livelihoods. They are also devoted to fostering safe work environments.



Healthy Communities:

Alberta egg farmers contribute to healthy communities. They give back to their communities and play an important role in supporting local food systems and effective supply management.

CULTIVATING A SUSTAINABLE EGG INDUSTRY

EFA PLEDGES

Healthy Birds #1:

EFA will apply the highest standards of animal welfare throughout the hen housing transition taking place in our industry

Healthy Eggs #1:

EFA will strengthen the connection between consumers and the Alberta farmers who provide safe, fresh, nutritious, local eggs

Healthy Farms #1:

EFA will increase our understanding of climate change impacts and mitigations to future-proof Alberta egg farms.

Healthy Farms #2:

EFA will support alignment of farm safety programs to add value for Alberta egg farmers.

Healthy Farms #3:

EFA will support the increased application of 'circular-economy' practices on Alberta egg farms to capture value and minimize environmental impacts.

Healthy Communities #1:

EFA will increase demand for Alberta eggs by improving consumer awareness of sustainable egg production.

Healthy Communities #2:

EFA and the province's egg farming families will positively contribute to the sustainability of communities across Alberta.

Cross-cutting #1:

EFA will enhance on-farm data so Alberta egg farmers can monitor and improve farm sustainability performance, while preparing for expanded commercial requirements related to sustainability.

Why does sustainable egg farming matter to EFA?

Egg Farmers of Alberta's original sustainability strategy was developed in 2014 because, according to our inaugural sustainability report published the following year, "sustainability planning and reporting is essential for EFA to maintain our position as community leaders along with our social license to operate". EFA's desire to build a sustainable egg industry in Alberta and across Canada is even stronger today, which is a vision shared by egg farmers, value chain partners, and consumers. A sustainable egg industry will contribute to a thriving provincial agriculture sector, support the economic development of rural Alberta communities, and preserve the food security of future generations of Albertans.

Was EFA's 2014 sustainability strategy successful?

Egg Farmers of Alberta's first sustainability strategy helped guide the Alberta egg industry for the past seven years, with its success chronicled in sustainability reports that EFA published for six consecutive years from 2015 through 2020. Despite expanding the number of metrics and adding forward-looking targets to the report over time, EFA achieved every goal documented in a sustainability report, often ahead of schedule. Whether it was transitioning at least a third of provincial egg production to alternative hen housing by 2020 (completed two years early), eliminating the raising of multiple species in the same barn, seeing at least 88% of new entrant farmers go into production as registered producers, or steadily increasing the number of presentations and farm tours offered to post-secondary agriculture/veterinary students, EFA was committed to achieving the goals established by our sustainability strategy.

Beyond the quantitative metrics found in our annual sustainability report, EFA and Alberta farmers embraced the challenge of building a sustainable egg industry. EFA hosted the Environmental Stewardship Workshop in 2015 and Hatching Ideas on Animal Welfare in 2017, which each involved a diverse mix of over 40 industry stakeholders who discussed the priorities, issues, and desired future state of the Canadian egg industry. In partnership with Alberta Agriculture and Brant Colony, and made possible thanks to funding from Growing Forward 2, EFA opened the Canadian industry's first net-zero egg barn in 2016, which was able to achieve electricity net-zero for its layer barn within its first three flock cycles. EFA also launched the Canadian egg industry's first on-farm environmental program – the Producer Environmental Egg Program (PEEP) – in 2014, which focused on key impact areas such as energy use, water consumption, manure management, and waste disposal. The voluntary program was immediately adopted by all Alberta egg farmers, providing them with a variety of ways to minimize their environmental impact and reduce their carbon footprint.

Why is EFA launching a revised sustainability strategy in 2022?

After accomplishing all the goals and witnessing all the innovations inspired by our original 2014 sustainability strategy, Egg Farmers of Alberta wants to see the provincial egg industry build on its success from the past seven years. There is still much work to be done to cultivate a truly sustainable egg industry, and to prepare Alberta egg farms for future requirements from retailers and demands from consumers. EFA also wants to better align our provincial sustainability strategy with international sustainability reporting standards, and with the national egg industry's sustainability strategy developed by Egg Farmers of Canada.

HEALTHY BIRDS

ANIMAL CARE

Alberta egg farmers are equipped and manage bird welfare is a goal that encompasses all aspects of animal care, from hen housing to transportation, from pullets to end-of-lay. EFA wants to ensure that all Alberta egg farmers have the resources and tools available to not only pass the mandatory on-farm Animal Care Program, but also to implement best practices to maximize the quality of care provided to their laying hens.

Animal Care Program (ACP) & Hen Housing

Alberta egg farmers continue to demonstrate their commitment to animal health and welfare through strong performance on the Animal Care Program (ACP) in 2021. The average score on the ACP was 99.68% and over 87% of Alberta egg farmers scored a perfect 100%, while 54 farms received a third-party audit. There were 109 Critical Care Element (CCE) Corrective Action Requests (CARs) issued and all of them were resolved in the allotted timeframe. The most common CAR was related to catching crew sign-off on guidelines.

Outcome-Based Measures

EFA hosted a producer engagement webinar on outcome-based animal care programs, which was attended by more than 45 registered producers, staff, and industry personnel. We were honored to have Dr. Tina Widowski, from the University of Guelph, in attendance to present and participate. Attendees reflected on how animal care has changed over the years. While newer hen housing systems have been adopted to improve animal welfare, their complexity has also created welfare risks. Outcome-based measures are

being used more frequently to reflect the farmer's efforts in combination with their chosen system. Attendees also discussed the limits of outcome-based measures, which can help identify a problem without necessarily confirming the root cause or suggesting an adequate solution. Participants suggested that EFA should continue to include outcome-based templates in the EFA record keeping calendar and monitor international outcome-based animal care programs to find learnings that can be shared with Alberta egg farmers.

EFC initiated a pilot project to trial outcome-based measures on-farm, to assess the Code of Practice requirement for feeder space per bird. This approach is under consideration for inclusion in the redeveloped ACP as an alternative to meeting strict feeder space requirements. Six outcome-based measures that assess the hens directly have been established in consultation with animal welfare scientists. The goal is for farmers to be able to clearly demonstrate that hens are getting sufficient feeder space for feed intake, and that there is not feed competition.

