

BC EGG MARKETING BOARD

ANNUAL REPORT

2012

MAKE PERFECT EVEN BETTER



**How can you  
improve on the  
natural perfection  
of a BC egg?  
With innovative  
thinking and smart  
technology, we've  
been doing just that.**



# Chairman's Report 2013

The past year has seen continued increases in sales of eggs from BC, both in unit volume and revenue generated. The results of 2012 are fully described by the financial statements and management reports.

The Board is pleased with the overall contribution of the BC Egg Marketing Board (BCEMB) to the results in 2012 and is looking ahead to further improvement in 2013.

There are several areas of concern to the Board that will continue to be major areas of focus over the next year.

Although egg sales in BC continue to be strong, the share of those sales supplied by BCEMB producers is shrinking. Cross-border shopping has dramatically increased the volume of US produced eggs coming to Canada and there is an increase in specialty eggs from other provinces being sold in BC.

Reversing this erosion of market share will be the major priority of the Board and will involve increased cooperation with graders.

The continued national discussion on animal health, traceability and food safety will result in changes to the way in which our hens are housed as well as increasing the audit burden on producers. The Board will continue to participate in discussions on these issues and will keep producers informed about developments as they occur.

International trade talks pose a serious threat to supply management in general. There is significant negative press about the impact supply management has on consumers and other farm groups as well as criticism that a protected marketplace stifles innovation. The cost of administering the national supply management system remains a major challenge for Canadian egg producers and needs to be aggressively

addressed to temper the tide of negative public opinion. The Board will continue to work with other supply management groups to emphasize the benefits of our system and will encourage innovation among producers, graders, and processors.

The Board's administrative functions will continue to be automated. This process is ongoing as both staff and producers learn to use technology to make our system work more efficiently.

The Board is very aware that, while technology is important as a tool to improve productivity, our business continues to operate on human interaction.



Richard R. King, P.Ag., Chair





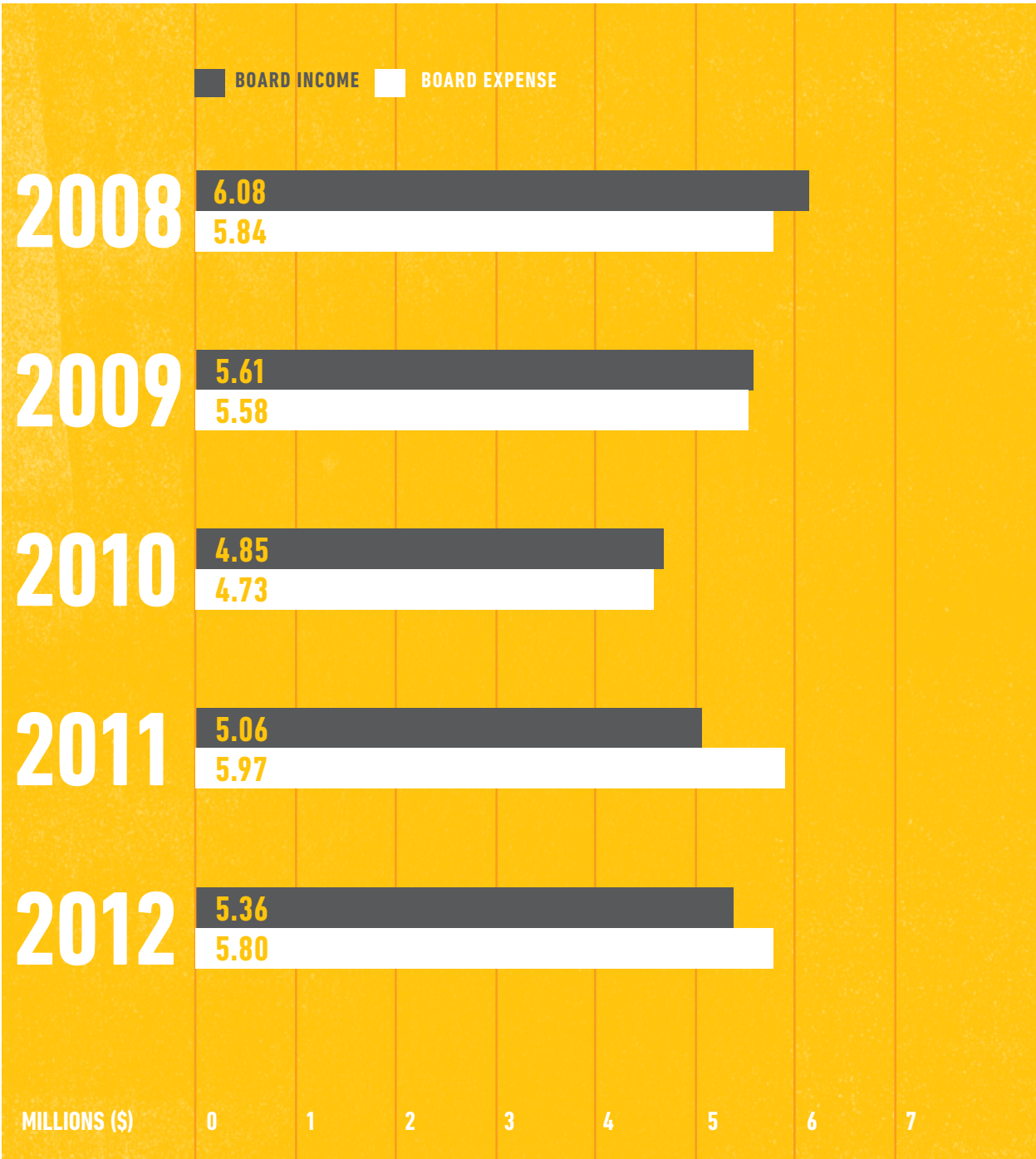
# Industry at a Glance

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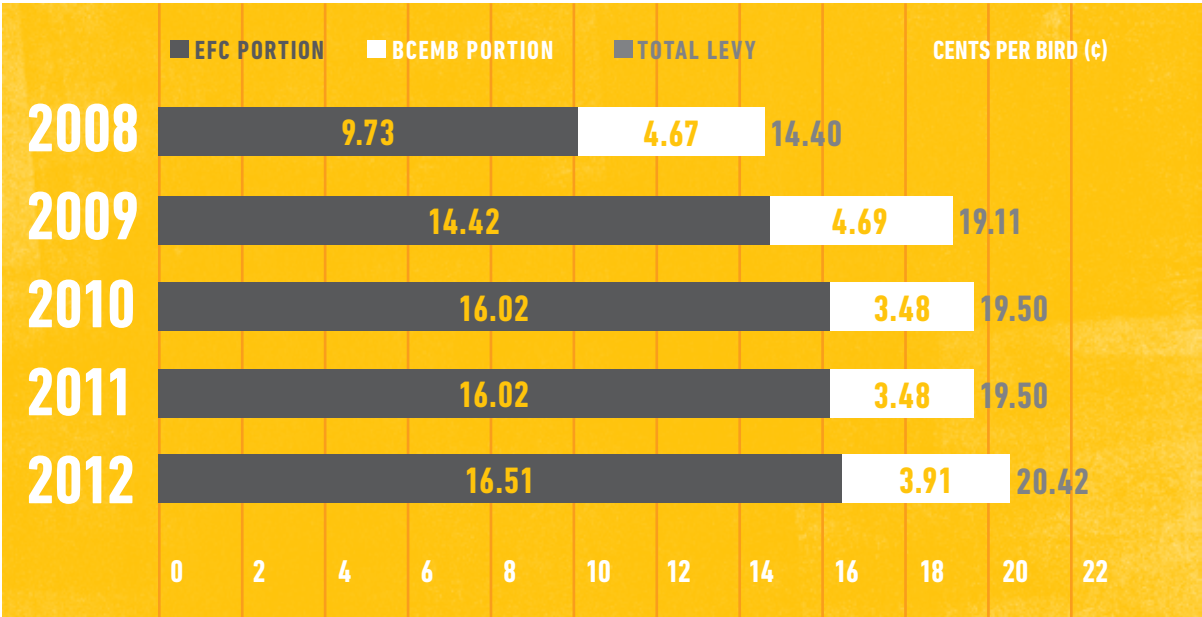
## Board Income and Expenses



