

# Thank a FARMER

BC Egg Marketing Board Annual Report 2020





# Table of CONTENTS

- 3 Vision and Mission
- 4 Industry at a Glance
- 8 Chair's Report
- 10 Executive Director's Report
- 12 EFC Director's Report
- 14 Committee Reports
- 20 Market Review
- 22 Marketing Update
- 24 In the Community
- 29 Board of Directors
- 31 Financial Statements
- 43 Board Officers and Committees







# Our VISION

**Sustainable, wholesome BC eggs are British Columbians' go-to protein.**

**Sustainable:** BC Eggs are produced in safe, ecologically responsible conditions, in an economically vibrant and transparent industry that supports regionalization, diversity, and affordability.

**Wholesome:** BC Eggs are a high quality, nutritious, locally grown, whole food, produced to the highest ethical standards.

**Go-To:** Eggs are an obvious daily dietary protein choice for British Columbians. They are versatile, easily prepared, convenient, and portable.



# Our MISSION

**Maintain and enhance the successful, trusted, supply managed egg industry, operating to meet the best interests of stakeholders throughout British Columbia.**

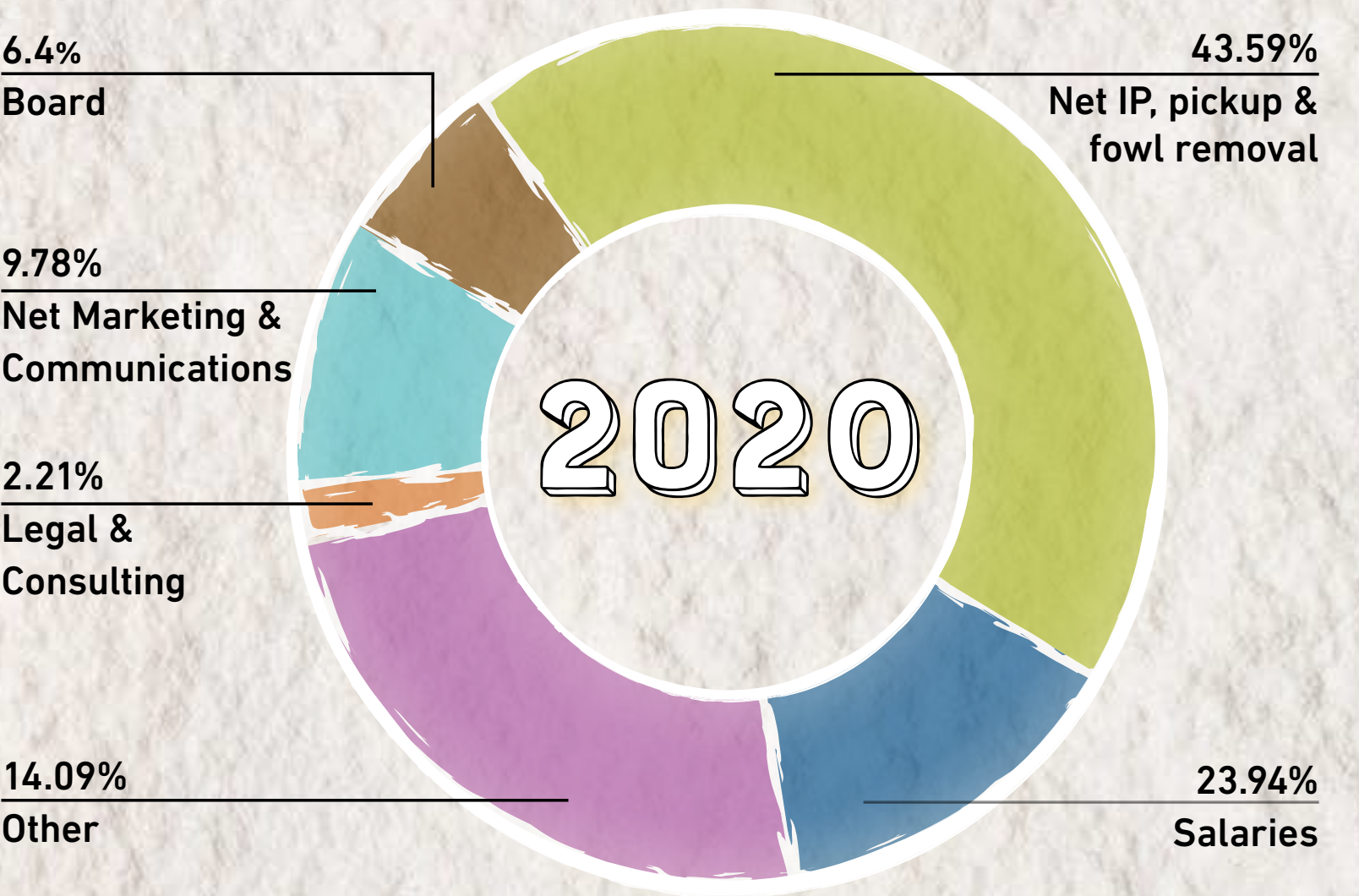
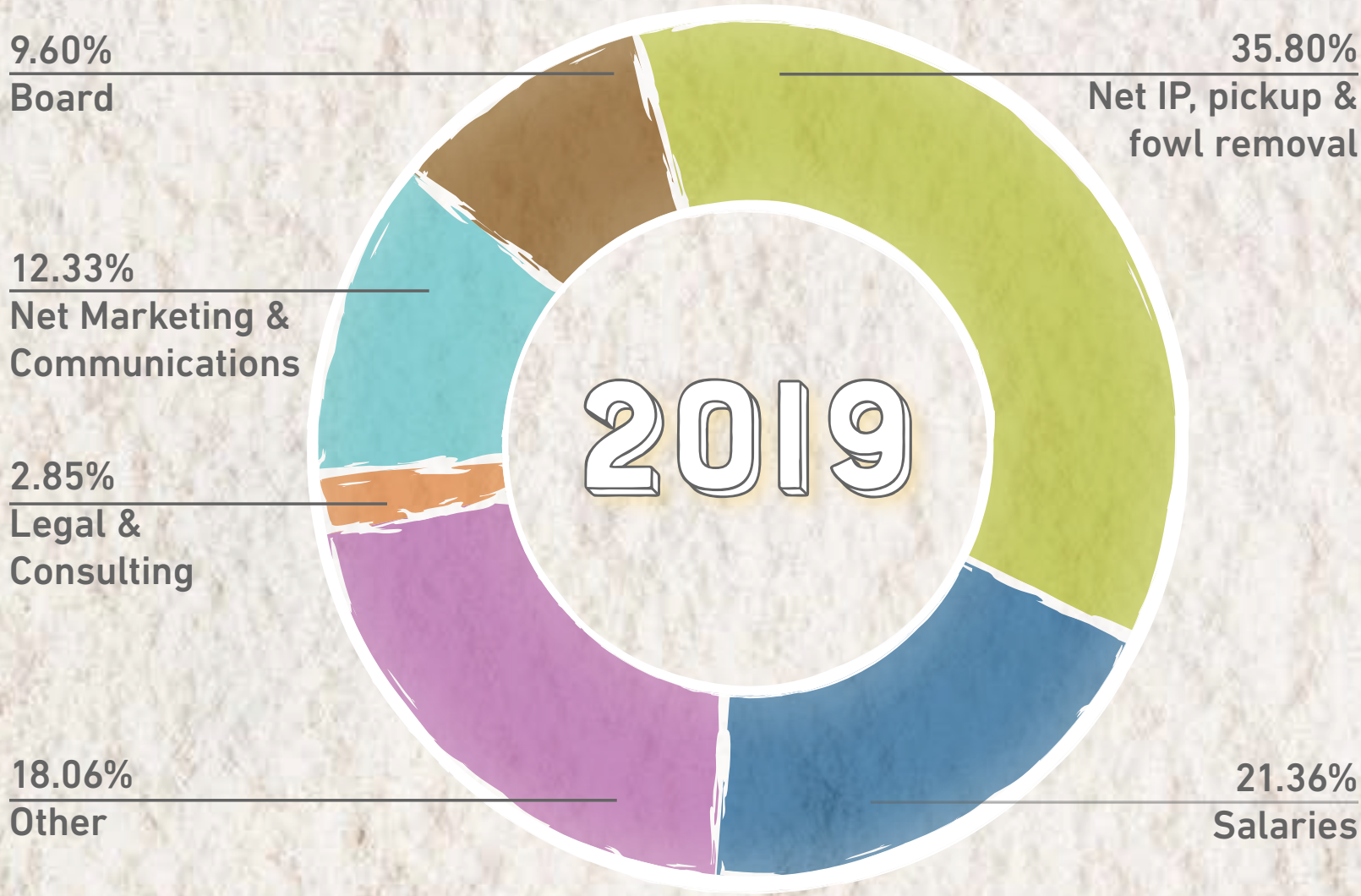
We are stewards of an industry that is already celebrated for its successes and trusted by the public and industry stakeholders across the province.

We gratefully support the supply management system that delivers for British Columbians world-class quality eggs at affordable prices.

We act diligently to pursue the interests of producers and consumers throughout the province, ensuring a thriving, stable industry, with diversity (across gender, age, ethnicity and region), and food security (including equitable access to sufficient, affordable, nutritious BC eggs).



# INDUSTRY AT A GLANCE



## DISTRIBUTION OF EXPENSES

	BOARD	NET MARKETING & COMMUNICATIONS	LEGAL & CONSULTING	OTHER	NET IP, PICKUP & FOWL REMOVAL	SALARIES
2020	\$ 334,747	\$ 511,365	\$ 115,371	\$ 736,482	\$ 2,279,213	\$ 1,251,544
2019	\$ 544,685	\$ 699,716	\$ 161,710	\$ 1,024,402	\$ 2,030,771	\$ 1,211,594

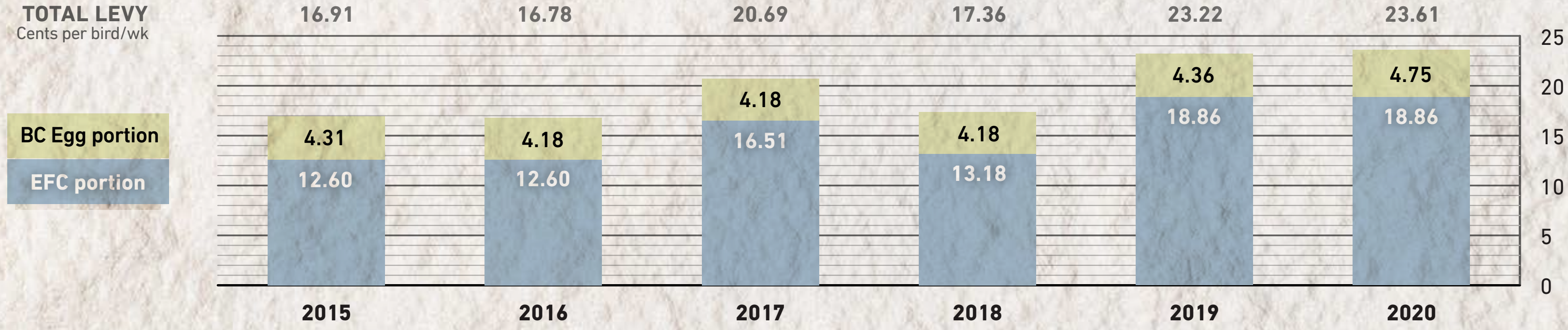


GRADINGS REPORT

2019		
	DOZENS	DOLLARS
Regular	65,470,976	\$ 142,988,695
White	54,799,988	119,646,299
Brown	5,104,718	11,541,310
Enriched White	4,951,600	10,298,787
Enriched Brown	614,670	1,502,299
Specialty	21,966,331	\$ 69,779,914
Free Run	6,907,137	17,922,832
Free Range	7,568,662	22,871,782
Organic	7,490,532	22,871,782
Total	87,437,307	\$ 212,768,609