Additionally, the pilot seeks to collect feedback about farmers' ability to conduct the assessment and complete record keeping, to identify any possible improvements from an auditing perspective. Six Alberta egg farmers are participating in the pilot project, including three free-run, two conventional, and one enriched producer, who have varying feeder space densities to facilitate benchmarking.

Farmer Engagement

EFA conducted a Farm Programs Perceptions Survey to elicit feedback about the industry's on-farm programs. Alberta egg farmers continue to support

both the ACP and Start Clean – Stay Clean® (SC-SC™), the industry's on-farm food safety program. Overwhelmingly, farmers support these programs because they believe they protect their market and improve consumer confidence. The survey identified one area for improvement, which is for farmers to have additional opportunities to provide input into the development of the ACP and SC-SC™, and about changes made to those programs. While both are national programs and EFC has the ultimate authority on changes, EFA is consulted and provides feedback via our Production Management Committee. Accordingly, a new process was implemented for more broad-based producer consultation, offering farmers the immediate opportunity to provide feedback about both a new mortality element in the ACP and an interim Free-Run/Free-Range Certification Program proposal. The extremely valuable feedback gathered was integrated into EFA's communications to EFC.

Whole Barn Gassing

Whole barn gassing is an increasingly common method of end-of-lay depopulation in Alberta. If done correctly, the ability to euthanize birds in their home environment without exposing them to the catching process, has significant welfare benefits. However, depopulation of barns using carbon dioxide gas (CO₂), whether for routine depopulation or an emergency, is dangerous. Given the number of factors that need to be considered for human safety, bird welfare, and equipment protection, EFA worked with experts to develop e-learning modules for Alberta egg farmers, which provide resources related to procedures, safety, welfare, and operational considerations.



In September, Alberta egg farmers were impacted by short-term supply disruptions for CO₂. In a rare scenario, all four Alberta CO₂ plants were temporarily closed, requiring farmers to quickly make alternative plans for another acceptable method of depopulation. EFA is investigating potential options to mitigate this risk in the future.

Euthanasia Workshop

EFA held a series of three successful workshops on individual bird euthanasia and would like to thank Deerfield Colony, Scotford Colony, and MacMillan Colony, for hosting a workshop and providing

the hens. More than 70 Alberta egg farmers participated, and each producer received a euthanasia certificate, in addition to resources such as a euthanasia manual and SOPs for each method. The workshops covered the factors that affect timeliness and effectiveness of euthanasia, indicators, selection of method, the process, and confirmation of death. Following a short presentation, producers received hands-on training under the guidance of one of three Alberta poultry veterinarians: Dr. Frank Marshall, Dr. Teryn Girard, and Dr. Hollyn Maloney.

Attendees felt the workshops were a positive learning experience, with 99% of participants indicating they learned something new. According to one producer, the workshop was “well organized, informative and practical.” That egg farmer went on to say, “I especially appreciated that we were able to practice, to ensure a good death.” For those unable to attend, EFA also developed an e-learning module on the topic of euthanasia. Following the workshops, the euthanized birds were donated to the Calgary Zoo, where they were used to feed the cougars, river otters, and predatory birds.

DISEASE RISK

Alberta egg farmers are better able to manage disease risk is a goal that is intended to keep both flocks on individual farms and the entire provincial poultry sector healthy. EFA wants to ensure that all Alberta egg farmers have the resources and tools available to mitigate disease risk on their own farm, while the egg industry is prepared to respond to any poultry disease outbreak.

Emergency Response

Alberta Poultry Industry Emergency Management Team

The Emergency Response Plan (ERP) was updated to reflect the implementation of transportation regulatory changes (Health of Animals Regulation Part XII: Transportation of Animals) that pertain to emergency response. The pandemic also highlighted some gaps in the poultry industry's response plan, which will be incorporated into the ERP. These changes will strengthen the Personal Protective Equipment (PPE) plan to ensure emergency equipment is viable and maintained, with a clear process for distribution in an emergency. Additional work was done on the emergency depopulation and disposal preparedness plan.

Movement Tracing Webinar

EFA hosted a producer engagement webinar on movement tracing, which was attended by more than 40 registered producers, staff, and industry personnel. We were honored

to have Dr. Sandra Stephens, from the CFIA, in attendance to present and participate. Attendees heard messaging that to stop the spread, movement must be stopped until industry can confirm where the disease went and how. The more that can be done ahead of time to ensure industry can quickly and accurately trace spread, the less movement controls will be required. While the status quo tracing solution of paper logbooks had strong support, the combined support for electronic options to be implemented by the industry was also strong. EFA was encouraged to consider options that can speed up tracing without requiring people to download a phone application. Options for entering data such as key fobs, text messaging, or manual entry via smart phone or tablet are being investigated.

Poultry Diagnostics

University of Calgary Veterinary Medicine Partnership

After more than two years of effort, the four Alberta poultry boards and the University of Calgary Faculty of Veterinary Medicine (UCVM) finalized the Poultry Industry Services Agreement. The three-year contract with the UCVM's Diagnostics Services Unit (DSU) supports delivery of poultry diagnostics services at their Spy Hill Campus in Calgary. The partnership is strategically important, since it lays the foundation for a long-term collaboration with one of North America's leading veterinary faculties, and offers post-mortem, histopathology, and bacteriology services. It also creates research opportunities and exposes veterinary students to opportunities in the poultry industry.

The UCVM hired Dr. Ana da Silva as a sessional poultry pathologist, who brings a wealth of avian knowledge in virology and poultry diagnostics. This recent move demonstrates the effectiveness of the partnership in recruiting highly qualified personnel to the poultry industry in Alberta.

Virtual Post-Mortem Workshops

EFA partnered with the Poultry Innovation Partnership (PIP) to offer Alberta egg farmers a Flock Talk on virtual post-mortems. Dr. Teryn Girard, a practicing poultry veterinarian in Alberta, covered the basics of bird anatomy, while Mike Petrik, a practicing poultry veterinarian from Ontario, explained the benefits of performing post-mortems on farm. Producers learned to recognize what normal and abnormal anatomy looks like, tips for successfully completing a post-mortem, and information to provide their veterinarian to achieve good telemedicine. Producers in attendance were also able to practice identifying which areas of the birds are cause for concern.

