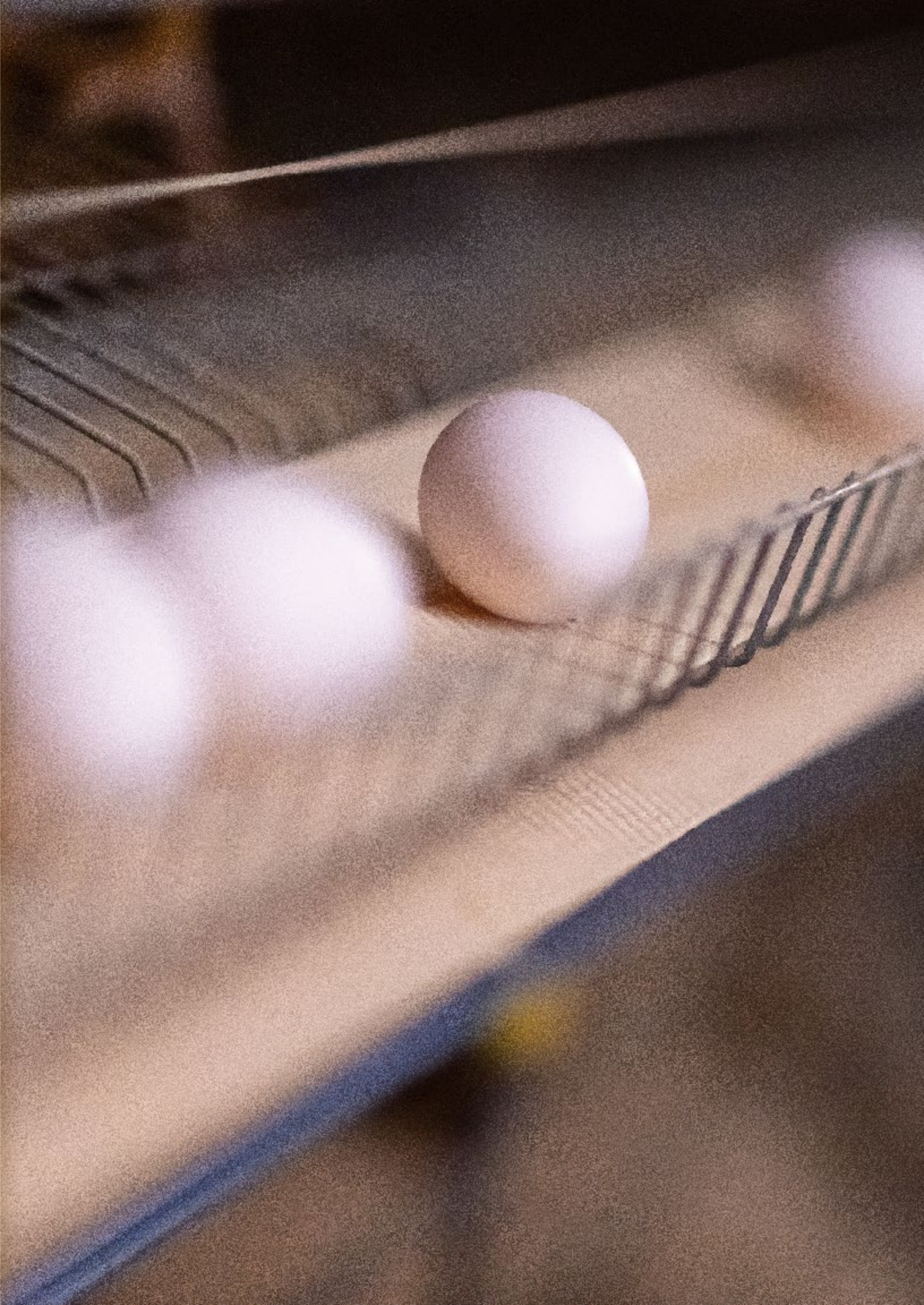


CONSENT RESISTANCE

BC EGG
ANNUAL
REPORT
2021





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).







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.

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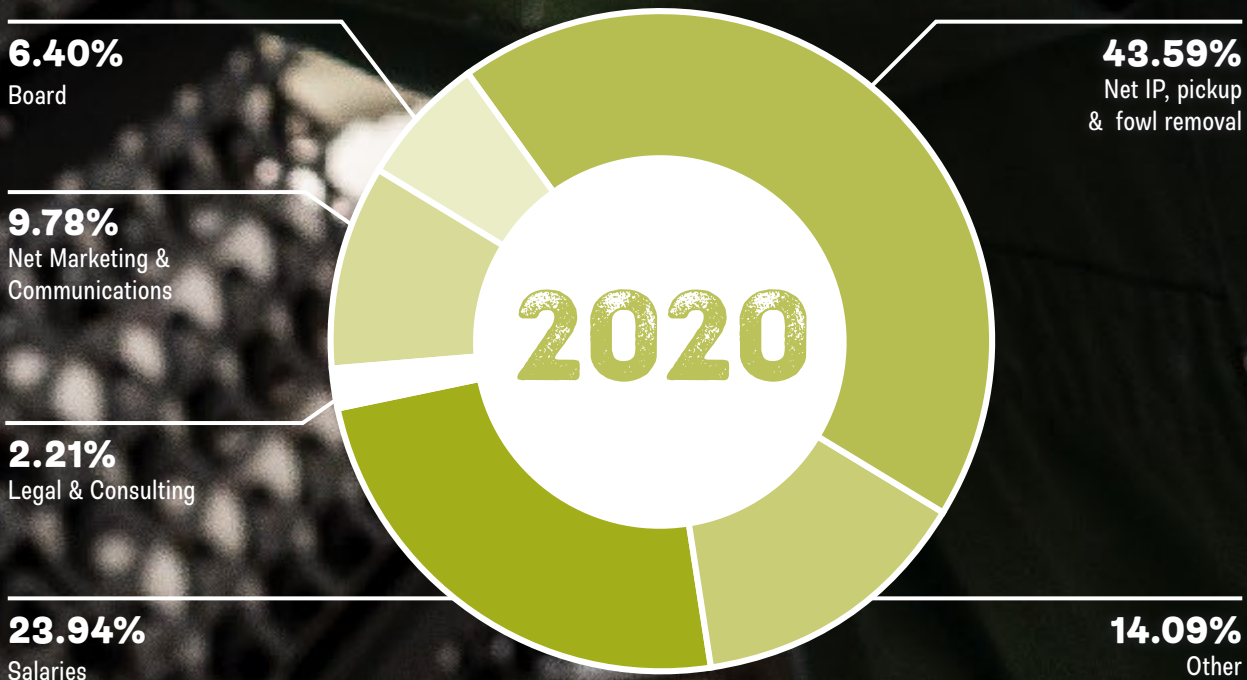
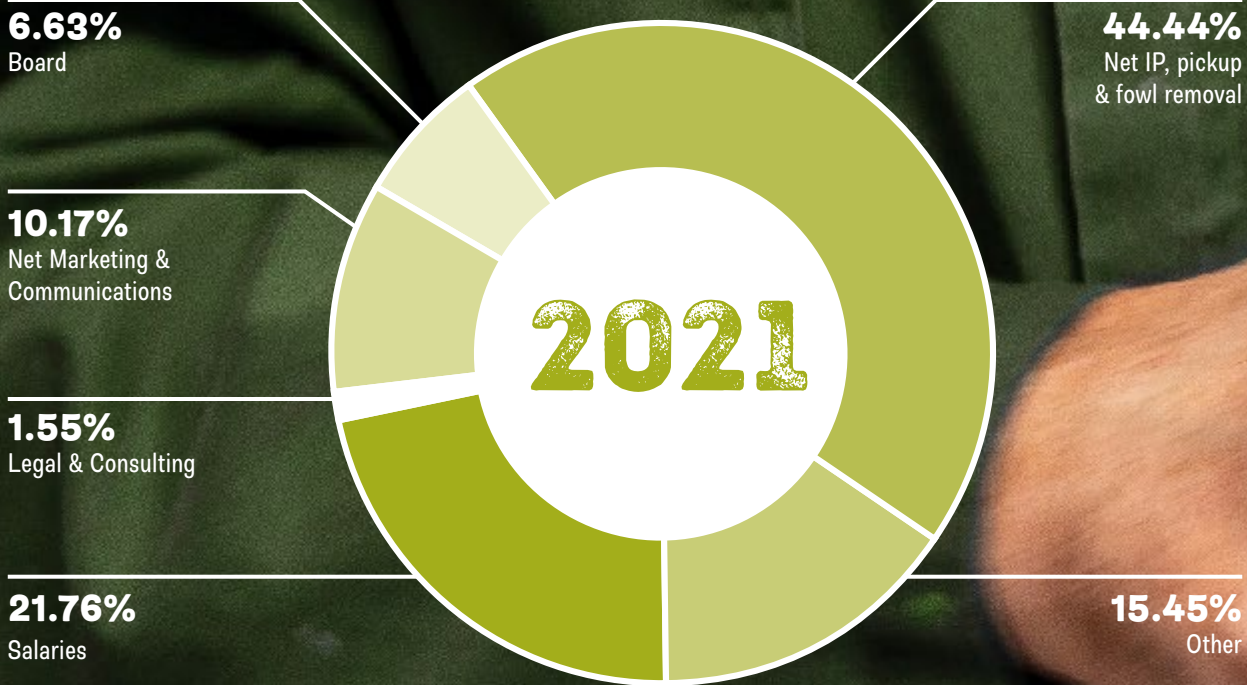