## Distribution of Expenses

	2008	2009	2010	2011	2012
NET IP, PICKUP, FOWL	36.78%	36.76%	35.07%	40.80%	36.49%
BOARD EXPENSE	12.46%	13.67%	15.74%	14.57%	14.91%
NET MARKETING & COMMUNICATIONS	18.33%	15.30%	4.85%	8.01%	14.95%
SALARIES	18.71%	20.93%	26.54%	22.79%	18.37%
LEGAL & CONSULTING	4.94%	4.84%	4.77%	3.84%	3.82%
OTHER	8.78%	8.49%	13.02%	9.99%	11.45%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

## Levy Paid by Registered Producers





# Egg Breakout Stats

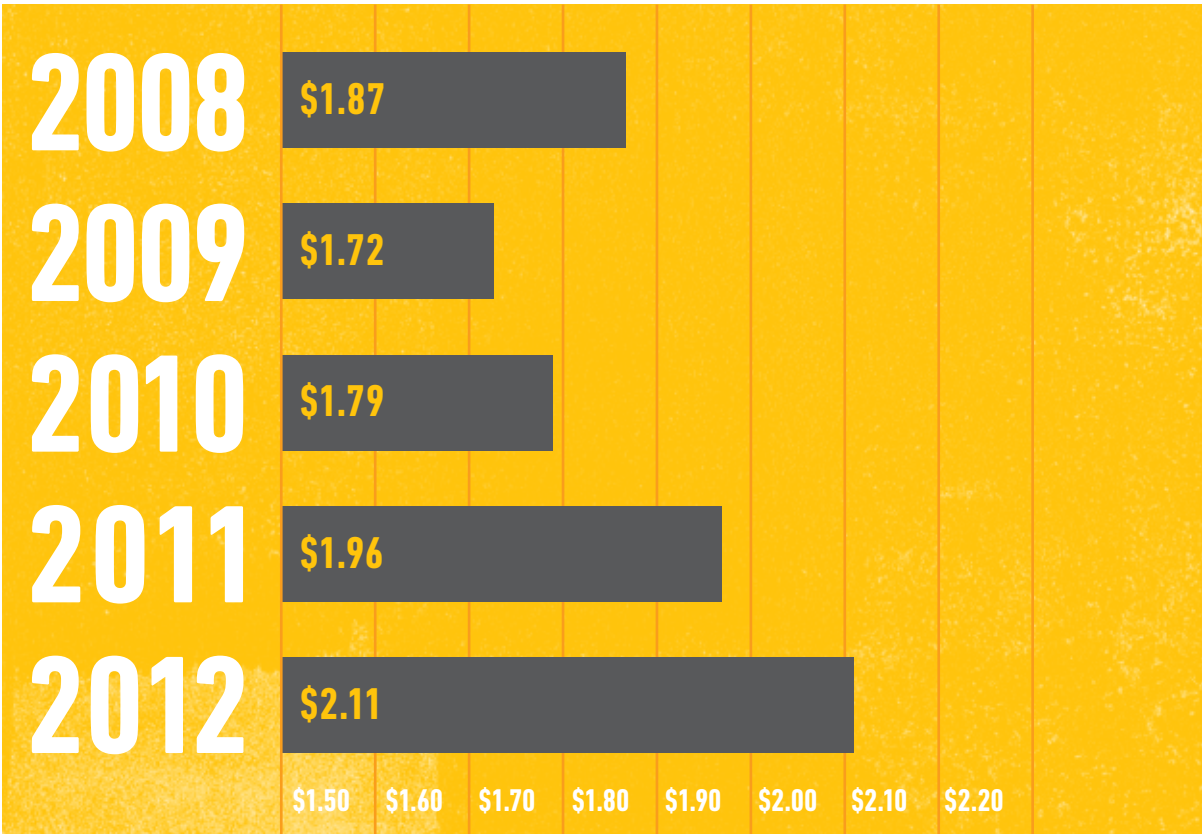
2011	DOZENS	DOLLARS
Regular	61,219,701	\$103,618,941
White	54,719,152	\$92,271,965
Brown	6,500,549	\$11,346,976
Specialty	9,175,472	\$23,949,229
Free Run	3,391,426	\$7,029,310
Free Range	3,174,477	\$8,390,276
Organic	2,609,569	\$8,529,643
Total	70,395,173	\$127,568,170

2012	DOZENS	DOLLARS
Regular	59,645,716	\$114,311,585
White	53,356,199	\$101,670,789
Brown	6,289,517	\$12,640,797
Specialty	10,133,516	\$27,797,101
Free Run	3,444,913	\$7,411,402
Free Range	3,517,743	\$9,813,566
Organic	3,170,860	\$10,572,133
Total	69,779,232	\$142,108,686

# Number of BC Eggs Graded and Farm Gate Value

2011	NUMBER OF BC EGGS GRADED	FARM GATE VALUE
	70,395,173 DOZEN	\$127,568,170
2012	69,779,232 DOZEN	\$142,108,686

# Average BC Producer Prices Classic White 2008 – 2012






# Industry Facts

EGG SALES IN BC

Household penetration

2012

2011




91.3%

93.4%

Market share


REGULAR EGGS

79%



ALL OTHERS

21%



Regular egg sales volume change

2012

2011

0%

-3.1%

Specialty egg sales volume change

2012

2011

+4%

+6%

Specialty egg sales breakout

	ORGANIC	FREE RUN	FREE RANGE
2012	+13.2%	+8.6%	-1.8%
2011	-2.0%	+17.6%	+2.8%

Grade A egg consumption





HOTELS, RESTAURANTS AND INSTITUTIONS	RETAIL
<div><div></div><div>37%</div><div>(+4.2% GROWTH)</div></div> <div><div></div><div>63%</div></div>	

Table consumption

L	XL
<div><div></div><div>LARGE</div><div>58%</div></div> <div><div></div><div>EXTRA LARGE</div><div>31%</div></div>	

OUR CUSTOMERS

How many times per year do they go to the store to buy eggs?


2012


2011


12.6


13.2





















































































How much do they buy per trip?

2012

2011

\$4.21

\$3.67

Where do they buy eggs?

SUPERMARKET	CLUB STORES	OTHER
89%	10%	1%

Who are our best customers?

THEY ACCOUNT FOR 51.4% OF SALES











HEAVY BUYERS ARE 21.7% OF ALL CUSTOMERS



HEAVY BUYERS BUY 26 TIMES PER YEAR

REGULAR CUSTOMERS BUY 12 TIMES PER YEAR

HEAVY BUYERS SPEND \$124.90 PER YEAR

REGULAR CUSTOMERS SPEND \$53.16 PER YEAR



# Industry Facts

## INTERNATIONAL PICTURE

How many eggs do we consume per year, on average?



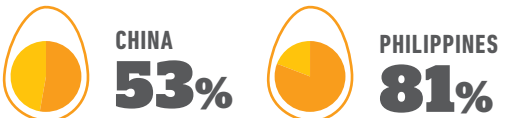
How much do eggs cost at retail? (US dollar)



Share of household income spent on groceries



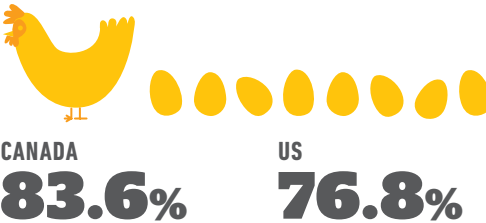
Who believes that organics are safer?



How are the eggs farmed?

	BC	CANADA	US
CONVENTIONAL	<b>85%</b>	<b>96%</b>	<b>94%</b>
BARN SYSTEM	<b>8%</b>	<b>2%</b>	<b>5%</b>
FREE RANGE	<b>7%</b>	<b>2%</b>	<b>1%</b>

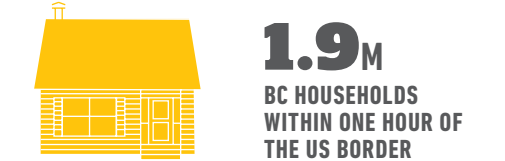
How does our rate of lay compare?