There were more than 35 egg and pullet producers in attendance, who indicated that the session provided valuable information and some new ideas for them to try on farm. One producer even recognized the importance of cleanliness when conducting post-mortem procedures on their farm, noting that "I will do safety measures before doing post-mortem, and will focus on cleaning."



HEALTHY EGGS

FOOD SAFETY

Alberta egg farmers are equipped and manage food safety is a goal that assures Alberta consumers that the food provided by Alberta's egg farming families is always safe, fresh, affordable, and locally produced. EFA wants to ensure that all Alberta egg farmers have the resources and tools available to not only pass Start Clean – Stay Clean®, the mandatory on-farm food safety program, but also to implement best practices to maximize the quality of eggs produced.

Start Clean – Stay Clean® Program

Alberta egg farmers continue to achieve success with Start Clean – Stay Clean® (SC-SC™), the industry's on-farm food safety program. The average score on the SC-SC™ layer program was 99.81%. The most common CARs were related to having other poultry production on farm, and retention of samples of complete feed mixed on farm. The SC-SC™ pullet program was also delivered on 72 farms, with an average score of 99.88%.

Biosecurity

The 2021 biosecurity assessment had no changes from the previous year and the focus was to help producers improve on the current assessment.

Improvements on long-standing elements included:

- 88% of barns have signs that indicate where the transition zone is located (2020 score was 70%)
- 92% of barns have a handwashing or sanitizing station available at the transition zone (2020 score was 79%)

Improvements on recently introduced elements included:

- 24% of farms have signage at the primary entrance indicating the area beyond is biosecure (2020 score was 14%)
- 28% of farms have signage at the primary entrance that includes contact information (2020 score was 12%)
- 86% of producers with barriers at their primary entrance keep them locked (2020 score was 60%)
- 94% of producers do not share their equipment/tools/machinery between barns (2020 score was 80%)

Salmonella Testing

SE Recall Mitigation

The Canadian Food Inspection Agency (CFIA) formalized a new policy statement that all eggs from Salmonella Enteritidis (SE) positive environments will be recalled back to the date that the sample was taken. In alignment with EFC recall prevention strategy, and in collaboration with the graders, EFA developed an action plan with a goal to ensure lab results would be received before any eggs went to market.

EFA quickly implemented revised testing schedules to align with egg pickup dates and adopted a sample shipment process to use a commercial courier, so a strong majority of samples would arrive at the lab the morning after sampling. Thanks to the flexibility of the lab, EFA implemented a revised testing protocol which has resulted in most results being received within 48-72 hours from arrival at the lab. With few exceptions, this has prevented the need to hold eggs on farm or at the grading station. Unfortunately, this has

also meant discontinuing identification of the serotype in the event a sample is Salmonella positive but SE negative.

EFA and representatives from the Office of the Chief Provincial Veterinarian met with local CFIA representatives to better understand the processes in the event of a recall, and to provide background and history on past approaches to SE positive cases. EFA also held a virtual meeting with all self-graders to strongly encourage them to hold eggs pending test results, and to develop strategies to help facilitate this. Attendees brainstormed possible options to assist self-graders, including procedures to allow those near Edmonton to drop their samples at the lab directly on the same day they were collected.

The National SE Protocol provides guidance and sets minimum standards for the microbiological sampling process and the management of confirmed SE positive environments. The CFIA policy statement prompted the formation of the National SE Taskforce, and a review of the National SE Protocol. EFC approved an amendment to the vaccination requirements within the National SE Protocol, which will be adopted in Alberta. Effective January 1, 2022, when a laying facility tests positive for SE, the next flock placed in that laying facility must be vaccinated against SE.

There was one SE positive case on an Alberta egg farm in 2021, and a total of 11 SE events across Canada (excluding Ontario) reported to the Canada Egg Industry Reciprocal Alliance (CEIRA).



HEALTHY FARMS

Producer Environmental Egg Program

An important milestone for the Producer Environmental Egg Program (PEEP) was reached in 2021, with 100% of Alberta egg farmers passing PEEP while achieving a score of 60% or higher. This is a testament to the progressive production practices in Alberta, and the commitment to continuous improvement in environmental performance.

The average score on PEEP was 85%, which demonstrates a high level of excellence in minimizing impacts on the environment.

FARM SAFETY

Alberta egg farmers are equipped and manage farm safety is a goal that is intended to keep Alberta's egg farming families safe. EFA wants to ensure that all Alberta egg farmers have the resources and tools available to safeguard their family members and employees, while becoming advocates for enhanced commitment to farm safety.

Farm Safety

EFA took several steps to support producers in adopting best practices for safety management, including a new initiative to help farmers better understand the 'why' behind Safety Data Sheets as well as improve accessibility. A template rescue and evacuation checklist was developed and circulated to all egg farmers, to help in the development of farm specific procedures. The contractor checklist was revised to include how and why to speak to contractors about individual farm safety expectations and ensure experience relevant to the job.

The average score on the EFA Farm Safety Assessment improved from 66% in 2020 to 82% in 2021. Over 94% of farmers earned their Farm Safety Certificate, which was a substantial increase over 2020.

EFA continued to engage with AgSafe Alberta, as leaders and experts in farm safety. One egg farmer generously volunteered to pilot the AgSafe Farmers Care Level 1 audit, to assist EFA in better understanding the gaps between EFA's Farm Safety Assessment and AgSafe certification. EFA was able to gain valuable learning to assist with strengthening the program in 2022. EFA

Field Service Coordinators also completed AgSafe training to enhance their ability to coach producers.

SUPPLY MANAGEMENT

Supply Management policies and processes are efficient, fair, and consistently applied is a goal that encompasses all aspects of both the national and provincial administration of the uniquely Canadian system of supply management. EFA wants to ensure that the integrity of the system is maintained, so that all farmers have an equal opportunity to benefit from the underlying principles of supply management.

