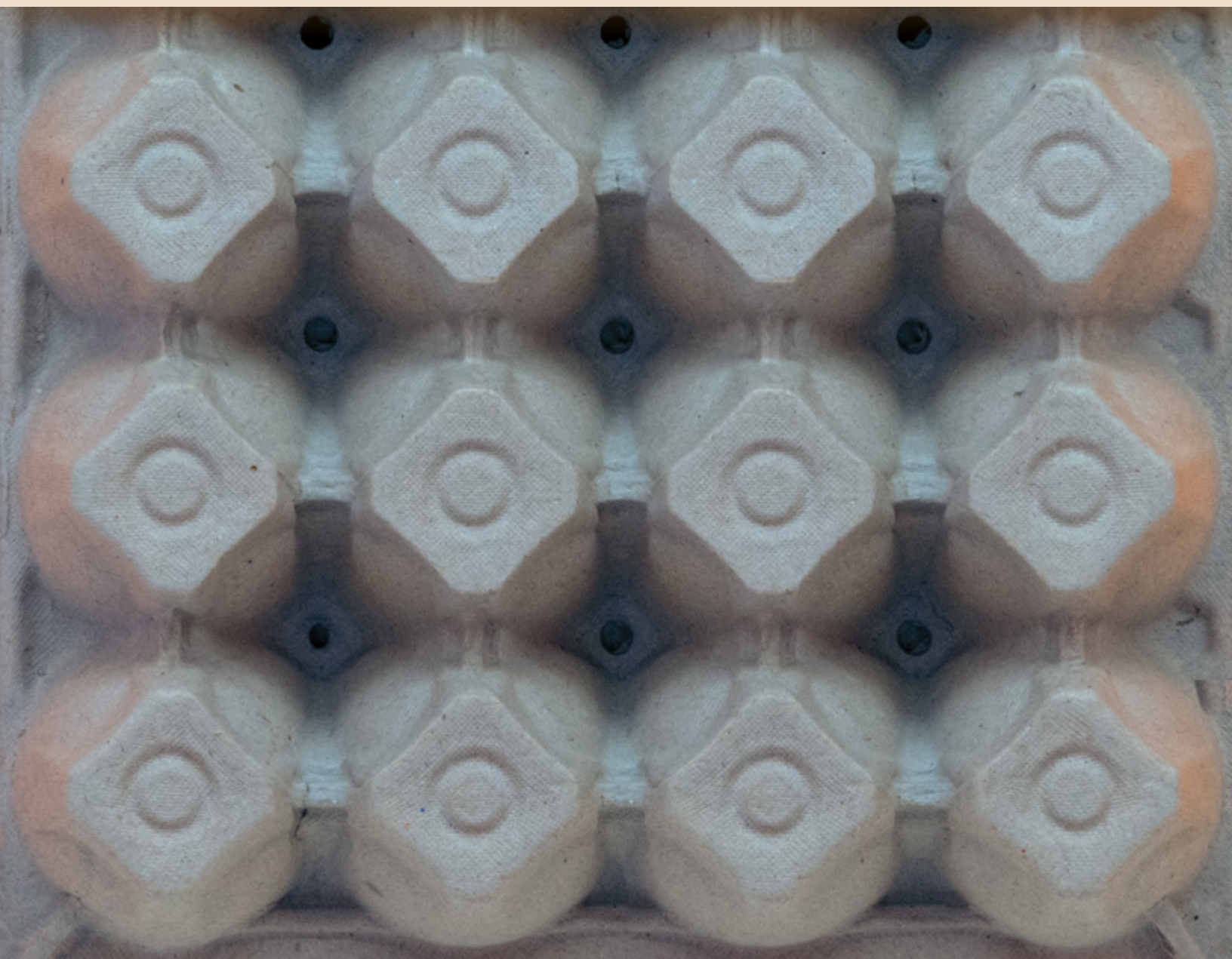




# Supporting Each Other

BC Egg Annual Report 2022









A blurred background image showing the lower half of several people walking, likely in a public space like a mall or transit station. The people are out of focus, with their legs and lower bodies visible in various colors like red, blue, and grey.

# 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.



# Contents

- 7** Industry at a Glance
- 13** Chair's Report
- 14** Executive Director's Report
- 17** EFC Director's Report
- 19** Committee Reports
- 24** Market Review
- 27** Marketing Update
- 29** Supporting the Community
- 30** Board of Directors
- 33** Financial Statements
- 51** Board Officers and Committees

# Industry

AT A GLANCE

385 1907 110

81 70 3891 412

30 70 3891 412

01 70 3891 412

47 70

## DISTRIBUTION OF EXPENSES



|             | Net IP, Pickup<br>& Fowl Removal | Board             | Net Marketing &<br>Communications | Salaries            | Legal &<br>Consulting | Other             |
|-------------|----------------------------------|-------------------|-----------------------------------|---------------------|-----------------------|-------------------|
| <b>2022</b> | <b>\$ 2,154,899</b>              | <b>\$ 606,305</b> | <b>\$ 724,670</b>                 | <b>\$ 1,405,374</b> | <b>\$ 117,442</b>     | <b>\$ 808,962</b> |
| <b>2021</b> | <b>\$ 2,470,780</b>              | <b>\$ 368,495</b> | <b>\$ 565,467</b>                 | <b>\$ 1,210,062</b> | <b>\$ 86,244</b>      | <b>\$ 859,048</b> |