INDUSTRY AT A GLANCE

DISTRIBUTION OF EXPENSES



	Net IP, Pickup & Fowl Removal	Board	Net Marketing & Communications	Salaries	Legal & Consulting	Other
2021	\$ 2,470,780	\$ 368,495	\$ 565,467	\$ 1,210,062	\$ 86,244	\$ 859,048
2020	\$ 2,279,213	\$ 334,747	\$ 511,365	\$ 1,251,544	\$ 115,371	\$ 736,482

GRADINGS REPORT

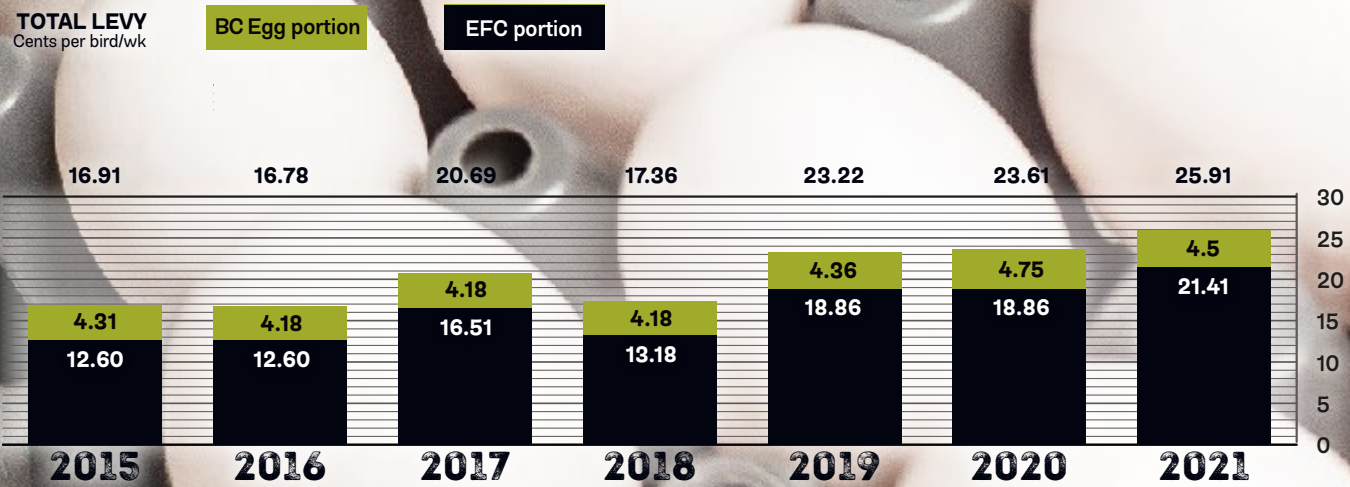
2020

	DOZENS	DOLLARS
Classic	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

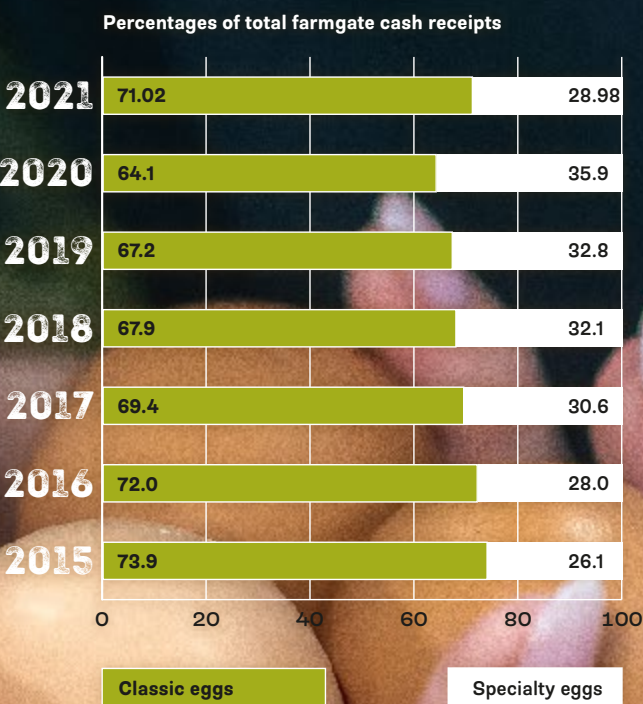
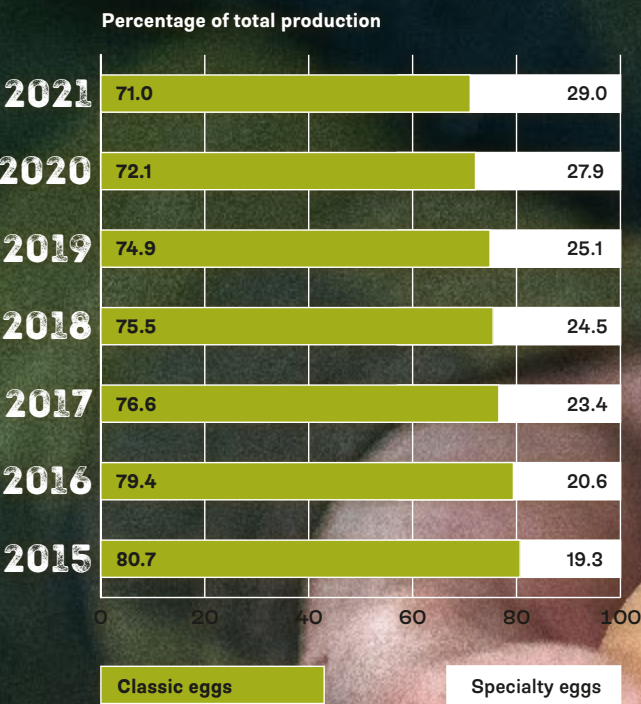
2021

	DOZENS	DOLLARS
Classic	64,131,745	\$ 156,526,152
White	42,649,120	102,368,990
Brown	2,360,105	5,919,672
Enriched White	17,199,834	43,198,797
Enriched Brown	1,922,686	\$5,038,693
Specialty	26,163,349	\$ 90,189,801
Free Run	7,268,195	20,384,523
Free Range	9,620,812	31,478,775
Organic	9,274,342	38,326,503
Total	90,295,094	\$ 246,715,953