How about our feed efficiency?



## CROSSING BORDERS



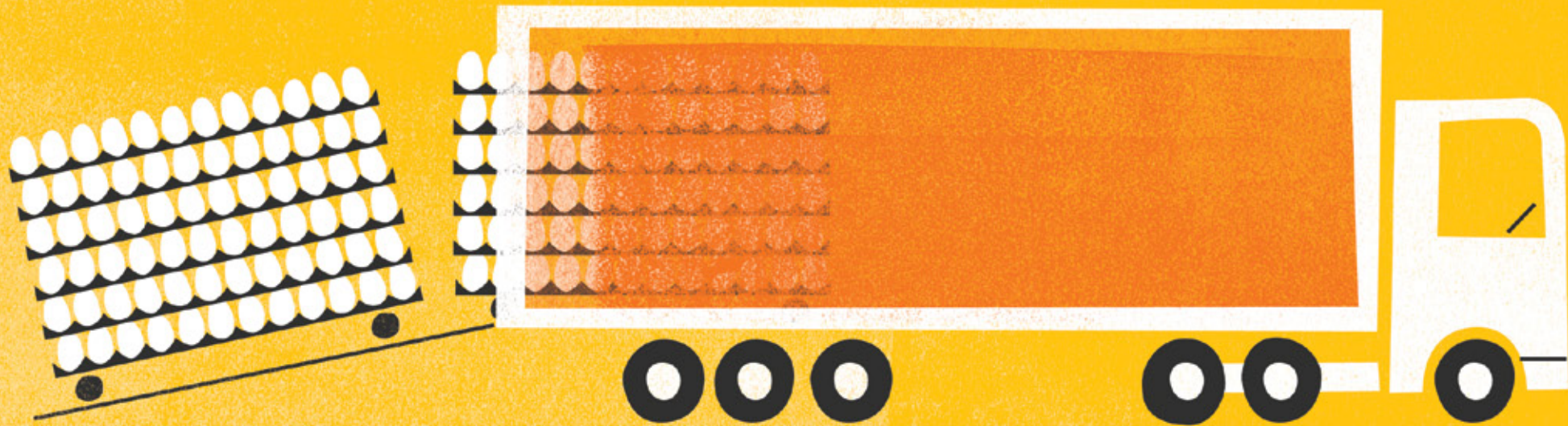
Items purchased in US





# Management Discussion and Analysis

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# Market Review and Outlook

At the national level, total egg sales were up 2.2% over the previous year. In comparison, for the 52-week period ending January 12, 2013, total egg sales in BC showed a modest increase of 1.6%.

Nationally, sales of regular white and brown eggs grew 3.4% in 2012; in contrast, sales of regular white and brown eggs in BC showed no growth.

Omega-3 sales decreased by 10.1% nationally while increasing by 11.5% in BC, indicating a significant turnaround from dropping sales volume observed in 2011.

Sales of specialty eggs (including free run, free range and organic) increased 10.3% nationally and 4.0% in BC. BC has the largest share of the national table egg specialty market. BC has 41.75% market share of the national free range egg market. This is followed by free run at 38.9% and organic at 20.6%. Our market share of organic eggs is expected to decrease as other western provinces increase the supply of certified organic eggs in response to retail demand.

In BC the market for eggs other than classic white and brown now represents 22.7% retail market share. This number is considered conservative since retail data is only captured at traditional grocery stores. Farmers' markets, door sales and specialty retail stores are not captured, which would increase market share of specialty eggs.

Specialty growth within the BC market includes some mixed results. Free run is up 8.6 and organic is up 13.2%, while the free range market is very soft with a decrease in volume of 1.8%. Contributing factors to free range decrease could be the retail price points for free range and the onset of supply from lottery winners bringing free range product on the market in preparation for full organic certification.

Challenges for 2013 will continue as a result of cross-border shopping and the aggressive increase of specialty egg supply, where retail demand is lagging the supply volume for certain egg categories.

## Fiscal 2012 and 2011 Overview of Preceding Years

The financial statements reflect the administrative structure to collect levies and disburse proceeds for the purpose of controlling the supply of eggs, administering various producer accreditation programs, and managing and promoting eggs in British Columbia. As a service agent of the national scheme, the BCEMB purchases eggs from producers for resale.

The Board's expenses had an overall decrease of \$5,035 compared to 2011 actual spending. As compared to the budget, board expenses were below budget except for professional services, research and scholarships, which were over budget due to additional work in support of the strategic plan and Nielsen research in support of critical issues facing the egg industry.

Administration expenses spending decreased by \$235,277 compared to 2011 spending. There were increases in 2012 in amortization, systems and network, legal, miscellaneous, rent, and telephone. The amortization and systems and network increases are attributable to system initiatives, subscription fees and outsourcing. Rental increases are due to adjusted square footage and a retroactive increase.

As compared to the 2012 budget, systems and network, professional services, rent, salaries and benefits, and administrative travel were over budget. All other actual administrative expenses in 2012 were on track or under budget.

The marketing expenses for 2012 were up \$362,223 over 2011. This increase resulted from new marketing programs. The total actual marketing expenses for 2012 were \$16,773 under budget.

The communications expenses for 2012 were down \$26,886 compared to 2011. This decrease reflects completion of communications initiatives from 2011. Spot promotions increase resulted from program expansion. All communications expenses were under budget except communications programs, where media tracking service was added.

In 2012, BCEMB continued its progress on initiatives that support the Strategic Plan of the organization. This included innovations in technology as well as the new marketing and communications programs.



# EFC Director's Report 2013

As your elected representative on the Egg Farmers of Canada (EFC) Board of Directors, I'm pleased to present the EFC Director's Report for 2012, which is also the 40th anniversary of national egg supply management.

This summary of the year's activities highlights significant events and achievements. It also provides an opportunity to recognize the hard work and dedication of our national and provincial board staff working to achieve the key goals and objectives outlined in EFC's 2012–15 Business Plan.

EFC is dedicated to continuously improving egg supply management to ensure a healthy, strong and sustainable Canadian egg industry for generations to come. To this end, the Board reached a pricing agreement with Canadian egg processors that provides for a significant contribution from industry toward the cost of the Industrial Product Program (IPP). The agreement will contribute approximately four cents of levy per dozen eggs, or \$16 million by the fifth year. EFC also realized significant savings in the IPP with the completion of a transport study in Ontario and Quebec. Of note, EFC's Operations Unit was very pleased this year to achieve ISO:9001 2008 quality management certification.

Throughout the year, our commitment to on-farm food safety, animal care and traceability was a strong feature of our efforts to provide safe, wholesome and nutritious eggs that exceed consumer expectation. In February, the Board unanimously approved a voluntary national traceability standard for egg track and trace, hen track and trace, and premises identification. The following month, the Board amended five elements of the *Start Clean—Stay Clean™* (SC-SC) Program and adopted a policy

to ensure that all farmers conduct *Salmonella enteritidis* tests in accordance with SC-SC guidelines. As well, EFC was instrumental in calling for a review of the *Recommended Code of Practice for the care of pullets, laying hens and spent fowl*—a process that is now underway.

At the time this report was written we were on track to exceed our objective of increasing retail sales by 1.5% over last year. For the first year ever, at least 20 million dozen eggs were sold at retail every month. In 2012, our primary Healthy Energy and Health Care strategies included initiatives such as the Canadian Breast Cancer Foundation CIBC Run for the Cure and the Physician's Education Program. Serving again this year as Official Nutritional Partner of the Run for the Cure, EFC and our Canadian egg industry partners helped raise more than \$45,000 toward breast cancer research and awareness.

We have also been working to strengthen trust with the public by showing that egg farmers are hard-working and proud of what they do. Earlier in the year, we produced the "Pride in Every Egg" television commercial, which has been very well received by consumers and industry stakeholders. The ad was complemented by the new Meet Our Farmers section of the eggs.ca website, featuring 17 egg farm families from all 10 provinces and the Northwest Territories.