2020		
	DOZENS	DOLLARS
Regular	64,963,251	\$ 147,796,570
White	48,922,061	110,038,788
Brown	3,920,824	9,297,934
Enriched White	10,756,146	25,090,399
Enriched Brown	1,364,220	3,369,450
Specialty	25,195,087	\$ 82,742,018
Free Run	7,295,493	19,479,238
Free Range	8,548,102	26,149,497
Organic	9,351,493	37,113,283
Total	90,158,338	\$ 230,538,588

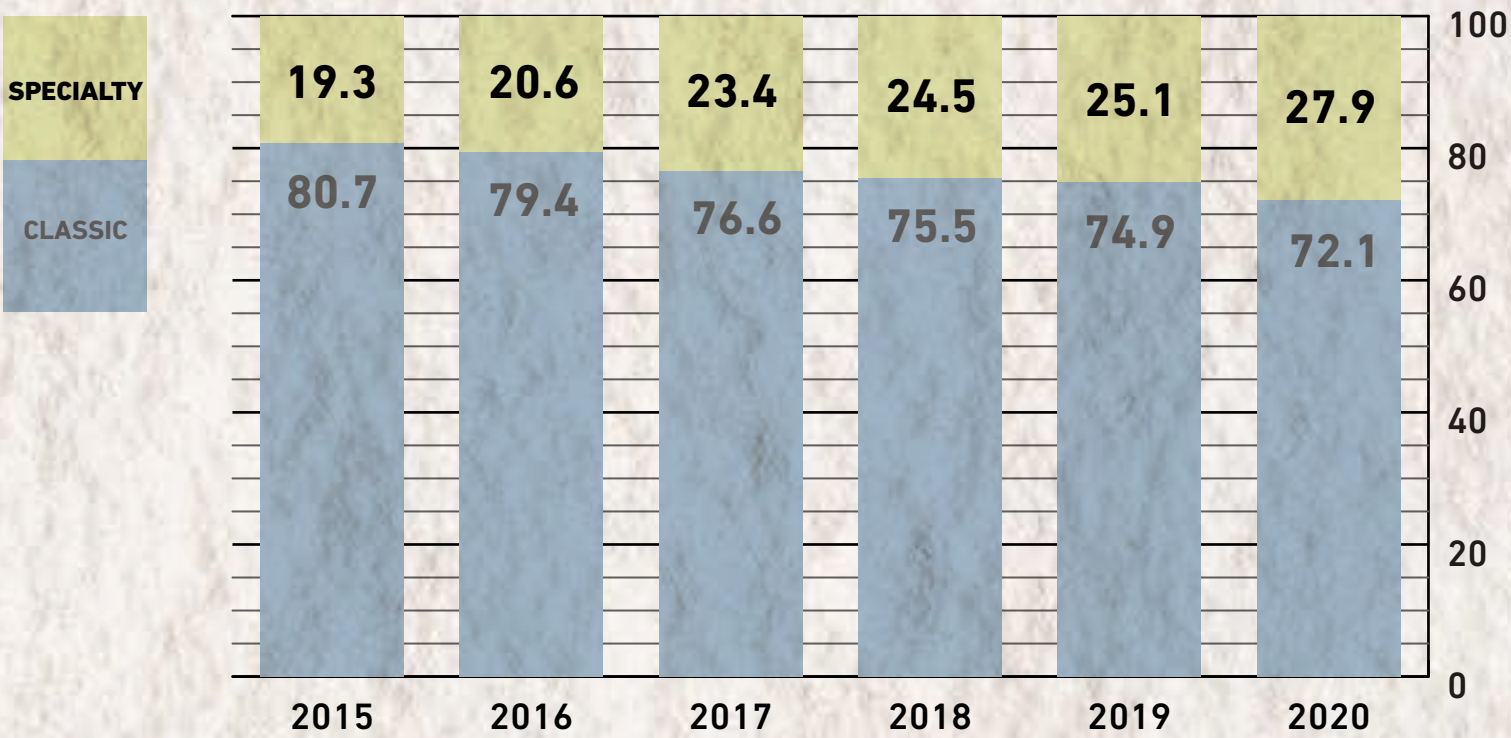
LEVY PAID BY REGISTERED PRODUCERS



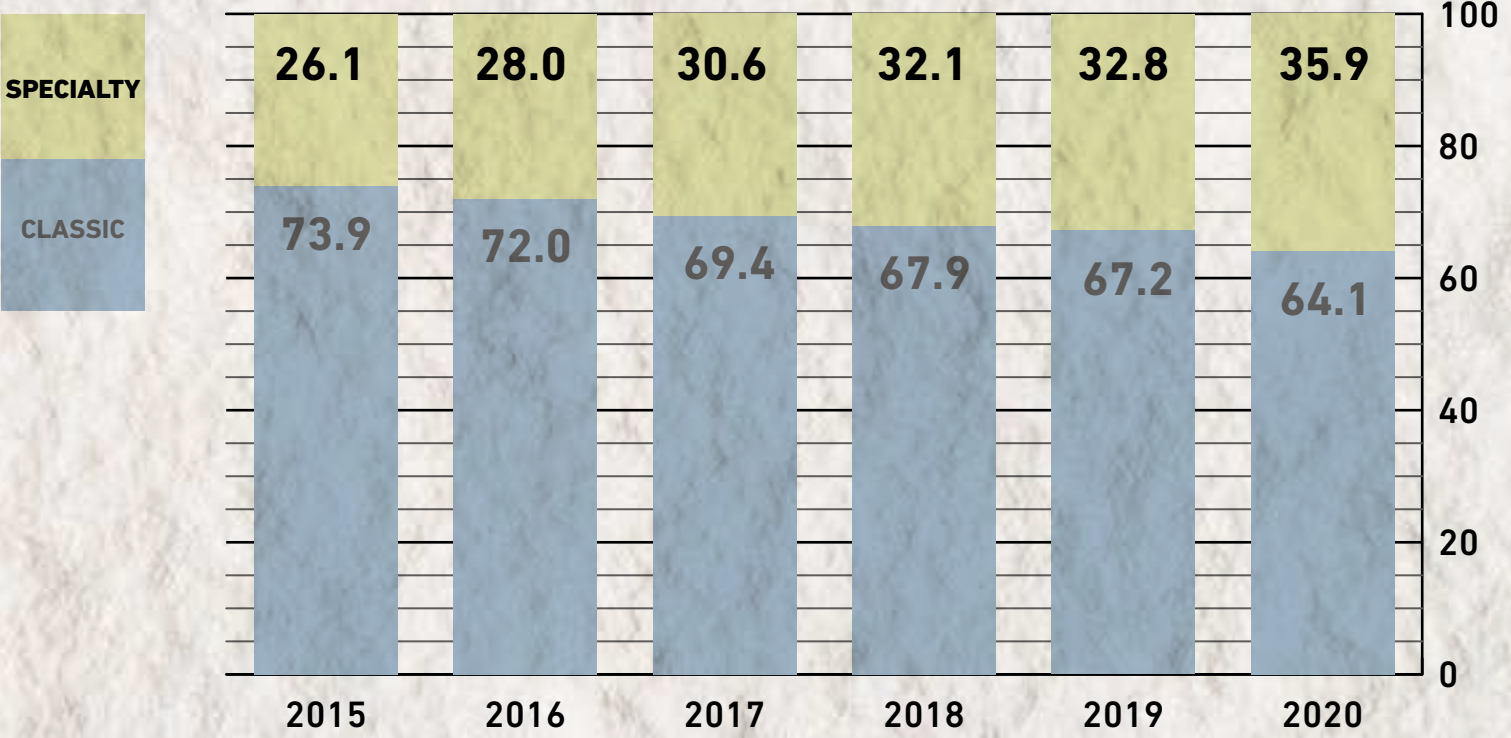


# EGG PRODUCTION BY TYPE

Percentages of total production



Percentages of total farm gate cash receipts



# SPECIALTY PRODUCTION LAND BASE REQUIREMENTS

As we move to enriched and specialty production, the space required per hen increases significantly.

HOUSING METHOD	MAXIMUM DENSITY	PERCENTAGE INCREASE OVER CONVENTIONAL	ADDITIONAL BARNs REQUIRED (TO HOUSE AVERAGE FLOCK SIZE)
Conventional	67 sq in.		
Enriched	116 sq in.	73%	1 additional barn
Free Run	144 sq in.	115%	1 additional barn
Free Range	144 sq in. inside plus 216 sq in. outside = 360 sq in. total	437%	1 additional barn plus 2 ranges with hen access from the barn This triples the land base required
Organic	260 sq in. inside plus 390 sq in. outside = 650 sq in. total	870%	4 additional barns plus 5 ranges with hen access from the barn This increases the required land base 9 times



2020 EGG INDUSTRY  
IN BRITISH COLUMBIA



Total BC Quota  
3,252,286

High Density Region Summary\*

	POPULATION	TOTAL HENS
Vancouver Island	17.2%	8.26%
Lower Mainland	60.9%	81.27%
Thompson-Okanagan	11.8%	6.99%
Total	89.9%	96.52%