LEVY PAID BY REGISTERED PRODUCERS



EGG PRODUCTION BY TYPE FARM GATE RECEIPTS

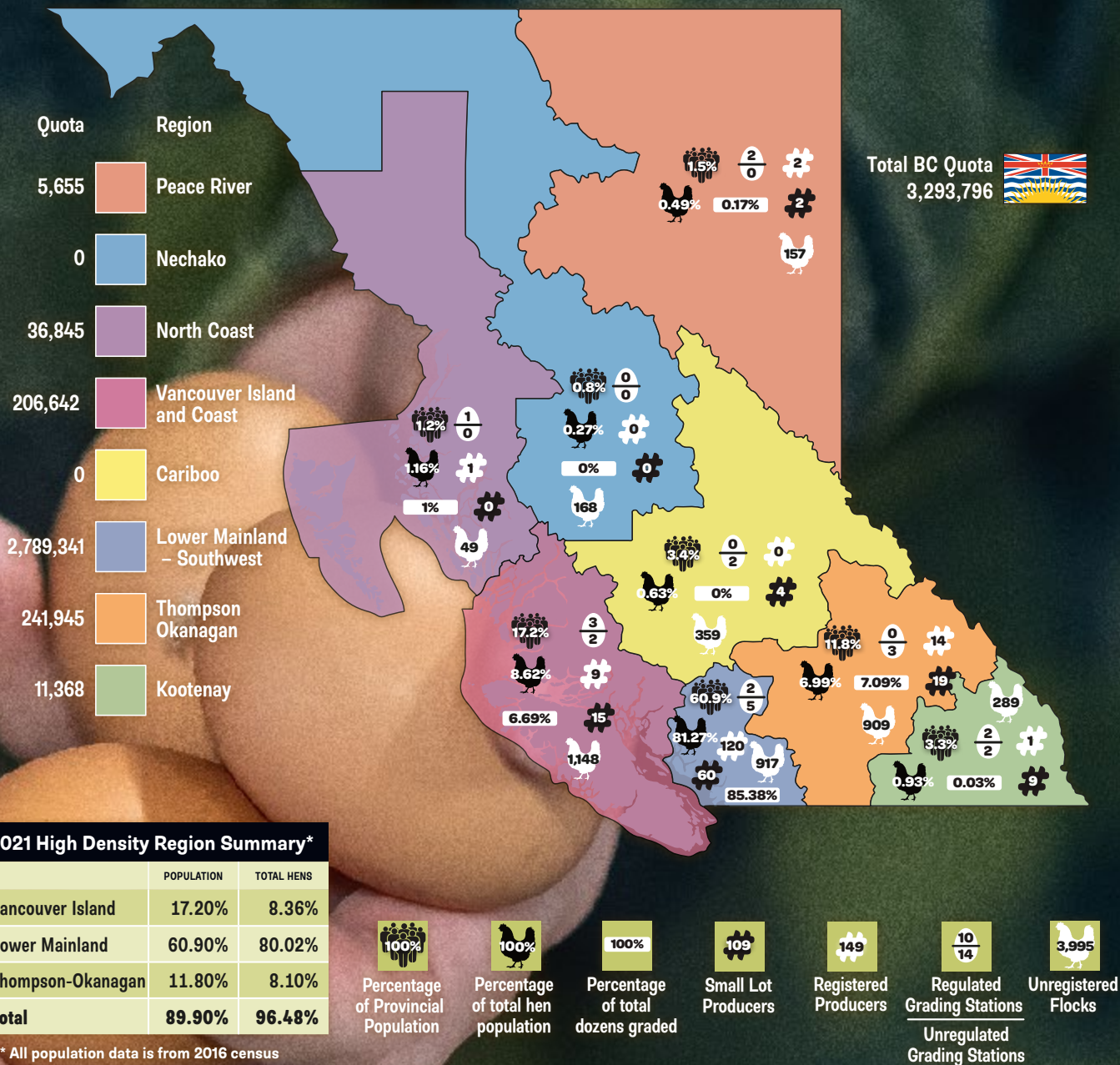


SPECIALTY PRODUCTION LAND BASE REQUIREMENTS

Housing Method	Maximum Density	Percentage Increase over Conventional	Additional Barns required (to house average flock size)
CONVENTIONAL	67 square inches		Status Quo
ENRICHED	116 square inches	73%	1 additional barn
FREE RUN	144 square inches	115%	1 additional barn
FREE RANGE	144 square inches inside plus 216 square inches outside 360 square inches in total	437%	1 additional barn plus 2 ranges with hen access from the barn This triples the land base required
ORGANIC	260 square inches inside plus 390 square inches outside 650 square inches in total	870%	4 additional barns plus 5 ranges with hen access from the barn This increases the required land base 9 times

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

2021 EGG INDUSTRY IN BRITISH COLUMBIA



2021 ANIMAL CARE PROGRAM REVIEW

149	99.6%	169	0
Animal Care Program (ACP) audits completed on registered producers	Average ACP Score (2021)	facilities received an ACP audit including: <ul style="list-style-type: none">143 completed by Egg Farmers of Canada auditors26 completed by third-party auditors	ACP failures

CHAIR'S REPORT

2021 has proven to be one of the most challenging years on record. We've dealt with the second year of the pandemic, a heat dome, forest fires, and unprecedented flooding. However, through all these hardships, our producers and friends in allied trades have shown incredible resilience, strength of spirit and community.

During the heat dome, producers spent those sweltering days in their barns trying to cool off their birds, many moving hens by hand to cooler spots. When cooling pads, ventilation systems, or rooftop sprinkler systems failed, producers helped fellow producers to get things fixed as quickly as possible.

When flood waters rose, farmers helped farmers rescue animals, provide feed and water, and any support needed by boat, helicopter, tractor – by any means possible! Feed companies, graders, processors, first responders, and many others worked together around the clock taking care of the farming community, the animals, and getting product to market.

Our egg producers and staff were a significant force in the Poultry Emergency Operations Center (EOC) which led flood mitigation efforts for our feather sectors. I want to offer sincere thanks to the EOC members and to the many individuals who worked tirelessly during the flooding and are now working towards recovery.

Thanks too to Minister Popham and Minister Bibeau who pledged substantial funding support from the provincial and federal governments for recovery efforts. We are also grateful to the Egg Farmers of Canada for their tremendous support, and to the Egg producers of Newfoundland & Labrador for their generous donation.

While it may have felt that we've spent the year running from one disaster to another, that wasn't the case. We have much to celebrate, including:

- Strong BC table egg sales for much of 2021 and expectations for a gradual but continuous rebuild of the foodservice and processing sectors.
- We responded swiftly to production pressures caused by the heat dome and implemented Temporary Allotment Program C (TAP C) so that quota continued to be produced with the help of farmers who had additional capacity in their barns.
- We distributed a quota allocation in record time! The 2021 national allocation resulted in 1.73% growth to our provincial quota allotment and provided eligible producers with an equal distribution portion and a pro-rata percentage as per our multi-allocation proposal prior-approved by BCFIRB.

- We held a New Producer Program Draw for small lot permit holders outside of the Lower Mainland and are pleased to welcome Chelsea Keenan and her family in Salmon Arm as new egg producers. The updated New Producer Program is designed to encourage

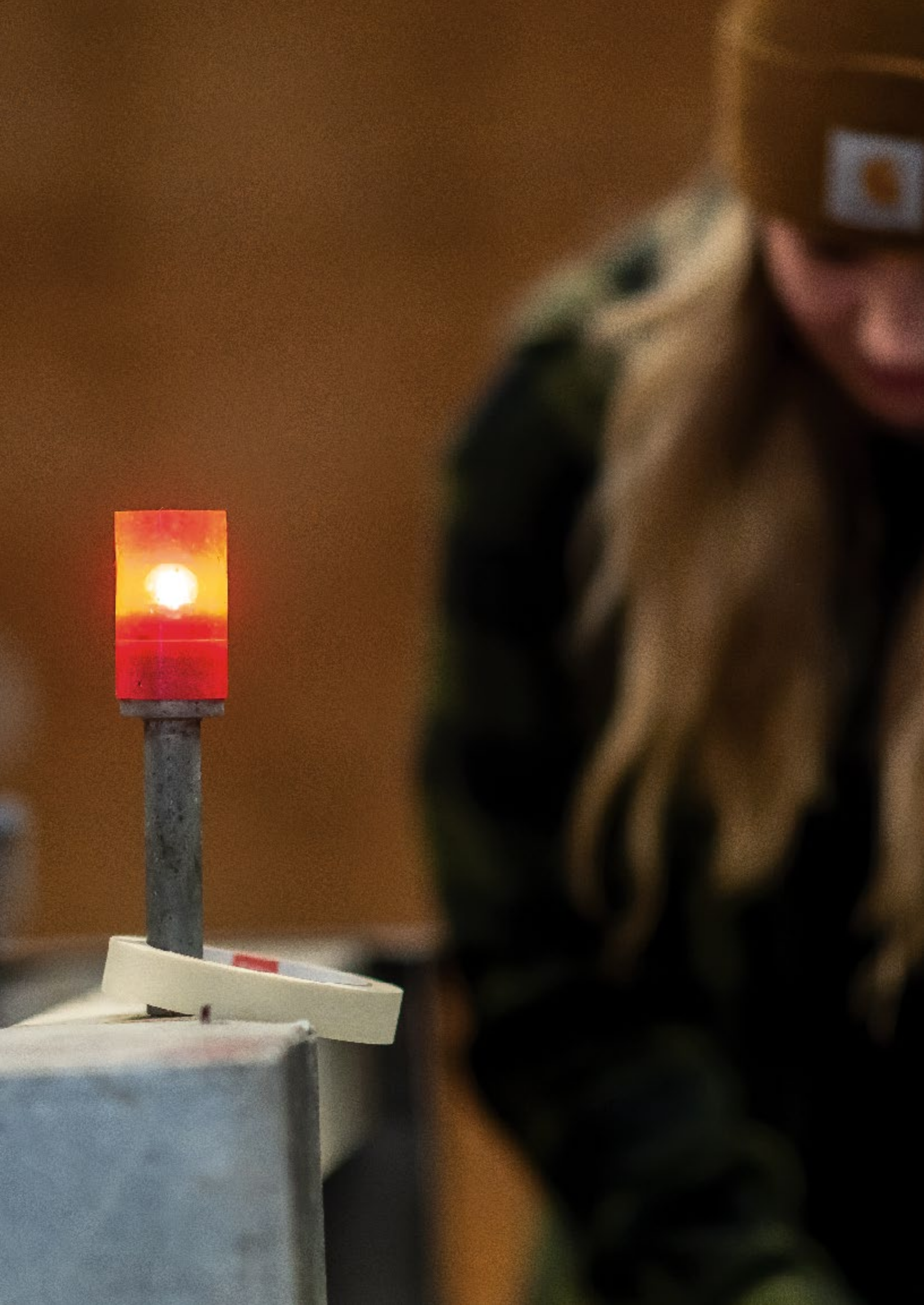


- geographic diversity in egg production and to strengthen food security throughout the province. The current supply chain challenges, combined with the extreme weather events and transportation disruptions have emphasized the importance of having food production in every region of the province.
- The Barn Fitness Policy and Audit Program was fully launched in 2021, after a two-year pilot period. To date, 26 older barns with aging equipment have been audited.
- BC continues transitioning to non-conventional housing systems at an impressive rate with over 50% of BC production now in specialty or enriched housing. BC has some of the most innovative production systems in the country!
- BC egg producers received a rebate from the Board in December which was a welcomed end to a very tough year.