Research and innovation remain a key priority as we strive to create an industry at the forefront of change, growth, and social relevance. We are strong supporters of research as it enables policy-making based on facts and sound science. In addition to our ongoing support for research chairs in Economics at Laval University and in poultry welfare at the

University of Guelph, we also provided funding to the Canadian Poultry Research Council and a number of other projects in human nutrition as well as avian genetics.

In making any decisions about retooling and building new barns, EFC Chairman Peter Clarke recommended that egg farmers be mindful of the many factors at play right now, including ongoing research in Canada and the US, the Code of Practice review, and the US Farm Bill.

On government relations and trade, EFC has continued to support the Government of Canada's position of no increases to minimum market access and no decreases to over-quota tariffs. With the World Trade Organization's Doha Round negotiations largely quiet, we followed the ongoing Canada-Europe Comprehensive Economic and Trade Agreement bilateral trade talks in Ottawa and Brussels, as well as the multilateral Trans-Pacific Partnership, which Canada officially joined in October. Despite repeated calls in the media for Canada to discontinue supply management, the government has maintained strong public support for the poultry and dairy sector in line with its commitment in the 2012 Speech from the Throne and the unanimous House of Commons motion of 2005. Our annual Parliament Hill breakfast drew 46 MPs and senators and we met with various politicians, including Minister of Agriculture and Agri-Food Gerry Ritz, Minister of International Trade Ed Fast, the Leader of the Official Opposition Thomas Mulcair and Liberal Party Leader Bob Rae. In addition, EFC staff organized egg farm tours for MPs and senators, and we began looking at ways to communicate with audiences not immediately familiar with the benefits of supply management.



Looking to 2013, we will continue our work to build and strengthen a socially responsible supply management organization that has strong relationships with stakeholders who all share a common vision. I feel that the Board, national staff and provincial staff took significant steps toward realizing this vision during our 40th anniversary year, and I look forward to the challenges and opportunities in the year ahead.

Respectfully submitted,

  
Fred Krahn, EFC Director





# How can we make perfect even better?

When you're working with something as naturally perfect as a BC egg, it's important that you don't do anything to mess with that perfection.

But that doesn't mean we can't be innovative when it comes to tackling the challenges and opportunities that our industry is facing. It's not about innovation for innovation's sake. It's about using smart technology, emerging science, and strategic new approaches to respond and thrive in a market that is always changing.

In the past year, we've introduced improved business analytics to bring breeders, egg producers, graders and marketers closer together, with the kind of real-time information they all need to be the best at what they do.

We've continued bringing more choice and fresher, safer eggs to people's tables, thanks to product development that is driven by consumer insights as much as by agricultural science.

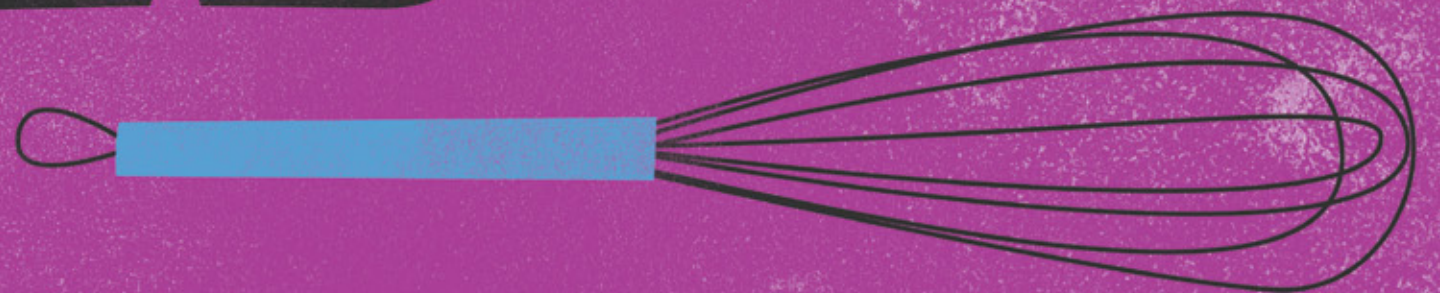
And we've been reaching out to British Columbians in whole new ways to get them thinking about where BC eggs come from and why they matter.

In this annual report, we're not just looking back at the BC Egg Marketing Board's successes in the past year. We're celebrating the creativity, hard work, and innovation of people in every corner of our industry, as all of us work toward one clear, shared goal: improving on perfection.



# Smarter Eggs from Smarter Tools

We're saving money and improving egg quality and safety using a modernized analytics system.





**With the IBM Cognos® TM1® business analytics solution, the BC Egg Marketing Board has created an annual cost savings of over \$100,000 while reducing farm inspection workload by 66%.**

The Board is now able to coordinate and analyze real-time production and inspection data from breeders, pullet growers, egg producers, and graders across the province. By increasing efficiency and collaboration, the system is designed to save money, reduce workload and improve farmers' profitability, all while maintaining high product standards.

"We're now being proactive in improving the quality and safety of egg production processes and products," said Anne-Marie Butler, Director of Finance and Administration for the BC Egg Marketing Board. "By making data easier to collect, analyze and share, we are seeing efficiencies that allow us to go beyond the bare minimum for compliance."

## Big analytics for a big challenge

The Board works with more than 135 egg producers, overseeing 2.6 million hens that produce more than 816 million eggs every year. This requires a lot of production planning and analysis to make sure that supply meets fluctuating demand and that egg quality and safety is never compromised.

Previously, data collection was paper-intensive, manual and disjointed, which meant significant delays getting the newest information into the hands of the people who need it.

Now, real-time production data from all farms is captured electronically, while data about egg safety and other inspection criteria is collected and entered by on-site inspectors using tablets.

The new system performs complex calculations on chick maturation and egg-laying lifespans, to determine the number of hens needed in production to meet demand and scale hatchery operations accordingly. It also has the capability of pinpointing which flock a particular egg came from in the event of a problem.

## Equipping the producers

First launched in 2010, the analytics solution continues to be improved and augmented. In June 2012, a web-based producers' portal was added, which replaced the monthly paper statements that the Board previously forwarded to producers.

It gives egg producers real-time access to a range of details on farm- and flock-level operations, providing metrics such as egg size, egg type, average price per dozen, weekly and year-to-date production, and revenue totals, historical comparisons, provincial benchmarks and more.

IBM® worked with business partner Peritas Solutions to integrate the analytics data onto the portal.

"Producers can measure themselves against their peers and are using these key insights to drive expenses down and margins up, and deliver a higher quality, more predictable product into the marketplace," said Chris Foster, an Account Executive at Peritas.

A board of directors portal was also added in 2012. In 2013 the Board plans to extend the web-based services with portals for hatcheries, graders, and allied trades.

## RESULTS



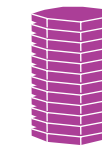
**66%**  
REDUCTION IN FARM  
INSPECTION WORKLOAD



**Real-time data**  
IS NOW IN THE HANDS OF  
PRODUCERS — NO MATTER WHERE  
THEY ARE IN THE WORLD



**26**  
DAYS ACCOUNTING TIME  
SAVED EVERY YEAR



OVER  
**\$100k**  
SAVED ANNUALLY IN ADMINISTRATIVE  
AND INSPECTION COSTS





# Tackling Cross-Border Shopping

We're getting British Columbians to think about why BC eggs matter to their communities.







**If you were in downtown Vancouver in mid September, you may have been surprised to stumble upon a full-scale fire truck constructed out of 20,000 BC egg cartons.**

The product of 50 hours of gluing and stacking, and the unusual installation was just one part of a campaign to get BC consumers to consider taking eggs off of their cross-border shopping lists.

For the unveiling at the corner of Granville and Georgia Streets, BC Egg Director of Finance Anne-Marie Butler was on hand to explain to the press and to the public exactly what fire trucks and eggs have to do with one another.

## The impact of cross-border shopping

Many Canadians are aware of the apparent bargains to be had just south of the border. For the 1.9 million BC households that are within one hour's drive of the US, crossing that border is especially tempting.

It's easy to underestimate the impact of cross-border shopping, especially when it comes to a product like eggs. After all, what's one little carton?

As it turns out, economists with MNP Consulting have determined that approximately two million of those little cartons—or 24 million US eggs—are brought into the province each year. In terms of dollar value, US eggs alone are costing the province more than \$3 million.