Red Tape Reduction & Bylaw Development

As a result of amendments that were made to the Marketing of Agricultural Products Act to allow discretionary authority for marketing boards and commissions to make bylaws to govern their internal operations, EFA has been diligently working with Marketing Council to move certain provisions from our Plan Regulation to bylaws. Alberta producers supported the draft Plan Regulation

amendments and the bylaws, which have been approved by Marketing Council. Pending approval by the Minister of Agriculture, Forestry and Rural Economic Development, the EFA Board of Directors will have the ability to amend bylaws in the future with support of Marketing Council being the only requirement.

Cost of Production Survey

The process of updating the Cost of Production (COP) is built into the pillars of supply management and relies on farmer participation to maintain a strong, national system. As more farmers transition to alternative hen housing, the next COP study will include conventional, enriched, and free-run production. EFA helped determine eligible Alberta egg farmers who could contribute to the COP study in 2022, using financial and production data from 2021.

Quota Exchange

EFA's Quota Exchange ran 4 times in 2021. The first exchange did not have any sellers. The second exchange had both sellers and buyers, but the Market Clearing Price (MCP) was not met. The third exchange successfully cleared with 1 seller and 9 buyers, at a \$587.70 MCP. The fourth exchange successfully cleared with 3 sellers and 6 buyers, at a \$618.10 MCP.

New Entrant Program

All past new entrant farmers were converted to the revamped New Entrant Program (NEP) that was established in 2020. The NEP continues to receive 10% of all new quota allocations, but did not have sufficient quota to be run in 2021.

GST Update

EFA continues to work with Deloitte to lobby the Canadian Department of Finance for legislative change to the GST rules, which affects the Quota Leasing Pool payments. EFA requested invoices from all Alberta egg farmers who had leased to

previous QLPs, with the hope that GST can be recovered with a request to allow for the input of tax credit.

Farm Gate Pick-Up

EFA continued analyzing the farm gate pick-up studies that had previously been commissioned, in the hopes of establishing new farm gate pick-up rates and a set of principles that could be used to assist the Board in guiding their decision. The graders threatened to stop picking up shell eggs from Alberta egg producers and suggested that EFA should move in the direction of managing a common carrier, despite the fact that EFA had never intended to contract a 3rd party carrier. The EFA Board ultimately set new farm gate pick-up rates for four zones:

- Zone 1 – Calgary: \$0.028
- Zone 2 – Edmonton/Lethbridge: \$0.042
- Zone 3 – Grande Prairie: \$0.070
- Zone 4 – Fort Vermillion: \$0.042 (Zone 4 producers cover the cost of freight to Edmonton)

Following the decision to implement the new rates, a registered producer filed a request for review.

Hatching Egg Shipper Policy

EFA amended the Hatching Egg Shipper Policy to change the percentage of eggs for commercial breeders to be shipped to the table market, from 39% to 50%, following consultation with the hatcheries.

Modernized Early Fowl Removal

With the global COVID-19 pandemic carrying over into 2021, egg farmers in Alberta and across Canada had to continue utilizing the Modernized Early Fowl Removal (MEFR) program, to help the egg industry adjust to severe swings in demand for table and processed eggs. In total, 46 Alberta egg farms participated, which involved 54 flocks and over 390,000

laying hens, with an average down time of 64 days. EFA commends these farms and applauds all the Canadian egg farmers who stepped up and helped the national egg industry navigate the uncertainty and challenges posed by the pandemic-induced restrictions.

GOVERNMENT RELATIONS & TRADE

Public awareness/perception of Supply Management and the provincial egg industry & government support of the supply managed sector is a goal that encompasses all initiatives related to international trade, and both government and public support for Canada's system of supply management. EFA wants to ensure that the value of and benefits from supply management are better understood and championed, especially with a heightened demand for domestic food security and a stable supply of fresh, locally produced eggs.

Government Relations

Despite the limitations imposed by the ongoing pandemic, EFA was able to virtually meet with several provincial government officials, to provide an update about the impact of COVID-19 on Alberta egg farms and discuss our shared vision of building a sustainable provincial egg industry. Work continued with our Red Tape Reduction efforts, and EFA continued to promote local eggs and the importance of Alberta's egg farming families.

EFA, along with our supply managed partners – Alberta Chicken Producers, Alberta Hatching Egg Producers, Alberta Turkey Producers, and Alberta Milk (AB SM5) – was once again proud to be the food sponsor for the Premier's Stampede Breakfast, after a one-year hiatus caused by the COVID-19 pandemic.

International Trade

Canada's Minister of Agriculture and Agri-Food, the Honourable Marie-Claude Bibeau, launched the Poultry and Egg On-farm Investment Program (PEFIP), as mitigation for the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The PEFIP provides a total of \$647 million in funding for Canada's 4,800 chicken, hatching egg, turkey, and egg farmers, to make ongoing improvements to their operation and enhance the long-term efficiency and sustainability of their farms. EFA created a toolkit to assist Alberta producers register with the PEFIP and submit funding applications.

EGG INDUSTRY UTILIZING TECHNOLOGY

The Alberta egg industry is exploiting technology for greater efficiency is a goal that encompasses the provincial egg industry's effective use of technology and data to both assist Alberta egg farmers and facilitate more efficient communication and coordination between producers and EFA.

Producer Portal

EFA launched the Producer Portal, which allows Alberta egg farmers to view farm programs documents, access data about their own hen housing measurements, flocks, quota transactions, quota affected by the 10-year rule, SE results, and CARs, submit applications to buy/sell quota on the Quota Exchange, submit small order reports, view recordings of past EFA webinars, verify their contact info, and much more. EFA's new Producer Portal is a work in progress, with plans to add new features in the coming years.

Digital Record Keeping

EFA developed digital versions of the Start Clean – Stay Clean® and Animal Care Program record keeping calendars to help minimize the duplication of data entry for producers and reduce the amount of time spent on paperwork. Digital files would also assist with data and records backup, while providing an opportunity to leverage data to create reports for egg farmers, to help them with flock management and benchmarking. Following a pilot involving five producers, the digital record keeping

calendars are being revised to improve the layout and functionality, with plans for a broad rollout next year.

Technology Plan

The majority of EFA's 2021 technology plan revolved around launching the Producer Portal and digitalizing record keeping calendars. EFA also completed a survey of producers' technology and found that while most Alberta egg farmers can access the Producer Portal, there are still some farmers without access to the technology required to do so.