At the risk of over-using pandemic-inspired terminology, we've pivoted our stakeholder engagement and consumer outreach strategies multiple times this past year. We met as a Board and with producers at in-person meetings/events whenever possible (adhering to all COVID protocols), added Zoom meetings as needed, and enhanced our e-communications. Kudos to our Marketing and Communications team which excelled in public outreach with the Meet a Farmer educational videos and virtual barn tours which helped keep BC Egg top of mind with consumers.

It has been a tough year but we are emerging from it stronger and more resilient than ever. I'm looking forward to working with everyone at BC Egg and our producers for a prosperous 2022!

Gunta Vitins, MBA, B.Sc., B.Ed
CHAIR



EXECUTIVE DIRECTOR'S REPORT

Our resilience has sure been tested this year. We have been pushed almost to the breaking point. We have endured new variants and multiple waves of the COVID pandemic, wild weather ranging from heat domes and forest fires to flooding and Arctic outflows.

I know producers had to be resilient to weather the literal and figurative storms of 2021; however, staff also showed remarkable resiliency. The office closed in November 2020 and didn't open again until July 2021. Working in isolation from home for nine months was difficult but we learned a great deal about how to keep the office functioning. We put this knowledge to good use during the November flooding when several staff members were unable to get to the office due to the closure of Highway 1 between Abbotsford and Chilliwack. They were able to work from home without missing a beat.

In addition, we were able to revamp our business continuity plan to account for the fact that staff could perform their jobs at almost full capacity at home. Of course, working from home for an extended period of time is no one's first choice, but it is good to know it is possible if we ever need to do it again.

Another thing I learned this year is that the generosity of producers never ceases to amaze me. Throughout all of the tragedy we endured this year, producers stepped up to help fellow producers and never expected anything in return. Whether someone needed fuel, help fixing equipment, a place to sleep, or emergency housing for loved ones trapped away from home, our producers were there to help out. This generosity was also visible at our Christmas party where producers showed up with arm-loads of toys to donate to the Archway Christmas Bureau.

Other highlights from 2021 include:

- BC Egg distributed an allocation of 73,229 quota units in record time this year thanks to our Allocation Policies and Procedures approved by BC FIRB in 2019. This allocation includes the small allocation on hold from 2020, the 2021 increase from EFC and some quota we had accumulated in the reserve through assessments.
- We were able to implement a TAP C program to compensate for the losses during the heat dome. This was important because we were able to meet market demand with BC eggs instead of having to resort to imports.
- We held a New Producer Program Draw and welcomed Chelsea Keenan from Salmon Arm to become a producer. This draw was specifically for current small lot permit holders outside of the Lower Mainland in order to increase the number of producers we have in the other regions of BC.
- We purchased a new mobile CO₂ euthanasia unit to make fowl removal easier for Interior producers. The unit will also be used for emergency euthanasia of a flock if live hauling is not possible such as during a disease outbreak.

Finally, we welcomed two new staff members who were hired to replace two staff who resigned. Welcome to Tanya Harder, Accounting and Data Clerk, and Sarah-Jane Copeland, Administrative Assistant. Both Tanya and Sarah-Jane were hired when staff were working from home and didn't get a chance to meet their coworkers for months. We are pleased to report that they both fit in well with the team.

The staff team at BC Egg is looking forward to working hard for producers in 2022.



A handwritten signature in blue ink that reads "Katie Lowe". The signature is fluid and cursive.

Katie Lowe, P.Ag.
EXECUTIVE DIRECTOR



EFC DIRECTOR'S REPORT

We knew that 2021 would still be challenging, but I think we all thought that things would be easier and more straightforward than they turned out to be.

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

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

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

- Innovation and research are central to EFC's Vision 2020 Business Plan. To achieve these results, the Research Committee of the EFC Board of Directors continued to champion EFC's research funding priorities in 2021, which are closely aligned with the priorities identified under Vision 2020. This includes supporting innovative projects across the country under EFC's Research Grant Program.
- EFC continued to support nutrition-focused research through our partnership with the Egg Nutrition Center, resulting in sound, science-based recommendations for policy makers and health professionals.
- Over the course of 2021, the Canadian Poultry Research Council continued to manage 19 projects under the Poultry Research Cluster, an \$8.24 million investment from the Government of Canada. The current cluster's funding ends in 2023, and CPRC, in tandem with the SM4, is currently in discussion with Agriculture and Agri-food Canada to determine the amount and focus of the next iteration of the cluster.
- Linking sustainability with innovation has proven to be essential in driving new sustainable practices. Our continued work with researchers and experts has revealed important information around green technology and best practices that can be implemented directly on farm. A key part of these endeavours was the development of the National Environmental Sustainability Tool (or NEST). During 2021, the tool underwent significant development, with researchers and developers



making strides in creating a tool that will allow farmers to measure, manage and benchmark sustainability on their farms. With the early version set to roll out in early 2022, this tool will provide essential resources for farmers seeking to understand and improve sustainability in their day-to-day operations.

- Roger Pelissero continued his work as a member of the Egg Industry Center Board of Advisors of Iowa State University, while also being on the Board for the International Egg Commission. These cross border working relations are key to our overall collaborative efforts within the egg industry as a whole.
- Because of continued pandemic restrictions—for a second year in a row—our advocacy programs had to be adjusted to ensure the issues facing egg farmers continued to be discussed with key decision-makers in government. Over the course of the year, dozens of meetings took place connecting EFC with parliamentarians and other officials. In addition, EFC stayed connected with our key stakeholders through continued written communication that were sent throughout the year. We hosted our annual spring advocacy days where we met with parliamentarians to discuss issues relating to trade mitigation support and sustainability initiatives. We also joined representatives from the chicken, turkey and hatching egg sectors to discuss the United Nations Food Systems Summit with Agriculture and Agri-Food Canada along with the Ministers of International Development and Agriculture and Agri-Food. Discussions also took place with the Chief Veterinary Officer and Canadian Food Inspection Agency to address national priorities in the areas of animal welfare, food safety and product labelling.
- In April of 2021, the Poultry and Egg On-Farm Investment Program (PEFIP) was launched to provide mitigation funding to offset the impact of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The program provides close to \$647 million over ten years and offers additional opportunities for farmers to reinvest in their operations and plan for the future as they navigate the long-term market losses under the CPTPP agreement.
- Throughout the federal election, EFC took part in a number of advocacy initiatives to ensure the voices of all Canadian egg farmers were heard. Prior to the election and in partnership with the chicken, turkey and hatching egg sectors, letters were sent to all major parties requesting that support for supply management be included in their election platforms along with no further market access in future trade agreements.
- We continued to advance Vision 2020, with the goal of becoming a world leader in per capita egg consumption. Part of that goal is facilitated by the strong support we see for farmers and for our product. Buying local eggs continues to be more and more important to Canadians.



Canadians trust Canadian eggs, and we have been able to showcase the production of fresh, local eggs and the system that makes it possible.

- Great progress has also been made on the FPTA renewal in 2021. The FPA committee had regular meetings this year to draft and reach consensus on renewed FPTA wording and agreement. The committee took part in workshops and negotiations to ensure the strength of the new agreement and is very close to providing a recommendation to the EFC Board, which is the first step in the signatory process. We anticipate the reviewed FPTA wording will be circulated in 2022. At the same time, we continued our positive working relationship with the FPCC on the FPTA matter and other important files.
- The continued impact of the pandemic challenged Canadians from coast to coast and reminded us of the absolute importance of supporting our fellow Canadians. With food bank use on the rise and school closures affecting breakfast programs, egg farmers continued to offer a helping hand to communities across the country. Once again, our sector stepped up in a big way in 2021, donating 8 million eggs to food banks and other charitable organizations.
- A milestone was achieved this year with the completion of stage 1 of the redeveloped Animal Care Program (ACP). This undertaking to redevelop the ACP with requirements from the 2017 Code of Practice for the Care and Handling of Pullets and Laying Hens has been ongoing for several years and includes the addition of a suite of new requirements and

corresponding assessment measures to the ACP.