\* All population data is from the 2016 Census



Percentage  
of Provincial  
Population



Percentage  
of total hen  
population



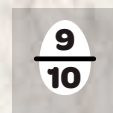
Percentage  
of total  
dozens graded



Small Lot  
Producers



Registered  
Producers



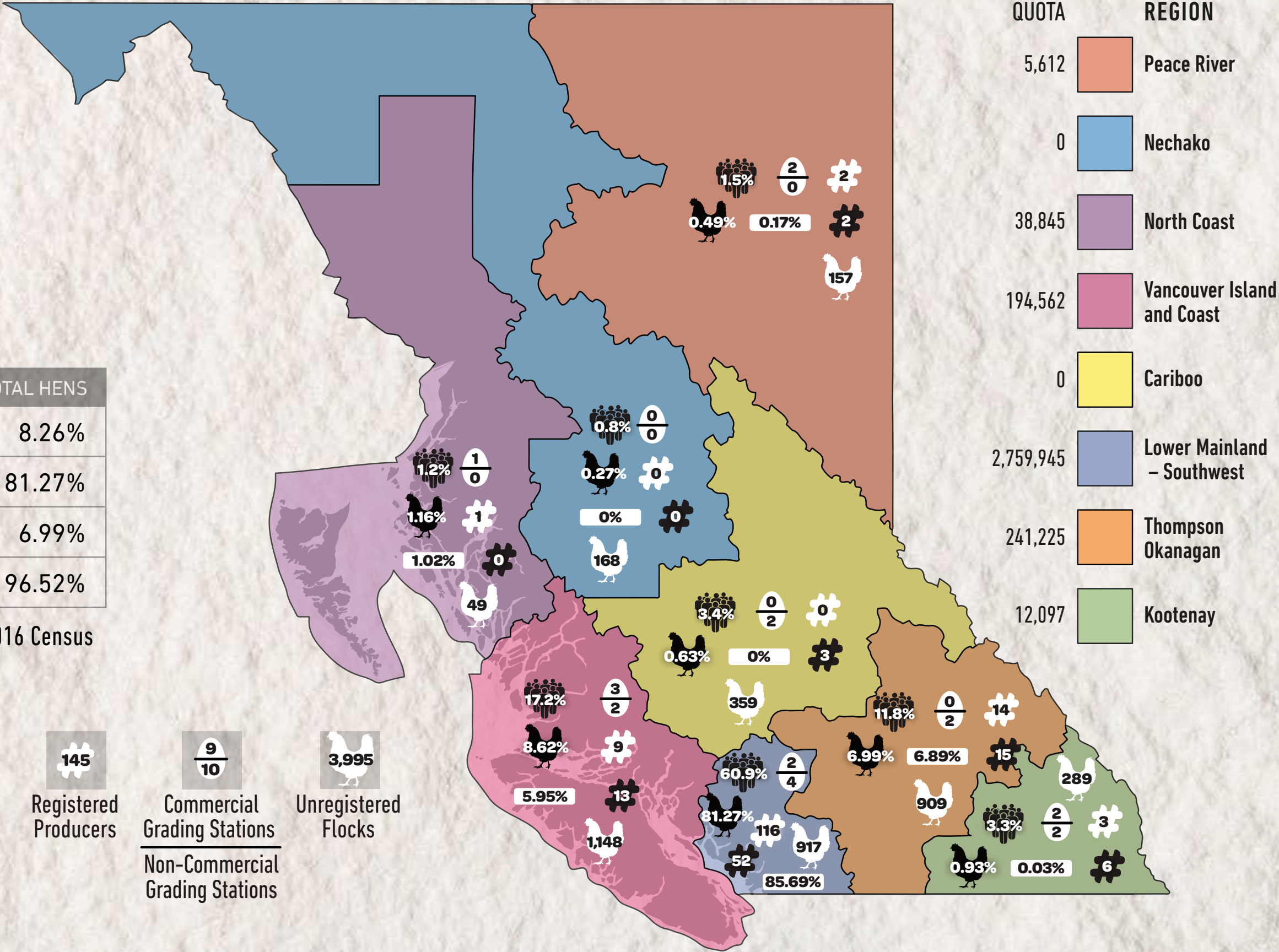
Commercial  
Grading Stations  
Non-Commercial  
Grading Stations



Unregistered  
Flocks

2020 ANIMAL CARE  
PROGRAM REVIEW

143	99.87%	160	0
Animal Care Program (ACP) audits completed on registered producers	Average ACP Score (2020)	Facilities received an ACP audit including: <ul style="list-style-type: none"><li>• 105 completed by Egg Farmers of Canada auditors</li><li>• 55 completed by third-party auditors</li></ul>	ACP failures





# CHAIR'S REPORT

There is no denying that 2020 was a tumultuous year. The pandemic created significant challenges for our industry but by pulling together we continue to effectively navigate through the turbulence. The entire industry worked hard to keep eggs on store shelves and, apart from a brief period of panic buying at the beginning of the pandemic, we were successful.

Nationally there were shortages of eggs early in the year and then in the Summer and Fall we were in a surplus situation resulting in the need for an Early Fowl Removal (EFR) program. We thank producers for their patience and willingness to participate in the EFR program as we worked through the kinks in the early days of program implementation. The collapse of the hospitality sector together with the trend for more cooking and baking at home made it very difficult to not only predict the market need for eggs, but also the sector's storage capacity.

Due to the economic impacts of COVID on British Columbians, we knew that food banks would have a greater need for food donations. We were able to divert Eggs for Processing (EFP) to the food banks making sure more people in need benefitted from the high quality protein of eggs. By the end of the year, Food Banks BC received over \$750,000 worth of eggs. Individual producers also generously donated eggs to worthy causes and hungry families throughout the province.

On a positive note, BC consumers recognized and appreciated more than ever the important role of BC farmers, including egg producers, for food security and as essential services. Consumers demanded BC products! We experienced growth in sales of all egg categories in BC, and this growth continued throughout the year.

BC continues to transition from conventional to alternative housing systems (enriched, free-run, free-range, organic) at an accelerated pace when compared to the national average.

While COVID impacted much of our work this year, we managed to tackle other significant issues, such as:

- The Barn Fitness Policy and Audit Program was piloted over a two-year period and refinements to the program were finalized in 2020. We're preparing for a full program launch in 2021.
- We completed the Election Rules and Procedures Review and received approval from the BC Farm Industry Review Board (BCFIRB). The major change is that strong candidates for Board positions are nominated and elected by producers throughout the province and not from specific regions. Producer Directors are assigned as regional delegates and will be responsible for ensuring that knowledge, needs and issues from each region are presented at the Board table.
- The pandemic forced us to look at new ways of engaging with our stakeholders. Our Marketing and Communications team moved to virtual barn tours with farmers which helped the public learn more about where their food comes from. Together with a traditional advertising campaign, the virtual events kept BC Egg top of mind with consumers.
- When in-person meetings became inadvisable due to heightened COVID restrictions, BC Egg efficiently transitioned to Zoom for Board, committee, and stakeholder meetings, including several meetings with BC producers

which were well-attended and highly interactive.

- We completed a comprehensive review of Post Farm Gate Cost (PFGC) and associated programs in 2020. The information will be used in BC Egg's discussions with graders to update the PFGC program in 2021 to reflect market realities, and to continue to maintain strong relationships with graders.
- Our confidential Whistleblower Program was put to the test in 2020. Through rapid response protocols, we resolved the complaints quickly and effectively.
- We continued to strengthen our relationship with BCFIRB through regular communications and consultations, responding to issues as they arose.

I'm honoured to be reappointed for a second three-year term and look forward to working with BC Egg's Board, staff, producers and industry stakeholders to take on the challenges and celebrate the successes of 2021!

**Gunta Vitins B.Sc (agr), B.Ed, MBA**  
CHAIR





I love being an egg farmer  
because I get to provide  
certified organic, nutritious,  
locally produced eggs for our  
community and province.

DARREN JANSEN, EGGSTREAM FARMS





# EXECUTIVE DIRECTOR'S REPORT

Just like everyone else, the COVID pandemic has been challenging for the Board and our staff. It forced us to change the way we were doing many things from remote working to virtual meetings to virtual marketing.

The Board office closed in mid-March and all staff set up home offices. All functions continued as normal but staff were working from basements, bedrooms and kitchens. Children and pets made cameo appearances in many Zoom meetings. After an initial period of figuring out computer connections, the work from home 'project' was declared a success. We worked from home from mid-March to early June and then closed the office again in early November when the second wave hit.

Before COVID, few of us had heard of Zoom but now it's our meeting venue of choice. We've held countless meetings via Zoom including committee and Board meetings. We've also held several producer meetings via Zoom and these have been so successful, we plan to continue to offer virtual producer meetings even after we can all gather in person again. The advantages include allowing producers from outside the Lower Mainland to attend and reducing the time commitment required for the meetings.

Our marketing efforts also took a hit as COVID forced the cancellation of every in-person event from March through the end of the year. The communications and marketing team put together a series of virtual live barn tours for 4-H, elementary school students and Easter Seals campers.

They also recorded the tours and made them available to everyone on our website and YouTube channel. We were also able to sponsor the drive-through versions of both the Abbotsford Agrifair and the PNE. None of these events came close to having the impact of our usual summer fair season; however, I was pleased with the result.

As you know, COVID also greatly affected the market. At first, panic buying led to a shortage of eggs in stores and then, with the collapse of the hospitality sector, the processed egg market suffered an unprecedented drop in demand. While the table market remained unusually high throughout the year — thanks to more people cooking and baking at home — the hospitality sector has yet to recover. As a result, there was a national oversupply of eggs resulting in an early fowl removal program. Thank you to all the producers who participated.

EFC gave the provincial egg boards direction to remove some of the extra eggs in our markets. The boards had a few options of dealing with these extra eggs. BC Egg opted to donate them to Food Banks BC. Weekly deliveries of eggs to the five hubs in BC made sure that people who needed the food bank would receive fresh, local eggs in their hampers. By the time the program wrapped up in the Fall, we had donated more than \$750,000 worth of eggs.

A BC Egg decision regarding a new producer program category was appealed with BC FIRB. While FIRB's determination was that the BC Egg decision was appropriate, it noted that the rules around this category were not as clear

as they could be. As a result, we conducted a consultation to determine what rules would be appropriate. The consultation will not be complete until February or March 2021.

Thanks to the hard work of a number of producers and staff, the Barn Fitness Audit Policy has been completed and we completed **three** audits in 2020. The policy will be fully applied in 2021 when we will be doing four to five audits on older barns each month.

Our transition out of conventional cages was not affected by the pandemic. We moved our conversion along and our production mix is now at 41.4% enriched and specialty, and 58.6% conventional.

While this year presented a number of issues to overcome, there has also been a few reasons to celebrate. We are pleased to announce that three staff went on maternity leave in 2020. All three had handsome baby boys who will be eating eggs in no time!



A handwritten signature in blue ink that reads "Katie Lowe".

**Katie Lowe, P.Ag.**  
EXECUTIVE DIRECTOR



A woman with blonde hair, wearing a black jacket, is smiling and standing in a room filled with stacks of blue egg trays. Each tray is filled with brown eggs. The trays are stacked high, reaching up to the ceiling. The woman is holding a tray of eggs in front of her. The background shows more stacks of trays and a white wall with some equipment.

*We're always proud to tell people that every day we ensure our flocks have the best of everything, a perfect temperature, clean feed and air, clean filtered water, and plenty of space to roam! We love what we do!*

---

HESTER MULDER, DERWEST POULTRY FARM



# EFC DIRECTOR'S REPORT

The word 'resiliency' is defined as the ability to recover quickly from a shock. While many individuals can bounce back easily and naturally after experiencing stress, resiliency is not always a given in organizations. This past year, we discovered just how much resiliency we had built into our industry.

The COVID-19 pandemic disrupted daily life, tested our health systems and strained the global economy in ways never before seen—yet Canada's egg farming sector was able to roll with the punches. Though we faced some measure of difficulty and sacrifice, we never once failed to provide Canadians with a steady supply of high-quality eggs, produced according to some of the highest standards in the world. Our ability to do so was a demonstration of just how strong and adaptable we are.

This is no small accomplishment and we are fortunate to have a range of tools at our disposal to allow for that resiliency. When the pandemic hit in March, we had people and structures in place that allowed us to quickly identify and implement measures that helped us manage the ups and downs in our market. We have known for a long time that supply management offers many benefits; one of them is the ability to manage production in a crisis of unprecedented proportions.