HEALTHY COMMUNITIES

PUBLIC TRUST

Egg Farmers of Alberta is a recognized and trusted brand is a goal that encompasses all public-facing initiatives and activities, from events to in-store appearances, from social media to our website. EFA wants to engage Albertans while helping them better understand where their fresh, local eggs come from and how they were produced by the province's egg farming families.

Fields to Forks

EFA proudly partnered with CTV's Fields to Forks initiative, which was a wonderful opportunity to showcase the importance of the egg industry in providing Albertans with food from our farmers' fields to their forks. Susan Schafers welcomed CTV onto her farm to give people a glimpse into a typical day on an Alberta egg farm, and later appeared with David Webb for an interview with CTV Edmonton. Meg Tucker did a cooking demo and talked about the versatility and nutritious value of eggs during an interview with CTV Calgary. The two-month campaign of tv, radio, and digital ads generated over 115,000 impressions and over 500 clicks to the EFA Fields to Forks webpage.

Easter at TELUS Spark

EFA proudly partnered with TELUS Spark, Calgary's science center for a unique Easter event that celebrated local food and farmers, and the sustainability of Alberta's egg industry. Though the event wound up having to be done virtually, Susan Schafers, Meg Tucker, and Adelina Banaj teamed up for a highly engaging presentation and Q&A session hosted by TELUS Spark. Attendees asked a variety of questions about eggs, farming, and cooking, demonstrating an eagerness to learn more about where their food comes from, how it was produced, and how to more effectively and deliciously serve it to their families.

Public Relations

EFA and our team of Egg Ambassadors have not been able to host or attend events to engage the public for the past two years, since the global pandemic began. EFA was thrilled to be able to support the Calgary Stampede this past summer, even if our presence was limited to an unstaffed booth. Meg Tucker also did a Caesar Cocktail Deviled Egg recipe cooking demo at the Calgary Stampede's Kitchen Theatre, where she handed out samples and EFA swag bags to the delight of the large turnout of attendees.

Eggstra! Eggstra!

EFA launched a monthly consumer e-newsletter that highlights industry updates, egg farming facts, EFA blog posts, recipes, nutritional information, and EFA-sponsored free monthly virtual Cook with Meg classes. Eggstra! Eggstra! was created to enhance engagement with social media followers who want to connect more regularly with EFA, gain access to exclusive content, and learn more about where their fresh, local eggs come from. The e-newsletter was named by our followers via a contest on EFA's social channels, and there was a steady increase in subscribers throughout the year.

Consumer Website

EFA was proud to launch a redesigned website with a fresh new look in 2021, more effectively integrating our 4-pillars into both the design and structure. EFA's website (eggs.ab.ca) continues to be the primary hub for all online activity. More than 313,000 users visited the site in 2021 and they viewed more than 440,000 pages. The site features a wide array of educational information about the egg industry, farming, and nutrition. Visitors are especially interested in egg inspired recipes and profiles of Alberta egg farmers,



as well as the monthly landing pages for EFA's engaging social media campaigns.

Social Media

Social media has become an integral part of people's everyday lives, becoming a vital tool and source of connection during the isolation and distancing caused by the global pandemic over the past two years. EFA has continued to increase our social activity and engagement by monitoring trends, expanding our monthly campaigns, and finding virtual partners who share our passion for local food. On Facebook, EFA averaged over 1,400 engagements per month and over 275,000 monthly post impressions. On Twitter, EFA's tweets generated over 960,000 impressions and elicited on average 1.85% engagement, while EFA was mentioned over 125 times. On Instagram, EFA has over 1,200 followers. On Pinterest, EFA has an average of over 270 monthly viewers, which drives traffic back to the EFA website via recipes and egg nutrition facts.

EFA adopted a campaign approach to social media posting and digital advertising a couple years ago, which has evolved into multi-prong monthly campaigns that include a mix of original and 3rd party content created by our various influencer partners. This shift has resulted in a significant increase in followers and engagements across all EFA social channels. EFA was proud to win a 2021 Best of CAMA award in the category of Social Media Management, presented by the Canadian Agri-Food Marketers Alliance (CAMA)!

Influencer Partnerships

Influencer partnerships have given EFA the ability to share our passion for eggs and egg farming with even more Albertans. Meg Tucker (Cook with Meg) continued her highly successful EFA-sponsored monthly virtual cooking classes and developed several recipes that she demonstrated via social media takeovers and appearances on CTV Morning Live. Fareen Jessa (Food Mamma) and Bernice Hill (Dish 'n' the

Kitchen) also expanded their involvement with EFA, developing more egg-inspired recipes last year. EFA highlighted our influencer partnerships with a holiday-themed battle-of-the-bloggers, which pitted our partners against each other in a contest that gave each of them an opportunity to share their favorite recipe with EFA's followers.

EFA was excited to sponsor both the Alberta Motor Association's (AMA) virtual Backyard BBQ and Alberta on the Plate. AMA showed Albertans deliciously unexpected ways to enjoy eggs on the barbecue, while sharing facts about the egg industry. Alberta on a Plate is all about sharing and celebrating Alberta food and drinks, and the local farming families who make it all possible.

Foodservice Partnership

When Alberta opened up to enjoy as normal a summer as possible, EFA partnered with the province's two egg graders – Burnbrae Farms and Sparks Eggs – for a joint social media campaign & contest to inspire Albertans to get back into restaurants and return to their pre-pandemic retail egg purchasing habits. The foodservice sector was extremely hard hit during the pandemic, with many restaurants unable to survive. EFA and the egg grading stations worked together in support of all the restaurants across Alberta that feature fresh, local eggs on their menus.

Social Responsibility

EFA has been a proud partner of both Food Banks Alberta (FBA) and Breakfast Club of Canada (BCC) since 2015, as part of our vision to cultivate a sustainable egg industry by doing our part to support local communities across the province. Giving back has been a humbling experience for the EFA team, as we help ensure more Albertans in need have access to high-quality, fresh, nutritious food. Whether it's putting a healthy dinner on a family's table or starting a student's day with a warm, healthy breakfast, EFA and Alberta's egg

farming families are proud to play our role by providing locally produced eggs to these incredibly worthwhile organizations.