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

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

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

Walter Siemens
EFC DIRECTOR



COMMITTEE REPORTS



COMMITTEE REPORTS

AUDIT AND FINANCE COMMITTEE

2021 was a year of challenges. Our industry faced monumental challenges with the weather from wildfires to heat domes to destructive flooding. We were also challenged by additional waves of the COVID pandemic and its changing strains. Through it all, we faced the challenges together as a collective industry.

In May 2021, we received the devastating news that one of our external committee members, Don Bernard, passed away. Don, an accountant, had served on the committee for many years and his contributions will be greatly missed.

In addition to the Audit & Finance Committee's (A&F's) regular responsibilities, including fiduciary obligations with respect to accounting, auditing, financial reporting, and internal control functions of BC Egg, the Committee reviewed our fiscal policies and procedures in 2021. Another major task in 2021 was to hire a new auditing firm that will take over the audit in 2022. The A&F Committee reviewed proposals from several firms and made a recommendation to the Board of Directors.

As BC Egg held surplus cash at the end of 2021, the Committee recommended a rebate to producers and on December 17, 2021 a rebate equal to \$0.50 per issued quota bird as of October 24, 2021 (week 44) was announced for all producers in good standing.

I want to thank the committee members, Art Friesen, Alf Wall, Alana Dueck and Trevor deWolde, for their work in 2021.



Jeff Regier
CHAIR

PRODUCTION MANAGEMENT COMMITTEE

On-farm programming continues to be the priority for the Production Management Committee (PMC). After a successful pilot in 2020, the Barn Fitness Audit program officially launched in 2021. Audits were conducted on leased facilities and facilities with equipment that was over 20 years old. This audit program is another step in ensuring BC Egg and producers continue to have the public's trust.

The committee conducted 26 barn fitness audits in 2021. The PMC considers the program a great success and looks forward to both improving the program as well as continuing the audits to ensure hens are always living in the best conditions possible.

The PMC also provided consultation on numerous Egg Farmers of Canada proposed changes to the Start Clean, Stay Clean Program as well as the Animal Care Program. In addition, the PMC provided advice to BC Egg on our own processes and programs.

I want to thank the individual committee members for all their hard work. The committee consists of: Jake Esau, Scott Janzen, Dwayne Vanderkooi and Dan Kampen. Finally, I want to remind producers to use your PMC committee if you have a concern or an issue with any of the programs related to your farm please feel free to reach out to one of the committee members.



Matt Vane
CHAIR



BC COUNCIL OF MARKETING BOARDS

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

The BC Council of Marketing Boards (BCCOMB) 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)**.

BCCOMB'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 BCCOMB members.

BCCOMB has 8 members:

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

BCCOMB offers professional development sessions under the auspices of COGA (Centre for Organizational Governance in Agriculture).

These sessions are funded in part by Agriculture and Agri-Food Canada, the Government of BC through programs delivered by the BC Investment Agriculture Foundation, and BCCOMB. In the 2020/21 fiscal year, COGA transitioned its workshops to an on-line format, resulting in more frequent, shorter sessions. This change in format saw a greater breadth of participation from around the province. This past fiscal year we held seven virtual sessions. The sessions held included: Managing the Media (twice); The Math, the Myth and The Legend; An Overview and Outlook to Global Feed Grain; Emerging Pest Issues: Managing the Risk; Seasonal and Temporary Foreign Workers Program Update; Making Good Decisions in Uncertain Times.

BCCOMB recognizes the following BC Egg members and staff for their ongoing commitment to the development of their communities through their participation in COGA sessions: Gunta Vitins, Walter Siemens, Katie Lowe, Jon Krahn, Amanda Brittain, and Jeff Reiger.

In the 2020/2021 fiscal year, BCCOMB was the Independent Election Officer for twelve (12) elections and managed nineteen (19) surveys. The annual Director's Compensation Survey was conducted once again, enabling its members to compare their remuneration with similar organizations. BCCOMB hosted two Chairs' and Managers' meetings, attended by member Chairs and EDs/GMs and the annual BCCOMB- BCFIRB Meeting attended by member Chairs, the BCFIRB Board and staff. These meetings provided the opportunity for member organizations to meet informally and discuss items of mutual interest. These meetings were held virtually due to COVID-19 restrictions.



Della Oberhoffner
COMB GENERAL MANAGER



COMMITTEE REPORTS

BC EGG PRODUCERS ASSOCIATION

The Egg Producers Association (EPA) represents producers and their interests around the province. In 2021, the EPA consisted of:

- Mark Siemens – Chair
- Wayne Johnson – Vice-Chair, Interior Representative
- Dan Kampen
- Kyle Smiens
- Richard Gotzke
- Juschka Clarke
- Rob Regehr, Interior Representative
- Ian Woike, Island Representative
- James Lockwood, Island Representative

In 2021, the EPA worked on a number of projects but perhaps the most important task was unplanned. When the floods hit in November, the EPA stepped up and provided support to producers who had to evacuate and later to those who suffered losses. Several EPA members served on the Poultry Emergency Operations Centre helping to coordinate the response.

The non-emergency projects undertaken by the EPA in 2021 included:

- Working with BC Egg to develop a revised leasing program to improve flexibility for producers who experienced losses during the heat dome and floods.
- Continued the important work of liaising with government by participating in Ag Days.
- Reviewed and condensed the BC Specialty Audit program.
- Continued to work on finding solutions to the relentless disease challenges BC poultry farmers are facing.
- The EPA was also pleased to continue to provide consultation to the Board and other poultry groups.



Mark Siemens
CHAIR

MARKETING AND COMMUNICATIONS COMMITTEE

The MarComm Committee is unique in that the majority of members are non-producers. These members work in the marketing and/or communications fields and are able to bring a new and fresh perspective to the committee.

In 2021, the committee approved a plan with a lot of flexibility. Staff were able to pivot and adapt to the ever-changing COVID protocols to deliver a combination of virtual and in-person events as well as a robust paid advertising program.

At their mid-year meeting, the MarComm Committee reviewed the virtual barn tour program and gave advice for hosting in-person summer fairs as well as a virtual back-up option. Everyone was pleased when we were able to attend two of the fairs in person.

At the end of 2021, the MarComm Committee reviewed the work that had been done as well as the plan for 2022. They provided advice for new target audiences and asked staff to look into specific media for paid advertising.

I would like to thank the committee members for their dedication during this challenging year.



Jon Krahn
CHAIR

EGG INDUSTRY ADVISORY COMMITTEE

The Egg Industry Advisory Committee (EIAC) comprises a chair appointed by BC Egg as well as three producer representatives and three grader/processor representatives.

The 2021 members of the EIAC are:

- Aryn Alibhai, Chair
- Bruce Richardson, Grader
- Frank Curtis, Grader
- Collin Regehr, Grader
- Rob Regehr, Producer
- Mark Siemens, Producer
- Dan Kampen, Producer

The EIAC provides input and feedback to the Board of Directors in their decision making by giving non-binding recommendations on production and/or pricing issues. The committee also reviews the market demand for eggs – which has been more challenging than normal during the pandemic, industry utilization rates, and the quota allocation model.

In 2021, the EIAC provided recommendations for pricing changes to reflect the ongoing operational and feed cost increases that have impacted all producers. In addition, the committee recommended introducing a free run white pricing category to enable competitive provincial supply to the Hotel, Restaurant and Institutions (HRI) markets. The HRI sector is striving to meet customer demands for cage-free eggs, who are not interested in the colour of the egg shell, but rather use cost effective free run white eggs to fulfill their needs.

The EIAC was also consulted on various BC Egg processes and programs including the New Producer Program, the Quota Allocation Proposal and the Administrative Monetary Penalty Policy Proposal.

Thank you to all the committee members for their hard work in 2021!



Aryn Alibhai
CHAIR



2021 MARKET REVIEW

As with most other sectors, COVID-19 continued to impact the egg sector in 2021 highlighting the importance of food security and the role that supply management has in our province. Throughout 2021, the entire sector was challenged to maintain a consistent and safe supply of eggs while ensuring the safety of the workforce including farmers, grading station employees, egg truck drivers, and other essential staff.

The mandate of supply management to meet consumer demand faced multiple unprecedented challenges in 2021. From extreme heat to extreme flooding, the year has thrown a lot at BC farmers. If the weather events weren't enough, we've had COVID in the background adding multiple complications and disrupting the supply chain.