What's more, the scale of the problem seems to be growing. Between 2010 and 2012, same-day cross-border trips increased by at least 70% in BC.

While this increase in cross-border shopping has been going on, a troubling trend has emerged in the Lower Mainland: the region has been reporting just a fraction of the sales growth compared to areas outside of the Lower Mainland.

With all of this in mind, it was clear that a strategic and innovative approach was needed to engage the province's egg consumers.

## A wide-reaching campaign

In order to put the impact of cross-border shopping into meaningful terms, the BC Egg Marketing Board launched Eggonomics. This integrated campaign was designed to arm British Columbians with facts that will encourage them to think twice about buying eggs the next time they are in the US.

The fire truck served as the showpiece of the media relations portion of the campaign.

An egg is a small product, but cross-border shopping is a big problem. The installation showed people the real-world consequences of losing money for reinvestment in the province—money that could go to publicly funded programs, law enforcement, health care, or even be used for a few new fire trucks to help keep communities protected.

Other components of the campaign included flash banner ads on targeted websites and Eggonomics.ca, a campaign site with key messages and a video about the creation of the fire truck. The site outlines additional reasons to leave US eggs off of shopping lists, including quality, freshness and local jobs—a reminder that BC eggs largely come from family-owned and operated farms that are part of communities throughout Vancouver Island, the Interior, and the Lower Mainland.

The campaign results are looking promising, with nearly 15 million PR impressions as well as nearly 500,000 views of the campaign video.

“When you look at the media results it's clear that a lot of eyeballs saw our message,” said Roger Nairn, Account Supervisor for DDB, where the campaign was developed.

“At the end of the day, all we ask is for people to remove eggs from their shopping lists the next time they do some cross-border shopping. We think we planted that seed,” he said.

### THE PROBLEM

**Cross-border shopping costs us all.**

## 70% Increase

IN SAME-DAY CROSS-BORDER TRIPS BETWEEN 2010 AND 2012

2010

2012

## 2,000,000

US EGGS BROUGHT ACROSS THE BORDER ANNUALLY



FORFEITED GDP:

## \$3,100,000

THE EQUIVALENT OF FOUR FIRE TRUCKS



### RESULTS

**Hundreds of thousands of British Columbians rethink US eggs.**

## 479K

VIDEO VIEWS

## 900K

IMPRESSIONS FROM ONLINE ADS

## 15.3K

CLICKS TO THE WEBSITE

## 14.875

MILLION TOTAL PR IMPRESSIONS\*

\*INCLUDING GLOBAL, CTV, CBC, THE PROVINCE, 24 HOURS, NEWS 1130



# Eggs and the Sunshine Vitamin

We're giving British Columbians more reasons to put eggs on the table with new, homegrown specialty varieties.







**Bill Vanderkooi is a Fraser Valley scientist and entrepreneur who is betting on strong consumer demand for eggs that are naturally richer in vitamin D.**

As the owner of Nutriva Group, an Abbotsford-based farming innovation firm, he has been working with his team to develop a feed formula that boosts the vitamin D content of eggs by several times that found in a conventional egg.

Vita D Sunshine Eggs—the first product based on the new feed formula—was launched in November 2012 by Nutriva Group, a subsidiary of Vitala®.

“November is when the consumers really start to notice the overcast, rainy days with a lack of sunshine that normally provides much-needed vitamin D for their bodies,” said Vanderkooi.

The new eggs are the first to offer 200 IU of the vitamin, compared to 20 to 40 IU in a conventional egg.

Feed for the hens is supplemented with natural-source vitamin D from Montreal specialty yeast producer Lallemand®. According to Vanderkooi’s testing, the vitamin D content of eggs can be raised as high as 600 IU using the new feed formula.

**Growing interest in the sunshine vitamin**

Vitamin D has long been associated with good bone health, but ongoing research is also exploring links between inadequate dietary intake and impaired immune function, multiple sclerosis, and some cancers.

Health Canada has recently raised the recommended dietary intake to as high as 800 IU per day, depending on age.

However, only a few common foods naturally contain the vitamin, including fish, eggs, and mushrooms. Other foods like milk, soy milk, and yogurt are enriched with vitamin D in Canada. A cup of fortified milk, for example, provides about 100 IU.

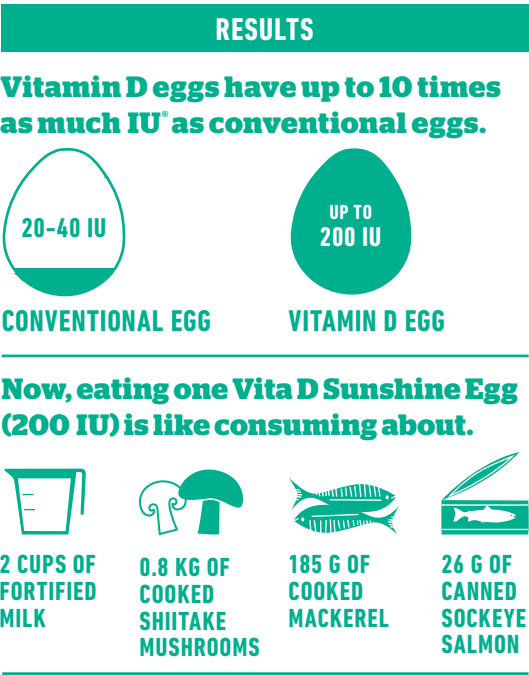
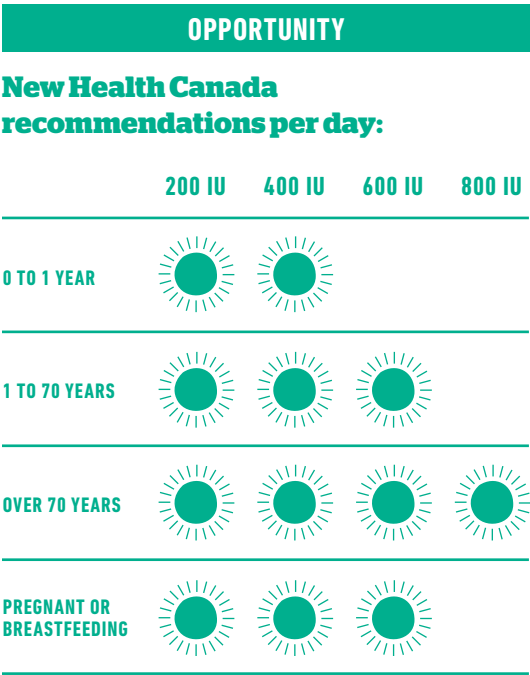
Vitamin D is produced naturally by our skin when it is exposed to sunlight, but people who live in northerly regions and who spend a lot of time indoors may not make sufficient amounts, especially when bundled up in the winter months.

**Consumers ask for more specialty eggs**

Although the Vita D sunshine eggs offer more vitamin D per serving, other BC companies launched similar products in stores across the province in 2012. They include Born 3 Marketing Corp’s Born 3® Eggs and Golden Valley®’s Golden D egg, both produced at farms in the Fraser Valley.

Consumer demand for specialty eggs has been growing steadily in the province, with sales volume growth of over 26% since 2009.

Free-run and free-range eggs still account for the bulk of sales in the category, but new specialty varieties are expected to continue driving growth.





# Reports

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# Finance Committee Report

## Letter from the Finance Chair

January 23, 2013

The Finance Committee is responsible for overseeing the integrity of the BC Egg Marketing Board’s financial statements, its independent auditor and its internal audit function. The committee’s primary duties are to advise the Board of Directors and to make recommendations that support and protect member-producers by:

- Reviewing the annual budget prepared by management
- Ensuring that an effective system of internal controls has been established and implemented by management
- Reviewing and approving the auditors’ annual audit plan and any other non-audit work performed
- Ensuring compliance and/or reviewing any other policies that protect the organization and manage its exposure to risk

The Finance Committee is comprised of Art Friesen, Bodo Goetzke, and Teari Preast. On behalf of the Board, I would like to express our appreciation for their feedback and participation, as well as express an ongoing appreciation to our management and accounting team for their continued contributions.