As an extension of the social media partnership with AMA, which first began during the pandemic last year, EFA was pleased to assist AMA's Fill Our Fleet Drive-Thru Food Drive, which collected over 8,200 pounds of donated food from the more than 250 cars that participated.

RIGHT TO FARM

The right to farm in Alberta is protected is a goal that is intended to preserve the province's agricultural heritage, while ensuring the egg industry will be sustainable for future generations. EFA will collaborate with agricultural partners to engage with municipal stakeholders across the province, to build a renewed sense of public trust in Alberta's agriculture and agri-foods sector.

Intensive Livestock Working Group

The Intensive Livestock Working Group's (ILWG) 4-phase public trust initiative is to identify those critical issues that negatively impact industry/neighbor/municipal relationships and to then develop and pilot test a strategic stakeholder engagement template that builds public trust at the local level. Phases I & II of the project have been completed and work has begun on Phase III, which is to take the data and process engagement framework/tools developed in Phases I & II and conduct testing within selected municipalities. Phase IV will be the striking of a Public Trust Standing Committee that will identify municipalities with evolving issues that may potentially impact Confined Feeding Operations (CFO). The mandate of the committee will be to engage, organize, and support local producers in the implementation of public trust strategies developed in the project's first three phases.

FARM SECURITY

Alberta egg farmers are equipped and manage farm security is a goal that is intended to keep Alberta egg farms secure. EFA wants to ensure that all Alberta egg farmers have the resources and tools available to protect their farms and livelihoods, while being prepared should they ever become the target of illegal trespass.

Farm Security Webinar

EFA hosted a producer engagement webinar on farm security and trespass preparedness, which was attended by more than 35 registered producers, staff, and industry personnel. Attendees reviewed a brief history of animal activism and illegal trespass in Alberta, as well as the recently updated provincial trespass legislation. Producers were treated to an extensive presentation about tips and suggestions for improving their farm security and managing risk on farm. Egg farmers were then walked through the steps for being prepared for an illegal farm invasion, with an emphasis on effectively responding to the situation and representing not only their own farm, but the entire egg industry.

ORGANIZATIONAL EFFECTIVENESS

There is an excellence in organizational effectiveness is a goal that encompasses all EFA activities and initiatives carried out by the Board of Directors, staff, or various committees. As a non-profit organization supported by producer levy, EFA is committed to managing the provincial egg industry as efficiently, effectively, and transparently as possible.

Board Governance

At the 2021 EFA AGM, Meb Gilani and Peter Waldner were elected to the EFA Board of Directors. Bernadette Vandeborn completed her first 3-year term and was not re-elected. The Board elected Meb Gilani as Chair, Peter Waldner as Vice Chair, Beatrice Visser as EFC Representative, and Jerry Hofer as EFC Alternate. On October 21st, the EFA Board determined that Meb Gilani was disqualified from continuing to act as a member of the Board, pursuant to the provisions of the EFA Plan Regulation because he was ineligible to continue to act as a Director. The disqualification was mandatory, and the Board thereby confirmed his disqualification. Peter Waldner, the Vice Chair, assumed the Chair position, and Conrad Vanessen was selected to serve as Vice Chair. The Board appointed John Hofer, a past EFA Director, to the Board of Directors to fill the vacancy created by Meb Gilani's departure.

The EFA Board and staff conducted their annual strategic planning session, completing a thorough analysis of what producers will need to help them be the best egg farmers they can be. The Board also revamped EFA's Sustainability Strategy, which had originally been developed in 2014. These initiatives provided staff with the necessary direction to develop EFA's Operational Plan for 2022.

Human Resources

EFA staffing was consistent throughout 2021, with 11 permanent full-time employees. Jenna Griffin and David Webb both celebrated their 10th anniversary with EFA. The staff again rose to the challenge of inconsistency caused by the ongoing pandemic, working remotely for most of the year.

Research

EFA ran its second Call for Proposals in 2021. Researchers were invited to submit applications in areas that addressed targeted industry priorities that were established in 2019. EFA approved two projects for funding:

- Dr. Faizal Careem – investigation of procedures and water quality impacting vaccine effectiveness in egg layers in Alberta
- Dr. Nathan Pelletier – long life in layers: an environmental, economic, and animal welfare cost/benefit analysis

EFA also continued to participate as a member of the Agriculture Funding Consortium. EFA's Research Committee reviewed nine unique projects proposals, with the final decision scheduled to be made in early 2022.

IT SYSTEMS

IT systems are improved and more efficient is a goal that is an extension of the previous goal around organizational effectiveness, more specifically related to the technical side of EFA's operations. EFA wants to ensure that the systems in place serve the industry's needs today and into the future, and that the data collected is providing value to individual farmers and the organization.

Data Efficiency

EFA partnered with experts to help analyze our immense amount of data. Some of the resulting reports have already been shared with Alberta egg farmers via the recently launched Producer Portal, allowing them to see data once it is compiled, such as layers placed in different types of hen housing systems. EFA continues to use the Microsoft stack to increase our data efficiencies.



**#101 - 90 FREEPORT BLVD NE
CALGARY, AB T3J 5J9**

PHONE: **403.250.1197**
TOLL FREE: **1.877.302.2344**
FAX: **403.291.9216**
EMAIL: **INFO@EGGS.AB.CA**
WEB: **WWW.EGGS.AB.CA**

Financial statements of Egg Farmers of Alberta

December 25, 2021

Independent Auditor's Report	1-2
Statement of operations and changes in unrestricted net assets	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6-11
Schedule 1 - Schedule of administrative expenses	12
Schedule 2 - Schedule of internal restrictions - industrial product program	13
Schedule 3 - Schedule of internal restrictions - research fund	14
Schedule 4 - Schedule of internal restrictions - sustainable growth fund	15
Schedule 5 - Schedule of internal restrictions - natural overrun fee fund	16
Schedule 6 - Schedule of internal restrictions - conventional to enriched transition and producer prices "CETPP" fund	17

Independent Auditor's Report

To the Directors of
Egg Farmers of Alberta

Opinion

We have audited the financial statements of Egg Farmers of Alberta ("EFA"), which comprise the statement of financial position as at December 25, 2021, and the statements of operations and changes in unrestricted net assets, and cash flows for the fifty-two week period then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EFA as at December 25, 2021, and the results of its operations and its cash flows for the fifty-two week period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Deloitte LLP