At BC Egg, we look at the sales of two types of eggs: table eggs are sold in grocery stores and eggs sold to the Hotel/ Restaurant/Institution (HRI) sector. According to data collected by Nielsen, table egg sales slowed slightly in 2021 as BC's 52-week-growth rate ended 2021 at -4.8%. This year's negative growth follows a 13.2% growth rate in 2020 so the market was likely returning to a more stabilized growth trend. We are optimistic that the market will grow in 2022.

At the beginning of 2021, the COVID-19 pandemic continued to have a major impact on processor demand, which created significant market uncertainty and a surplus in the Industrial Products (IP) pool. This surplus required Egg Farmers of Canada, egg boards, and industry to closely collaborate to manage and respond to the significant swings in supply and demand. Market conditions, supply trends, and storage were monitored on a weekly basis and actions were required to avoid wasting the eggs that normally go to the HRI sector. Boards were required to carefully monitor, track and plan hen inventory, upcoming placements and production for the first half of the year.

In November, a series of atmospheric rivers caused sustained rainfall and flooding that significantly impacted the supply chain. BC Egg had approximately 290,000 layers in the evacuation area.

Unwilling to abandon their animals, producers tirelessly battled countless adversities to ensure that their hens were cared for in the weeks following the initial flood. The entire agricultural sector as well as hundreds of volunteers joined together to offer their time, expertise, equipment, etc. to the farms in need. While the flood waters receded by the end of 2021, the recovery efforts are still underway and will likely continue throughout 2022.

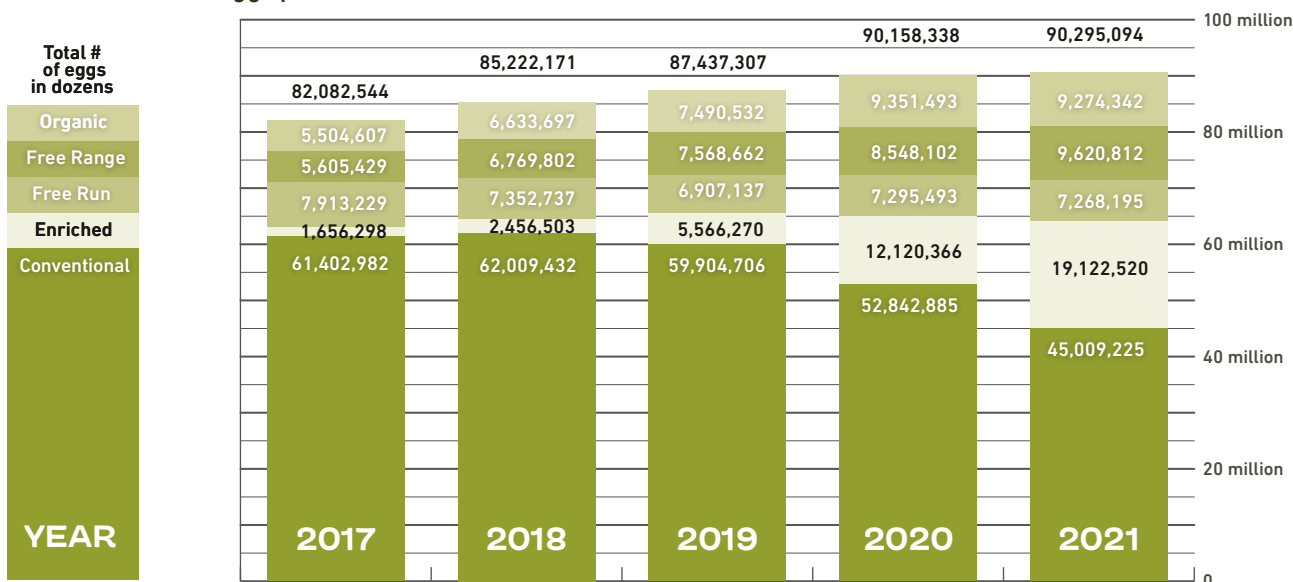
Despite all of the adversity and challenges thrown at BC Egg's farmers in 2021, we are pleased to report that BC Egg's overall utilization of its allotted quota in 2021 ended at 97.82%. Our objective is to get as close to 100% as possible to ensure BC consumers are getting local product.

An allocation of 73,229 quota units was made at the end of October 2021. This allocation was second of our three-allocation distribution plan approved by FIRB. It included the 14,916 quota units previously allotted to BC in December 2019, a 57,639 quota unit allocation allocated to us in October 2021 and 674 units that were held in reserve.

BC egg producers continue to be 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 113 of our 149 producers to use alternative housing. With the development of the 2017 Codes of Practice for the Care and Handling of Pullets and Laying Hens, industry made a commitment to be 50% cage free within eight years (by 2025). We met that milestone in 2021 as BC Egg ended the year with just over 50% of our total production (50.2%) coming from either enriched or specialty production systems. We reached this milestone four years ahead of the intended target. In total, our production breakdown is 29% specialty and 71% conventional and enriched (of which 21.02% is enriched). Our egg producers are committed to meeting market demand for all production types and will continue to supply BC's egg consumers with their preferred egg types.

As at December 31, 2021, there were 149 registered family egg farms in BC.

Annual total of BC Eggs produced in dozens







MARKETING UPDATE

In 2020, we experienced the unprecedented cancellation of all our public events. In 2021, we experienced months of the unknown. Staff were never sure if events would be allowed to proceed or if they would be shut down at the last moment. Staff had to make plans and back-up plans for anything involving interaction with the public. For example, the PNE cancelled twice before finally going ahead in a modified format. The Abbotsford Agrifair did not get clearance to run until 10 days before opening day. Fortunately, we had a robust advertising campaign that was not affected by this uncertainty. Plus we continued with our virtual barn tour program that started in 2020 and interacting with the kids on these tours brought some bright moments into an otherwise challenging year.

Virtual Events—Better than Ever

Connecting with consumers via virtual formats has become an effective way to share our messaging about the versatility and benefits of eggs, and the ways BC egg farmers care for their hens. For this reason, BC Egg hosted a virtual booth and cooking demonstration at the online Vancouver Wellness Show.

We also supported online cook-alongs jointly presented by BC Agriculture in the Classroom Foundation and We ♥ Local BC, teaching British Columbians how to cook delicious, wholesome meals with locally farmed ingredients. These activations reached over 1,060 at-home cooks from every corner of the province.



BC Egg continued its partnership with SuperChefs, delivering camps virtually again in 2021. Similar to last year, online camps featured cooking lessons, nutrition information, dental and oral-health guidance and lessons on exercise and movement. The program reached over 110 virtual campers in July and August—more than double the number of participants in 2020.

Live, Real-Time Virtual Ask an Egg Farmer Barn Tours

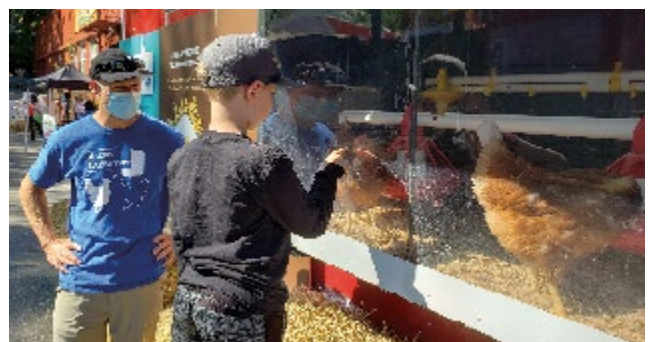
Our exceptional virtual barn tour program continued throughout 2021, enabling school and community groups to tour our beautiful BC egg farms live and in real-time. Our farmer-ambassadors toured groups of Easter Seals campers, for their Spring and Summer virtual camps, as well as multiple Scouts Canada and Girl Guides of Canada divisions. We also toured local schools such as Seaforth Elementary in Burnaby and Chilliwack's Highroad Academy. In total, we reached over 1,200 youths, teachers and counsellors and staff, inspiring trust in all levels of our egg industry with the current and next generation of BC consumers.

Summer Fairs

In 2021, Abbotsford Agrifair opened for the first time since the COVID-19 pandemic started. This year was a smaller fair limited to 4,000 attendees per day. Featuring a spin-to-win trivia contest at the BC Egg booth, fair-goers learned facts about egg nutrition and egg farming in BC while winning lots of prizes and recipes.

BC Egg was also pleased to be back at the Fair at the PNE after last year's drive-thru event. BC Egg was able to exhibit our laying hens and engage with fair-goers safely outside thanks to BC's Poultry in Motion which loaned us one of their purpose-built trailers.

Our farmer-ambassadors gave out swag as well as scores of eye-catching egg recipes, and answered thousands of questions wearing their "Ask an Egg Farmer" paraphernalia. An estimated 230,000 people visited the fair.