I am glad to report that despite the pandemic, we made progress on a number of fronts:

- Our advocacy efforts helped bring to a successful conclusion the promised federal support to help mitigate the impact of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. We were pleased when, at the end of November,

federal Agriculture and Agri-Food Minister Marie-Claude Bibeau made a long-awaited announcement of \$691 million in mitigation funding for the egg and poultry sectors to help offset the impact of the agreement.

- EFC launched their first-ever Sustainability Report. It outlines how egg farmers across Canada are investing in and setting up sustainable agricultural practices. The report lays out a sustainability framework that corresponds to the areas of greatest significance to Canadian egg farmers, and it outlines how egg farmers are leading the way in the sustainable agriculture movement both at home and globally.
- We continued to advance Vision 2020, with the goal of becoming a world leader in per capita egg consumption. While we expect it will take much of 2021 for the restaurant, foodservice sector and processed egg markets to return to their normal demand levels, there was strong growth in the retail sales of eggs throughout the year with more people cooking and eating at home.
- We've made significant progress in phasing out conventional hen housing systems. Nationally, conventional production has dropped to 62% of the total, with 23% of production in enriched colony housing, and 15% in free-range, free-run and organic systems. We expect to reach our target of a full phase-out of conventional housing in 2031, nearly five years ahead of schedule.
- We continue to see strong support for our farmers and for our product. While the move to buy Canadian and local products has always been strong, the pandemic put a spotlight on our food system. Canadians trust Canadian eggs, and we have been

able to showcase the production of fresh, local eggs and the system that makes it possible. Part of this trust stems from the visible commitment that farmers offer their communities. Once again, our sector stepped up in a big way in 2020, donating millions of eggs to food banks and other charitable organizations.

We have every reason to be hopeful for 2021. The COVID-19 vaccines now being rolled out signal the start of a return to a new normal. As the health crisis eases, we are well-positioned to advance our growth strategy under Vision 2020. We know that whatever challenges we face—and there will be challenges—we have the right people and systems in place to handle them. We will continue as always to push forward and advocate on your behalf and for the good of the Canadians for whom we provide a safe, inexpensive and healthy source of food.


To my colleagues at the national table and in my province, I want to express my heartfelt thanks for your ongoing dedication and commitment in what has been an exceptionally challenging year. Success would not be possible without your effort. I also want to thank the staff and the farm families whose hard work and commitment make our industry strong.



**Walter Siemens**  
EFC DIRECTOR







*I am a first generation egg farmer. Making sure my flock is healthy and happy so that they provide you with nutritious eggs is something I take great pride in. My hope is that this farm becomes a multi-generational one with my kids continuing what I have started.*

---

JUSCHKA CLARKE, HAZELSPRINGS ORGANICS



# COMMITTEE REPORTS

## BC COUNCIL OF MARKETING BOARDS REPORT

The BC Egg Marketing Board is an active member of the BC Council of Marketing Boards.

The BC Council of Marketing Boards (COMB) is a voluntary association which brings together the Boards and Commissions established and operating under the authority of the Natural Products Marketing (BC) Act (NMPA).

COMB's purposes are to:

- promote and uphold the principles of regulated and orderly marketing of agricultural products;
- develop and promote policies important for efficient orderly marketing, and
- facilitate the solution to problems of mutual concern to COMB members.

COMB has 8 members:

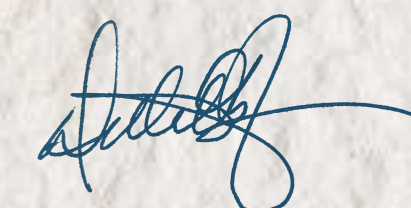
BC Broiler Hatching Egg Marketing Commission;  
BC Milk Marketing Board;  
BC Egg Marketing Board;  
BC Vegetable Marketing Commission;  
BC Chicken Marketing Board;  
BC Turkey Marketing Board;  
BC Hog Marketing Commission; and  
BC Cranberry Marketing Commission.

In 2004 COMB's role as a service provider began after the BC Farm Industry Review Board (FIRB) developed election policies for the Marketing Boards/Commissions regulated under the NPMA. COMB initially offered services as the Independent Election Officer and then expanded its services to conducting the Board surveys that FIRB asks the Boards/Commissions to undertake.

COMB offers professional development sessions under the auspices of COGA (Centre for Organizational Governance in Agriculture). These sessions have always been funded with support from the Investment Agriculture Foundation of BC. In the 2019/20 fiscal year, three sessions were held: Governance: Strategic Planning and Achieving Goals; Governance: Managing Conflict; Emerging Issues: Activism and Influences in Agriculture. Due to the COVID-19 pandemic that began in March 2020, in-person workshops had to be cancelled, resulting in fewer workshops than planned. Virtual workshops have been planned going forward.

COMB recognized the following BC Egg members for their ongoing commitment to the development of their communities through their participation in COGA events: Joey Aebig, Amanda Brittain, Erin Duetta, Jon Krahn, Katie Lowe, Scott Miles, Nicole Thompson, Matt Vane, and Gunta Vitins. One- and two-year certificates are earned by attending a set number/type of COGA sessions within a 12- or 24-month period.

In the 2019/2020 fiscal year COMB was the Independent Elections Officer for ten (10) elections and managed eleven (11) surveys. COMB conducted an annual Director's Compensation Survey to enable its members to compare their remuneration with similar organizations. COMB also hosted two Chairs' and Managers' meetings where member organizations meet informally to discuss items of mutual interest.



**Della Oberhoffner**  
BCCOMB, GENERAL MANAGER



A man in a plaid shirt is crouching in a large chicken coop, surrounded by hundreds of brown chickens. He is reaching out towards one of the chickens. The coop has a dirt floor and a large window in the background.

Being an egg farmer is a 365-day-a-year job. Our animals require the best facilities and care every day and this is why I am proud to work hard to provide eggs for all of our consumers.

---

JARED DE DOOD, OKANAGAN RIVERBEND POULTRY



## PRODUCTION MANAGEMENT COMMITTEE REPORT

In early 2020, the Production Management Committee was pleased to award the fifth annual Producer of the Year Award to Rob Martens of Twin Willows Enterprises. Rob never hesitates to step up and help out a fellow producer. Thank you for your valued contributions, Rob!


We also presented our first ever Legacy Award posthumously to Jake Friesen. Everything Jake did was for the good of the industry – he dedicated his life to making the industry better.

The on-farm programming is an on-going priority for the PMC and this year the committee reviewed a number of changes to the Start Clean Stay Clean program and provided recommendations to Egg Farmers of Canada. The new Start Clean Stay Clean manual updates were distributed to producers in 2020.

The Barn Fitness Policy launched in late 2019 and was officially piloted in 2020. The audit process was improved this year by the addition of a checklist that makes the requirements of the program clear to all parties. A fitness audit is now required for all leasing applications between producers. A total of three audits were completed.

The PMC continues to meet its mandate as a consultative body for all farm related practices. I want to remind and encourage producers to reach out to the PMC if there is a matter which requires the attention of the committee.

I want to sincerely thank the members: Jake Esau, Scott Janzen, Dwayne Vanderkooi and Dan Kampen for their efforts this past year.



**Matt Vane,**  
CHAIR

## MARKETING AND COMMUNICATIONS REPORT

The purpose of the MarComm Committee is to provide staff and the Board of Directors with advice in regards to marketing plans and promotional events. The MarComm Committee has a unique roster as three of the members are industry experts and not producers. As a result, they are able to offer a perspective that is unique and valuable. This perspective, combined with the knowledge and experience of the producer members, gives the committee the ability to provide staff with excellent input and advice on all marketing and communications matters.

The pandemic forced wholesale changes to the Marketing Plan as virtually all in-person events were cancelled. At their mid-year review in June, the committee looked at staff's plans for virtual events and reviewed the initial ones. They offered insight and advice on how to recreate the best parts of BC Egg's usual fairs and events online.

At the end of the year, the committee reviewed the 2021 plan and agreed that it had to have more flexibility than usual in order to deal with the ongoing pandemic.

Thank you to the members of the committee:

Jon Krahn, Chair  
Carrie Barlow, Barlow Media  
Greg Waring, Kal Tire  
Julie Winram, Sentis Market Research  
Jen Laughlin, Producer Representative  
Gunta Vitins, ex officio



**Jon Krahn,**  
CHAIR

## BC EGG PRODUCERS ASSOCIATION REPORT

The BC Egg Producers Association continues to strive to represent the broad interests of producers across the province.

Your representatives for 2020 were:


Mark Siemens – President  
Dan Kampen – Board Liaison  
Richard Boer – Producer Engagement  
Hester Mulder – Public Outreach  
James Lockwood – Political Outreach  
Kyle Smiens – Fraser Valley  
Ian Woike – Vancouver Island  
Wayne Johnson – Interior  
Rob Regehr – Interior

Looking back over 2020, we were extremely glad we had reached out and built relationships with politicians over the past several years. With no in-person meetings available this year, we needed to rely on existing relationships in order to be effective and we were able to ensure that the challenges facing our industry were heard by our provincial government. We continue to provide feedback and ideas on how to improve current programs and look forward to the opportunities coming up in 2021. Thank you to all my fellow directors who invest so much time and energy back into our great industry.



**Mark Siemens**  
EPA PRESIDENT





The Elkview Enterprises family has been blessed to be part of an industry that allows us to farm/work amongst our chickens, while working side by side with family to produce a healthy, quality free-range egg for our valued consumers.

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JEFF BISSCHOP, ELKVIEW ENTERPRISES



## AUDIT AND FINANCE COMMITTEE REPORT

The Audit and Finance Committee's responsibility is to provide assistance to the Board of Directors in fulfilling its fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, and internal control functions of the British Columbia Egg Marketing Board.

The Committee's primary duties are to advise the Board of Directors and to make recommendations that support and assist producer members by:

- Reviewing the annual financial statements as prepared by the auditor,
- Reviewing the system of internal controls that has been established and implemented by management,
- Reviewing and approving the auditors' annual audit plan and any other non-audit work performed, and
- Reviewing management-prepared budgets and financial statements.

2020 was a challenging year as the pandemic led to a large surplus of eggs due to the collapse of the hospitality sector. The committee dealt with making ongoing donations to Food Banks BC as well as the extra costs caused by the Early Fowl Removal Program.

I would like to express my appreciation to the management and the Audit and Finance Committee for their continued support and contribution. The committee was comprised of the following valued members: Art Friesen, Alf Wall, Alana Dueck, and Don Bernard.

  
**Jeff Regier**  
CHAIR

## EGG INDUSTRY ADVISORY COMMITTEE REPORT

The Egg Industry Advisory committee (EIAC) is comprised of a chair appointed by BC Egg, three producer representatives and three grader/processor representatives. The 2020 members of the EIAC included:

- Aryn Alibhai, Producer, Chair
- Rob Regehr, Producer, Vice Chair
- Mark Siemens, Producer
- Frank Pauls, Producer
- Frank Curtis, Grader (Golden Valley Foods)
- Bruce Richardson, Grader (Burnbrae/Island Eggs)
- Ralph Regehr, Producer/Grader (Pinegrove Farms)

The EIAC provides a forum for industry stakeholders to have discussions in an objective, fair and constructive manner. The committee provides the Board of Directors with non-binding recommendations in matters primarily involving production and/or pricing. In addition, the committee will also regularly review the market demand for eggs, industry utilization rates, and the quota allocation model. The EIAC plays an integral role in assisting the Board of Directors in their decision making with the goal of maintaining the egg industry's stability in the province.