Chartered Professional Accountants
February 11, 2022

Egg Farmers of Alberta

Statement of operations and changes in unrestricted net assets

52-week period ended December 25, 2021

		December 25, 2021	December 26, 2020
	Notes	\$	\$
		(52 weeks)	(52 weeks)
Revenue			
Levy		32,947,631	29,841,177
Grant	7	19,604	107,596
Industrial product program	Schedule 2	32,968,665	29,038,538
Research fund	Schedule 3	184,103	191,555
Sustainable growth fund	Schedule 4	263,566	214,313
Natural overrun fee fund	Schedule 5	—	1,383,278
Conventional to enriched transition and producer prices "CETPP" fund	Schedule 6	2,943,441	2,945,951
Other income		83,367	56,571
Amortization of deferred capital contributions	8	5,409	5,411
Interest		215,690	317,586
Gain on sale of investments		501,637	41,219
		70,133,113	64,143,195
Expenses			
Administrative	Schedule 1	2,683,043	2,473,186
Other expenses		—	1,745
Egg Farmers of Canada levy		30,328,761	27,231,064
Grant projects	5 and 7	25,013	113,006
Industrial product program	Schedule 2	33,332,832	29,050,880
Research fund	Schedule 3	121,737	148,933
Sustainable growth fund	Schedule 4	429,475	180,449
Natural overrun fee fund	Schedule 5	—	4,991,959
Conventional to enriched transition and producer prices "CETPP" fund	Schedule 6	3,248,762	2,799,876
Unrealized loss (gain) on investments		306,116	(167,450)
		70,475,739	66,823,648
Deficiency of revenue over expenses		(342,626)	(2,680,453)
Internal transfer from industrial product program	Schedule 2	364,167	12,342
Internal transfer to research fund	Schedule 3	(62,366)	(42,622)
Internal transfer from (to) sustainable growth fund	Schedule 4	165,909	(33,864)
Internal transfer from natural overrun fund	Schedule 5	—	3,608,681
Internal transfer from (to) CETPP fund	Schedule 6	305,321	(146,075)
Unrestricted net assets, beginning of period		3,984,500	3,266,491
Unrestricted net assets, end of period		4,414,905	3,984,500

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

Egg Farmers of Alberta
Statement of financial position
As at December 25, 2021

		December 25, 2021	December 26, 2020
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,778,609	69,075
Accounts receivable	4	9,170,754	3,435,623
Government remittances receivable		—	32,445
Prepaid expenses		56,330	43,220
		12,005,693	3,580,363
Long-term investments	3	4,468,995	8,719,154
Tangible capital assets	5	1,046,696	1,075,360
Intangible asset	6	5,112	5,112
		17,526,496	13,379,989
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		8,661,016	2,892,497
Government remittances payable		35,929	—
Due to Egg Farmers of Canada		1,267,971	2,575,500
Deferred contributions	7	—	2,377
		9,964,916	5,470,374
Deferred contributions related to tangible capital assets	8	—	5,409
		9,964,916	5,475,783
Net assets			
Unrestricted net assets		4,414,905	3,984,500
Industrial product program	Schedule 2	2,078,931	2,443,098
Research fund	Schedule 3	354,988	292,622
Sustainable growth fund	Schedule 4	581,040	746,949
Natural overrun fund	Schedule 5	448	448
CETPP fund	Schedule 6	131,268	436,589
		7,561,580	7,904,206
		17,526,496	13,379,989

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 25, 2021

	December 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
Operating activities		
Deficiency of revenue over expenses	(342,626)	(2,680,453)
Items not affecting cash		
Amortization of tangible capital assets	179,504	159,108
Amortization of deferred contributions related to tangible capital assets	5,409	5,411
Gain on sale of investments	(501,637)	(41,219)
Unrealized loss (gain) on investments	306,116	(167,450)
	(353,234)	(2,724,603)
Changes in non-cash working capital		
Accounts receivable	(5,735,131)	(470,561)
Government remittances receivable	32,445	(26,739)
Prepaid expenses	(13,110)	24,396
Accounts payable and accrued liabilities	5,768,519	880,136
Government remittances payable	35,929	—
Due to Egg Farmers of Canada	(1,307,529)	1,475,826
Deferred contributions	(2,377)	(39,010)
Deferred contributions related to tangible capital assets	(5,409)	(5,411)
	(1,579,897)	(885,966)
Investing activities		
Purchase of tangible capital assets	(156,249)	(187,701)
Proceeds on sale of long-term investments	5,621,680	2,784,121
Purchase of long-term investments	(1,176,000)	(2,688,466)
	4,289,431	(92,046)
Net increase (decrease) in cash and cash equivalents	2,709,534	(978,012)
Cash and cash equivalents, beginning of period	69,075	1,047,087
Cash and cash equivalents, end of period	2,778,609	69,075

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.

Cash and cash equivalents

Cash and cash equivalents consist of cash in the bank and cashable investments that are highly liquid and easily convertible to cash.

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)

Tangible capital assets (continued)

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

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. A portion of the levy revenue recognized is allocated to different funds (Schedule 3, 4, 5 and 6).

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 25, 2021	December 26, 2020
	\$	\$
Equity investments	4,468,995	8,719,154

The equity investments are recorded at fair market value.

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	0-15	—
Fixed income investments	50-70	56
Multi-class investments	0-10	7
Equity investments	20-40	36

The investments are in compliance with the investment policy that has been outlined by EFA.

4. Accounts receivable

	December 25, 2021	December 26, 2020
	\$	\$
Accounts receivable – Producers	7,019,446	1,201,100
Egg Farmers of Canada	2,151,308	2,087,650
Grant receivable (Note 7)	—	3,747
Other	—	143,126
	9,170,754	3,435,623

5. Tangible capital assets

	December 25, 2021		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	168,000	—	168,000
Building	902,214	490,857	411,357
Automobiles	87,014	41,228	45,786
Promotional display	60,679	59,251	1,428
Office equipment	267,722	243,760	23,962
Office improvements	548,803	355,174	193,629
Software	357,920	155,386	202,534
	2,392,352	1,345,656	1,046,696

	December 26, 2020		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	168,000	—	168,000
Building	902,214	454,768	447,446
Automobiles	81,549	51,425	30,124
Promotional display	59,464	47,115	12,349
Office equipment	275,412	252,195	23,217
Office improvements	548,803	327,734	221,069
Software	256,955	83,800	173,155
	2,292,397	1,217,037	1,075,360

Total amortization for the 52-week period ended December 25, 2021, was \$184,913 (\$164,519 in the 52-week period ended December 26, 2020), of which \$17,280 (\$17,035 in December 26, 2020) was included in advertising and product promotion, \$18,721 (\$18,605 in December 26, 2020) was included in travel, nil (\$1,745 in December 26, 2020) was included in other expenses and \$5,409 (\$5,411 in December 26, 2020) was included in grant project expenses.