IN THE COMMUNITY

Advertising Campaign

This year's advertising campaign focused on moms, millennials and light egg eaters. We had ads on Global News, traffic and weather tags on four radio stations in key markets, digital stories and ads on Chatelaine and Today's Parent, digital ads on FoodNetwork.ca and much more.

Recipes and Cooking

Home cooking is still a popular activity as the pandemic continues to limit activities. As a result, we continued our partnerships with Chef Dez and Diversivore to develop new recipes, teach cooking skills and encourage people to eat eggs in new and interesting ways. The recipe page on our website got a major overhaul with the addition of tags that allows users to search for specific recipe types and dietary options. Recipes and food videos were also popular posts on our social media channels with users engaging and commenting on them frequently.

Social Media

Our robust social media program means that we posted every day in 2021. Our popular Farmer Friday posts (#farmerfriday) garnered many positive comments – especially during the November flooding event. While we posted about many different topics like nutrition, farm practices, and hens, the most popular posts involved food or farmers (farm kids and pets were also popular!).

Results

We were pleased that we were able to reach 36% of people in BC with our campaign. In a year when we only had two very limited fairs, this number is particularly gratifying. More importantly, the number of people who trust egg farmers and who believe that the industry is well managed in BC has gone up.



Community Egg Donations

BC Egg is always proud to donate fresh eggs to hardworking non-profit organizations in our province so that their patrons can benefit from the delicious nutrition only found in eggs. BC Egg supports Canuck Place Children's Hospice in Abbotsford and Sheway, a pregnancy outreach program providing vital supports and daily hot lunches, to pregnant women and women with infants in the Downtown East Side of Vancouver.

BC Egg also donates fresh eggs every week to the Abbotsford Food Bank for people in need in the Fraser Valley, but in 2021—a year where demand on food banks has risen exponentially—many more food banks sought our help from all over the province. We are pleased to donate eggs to food banks throughout the province.

Donations to an Egg-ceptional School Program



BC Agriculture in the Classroom is a non-profit, charitable organization that works with educators to bring BC agriculture and food education to K-12 students all over the province. With the help of its donors and BC's agriculture community, BCAITC works to deliver fresh, BC-grown product to secondary schools in their Take a Bite of BC program. BC Egg is committed to ensuring the 59 schools each have a case of fresh eggs twice per year.

UGM

For many years BC Egg and BC Turkey have co-hosted a fundraising golf tournament to help supply much needed protein in the form of eggs and turkey meat for Union Gospel Mission (UGM)—an organization serving home-cooked meals three times a day, as well as health and wellness services, to those struggling with homelessness and addiction. COVID-19 prevented us from doing an in-person tournament in 2020, but this year we were excited to return to the fairways for an in-person golf tournament.

Held in Chilliwack on August 17th, over \$84,369 was donated to UGM thanks to the generous spirit of the golfers, sponsors, farmers, industry partners and volunteers. This amazing donation will help to give essential protein and nutrition to those in need for yet another year.



BOARD OF DIRECTORS



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., global leaders in organic and natural foods. 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 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 Egg Farmers of Canada's Executive Committee as well as on committees covering specialty production, Cost of Production, animal care, and the Transportation Code of Practice review.

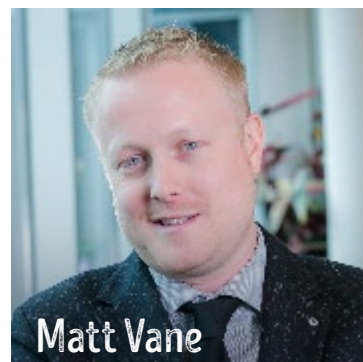
"Having people willing to work on the national level is beneficial for the whole industry," Walter says. "It's important to gain consensus and to find solutions that work for everyone to the various issues we have across the country."

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 has just completed university. They have six grandsons and two granddaughters.

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 watching the boys' farm expansion which just recently opened a new on farm egg store.

"I enjoy serving the egg industry and it's a great way to support and raise a family... now to see the next generation arriving is truly a blessing to us."



Matt is pleased to have the opportunity to serve on the Board of Directors and would like to thank the producers for electing him to a second term. Matt continues to serve on the Production Management Committee (PMC) both in BC and at EFC and is pleased to make a contribution to the industry in this important area. He also represents the Board on the BC Poultry Association, the Conventional to Enriched Transition Producer Pricing Committee and is currently the EFC and FPA alternate representative.

Matt grew up with a farming family and farming continues to be his preferred occupation.

Matt considers it a real honour and privilege to serve as a Director of BC Egg. He has very much enjoyed learning more about the industry and representing producers in his four years as a Director. He maintains that ours is a fantastic industry and one of which he's proud to be a part.



A third generation egg farmer, Jon Krahn has been farming alongside his two brothers for almost 20 years.

Jon began farming full time as manager of a layer farm in 2003. He transitioned to his current role as manager of the family owned feed mill in 2011.

Through the years, Jon has maintained an active role within the industry. He has had the privilege of being a director on the BC Egg Producers Association for seven years. 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.

Jon is now the chair of the Marketing and Communications Committee.

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



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

MANAGEMENT'S RESPONSIBILITY

To the Members of British Columbia Egg Marketing Board:

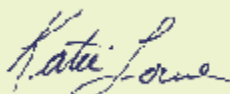
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in 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 fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is 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.

March 18, 2022



Katie Lowe
Executive Director

INDEPENDENT AUDITORS' 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 25, 2021, and the results of its operations and its cash flows for the 52-week period ended December 25, 2021 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 25, 2021;
- the statement of operations for the 52-week period ended December 25, 2021;
- the statement of changes in net assets for the 52-week period ended December 25, 2021;
- the statement of cash flows for the 52-week period December 25, 2021;
- the notes to the financial statements, which include significant accounting policies and other explanatory information; and
- the schedule of expenses for the 52-week period ended December 25, 2021.

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.

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 22, 2022

British Columbia Egg Marketing Board

STATEMENT OF FINANCIAL POSITION

	December 25, 2021 \$	December 26, 2020 \$
ASSETS		
Current assets		
Cash and cash equivalents	11,578,500	4,995,614
Accounts receivable	6,958,938	10,109,800
Prepaid expenses and deposits	513,022	244,509
	19,050,460	15,349,923
Capital assets (note 3)	145,434	162,765
Long-term investment (note 4)	3,832,482	3,827,509
	23,028,376	19,340,197
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	11,716,314	8,828,861
Levies due to Egg Farmers of Canada	1,523,884	2,385,082
Government remittances payable	52,099	16,066
	13,292,297	11,230,009
NET ASSETS		
Invested in capital assets	145,585	162,765
Unrestricted	9,595,494	7,947,423
	9,736,079	8,110,188
	23,028,376	19,340,197
Commitments (note 5)		
Guarantee (note 6)		

Approved by the Board of Directors

Director
Gunta Vitins
Chair



Director
Jeff Regier
Chair, Audit and
Finance Committee



British Columbia Egg Marketing Board

STATEMENT OF OPERATIONS

	52-week period ended December 25, 2021 \$	52-week period ended December 26, 2020 \$
Net revenue		
Levies (note 8)	6,409,228	6,992,821
Sale of eggs to grading stations	246,715,953	230,538,588
Purchase of eggs from producers	(246,715,953)	(230,538,588)
	6,409,228	6,992,821
Expenses (schedule)		
Administrative	2,014,236	2,097,041
Governance	368,495	334,747
Marketing	348,713	317,109
Communication	216,754	194,256
Industrial product and other programs (note 13)	2,470,780	2,279,213
	5,418,978	5,222,366
Excess of revenue over expenses before other items	990,250	1,770,455
Interest and other income (note 12)	706,414	532,265
Loss on asset disposal	(763)	(4,358)
Equity loss on investment	(70,010)	(99,936)
Excess of revenue over expenses for the period	1,625,891	2,198,426

British Columbia Egg Marketing Board

STATEMENT OF CHANGES IN NET ASSETS

	52-week period ended December 25, 2021			52-week period ended December 26, 2020
	Invested in capital assets \$	Unrestricted \$	Total \$	Total \$
Net assets — Beginning of period	162,765	7,947,423	8,110,188	5,911,762
(Deficiency) excess of revenue over expenses for the period	(40,973)	1,666,864	1,625,891	2,198,426
Purchase of capital assets	23,793	(23,793)	-	-
Net assets — End of period	145,585	9,595,494	9,736,079	8,110,188

British Columbia Egg Marketing Board
STATEMENT OF CASH FLOWS

	52-week period ended December 25, 2021 \$	52-week period ended December 26, 2020 \$
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess of revenue over expenses for the period	1,625,891	2,198,426
Items not involving cash		
Amortization	40,361	37,580
Equity loss on investment	70,010	99,936
Interest accrued on advances to Central Agricultural Facility Limited	(74,983)	(81,835)
Loss on asset disposal	763	4,358
	1,662,042	2,258,465
Changes in non-cash working capital items		
Accounts receivable	3,150,862	(540,958)
Prepaid expenses and deposits	(268,513)	65,766
Accounts payable and accrued liabilities	2,887,453	607,829
Levies due (from) to Egg Farmers of Canada	(861,198)	(1,061,334)
Government remittances payable	36,033	(29,136)
	4,944,637	(957,833)
	6,606,679	1,300,632
Investing activities		
Purchase of capital assets	(23,793)	(120,628)
Increase in cash and cash equivalents during the period	6,582,886	1,180,004
Cash and cash equivalents — Beginning of period	4,995,614	3,815,610
Cash and cash equivalents — End of period	11,578,500	4,995,614

British Columbia Egg Marketing Board
NOTES TO THE FINANCIAL STATEMENTS
December 25, 2021

1 Incorporation and nature of the Board

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 26, 2020 to December 25, 2021) and the comparative fiscal year consisted of 364 days (December 28, 2019 to December 26, 2020).