Submitted respectfully,

  
Aryn Alibhai, Finance Chair

# Production Management Committee Report

## Letter from the PMC Chair

January 23, 2013

The Production Management Committee (PMC) is composed of egg producers whose role and mandate is to act as advocates and fellow advisors to BC egg farmers in matters pertaining to production practices and related farm issues. The PMC will assist in any formal complaints regarding production practices and is involved in encouraging producers to fully comply with the industry’s best management practices.

As responsible caregivers, BC egg farmers strive to observe the standards and programs established by provincial and national regulators for farm food safety, animal care, environmental stewardship, and biosecurity. Such challenges reflect the responsibilities our producers shoulder on a daily basis. Ensuring these challenges are met has a significant bearing on positive community relationships. This is especially true as residential development increasingly interacts with existing agricultural operations. Being a good neighbour is important to our farmers, and the PMC facilitates positive relationships with those non-farming neighbours who may not fully understand farming operations.

Over the last few years, there has been increased focus and attention given to production standards, animal welfare requirements, and specialty production guidelines. The PMC is responsible for reviewing and providing feedback to the national PMC on proposed changes in these areas.



# Production Management Committee Report (cont'd)

## Start Clean – Stay Clean (SC-SC) and biosecurity

Consumers can be assured that they receive the highest quality eggs from healthy, well-cared-for flocks. The SC-SC Program is a national food safety program that is based on Hazard Analysis Critical Control Points (HACCP) and focuses on sound management practices and operating procedures to reduce, prevent or eliminate potential hazards in the Canadian egg industry.

There are three distinct parts to the SC-SC Program. The first two parts are delivered by our Producer Liaison Officers (PLOs), and the third involves an audit by an Egg Farmer of Canada Field Officer to determine whether a producer qualifies for certification of this program.

All of our egg farmers also adhere to the mandatory BC Poultry Biosecurity Standards. In fact, British Columbia was the first province to develop and activate such standards to protect flocks from a variety of infectious poultry diseases.

We are pleased to report that both the SC-SC/HACCP Program and the BC program were delivered successfully by our PLOs, with 100% participation.

## Recognizing egg farmer excellence

Registered BC egg farmers who excel in food safety and animal care practices are honoured with the Producers of the Year Awards.

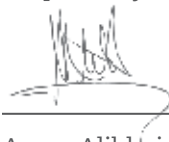
Producers of the Year are recognized for:

- A minimum of 95% on the SC-SC (Layers) Program
- A successful SC-SC (Part 3) audit with accompanying HACCP certification
- A minimum of 95% on the Animal Care Program
- Remaining in good standing with the BCEMB

We are pleased to report that 70 farmers qualified for the awards—an increase of six farmers over the last year.

BC egg farmers have continued to improve in all facets of animal husbandry, food safety, environmental stewardship, and biosecurity. Producers have taken proactive measures to ensure the egg industry continues to provide comprehensive health management and care to animals while providing safe and nutritious eggs to all consumers.

Respectfully submitted,



Aryn Alibhai, PMC Chair



# Community Support and Outreach 2012

Community is the foundation of our industry. Through sponsorships and direct participation, the Board supported a range of events and organizations in 2012, with the goal of connecting the public with egg farmers, educating people about egg nutrition, and encouraging healthy, active lifestyles for all British Columbians.

## JANUARY

### Physician Education Program

This program supports a pharmaceutical sales team to visit physicians and provide them with the facts about cholesterol. Since the introduction of this program in 2009, doctors are becoming better educated and are not as likely to limit their patient’s egg consumption, with many agreeing that “an egg a day is ok.” Our sponsorship allows three representatives to promote this message throughout BC.

## JANUARY 26 – 28

### Pacific Agriculture Show

Once again, BC egg farmers took part in the annual Pacific Agriculture Show in Abbotsford. This event provides an opportunity for the public to ask farmers questions about eggs and egg farming. Recipes and egg nutrition materials that promote healthy meal choices were also distributed.

## MAY 6

### BMO Vancouver Marathon

The BMO Vancouver Marathon takes 15,000 runners on a 42-kilometre journey through parks and neighbourhoods, and BC Egg was right there with them. As an official sponsor, BC Egg promoted good health, energy and eggs to tens of thousands of spectators and participants.

## JUNE – NOVEMBER

### BC Lions Football Club

As a preferred partner of the BC Lions® Football Club, BC Egg was featured at the 2012 BC Lions Fanfest, the BC Lions training camp, and the Punt, Pass & Kick skills competition program. These events offer children the opportunity to meet and train with their favourite football stars while families watch and enjoy. Wide Receiver Akeem Foster represented BC Egg at a number of events throughout the season, while BC Egg staff distributed T-shirts, facts about eggs, and recipe cards.

## JULY 26

### BC Agriculture in the Classroom

BC Egg sponsored a local tour of an egg farm to support BC Agriculture in the Classroom’s Summer Institute. This program is designed for teachers in the BC school system, and offers a practical way to learn about food production, food safety, and agricultural issues to be taught across all grade levels. Through active participation, field trips, guest speakers, and video presentations, students expand their knowledge of agriculture and food concepts.



# Community Support and Outreach 2012 (cont'd)

AUGUST 18 — SEPTEMBER 3

## Pacific National Exhibition (PNE)

Once again, BC Egg set up an egg barn presentation at the Kidz Discovery Farm at the PNE®. Our own farmers were on hand to answer questions and speak with families about eggs and farming. Approximately 25,000 visitors passed through the display every weekend during this event.

AUGUST 2

## BC Turkey & Eggs Charity Golf Tournament

The B.C. Turkey Association and the BC Egg Producers' Association hosted their annual charity golf tournament. This joint fundraiser event raises food and funds to provide the Union Gospel Mission with turkey meat and eggs from local BC farms. Feeding people is what farmers do best and this year producers raised nearly \$68,000 through this event.

SEPTEMBER 30

## CIBC Run for the Cure, Vancouver

The CIBC Run for the Cure® is Canada's largest single-day, volunteer-led event dedicated to raising funds for breast cancer research. As an EFC-sponsored event, BC Egg again supported the national board by providing two volunteers to man the booth. EFC supplied T-shirts for the warm-up crew and giveaways such as recipe cards, egg cookers, and information about eggs.

OCTOBER 11

## BC Culinary Team

This year BC Egg supported Culinary Team BC to compete in the 2012 Culinary Olympics in Erfurt, Germany. Many of the dishes showcased were egg-based because, as we all know, chefs love eggs! Our logo was featured on the chef's sleeves, with further exposure when Culinary Team BC took a silver medal.

NOVEMBER

## Take a Bite of BC

For the third year, BC Egg sponsored Take a Bite of BC, a BC Agriculture in the Classroom Foundation program that donates BC-produced Agri-Food products to 64 teaching kitchens in the province's secondary schools. The program encourages culinary arts students to become more informed about BC agriculture, to experience cooking with new products, and prepare a lunch menu for fellow students.



# Audited Financial Statements

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# Responsibility for Financial Reporting

## Prepared by the Management of BC Egg Marketing Board

The financial statements of the British Columbia Egg Marketing Board have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Any financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial statements are prepared in a timely manner.

The BCEMB maintains a system of internal accounting and administrative controls. They are designed to test the adequacy and consistency of internal controls, practices, and procedures. As independent auditors appointed by the Board of Directors, Meyers Norris Penny LLP has audited the financial statements of the BCEMB. The Auditors' Report outlines the scope of this independent audit and expresses an opinion on the financial statements of the BCEMB.