6. Intangible asset

	December 25, 2021	December 26, 2020
	\$	\$
Trademarks	5,112	5,112

7. Deferred contributions

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

	December 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
Deferred contributions, beginning of period	2,377	41,387
Grants received	17,227	64,839
Grants receivable (Note 4)	—	3,747
Less: amounts amortized to revenue	(19,604)	(107,596)
Deferred contributions, end of period	—	2,377

Grants receivable consists of \$nil (\$3,747 in December 26, 2020) in expenses incurred and grant revenue earned by EFA for the 52-week period ended December 25, 2021, but for which funds had not yet been received at period-end.

8. 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 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
Deferred contributions related to tangible capital assets, beginning of period	5,409	10,820
Less: amortization – current period	(5,409)	(5,411)
Deferred contributions related to tangible capital assets, end of period	—	5,409

9. Financial instruments

Fair value

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

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

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, and the producers.

9. Financial instruments (continued)

Market risk

EFA is exposed to market risk as a portion of its investment portfolio is held in marketable securities, which fluctuate with market pressures. Revenue could be affected adversely by changes in the market. As such, the investments are susceptible to market risk, which is defined as the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices

Global health events and pandemics, such as COVID-19, have the ability to affect quickly, drastically and substantially the economies of many nations and can cause disruptions that cannot necessarily be foreseen. The spread of COVID-19 around the world in 2020 and 2021 resulted in a substantial number of nations implementing social distancing measures, quarantines, and the shutdown of non-essential businesses and governmental services. Further, it has caused significant volatility in Canadian and international markets which may adversely impact the financial performance of EFA's investment portfolio.

Interest rate risk

EFA is exposed to interest rate risk as a portion of its investment portfolio is held in rate sensitive investments, which 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.

Egg Farmers of Alberta

Schedule 1 – Schedule of administrative expenses

52-week period ended December 25, 2021

		December 25, 2021	December 26, 2020
	Notes	\$	\$
		(52 weeks)	(52 weeks)
Advertising and product promotion	5	268,253	256,181
Amortization	5	143,503	121,723
Board governance		62,649	33,942
Building operations		52,022	48,862
Directors' and committee allowances		187,745	141,506
Employee benefits		173,038	160,992
Insurance		19,211	17,051
Meetings		36,307	43,287
Memberships		16,244	17,019
Office and printing		188,883	187,222
Postage		7,686	7,757
Professional fees		237,387	193,948
Salaries		997,911	968,622
Field Services, SE testing and diagnostic services		110,141	101,122
Telecommunications		9,587	9,361
Travel	5	172,476	164,591
		2,683,043	2,473,186

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

52-week period ended December 25, 2021

	December 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
Industrial product program, beginning of period	2,443,098	2,455,440
Add		
Egg sales	32,788,857	28,162,481
Levy revenue	179,808	876,057
	32,968,665	29,038,538
Less		
Egg purchases and other expenses	33,335,056	29,046,168
Levy (over) short	(2,224)	4,712
	33,332,832	29,050,880
Net change in program during the period and amount internally transferred to unrestricted net assets	(364,167)	(12,342)
Industrial product program, end of period	2,078,931	2,443,098

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 25, 2021

	December 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
Research fund, beginning of period	292,622	250,000
Add		
Levy revenue	184,103	191,555
Less		
Disbursements to research projects	121,737	148,933
Net change in fund during the period and amount internally transferred from unrestricted net assets	62,366	42,622
Research fund, end of period	354,988	292,622

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 – sustainable growth fund**

52-week period ended December 25, 2021

	December 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
Sustainable growth fund, beginning of period	746,949	713,085
Add		
Revenue	263,566	214,313
Less		
Levy returned to producers	301,664	—
Disbursements	127,811	180,449
	429,475	180,449
Net change in fund during the period and amount internally transferred (to) from unrestricted net assets	(165,909)	33,864
Sustainable growth fund, end of period	581,040	746,949

The sustainable growth fund (formerly the over base quota fund) is funded by an internal allocation of the producer levies for specific projects authorized by the Board of Directors.

Egg Farmers of Alberta**Schedule 5 – Schedule of internal restrictions – natural overrun fee fund**

52-week period ended December 25, 2021

	December 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
Natural overrun fee fund, beginning of period	448	3,609,129
Add		
Levy revenue	—	1,383,278
Less		
Disbursements to Egg Farmers of Canada	—	4,991,959
Net change in fund during the period and amount internally transferred to unrestricted net assets	—	(3,608,681)
Natural overrun fee fund, end of period	448	448

The natural overrun fee fund (formerly the service fee fund) relates to quota allotted from EFC since 2014. EFC sets a fee annually that EFA collects in the levy.

Egg Farmers of Alberta**Schedule 6 – Schedule of internal restrictions – conventional to enriched transition and producer prices “CETPP” fund**

52-week period ended December 25, 2021

	December 25, 2021	December 26, 2020
	\$	\$
	(52 weeks)	(52 weeks)
CETPP fund, beginning of period	436,589	290,514
Add		
Levy revenue	2,943,441	2,945,951
Less		
Disbursements	3,248,762	2,799,876
Net change in fund during the period and amount internally transferred (to) from unrestricted net assets	(305,321)	146,075
CETPP fund, end of period	131,268	436,589

The Conventional to Enriched Transition and Producer Prices Project “CETPP” was created nationwide to implement an optimal producer price structure to establish a blended market producer price. Funds are disbursed to farmers with special housing to provide the Conventional and Enriched Producer price.