As part of the normal cycle of the industry, the EIAC had an opportunity to review the national annual quota allocation proposal, to provide comments on the New Producer Program, to review provincial utilization data, and to provide feedback on the process of fowl removal. In the past, the committee used to review pricing every four weeks; however, in order to maintain more consistent pricing nationally, the EIAC will now be reviewing producer pricing three or four times a year along with the other provinces.

2020 will be remembered as the year of COVID-19, and the varying issues and challenges which trickled down into all facets of the egg industry. Of note is the significant decline of the processed egg market, which resulted in the committee's review of Egg Farmers of Canada Early Fowl Removal Program.

All the EIAC members' contributions and diligent work this past year are sincerely appreciated and I look forward our continued participation in 2021.

  
**Aryn Alibhai**  
CHAIR





*My sons and I built our  
farm from the ground  
up. It is truly the perfect  
environment for our hens.*

*We are proud to be  
BC egg producers.*

---

**ROB MARTENS, TWIN WILLOWS ENTERPRISES**



# 2020 MARKET REVIEW

As with most other sectors, COVID-19 heavily impacted the egg sector in 2020. The pandemic highlighted the importance of food security and the role that supply management has in our province. Throughout 2020, the entire sector was challenged to maintain a consistent and safe supply of eggs while ensuring the safety of its essential workforce including farmers, grading station employees, egg truck drivers, and other essential staff.

The mandate of supply management to meet consumer demand met a huge challenge in 2020. COVID-19 had a significant impact on the economy at large including: massive layoffs and the move

to work from home, travel restrictions, border shutdowns, and fear of food security. There are two types of egg sales: table eggs are the eggs sold at grocery stores; and eggs sold to the hotel/restaurant/institution (HRI) sector. According to data collected by Nielsen, table egg disappearance increased in BC over the latest 52 week period by 12.8%, this is incredible growth. Meanwhile the demand nationally for the HRI eggs slowed considerably with COVID-related shutdowns.

Actions were required to avoid wasting the eggs that normally go to the HRI sector. BC Egg donated \$750,000 worth of eggs

to local food banks. COVID 19 resulted in significant market fluctuations which required EFC and Boards to carefully monitor, track and plan hen inventory, upcoming placements and its production.

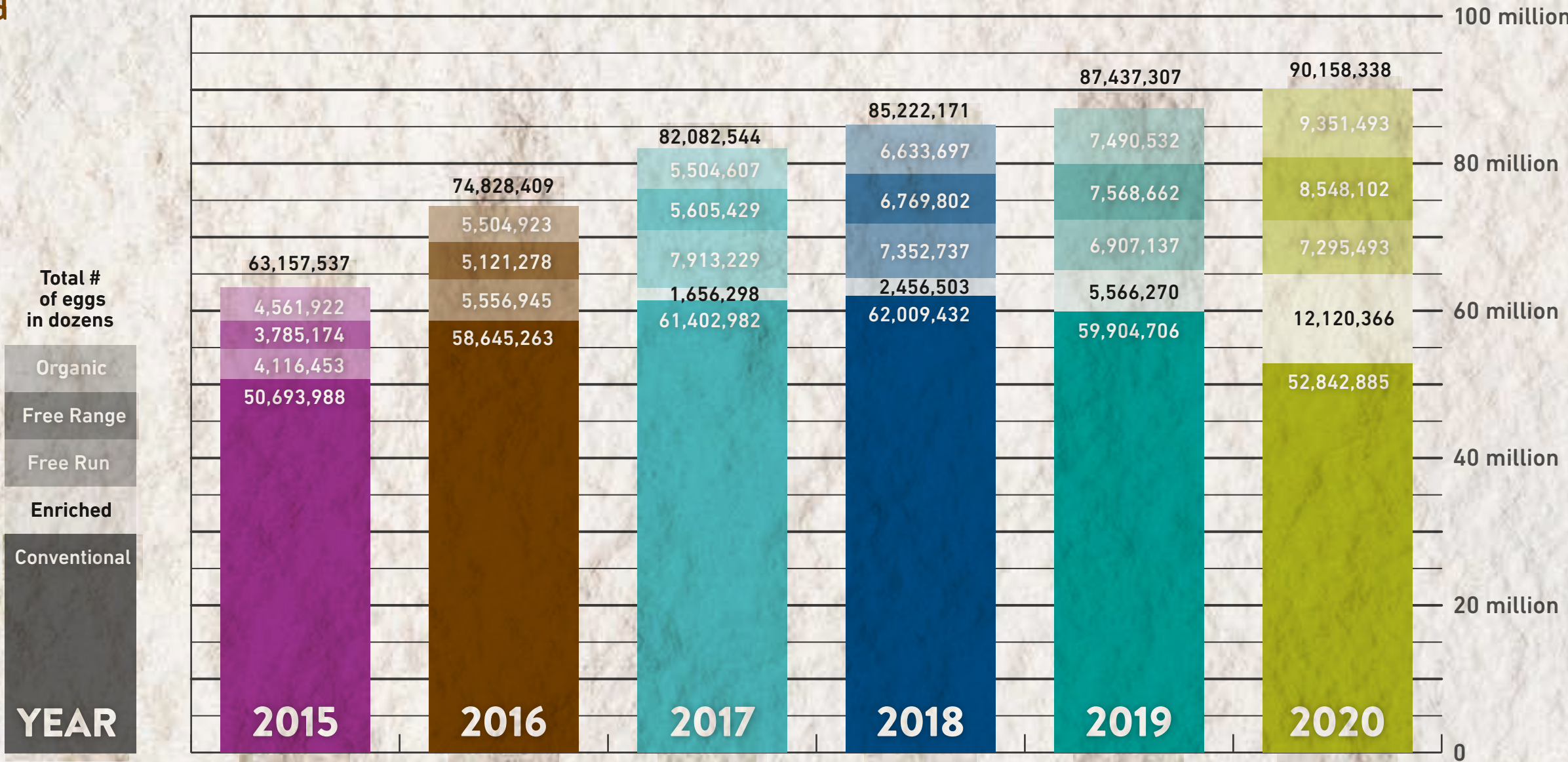
BC Egg’s overall utilization of its allotted quota in 2020 was 98.69%. In general, it is important to get as close to 100% as possible to ensure BC consumers are getting as much local product as possible. We experienced a utilization rate of 98.63% in the first half of year, and in the second half of the year our utilization rate was at 98.76%.

An allocation of 14,916 layer quota was made to BC in December 2019. This allocation was held in reserve and will be included with a future allocation based on the innovative, three-allocation distribution plan approved by FIRB.

The trend continues of BC egg producers being well ahead of the rest of the country when it comes to transitioning to alternative housing systems. British Columbians’ preference for a variety of eggs has allowed 97 of our 145 producers to use alternative housing. In total, our production breakdown is 29.3% specialty and 70.7% is conventional and enriched (of which 19% of hens are living in enriched cages). We are confident that our egg producers can continue to supply BC’s specialty egg market for the foreseeable future.

As at December 31, 2020, there were 145 registered family egg farms in BC. We are pleased to announce that three people became egg farmers for the first time this year.

Annual total of BC Eggs produced in dozens





A man with grey hair, wearing a blue and white plaid short-sleeved shirt and blue jeans, is working in an industrial egg processing facility. He is standing on the left side of the frame, leaning over a conveyor belt system. The conveyor belt is filled with numerous brown eggs. In the background, there are various pieces of industrial equipment, including a large white electrical control panel with several knobs and switches, and a smaller control unit with a digital display. The overall scene is brightly lit, and the focus is on the man's work and the egg processing machinery.

*Being a BC egg farmer, I have the  
privilege and honour of knowing that I  
produce a safe and nutritious product  
for families all over the province.*

---

GEORGE VANDER VEEN, GREAT PACIFIC POULTRY



# 2020 MARKETING UPDATE

In January 2020 the Communications and Marketing team had a busy year planned with our usual big fairs and trade shows in addition to many smaller one-day events. In fact, we had added an extra agricultural fair on the Island and an extra trade show in the Fall. We had only managed to participate in two trade shows before COVID hit and forced the cancellation of every other live event for the rest of the year.

Staff and Ambassadors refused to let COVID cancel all of our plans so we pivoted and then pivoted again. We put together a program of virtual events including a fully virtual World Egg Day celebration. We also ran robust advertising and social media campaigns, and helped people cook new and exciting recipes featuring eggs.

## **Health & Wellness Shows**

In 2020, BC Egg spotlighted the versatility of the nutritious egg at The Wellness Show and, for the first time, Vancouver's Gluten Free Expo. Consumers flocked to our farm kitchen-style booth to ask our Registered Dietitian questions, to grab swag and choose delicious recipes, and to enter our hourly contests. These shows were our only live events of the year.

## **Virtual Barn Tours**

Social distancing meant that we couldn't meet people at fairs so we decided to bring the farm to them. We offered school groups, 4-H students and Easter Seals Camp@Home campers the opportunity to visit a farm. Each tour featured two farmer Ambassadors and included a tour followed by a live Q and A session. In total we did 18 tours for about 320 kids and their families.

Once some of the COVID restrictions were lifted in the summer, we filmed three different virtual barn tours for anyone to watch at their leisure. These tours are available on our website and on our YouTube channel.

## **Virtual World Egg Day Celebration**

World Egg Day featured 14 social media posts including a contest where the winner received a year's worth of free eggs. We also featured our barn tours, Ask an Egg Farmer – Kid Edition, recipes, and showed producers at work on their farms.

## **Advertising Campaign**

This year's advertising campaign included closed captioning spots on Global News; traffic and radio tags on five radio stations across the province; custom content stories in the Vancouver Sun and digital versions of Flair, Today's Parent and Chatelaine; digital and video content on FoodNetwork.ca; digital ads on elevator screens in Vancouver office buildings, and more.

## **Agriculture Fairs**

Both the Abbotsford AgriFair and PNE held drive-thru fairs this year. We sponsored the AgriFair and donated 1,500 tote bags and pieces of swag that were given to each car. In addition, we created 200 prize bags for the first 200 children to visit the AgriFair. We also donated tote bags and swag to the PNE; however, we were also able to include a small display depicting a free-range barn.

## **Recipes and Cooking**

Because more people were cooking and baking from home this year, we increased the number of recipes we created. New recipes were some of our most popular posts throughout the year. We also partnered with Chef Dez to become our corporate chef. He created new recipes, made video demonstrations of existing recipes and video egg tips each month. As part of his own business, Chef Dez started weekly Zoom cooking classes and BC Egg sponsors one a month.

## **Social Media**

Our social media channels became our main source of 'talking' to the public during COVID. We took advantage of popular hashtags and trends like #ThankAFarmer and #FarmerFriday to show the good work producers do every day. We ran several social media contests over the year including Pack a Picnic, #TakeOutDay (which supported local restaurants), and Quarantine Cooking.