Al Sakalauskas  
Executive Director  
February 16, 2013



Anne-Marie Butler  
Director, Finance and Administration  
February 16, 2013

# Independent Auditors' Report

## To the members of BC Egg Marketing Board

We have audited the accompanying financial statements of BC Egg Marketing Board, which comprise the statements of financial position as at December 29, 2012, December 31, 2011, and December 26, 2010; the statements of operations, changes in net assets and cash flows for the periods ended December 29, 2012, and December 31, 2011; and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

### Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BC Egg Marketing Board as at December 29, 2012 and the results of its operations, changes in net assets and its cash flows for the 52-week period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Abbotsford, British Columbia  
February 13, 2013



Chartered Accountants



# BC Egg Marketing Board

## Statement of Financial Position

AS AT DECEMBER 29, 2012

	DEC 29, 2012	DEC 31, 2011	DEC 26, 2010
<b>ASSETS</b>			
<b>Current</b>			
Cash	5,568,558	3,668,476	5,726,999
Accounts receivable	4,397,465	4,281,397	3,194,227
Prepaid expenses and deposits	111,132	29,033	37,390
	10,077,155	7,978,906	8,958,616
<b>Capital assets</b> (Note 4)	967,400	661,950	645,388
<b>Long-term investment</b> (Note 5)	2,710,822	2,739,995	2,859,127
	13,755,377	11,380,851	12,463,131
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable	6,112,768	3,255,626	2,156,551
Accrued liabilities	167,428	245,979	1,412,363
Levies transferable to Egg Farmers of Canada	970,872	937,173	834,926
Government remittances payable	9,856	41,630	130,944
	7,260,924	4,480,408	4,534,784
<b>Commitments</b> (Note 6)			
<b>Guarantee</b> (Note 7)			
<b>NET ASSETS</b>			
Invested in capital assets	967,400	661,950	645,388
Unrestricted	5,527,053	6,238,493	7,282,959
	6,494,453	6,900,443	7,928,347
	13,755,377	11,380,851	12,463,131

Approved on behalf of the Board



Director



Director

# BC Egg Marketing Board

## Statement of Operations

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

	2012	2011
<b>Revenues</b>		
Levies and licence fees (Note 9)	5,275,217	4,969,920
Less: transferred to Western Pool	(2,145)	(14,811)
	5,273,072	4,955,109
Sale of eggs to grading stations	140,275,525	127,568,170
Purchase of eggs from producers	(140,271,907)	(127,568,076)
Interest and sundry income	80,717	94,951
<b>Total revenues</b>	5,357,407	5,050,154
<b>Expenses</b> (Schedule 1)		
<b>Administrative expenses</b>	1,951,644	2,186,921
<b>Board expenses</b>	864,740	869,775
<b>Marketing expenses</b>	635,227	273,004
<b>Communication expenses</b>	231,983	205,097
<b>Provincial industrial product and post farm gate costs</b>	2,116,431	2,446,424
<b>Total expenses</b>	5,800,025	5,981,221
<b>Deficiency of revenues over expenses before other items</b>	(442,618)	(931,067)
<b>Other items</b>		
Other income (expense)	36,628	(96,840)
<b>Deficiency of revenues over expenses</b>	(405,990)	(1,027,907)



# BC Egg Marketing Board

## Statement of Changes in Net Assets

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

	INVESTED IN CAPITAL ASSETS	UNRESTRICTED	2012	2011
Net assets, beginning of year	661,950	6,238,493	6,900,443	7,928,350
Deficiency of revenues over expenses	(167,936)	(238,054)	(405,990)	(1,027,907)
Change in invested in capital assets	473,386	(473,386)	—	—
Net assets, end of year	967,400	5,527,053	6,494,453	6,900,443

# BC Egg Marketing Board

## Statement of Cash Flows

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

	2012	2011
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenues over expenses	(405,990)	(1,027,907)
Amortization	193,219	136,552
Equity loss on investment	68,174	158,132
Interest charged on advances to CAFL	(39,000)	(39,000)
Gain on sale of capital assets	(25,283)	—
	(208,880)	(772,223)
Changes in working capital accounts		
Accounts receivable	(116,068)	(1,087,170)
Prepaid expenses and deposits	(82,099)	8,357
Accounts payable and accruals	2,812,293	34,941
Government remittances payable	(31,774)	(89,314)
	2,373,472	(1,905,409)
Investing		
Purchase of capital assets	(505,930)	(153,114)
Proceeds on disposal of capital assets	32,540	—
	(473,390)	(153,114)
Increase (decrease) in cash resources	1,900,082	(2,058,523)
Cash resources, beginning of year	3,668,476	5,726,999
Cash resources, end of year	5,568,558	3,668,476



# BC Egg Marketing Board

## Notes to the Financial Statements

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

### 1. Incorporation and commencement of operations

The BC Egg Marketing Board (the “Board”) was established in 1967 under the authority of the *Natural Products Marketing (BC) Act*. The Board operates under the British Columbia Egg Marketing Scheme, 1967, respecting the control, management, and promotion of the marketing of eggs in British Columbia.

The Board purchases eggs from producers for resale and acts as the BC agent for Egg Farmers of Canada (“EFC”) for collection of EFC’s administration levies and industrial product removal levies, and administers various national egg movement programs.

### 2. Impact of adopting accounting standards for not-for-profit organizations

These are the Board’s first financial statements prepared in accordance with Canadian ASNPO. The accounting policies in Note 3 have been applied in preparing the financial statements for the period ended December 29, 2012, the comparative information for the period ended December 31, 2011, and the opening ASNPO balance sheet as at December 26, 2010 (the Board’s date of transition to ASNPO).

In preparing these financial statements the Board has not elected to apply any of the transitional provisions permitted by CICA Section 1501, First-Time Adoption by Not-for-Profit Organizations at the date of transition to ASNPO.

The transition to ASNPO has not affected the statement of financial position, statement of operations, or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

### 3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian ASNPO as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

#### Investments

The Board accounts for its 50% interest in Central Agricultural Facility Limited (“CAFL”) using the equity method. Under the equity method, the investment is recorded at original cost plus the Board’s share of undistributed earnings (loss) since inception. The statement of operations includes the Board’s share of investee income or loss for the year.

The Board records advances to CAFL at amortized cost, which is equal to the carrying amount.

#### Capital assets

Capital assets are recorded at cost.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	YEARS
Automotive	3
Office equipment	5
Computer equipment	2–5
Leasehold improvements	10

#### Revenue recognition

Revenue from sales of eggs, including associated levies, are recognized on a weekly basis as the grading process is completed.

Marketing levies collected on the special permit birds are recognized as revenue when the associated services are provided and the related expenditures are incurred. Prepaid levies that have been collected for producers in advance of the related production week are recognized as revenue when the production week occurs.

#### Income taxes

The Board is a not-for-profit organization and is exempt from income taxes pursuant to subsection 149(1)(e) of the *Income Tax Act*.



# BC Egg Marketing Board

## Notes to the Financial Statements

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

### Employee future benefits

The Board’s employee future benefit program consists of a defined contribution pension plan. Contributions are expensed as required.

### Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

### Financial instruments

The Board recognizes its financial instruments when the Board becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. Fair value is approximated by the instrument’s initial cost in a transaction between unrelated parties due to their short-term nature. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in the statement of operations and changes in net assets. The Board subsequently measures all financial assets and liabilities at amortized cost.

### 4. Capital assets

	COST	ACCUMULATED AMORTIZATION	2012 NET BOOK VALUE	2011 NET BOOK VALUE
Automotive	66,820	9,721	57,099	11,196
Computer equipment	768,825	256,323	512,502	187,972
Office equipment	179,330	137,424	41,906	56,851
Leasehold improvements	500,383	144,490	355,893	405,931
	1,515,358	547,958	967,400	661,950

### 5. Long-term investment

The Board’s investment in CAFL includes the following:

	2012	2011
Shares—50% interest	1	1
Advances without fixed terms of repayment or interest	1,869,530	1,830,529
Advances without fixed terms of repayment, including interest at 3%	1,300,000	1,300,000
Equity loss since inception	(458,709)	(390,535)
	2,710,822	2,739,995

The Board used CAFL’s December 31, 2012 financial statements, which were audited by another firm of public accountants, to report its equity interest.



# BC Egg Marketing Board

## Notes to the Financial Statements

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

### 6. Commitments

The Board is committed to an operating lease for a photocopier with yearly lease payments of \$6,362 per year, with the lease expiring 2017.

### 7. Guarantee

As at December 29, 2012, the Board has guaranteed a mortgage with CAFL, up to a maximum amount of \$2,000,000 (2011: \$2,000,000). Payment under this guarantee, which will remain in place until the maturity date of December 29, 2036, is required should CAFL default on its obligations. As at December 29, 2012, no liability has been recorded associated with this guarantee as CAFL has complied with the requisite mortgage payments.