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 Chartered Professional Accountants of Canada Handbook – Accounting, as issued by the Accounting Standards Board of 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
Automotive	4
Computer equipment	2-5
Office 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 collectibility 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 the 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 collectibility 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 revenue over expenses in the periods in which they become known.

British Columbia Egg Marketing Board
NOTES TO THE FINANCIAL STATEMENTS
December 25, 2021

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 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 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 of revenue over expenses in the period the reversal occurs.

British Columbia Egg Marketing Board
NOTES TO THE FINANCIAL STATEMENTS
December 25, 2021

3 Capital assets

			December 25, 2021	December 26, 2020
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Automotive	67,461	67,457	4	164
Computer equipment	1,018,617	906,861	111,756	130,044
Office equipment	112,875	106,164	6,711	3,183
Leasehold improvements	532,940	517,413	15,527	16,233
Agricultural event displays	29,843	18,407	11,436	13,141
	1,761,736	1,616,302	145,434	162,765

4 Long-term investment

The Board's investment in CAFL includes the following:

	December 25, 2021 \$	December 26, 2020 \$
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	2,599,649	2,524,666
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	(1,442,853)	(1,372,843)
	3,832,482	3,827,509

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 25, 2021 are not available and accordingly the Board used CAFL's December 31, 2021 financial statements to report its equity interest.

British Columbia Egg Marketing Board
NOTES TO THE FINANCIAL STATEMENTS
December 25, 2021

CAFL's condensed financial statements for the year ended December 31, 2021 showing the Board's 50% share are as follows:

	2021 \$	2020 \$
Condensed Balance Sheet		
Assets	3,763,110	3,776,393
Liabilities	5,200,963	5,148,479
Shareholders' deficiency	(1,437,853)	(1,372,086)
	3,763,110	3,776,393
Condensed Statement of Operations		
Revenues	359,720	321,718
Expenses	(429,730)	(421,654)
Loss for the year	(70,010)	(99,936)
Condensed Statement of Cash Flows		
Cash provided by (used in)		
Operations	104,489	87,655
Financing	(22,917)	(22,012)
Investing	(32,500)	(75,459)
Increase (decrease) in cash and cash equivalents	49,072	(9,816)

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

- CAFL is subject to income taxes.
- 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 the 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 \$189,288 for donations and education in 2021.

6 Guarantee

As at December 25, 2021, the Board has guaranteed a mortgage of CAFL, up to a maximum amount of \$2,000,000 (December 26, 2020 – \$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 25, 2021, no liability has been recorded associated with this guarantee as CAFL has complied with the requisite mortgage payments.

British Columbia Egg Marketing Board
NOTES TO THE FINANCIAL STATEMENTS
December 25, 2021

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 25, 2021.

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 25, 2021 \$	December 26, 2020 \$
Total levies collected from egg producers	43,212,604	39,761,620
Less: Levies remitted to EFC	(35,179,736)	(31,655,733)
Less: Service fee remitted to EFC	-	(1,113,066)
Less: Producer rebates	(1,623,640)	-
Net levies – British Columbia Egg Marketing Board	6,409,228	6,992,821

9 Related party transactions

During the period, the Board paid rent in the amount of \$148,614 (December 26, 2020 – \$149,624) to CAFL. In addition, the Board earned interest income in the amount of \$104,483 (December 26, 2020 – \$114,950) from CAFL, of which \$74,983 (December 26, 2020 – \$81,835) 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 \$18,962,597 (December 26, 2020 – \$13,964,040) and as at December 25, 2021 had a net payables balance of \$920,595 (December 26, 2020 – \$653,163), which is related to these purchases.

During the period, the Board paid per diems and benefits to directors in the amount of \$319,105 (December 26, 2020 – \$282,940).

The Board provided operating grants to various egg producer associations in the amount of \$nil (December 26, 2020 – \$70,800).

Included in accounts receivable at the end of the period was \$2,220,120 (December 25, 2020 – \$1,438,618) due from Egg Farmers of Canada.

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

British Columbia Egg Marketing Board
NOTES TO THE FINANCIAL STATEMENTS
December 25, 2021

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 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 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 \$58,672 (December 26, 2020 – \$58,830) 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 \$454,532 (December 26, 2020 – \$328,043) relating to lease pool fees.

13 Industrial product and other programs

Included in industrial product and other programs is \$34,532 (December 26, 2020 – \$739,553) 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.

British Columbia Egg Marketing Board

SCHEDULE OF EXPENSES

	52-week period ended December 25, 2021 \$	52-week period ended December 26, 2020 \$
Administrative		
Amortization	40,361	37,580
Annual general meeting	7,352	54,182
Association grants	-	70,800
Committee, events and membership	170,027	169,056
Insurance and legal	40,143	87,156
Miscellaneous	(6,998)	4,386
Office and maintenance	129,388	133,214
Operations	56,055	16,775
Professional development and scholarships	114,389	40,159
Professional services	76,162	54,684
Rent	148,614	149,624
Salaries and benefits	1,210,062	1,251,544
Travel	28,681	27,881
	2,014,236	2,097,041
Governance		
Per diem and benefits	319,105	282,940
Travel and accommodation	49,390	51,807
	368,495	334,747

British Columbia Egg Marketing Board
SCHEDULE OF EXPENSES (CONTINUED)

	52-week period ended December 25, 2021 \$	52-week period ended December 26, 2020 \$
Marketing		
Marketing programs	348,713	317,109
Communication		
Communication programs	22,609	39,950
Events	158,866	120,499
Website	35,279	33,807
	216,754	194,256
Industrial product and other programs		
EFP costs (recoveries)	34,533	(62,126)
Farm pickup costs	1,150,000	1,150,000
Fowl removal costs	504,816	143,891
Industrial product costs – net of recoveries	763,781	854,961
Western pool costs	17,650	192,487
	2,470,780	2,279,213
	5,418,978	5,222,366



BOARD OFFICERS AND COMMITTEES

Board Officers

Chair

Gunta Vitins

Vice Chair and EFC Director

Walter Siemens

EFC Alternate

Matt Vane

Secretary

Jeff Regier

Director

Jon Krahn

BCEMB Committees

Audit and Finance Committee

Jeff Regier, Chair

Art Friesen, Producer Representative

Alf Wall, Producer Representative

Alana Dueck, Producer Representative

Don Bernard (until May 2021)

Trevor deWolde, External Representative

Erin Duetta, Staff Representative

Egg Industry Advisory Committee

Amy Alibhai, Chair

Bruce Richardson, Grader

Frank Curtis, Grader

Collin Regehr, Grader

Rob Regehr, Producer

Mark Siemens, Producer

Dan Kampen, Producer

Katie Lowe, Staff Representative

Marketing Communications Committee

Jon Krahn, Chair

Julie Winram, External Representative

Greg Waring, External Representative

Carrie Barlow, External Representative

Jen Laughlin, Producer Representative

Gunta Vitins, ex-officio

Amanda Brittain, Staff Representative

Production Management Committee

Matt Vane, Chair

Scott Janzen, Western HACCP Representative

Dwayne Vanderkooi, Producer Representative

Jake Esau, Producer Representative

Dan Kampen, Producer Representative

Joey Aebig, Staff Representative

BC Egg Producers Association

Mark Siemens – Chair

Wayne Johnson – Vice-Chair, Interior Representative

Dan Kampen

Kyle Smiens

Richard Gotzke

Juschka Clarke

Rob Regehr, Interior Representative

Ian Woike, Island Representative

James Lockwood, Island Representative

COLOPHON

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by Mark Massyn, Massyn Design

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