## **Results**

Our overall campaign reached 37% of British Columbians in 2020. This is down 5% from 2019 but with the cancellation of all our in-person events, this drop was not surprising. Overall, the campaign was effective as trust in egg farming and belief that the industry is well managed both increased while the number of people who name eggs as a food they are concerned about decreased.





*"I take pride in being an egg farmer  
and providing eggs for communities  
across BC. Egg farming is not just  
a job it's my life and I love it."*

---

SCOTT JANZEN, JANZEN POULTRY



# IN THE COMMUNITY

## FOOD BANKS CANADA

**Food Banks BC** has been the recipient of a significant donation of eggs from BC's egg farmers. As the economy took a hit due to COVID-19, food bank usage increased. BC's egg farmers knew they had to do something to help. As a result, BC Egg donated \$750,000 worth of eggs over a number of months.

Thanks to partnerships with egg graders: Island Eggs, Farmer Ben's and Golden Valley, each of the Food Banks' five hubs in BC received a weekly supply of eggs. Individual food banks picked up the eggs, along with other nutritious food, from the hubs to support their clients.



*A SUMS volunteer happily accepts a donation of liquid eggs.*



*Prepping meals and eggs for donation on the North Island.*





*Deliveries ready to go to remote Island towns.*

## COMMUNITY DONATIONS

BC is proud to contribute nutritious, fresh eggs to some of the hardworking organizations that feed in-need families and communities in our province. One such organization is **Canuck Place Children's Hospice**—a team of doctors, nurses, counsellors, therapists, staff and volunteers providing no-cost pediatric palliative care to children with life-threatening illnesses and the families who love them. **Sheway** is a Pregnancy Outreach Program located in the Downtown East Side of Vancouver, providing health and social service support, as well as daily hot lunches, to pregnant women and women with infants



*Nanaimo Food Bank volunteers prep eggs for donation.*

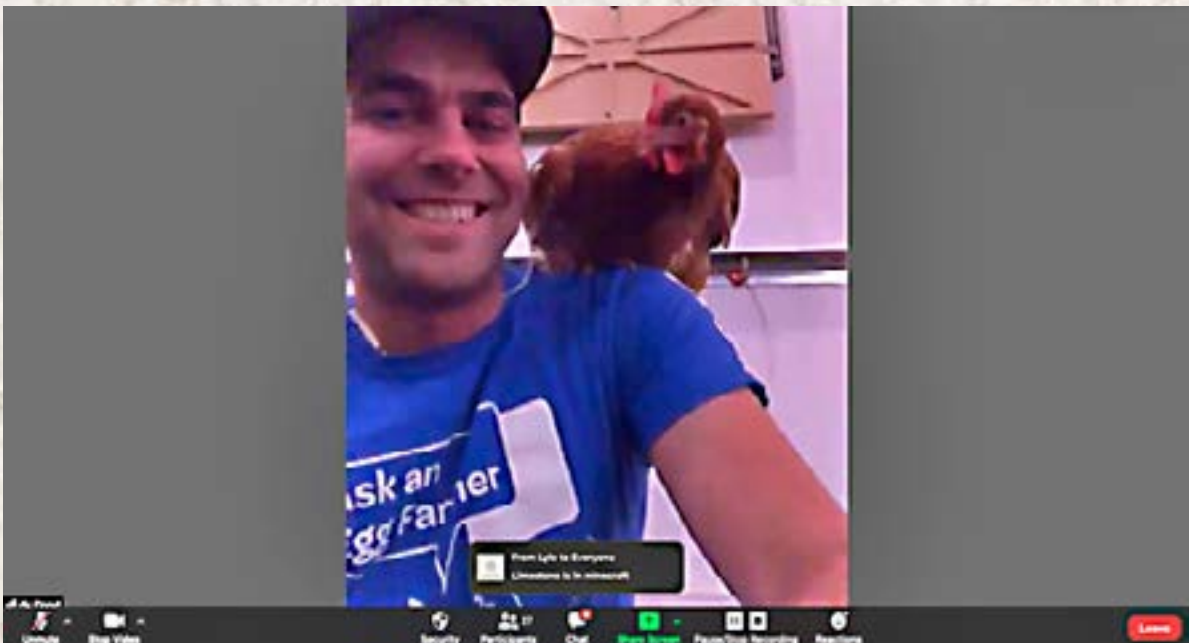
who are dealing with drug and alcohol issues. In 2020, we also contributed to the meal program at **SUMS**—a shelter and community connection service in Surrey, which serves over 2,500 hot meals every week.



*Eggs ready to head out to Port McNeill.*



LIVE, REAL-TIME VIRTUAL  
ASK AN EGG FARMER EVENTS



Jared de Dood shows visitors around his barn.

Since the COVID-19 crisis began and BC’s fairs were cancelled, BC Egg has worked hard to connect online by offering live virtual Ask an Egg Farmer events—including live, real-time barn tours. **Easter Seals** transformed their hallmark Summer Camps for children and adults with diverse abilities into an online format—so BC Egg seized the opportunity to host a series of virtual barn tours for all eight of their Camp@Home groups. We also hosted tours with local school groups, and with BC’s 4-H on their virtual delegations across the province—from Victoria to Rock Creek to Vanderhoof. Each session featured two farmers, starting with a tour of a farm and barn and ending with a live Q+A, giving the participants a unique opportunity to see a real egg farm and engage with real farmers.



Easter Seals created Camp@Home boxes featuring BC Egg swag for each camper.





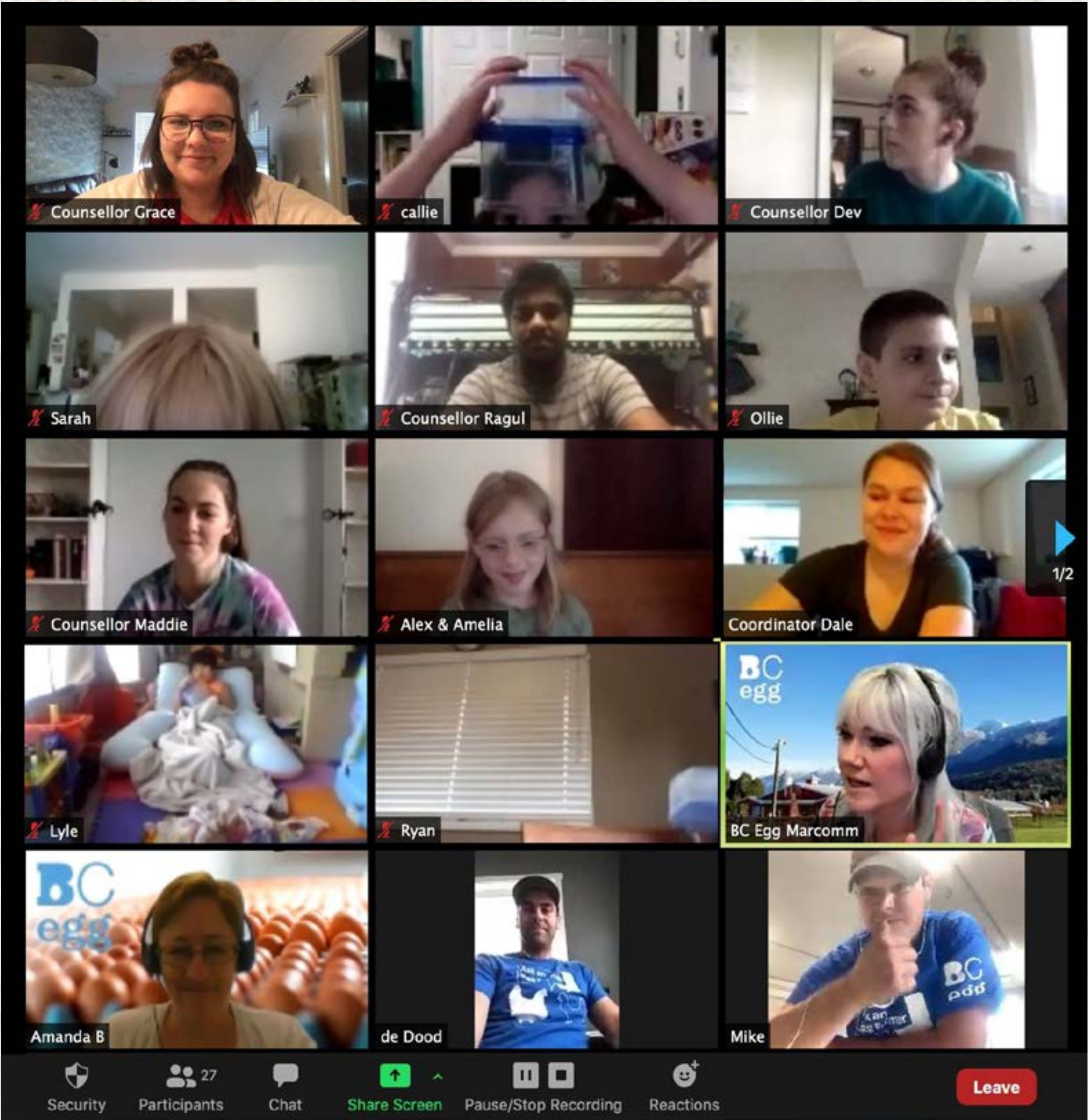
# ON-DEMAND VIRTUAL BARN TOURS

Reshaping BC Egg’s outreach to online and virtual formats has opened up opportunities to connect our farms with students and educators across the province. **SuperChefs** empower children in the battle against childhood obesity through education and entertainment. Beginning a new virtual format for 2020, groups of young chefs-to-be are now learning where their eggs come from by touring three of our beautiful BC egg farms via on-demand videos at their Cookery for Kids virtual camps. BC Egg also annually partners with **Agriculture in the Classroom** on the Bite of BC program, donating fresh eggs to 55 high school culinary programs throughout the province, reaching 7,263 culinary arts students and 68,000 students in the schools. In 2020, we extended our participation in the program, working with AITC to create and shoot an exclusive educational video of an Abbotsford egg farm with accompanying lesson materials.


# UGM

For many years BC Egg & BC Turkey have co-hosted a golf tournament to raise funds to supply much needed protein in the form of eggs and turkey meat to **UGM**, who provide home-cooked meals three times a day to all the hungry men, women and children who come through their doors. COVID-19 prevented us from doing an in-person tournament in 2020, but thanks to the generous spirit of our farmers and industry partners, over \$68,000 poured in for our Virtual Gala and online auction. This money will help to give essential protein and nutrition to those in need for yet another year. In addition, BC Egg donated \$5,000 to UGM’s BC Poultry Farmers Kitchen, currently under construction at their Vancouver flagship location.

*Easter Seals campers on a virtual barn tour with egg farmers Jared de Dood and Mike Schroeder.*





A photograph of a family of four working in an egg processing facility. On the left, a man in a black t-shirt and cap is working with a large machine. In the center, a young woman in a grey jumpsuit is looking at a laptop. On the right, a man in a grey jumpsuit and cap is working with a large machine, and a woman in a black t-shirt and glasses is standing next to him. They are surrounded by egg processing equipment, including conveyor belts, sorting machines, and large trays of eggs. The background shows a white wall with various electrical outlets and a door on the right.