### 8. Line of credit

The Board carries an operating line of credit with the Royal Bank of Canada. The operating line entitles the Board to borrow a maximum of \$500,000 with interest at the bank prime rate, and is secured by all assets of the Board. The operating line was not utilized as of December 29, 2012.

### 9. Levies and licence fees

Levies are imposed on egg producers by the Board and EFC. The Board acts as an agent to collect and remit levies to EFC. These levies are not included in revenue of the Board.

	2012	2011
Total levies and licence fees collected from producers	27,489,107	26,905,657
Less: levies remitted to EFC	(22,213,890)	(21,935,737)
	5,275,217	4,969,920

### 10. Related party transactions

During the year the Board paid rent in the amount of \$129,160 (2011 \$103,800). In addition, the Board received interest income in the amount of \$39,000 (2011 \$39,000) from CAFL.

The Board provides operating grants to various egg producer associations.

### 11. Financial instruments

The Board, as part of its operations, carries a number of financial instruments. It is management's opinion that the Board is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### Credit risk

The Board is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. In addition, there is a concentration of transactions carried out with entities with similar economic conditions such that they could be similarly affected by changes in economic conditions. The Board does not directly hold any collateral such as security for financial obligations.

The Board believes that credit risk and concentration of credit risk are limited due to the quality of parties' extended credit and the history the Board has with these entities. The Board maintains allowances for potential credit losses and any such losses to date have been within management's expectations. These allowances are determined by consideration of economic conditions, historical information, and accounts past. The allowance is calculated on a specific identification basis. Amounts subsequently recovered, which were written off are credited to the allowance in the period of recovery.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Board is exposed to interest rate cash flow risk with respect to the prime plus advances made to Central Agricultural Facility Ltd.

### 12. Pension plan

The Board's pension plan is administered by the Teamsters Union and is a defined contribution plan. Pension expense of \$40,881 (2011 \$44,305) has been included in salaries and benefits.

### 13. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.



# BC Egg Marketing Board

## Schedule 1 – Schedule of Expenses

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

	2012	2011
<b>Administrative expenses</b>		
Amortization	193,219	136,552
Systems and network	91,027	55,998
Insurance	23,762	23,421
Legal	82,608	56,357
Miscellaneous	28,418	21,197
Professional development administrative	29,346	37,706
Professional services	98,556	173,096
Rent	129,160	103,800
Repairs and maintenance	1,276	1,921
Salaries and benefits	1,065,734	1,361,050
Supplies and postage	22,409	30,062
Telephone	27,716	23,090
Administrative travel	158,413	162,671
	1,951,644	2,186,921
<b>Board expenses</b>		
Annual general meeting	51,521	53,730
Association grants	72,180	95,901
Board members	416,230	423,836
Committees	33,511	28,712
Events	51,538	61,934
Memberships	52,603	33,673
Professional development board	2,745	8,378
Professional services	40,580	72,241
Research and scholarships	143,832	91,370
	864,740	869,775
<b>Marketing expenses</b>		
Education	1,241	641
Marketing programs	566,819	183,013
Promotions	50,748	70,805
Marketing travel	16,419	18,545
	635,227	273,004

# BC Egg Marketing Board

## Schedule 1 – Schedule of Expenses (cont'd)

FOR THE 52-WEEK PERIOD ENDED DECEMBER 29, 2012

	2012	2011
<b>Communication expenses</b>		
Miscellaneous	3,275	1,587
Communication programs	126,575	153,459
Spot promotions	92,197	49,058
Communication travel	9,936	993
	231,983	205,097
<b>Provincial industrial product and post farm gate costs</b>		
Industrial products costs	25,537,115	23,767,467
Farm pickup costs	936,000	935,462
Fowl removal	185,220	174,846
EFC recoveries	(24,165,546)	(22,077,273)
Fowl removal recoveries	(384,745)	(406,788)
Other	8,387	52,710
	2,116,431	2,446,424



# Board of Directors

## Amyn Alibhai

Amyn has been Director of the BC Egg Marketing Board since 2010 and represents the Interior Region. Amyn grew up on his family’s poultry farm in the Fraser Valley. In 2000, Amyn joined his father, Dawood, in managing the Alibhai family’s egg-layer farms and also operated their egg grading business in Kamloops. He currently serves as President of the BC Interior Egg Producers’ Association and is Director of the BC Egg Processors Council. As a member of the Board he is Chair of the Finance Committee and Chair of the Production Management Committee.



## Walter Siemens

Walter has been an egg producer since 1986. Walter has served in various capacities and committees within the poultry industry and was actively involved in the BC Poultry Association Emergency Response Committee, acting as Lead Industry Command in the last three emergency responses. While on the Executive Committee, he has served both the BC Egg Marketing Board and Egg Farmers of Canada. Additionally, he participated in the Investment Agriculture Foundation of BC and is also representing egg producers on the CIERA Insurance Board of Directors, serving on both the Claims and Ethics Committee.



## Ken Vanderkooi

Ken was elected as Director of the BC Egg Marketing Board in 2002 and represents the Vancouver Island area. The Vanderkooi family has been involved in supply management since 1971, initially in the dairy industry. In 1994 Ken and wife Henrietta purchased an egg farm in Abbotsford. In 2002 they purchased another farm on Gabriola Island and have since expanded their production on Vancouver Island. Ken has extensive knowledge of egg production, and has an interest in all aspects of the industry. Today, sons Dwayne and Jon manage and work the farms.



## Richard King

Richard was appointed as Chair of the BC Egg Marketing Board in October 2008.

Born in Penticton, Richard grew up in Victoria and Kelowna, where he lives today. With a BSc (Agriculture) from UBC, he began his career in forestry before joining BC Tree Fruits as a production and market planner in 1973.

Over the last 29 years, Richard has held various management and executive positions with the fruit packing and marketing sector of the tree fruit industry, including General Manager of BC Fruit Packers, President of Okanagan Federated Shippers Labour Relations Association, President of the Tree Fruit Industry Research Group, Director of the Canadian Horticultural Council, and Director of the Fruit and Vegetable Dispute Resolution Corporation.

Richard retired from the corporate side of the tree fruit industry in 2005 to operate his 10-acre apple orchard and complete a Master’s Degree in Environmental Science, Economics, and Political Science at UBC Okanagan.



## Fred Krahn

Fred is Director and Vice-Chair on the BC Egg Marketing Board, and serves on the Executive Committee as first Vice-Chair for Egg Farmers of Canada.

Fred was raised on a berry and poultry farm. Together with his brother, he expanded their layer operation to include broilers and turkeys, moved into the feed processing business, and then diversified into real estate, construction, and land development.

Motivated by his desire to see the BC egg industry become effective at the national level, Fred has been involved in various marketing boards since their inception. He has served in a number of capacities with the BC Egg Marketing Board, the BC Chicken Marketing Board and Egg Farmers of Canada.

Fred and his wife Judy have three sons, one daughter and numerous grandchildren. They are very pleased that their sons are involved in the family business.





# Officers and Committees 2011-2012

<b>CHAIR</b> Richard King	<b>FINANCE COMMITTEE</b> Amy Alibhai, Chair Art Friesen Bodo Goetzke Teari Preast
<b>VICE-CHAIR</b> Fred Krahn	
<b>SECRETARY</b> Ken Vanderkooi	<b>PRODUCTION MANAGEMENT COMMITTEE</b> Amy Alibhai, Chair Bodo Goetzke Rob Martens Jack Vaandrager Dwayne Vanderkooi
<b>EFC DIRECTOR</b> Fred Krahn	
<b>EFC ALTERNATE</b> Walter Siemens	<b>COUNCIL OF MARKETING BOARDS</b> Walter Siemens

# Industry Partners

<b>AD AGENCY OF RECORD</b> DDB
<b>AUDITORS</b> MNP LLP
<b>BANK</b> Royal Bank of Canada
<b>LEGAL COUNSEL</b> Affleck Hira Burgoyne LLP
<b>PUBLIC RELATIONS</b> NATIONAL Public Relations

# Gold Sponsors