*We are a family run farm and consider ourselves to be truly blessed to be able to farm with our two children. We are proud to supply healthy, nutritious eggs for the consumer from our farm.*

---

KEVIN, REBECCA, MELISSA & STEVEN HERFST OAKRIDGE POULTRY



# BOARD OF DIRECTORS



**Gunta Vitins**

Gunta has been spearheading innovative agri-food initiatives in the public and private sectors for over 25 years. Her work experience spans government, academia, business and industry development, agricultural production, processing, sales and marketing. Gunta has a proven track record in building consensus amongst divergent interests, driving change and helping to create strong organizations.

Originally from Quebec with degrees in Agriculture and an MBA from McGill University, Gunta joined the BC Ministry of Agriculture in 1991 where she worked as a manager in market development for five years. From 1998 – 2010, Gunta held senior management positions at Pro Organics and SunOpta Inc. During this time, Gunta was actively involved in the Specialty Reviews in the BC supply managed sectors, which led to significant growth of specialty production to meet market demand.

Gunta's dedication to the advancement of agriculture extended to Agriculture and Agri-Food Canada's Organic Value Chain Roundtable where she served from 2007 – 2015 in various roles as Industry Co-Chair, Chair of the Market Development Working Group, and as representative of the food distribution sector. Gunta's volunteer activities also included board memberships and roles as past-presidents of the Canada Organic Trade Association and the Pacific Agricultural Certification Society.

Gunta currently runs an agri-food consulting business serving Canadian and international clients. She lives in New Westminster with her husband and two active sons.



**Walter Siemens**

Walter Siemens has been an egg producer since 1986. Walter has served in various capacities and committees within BC's poultry industry and currently serves on the EFC's Executive Committee as well as on committees covering specialty production, Cost of Production, animal care, and the Transportation Code of Practice review.

“Having people willing to work on the national level is beneficial for the whole industry,” Walter says. “It's important to gain consensus and to find solutions that work for everyone to the various issues we have across the country.”

Walter and his wife, Annette, have four children, two sons (both now married) along with two daughters — one of whom is also married, while the other is in university. They have eight grandchildren.

Walter's sons have now taken on more of the day-to-day operations on the farm which leaves him more time to focus on the work he does at the national level. Most years he spends much of his time on planes travelling between BC and Ontario. COVID means that Walter is spending more time at home attending these meetings on Zoom.

Walter and his family have recently completed a period of farm rejuvenation and expansion as old buildings were torn down and replaced with new barns designed to meet numerous egg type and market needs. Walter is enjoying his entry to the organic market, which began in 2019.





### **Matt Vane**

Matt is pleased to have the opportunity to serve on the Board of Directors as he feels it is important to give back to the egg industry. He serves on the Production Management Committee (PMC) and represents

the board on the BC Poultry Association, the Conventional to Enriched Transition Producer Pricing committees and is currently the EFC alternate representative.

Matt grew up with a farming background and says he never considered any other career. Matt enjoys farming, learning about new techniques and studying new farming opportunities. He is a New Producer Program winner and started his organic layer and pullet farm in 2012.

Matt considers it a real honour and privilege to serve on the Egg Board



### **Jon Krahm**

Jon Krahm is a third-generation egg farmer. His interest in farming began at a young age when he would visit the family farm with his dad. He has been farming fulltime alongside his two brothers for the past 17 years.

Jon managed a layer farm for eight years before transitioning to his current role, managing the family owned feed mill. At the mill he has gained a new perspective of the industry by learning more about poultry health, nutrition and organic production.

Through the years, Jon has maintained an active role within the industry and prior to being on the Board, Jon had the privilege of being a director of the BC Egg Producers Association for seven years; the last two as Vice-President. He has enjoyed working alongside producers and serving in varied capacities and committees such as the Egg Industry Advisory Committee, Biosecurity Committee and the Production Management Committee. Through this experience he has gained valuable knowledge of the egg and poultry industry and their national systems. Jon is now the chair of the Marketing and Communications Committee.

Jon and his wife Danielle have four amazing young children. They are privileged to raise their family on a layer farm in the Fraser Valley.



### **Jeff Regier**

Jeff Regier has spent much of his life in the agriculture sector. His parents bought a broiler breeder operation when he was in his teens and he spent several years doing farm chores before moving out on his own. He started his career as a

feed rep with East Chilliwack Feed Coop in the early 1980s – he still works for the company (now called Shur-Gain) on a part-time basis.

Jeff and his wife, Barb, bought their own farm in 1986. They started growing leghorn pullets for the layer industry. Soon after, they bought broiler quota and started growing chicken for the BC market. A few years later, they made another switch when they won a new entrant lottery for broiler breeders. They built a new farm to house their broiler breeders. Finally, in 2015, they bought layer quota and converted their broiler breeder barn to a lay barn. In 2020, they decided they missed broiler breeders so they bought a small farm in Greendale to add to their other operations.

Jeff recognizes that many people do not understand much about farming and have little opportunity to talk to farmers so he enjoys volunteering at public events like the PNE and Ask an Egg Farmer at Save On Foods stores where he can talk to members of the public about his experiences as a farmer and answer their questions.

Jeff and Barb have four married sons, six grandsons and two granddaughters. Babysitting the grandkids takes up a good portion of their spare time.



# FINANCIAL STATEMENTS

## BC Egg Marketing Board MANAGEMENT'S RESPONSIBILITY

### To the Members of British Columbia Egg Marketing Board:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit and Finance Committee are composed primarily of Members who are neither management nor employees of the Board. The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Board's external auditors.

PwC is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

February 11, 2021



**Katie Lowe**  
EXECUTIVE DIRECTOR



BC Egg Marketing Board

# INDEPENDENT AUDITOR’S REPORT

**To the Board of Directors of British Columbia Egg Marketing Board:**

**Our opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of British Columbia Egg Marketing Board (the Marketing Board) as at December 26, 2020, and the results of its operations and its cash flows for the 52-week period from December 29, 2019 to December 26, 2020 in accordance with Canadian accounting standards for not-for-profit organizations.

**What we have audited**

The Marketing Board’s financial statements comprise:

- the statement of financial position as at December 26, 2020;
- the statement of operations for the 52-week period from December 29, 2019 to December 26, 2020;
- the statement of changes in net assets for the 52-week period from December 29, 2019 to December 26, 2020;
- the statement of cash flows for the 52-week period from December 29, 2019 to December 26, 2020;
- the notes to the financial statements, which include significant accounting policies and other explanatory information;
- the schedule of expenses for the 52-week period from December 29, 2019 to December 26, 2020.

**Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

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

**Independence**

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

**Responsibilities of management and those charged with governance for the financial statements**

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

In preparing the financial statements, management is responsible for assessing the Marketing Board’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 the Marketing Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Marketing Board’s financial reporting process.

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BC Egg Marketing Board

# INDEPENDENT AUDITOR’S REPORT CONTINUED

**Auditor’s responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional 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 the Marketing Board’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Marketing Board’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Marketing Board 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Marketing Board to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants Surrey, British Columbia  
February 11, 2021



BC Egg Marketing Board

STATEMENT OF FINANCIAL POSITION

	December 26, 2020 \$	December 28, 2019 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	4,995,614	3,815,610
Accounts receivable	10,109,800	9,568,842
Prepaid expenses and deposits	244,509	310,275
	15,349,923	13,694,727
<b>Capital assets</b> (note 3)	162,765	84,075
<b>Long-term investment</b> (note 4)	3,827,509	3,845,610
	19,340,197	17,624,412
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	8,828,861	8,221,032
Levies due to Egg Farmers of Canada	2,385,082	3,446,416
Government remittances payable	16,066	45,202
	11,230,009	11,712,650

	December 26, 2020 \$	December 28, 2019 \$
<b>NET ASSETS</b>		
Invested in capital assets	162,765	84,075
Unrestricted	7,947,423	5,827,687
	8,110,188	5,911,762
	19,340,197	17,624,412

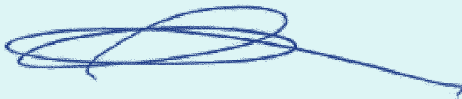
**Commitments** (note 5)

**Guarantee** (note 6)

Approved by the Board of Directors



DIRECTOR  
Gunta Vitins  
Chair



DIRECTOR  
Jeff Regier  
Chair, Audit and Finance Committee



BC Egg Marketing Board

STATEMENT OF OPERATIONS

	52-week period ended December 26, 2020 \$	52-week period ended December 28, 2019 \$
<b>NET REVENUE</b>		
Levies (note 8)	6,992,821	3,684,416
Sale of eggs to grading stations	230,538,588	212,768,609
Purchase of eggs from producers	(230,538,588)	(212,768,609)
	6,992,821	3,684,416
<b>Expenses</b> (schedule)		
Administrative	2,097,041	2,397,706
Governance	334,747	544,685
Marketing	317,109	416,542
Communication	194,256	283,174
Industrial product and other programs (note 13)	2,279,213	2,030,771
	5,222,366	5,672,878
Excess (deficiency) of revenue over expenses before other items	1,770,455	(1,988,462)
Interest and other income (note 12)	532,265	357,550
Loss on asset disposal	(4,358)	-
Equity loss on investment	(99,936)	(135,660)
Excess (deficiency) of revenue over expenses for the period	2,198,426	(1,766,572)

BC Egg Marketing Board

STATEMENT OF CHANGES IN NET ASSETS

	52-week period ended December 26, 2020			52-week period ended December 28, 2019
	Invested in capital assets \$	Unrestricted \$	Total \$	Total \$
<b>NET ASSETS — Beginning of period</b>	84,075	5,827,687	5,911,762	7,678,334
(Deficiency) excess of revenue over expenses for the period	(41,938)	2,240,364	2,198,426	(1,766,572)
Purchase of capital assets	120,628	(120,628)	-	-
<b>Net assets — End of period</b>	162,765	7,947,423	8,110,188	5,911,762



BC Egg Marketing Board

STATEMENT OF CASH FLOWS

	52-week period ended December 26, 2020 \$	52-week period ended December 28, 2019 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the period	2,198,426	(1,766,572)
Items not involving cash Amortization	37,580	80,636
Equity loss on investment	99,936	135,660
Interest accrued on advances to Central Agricultural Facility Limited	(81,835)	(105,194)
Loss on asset disposal	4,358	-
	2,258,465	(1,655,470)

	52-week period ended December 26, 2020 \$	52-week period ended December 28, 2019 \$
Changes in non-cash working capital items		
Accounts receivable	(540,958)	(698,629)
Prepaid expenses and deposits	65,766	70,289
Accounts payable and accrued liabilities	607,829	702,258
Levies due (from) to Egg Farmers of Canada	(1,061,334)	1,565,801
Government remittances payable	(29,136)	23,055
	(957,833)	1,662,774
	1,300,632	7,304
<b>Investing activities</b>		
Purchase of capital assets	(120,628)	(12,167)
<b>Increase (decrease) in cash</b>	1,180,004	(4,863)
<b>Cash – Beginning of period</b>	3,815,610	3,820,473
<b>Cash – End of period</b>	4,995,614	3,815,610



1 Incorporation and nature of the Board

The British Columbia Egg Marketing Board (the Board) was established in 1967 under 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 the Egg Farmers of Canada (EFC) for collection of EFC’s administration levies and industrial product levies and administers various national egg marketing programs.

The Board’s fiscal year ends on the closest Saturday to the end of December. The current fiscal year consists of 364 days (December 28, 2019 to December 26, 2020) and the comparative fiscal year consisted of 364 days (December 29, 2018 to December 28, 2019).

2 Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook – Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits with original maturities of three months or less and are held with a Canadian chartered bank.

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 (losses) since inception. The statement of operations includes the Board’s share of investee income or loss for the period.

The Board records its advances to CAFL at cost.

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 as follows:

	YEARS		YEARS
Automotive	4	Office equipment	2-5
Computer equipment	2-5	Leasehold improvements	10
		Agricultural event displays	5

Revenue recognition

Revenues from the sale of eggs, including associated levies, are recognized on a weekly basis as the grading process is completed and collectability is reasonably assured.

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.

Employee future benefits

The Board’s employee future benefits program consists of a defined contribution pension plan. Contributions are expensed in the period in which contributions to the plan are incurred.

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 (deficiency) of revenue over expenses in the periods in which they become known.

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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, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840, Related Party Transactions (note 9).

At initial recognition, the Board may irrevocably elect to subsequently measure any financial instrument at fair value. The Board has not made such an election.

The Board subsequently measures derivatives and investments in equity instruments quoted in an active market at fair value. Fair value is determined by quoted market prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance, or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Board assesses impairment of all of its financial assets measured at cost or amortized cost. The Board groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers all factors in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Board determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the period. If so, the Board reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the excess (deficiency) of revenue over expenses for the current period.

The Board reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses in the period the reversal occurs.

3 Capital assets

	December 26, 2020		December 28, 2019	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Automotive	67,461	67,297	164	324
Computer equipment	1,013,005	882,961	130,044	39,948
Office equipment	112,895	109,712	3,183	5,336
Leasehold improvements	530,800	514,567	16,233	22,084
Agricultural event displays	26,244	13,103	13,141	16,383
	1,750,405	1,587,640	162,765	84,075



BC Egg Marketing Board

NOTES TO FINANCIAL STATEMENTS

DECEMBER 26, 2020

4 Long-term investment

The Board's investment in CAFL includes the following:	December 26, 2020 \$	December 28, 2019 \$
Shares - 50% interest	1	1
Advances without fixed terms of repayment or interest	1,675,685	1,675,685
Advances without fixed terms of, repayment including interest at prime plus 0.5%, accrued semi-annually	2,524,666	2,442,832
Advances without fixed term of repayment, including interest at prime plus 0.5%, payable monthly	1,000,000	1,000,000
Equity loss since inception	(1,372,843)	(1,272,908)
	3,827,509	3,845,610

Effective January 1, 2018, the Board restructured the advances made with CAFL to be entitled to receive \$1,675,685 without interest, while the remaining \$2,243,845 will accrue interest at the Bank of Canada Prime rate plus 0.5% per annum, calculated semi-annually. Both portions of advances have no fixed terms of repayment but are to be repaid within 30 days of demand.

Because CAFL reports its financial activities on a calendar year, its financial statements as at December 26, 2020 are not available and accordingly the Board used CAFL's December 31, 2020 financial statements to report its equity interest.

CAFL's condensed financial statements for the year ended December 31, 2020 showing the Board's 50% share are as follows:

	2020 \$	2019 \$
<b>Condensed Balance Sheet</b>		
<b>Assets</b>	3,776,393	3,798,680
<b>Liabilities</b>	5,148,479	5,071,585
<b>Shareholders' deficiency</b>	(1,372,086)	(1,272,905)
	3,776,393	3,798,680

	2020 \$	2019 \$
<b>Condensed Statement of Operations</b>		
<b>Revenues</b>	321,718	317,692
<b>Expenses</b>	(421,654)	(453,352)
<b>Loss for the year</b>	(99,936)	(135,660)

	2020 \$	2019 \$
<b>Condensed Statement of Cash Flows</b>		
<b>Cash provided by (used in)</b>		
Operations	87,655	20,928
Financing	(22,012)	(17,162)
Investing	(75,459)	(4,540)
<b>(Decrease) increase in cash</b>	(9,816)	(774)

The Board's and CAFL's significant accounting policies are the same or similar except for the following:

- a) CAFL is subject to income taxes.
- b) CAFL uses the taxes payable method to account for income taxes whereby the expense (income) of the period consists only of the cost (benefit) of current income taxes for that period, determined in accordance with the rules established by taxation authorities.



5 Commitments

The Board is committed to an operating lease for a photocopier with yearly lease payments of \$3,852 plus taxes, with the lease expiring in 2026. The Board has budgeted \$52,198 for donations and education in 2021.

6 Guarantee

As at December 26, 2020, the Board has guaranteed a mortgage of CAFL, up to a maximum amount of \$2,000,000 (December 28, 2019 – \$2,000,000). Payment under this guarantee, which will remain in place until the maturity date of December 31, 2035, is required should CAFL default on its obligations. As at December 26, 2020, no liability has been recorded associated with this guarantee as CAFL has complied with the requisite mortgage payments.

7 Line of credit

The Board has an available operating line of credit with the Bank of Montreal. The operating line entitles the Board to borrow a maximum of \$550,000 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 26, 2020.

8 Levies

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

	December 26, 2020 \$	December 28, 2019 \$
Total levies collected from egg producers	39,761,620	31,945,723
Less: Levies remitted to EFC	(31,655,733)	(25,654,127)
Less: Service fee remitted to EFC	(1,113,066)	(2,607,180)
Net levies – British Columbia Egg Marketing Board	6,992,821	3,684,416

9 Related party transactions

During the period, the Board paid rent in the amount of \$149,624 (December 28, 2019 – \$141,840) to CAFL. In addition, the Board earned interest income in the amount of \$114,950 (December 28, 2019 – \$149,694) from CAFL, of which \$81,835 (December 28, 2019 – \$105,194) was unpaid and accrued to the value of the advance.

In the normal course of business, the Board purchased eggs (net of levies) from egg producers that are controlled by directors in the amount of \$13,964,040 (December 28, 2019 – \$22,795,011) and as at December 26, 2020 had a net payables balance of \$653,163 (December 28, 2019 – \$392,534), which is related to these purchases.

During the period, the Board paid per diems and benefits to directors in the amount of \$282,940 (December 28, 2019 – \$339,730).

The Board provided operating grants to various egg producer associations in the amount of \$70,800 (December 28, 2019 – \$133,600).

Included in accounts receivable at the end of the period was \$1,438,618 (December 28, 2019 – \$1,724,652) due from Egg Farmers of Canada.

These transactions are recorded at the exchange amount, which is the amount agreed to by the related parties.

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## 10 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.

### 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 flows risk with respect to the advances made to CAFL.

### Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations associated with financial liabilities. The Board’s exposure to liquidity risk is dependent on the collection of accounts receivable.

During the period, the Board’s liquidity risk increased as a result of the increase in accounts receivable.

### Credit risk

The Board is exposed to limited 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 extending 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 due. The allowance is calculated on a specific identification basis. Amounts subsequently recovered which are written off are credited to the allowance in the period of recovery.

## 11 Pension plan

The Board’s pension plan is administered by the Teamsters Union and is a defined contribution plan. Contributions of \$58,830 (December 28, 2019 – \$55,060) have been included as an expense in the current period’s salaries and benefits.

## 12 Interest and other income

Included in interest and other income is \$328,043 (December 28, 2019 – \$72,450) relating to lease pool fees.

## 13 Industrial product and other programs

Included in industrial product and other programs is \$739,553 (December 28, 2019 – \$nil) relating to eggs for further processing (EFP) program costs from British Columbia egg farmers donating eggs to Food Banks BC to assist families during the COVID-19 pandemic.



BC Egg Marketing Board

SCHEDULE OF EXPENSES

	52-week period ended December 26, 2020 \$	52-week period ended December 28, 2019 \$
<b>Administrative</b>		
Amortization	37,580	80,636
Annual general meeting	54,182	57,573
Association grants	70,800	133,600
Committee, events, and membership	169,056	213,365
Insurance and legal	87,156	55,331
Miscellaneous	4,386	33,597
Office and maintenance	133,214	150,544
Operations	16,775	18,030
Professional development and scholarships	40,159	81,811
Professional services	54,684	130,675
Rent	149,624	141,840
Salaries and benefits	1,251,544	1,211,594
Travel	27,881	89,110
	2,097,041	2,397,706

	52-week period ended December 26, 2020 \$	52-week period ended December 28, 2019 \$
<b>Governance</b>		
Per diem and benefits	282,940	339,730
Travel and accommodation	51,807	204,955
	334,747	544,685
<b>Marketing</b>		
Marketing Programs	317,109	416,542
<b>Communication</b>		
Communication programs	39,950	37,115
Events	120,499	235,727
Miscellaneous	-	618
Website	33,807	9,714
	194,256	283,174
<b>Industrial product and other programs</b>		
EFP (recoveries) costs	(62,126)	69,954
Farm pickup costs	1,150,000	1,150,000
Fowl removal costs (recoveries)	143,891	(197,229)
Industrial product costs – net of recoveries	854,961	841,384
Other	-	1,235
Western pool costs	192,487	165,427
	2,279,213	2,030,771
	5,222,366	5,672,878



# 2020 BOARD OFFICERS AND COMMITTEES

## BOARD OFFICERS

Gunta Vitins, Chair

Walter Siemens, Vice Chair and EFC Director

Matt Vane, EFC Alternative

Jeff Regier, Secretary

Jon Krahn, Director

## AUDIT AND FINANCE

Jeff Regier, Chair

Art Friesen, Producer Representative

Alf Wall, Producer Representative

Alana Dueck, Producer Representative

Don Bernard, External Representative

Erin Duetta, Staff Representative

## EGG INDUSTRY ADVISORY COMMITTEE

Amy Alibhai, Chair

Bruce Richardson, Grader

Frank Curtis, Grader

Ralph Regehr, Producer/Grader

Rob Regehr, Producer

Frank Pauls, Producer

Mark Siemens, Producer

Katie Lowe, Staff Representative

## MARKETING COMMUNICATIONS COMMITTEE

Jon Krahn, Chair

Carrie Barlow, Representative

Julie Winram, Representative

Greg Waring, Representative

Jen Laughlin, Producer Representative

Gunta Vitins, Ex Officio Member

Amanda Brittain, Staff Representative

## PRODUCTION MANAGEMENT COMMITTEE

Matt Vane, Chair

Scott Janzen, Western HACCP Rep

Dwayne Vanderkooi, Producer

Jake Esau, Producer

Dan Kampen, Producer

Katie Lowe, Staff Representative

## EGG PRODUCERS ASSOCIATION

Mark Siemens, President

Dan Kampen, Vice-President

Hester Mulder

Kyle Smiens

Richard Boer

Rob Regher (Interior)

Wayne Johnson (Interior)

James Lockwood (Island)

Ian Woike (Island)