# GRADINGS REPORT

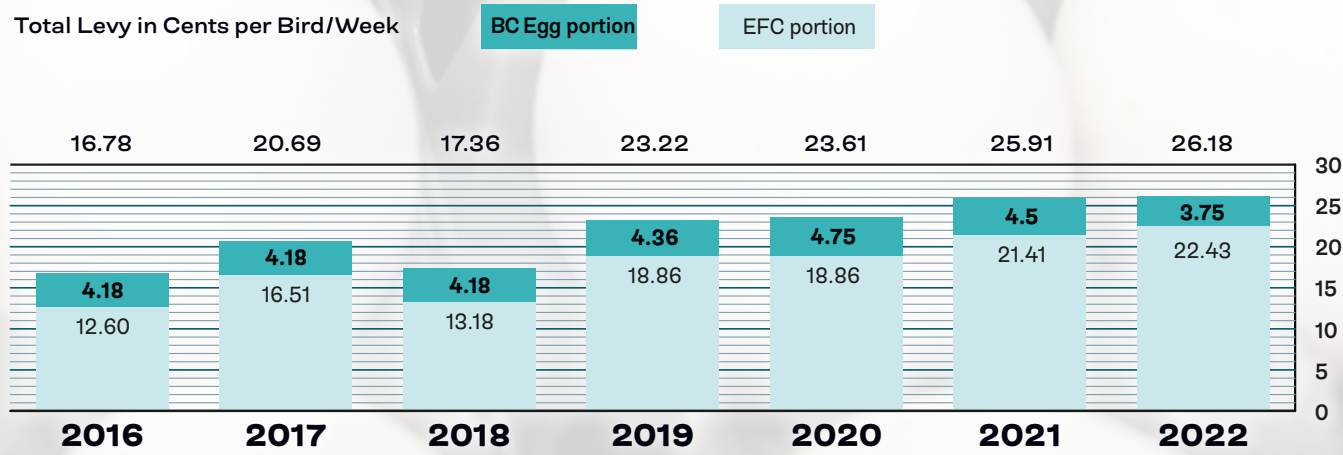
2021

|                | 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 |

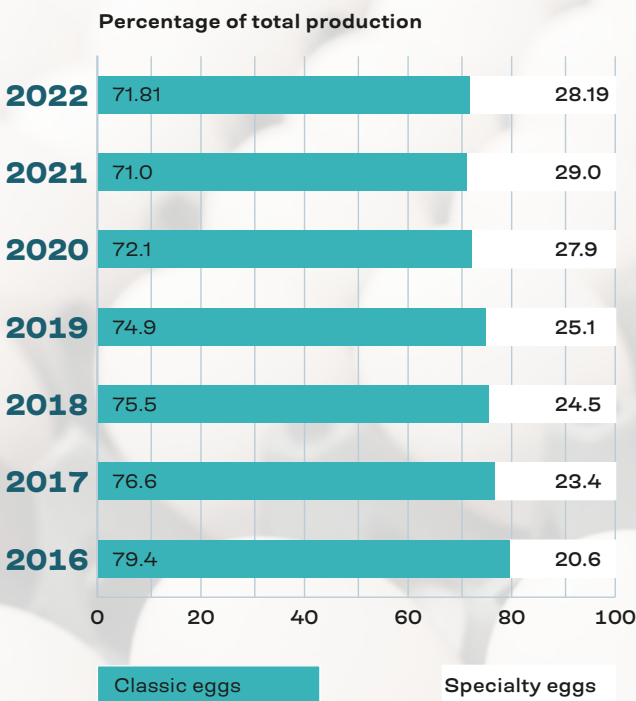
2022

|                | DOZENS     | DOLLARS        |
|----------------|------------|----------------|
| Classic        | 65,844,439 | \$ 182,027,794 |
| White          | 37,382,753 | 101,564,466    |
| Brown          | 3,707,535  | 10,523,465     |
| Enriched White | 22,022,696 | 61,995,762     |
| Enriched Brown | 2,731,455  | 7,944,100      |
| Specialty      | 25,853,378 | \$ 96,634,527  |
| Free Run       | 7,413,175  | 23,120,160     |
| Free Range     | 8,985,982  | 31,921,334     |
| Organic        | 9,454,221  | 41,593,033     |
| Total          | 91,697,817 | \$ 278,662,321 |

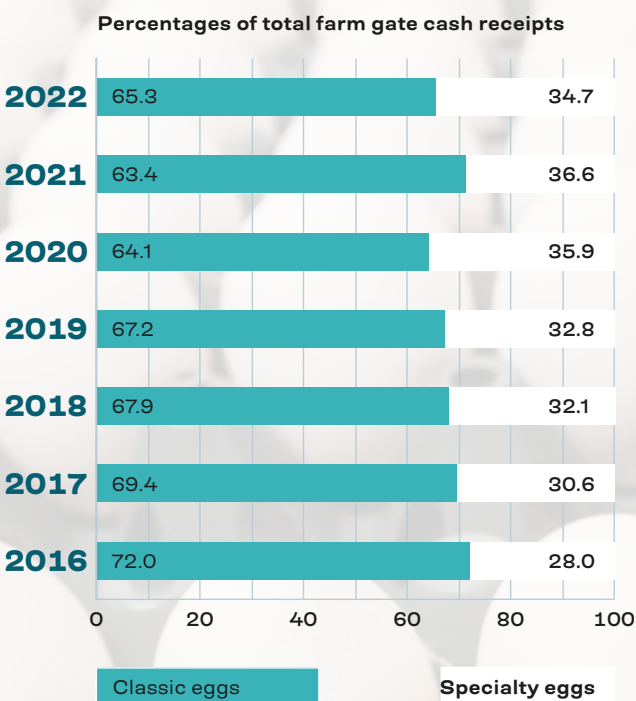
# LEVY PAID BY REGISTERED PRODUCERS



## EGG PRODUCTION BY TYPE



## FARM GATE RECEIPTS

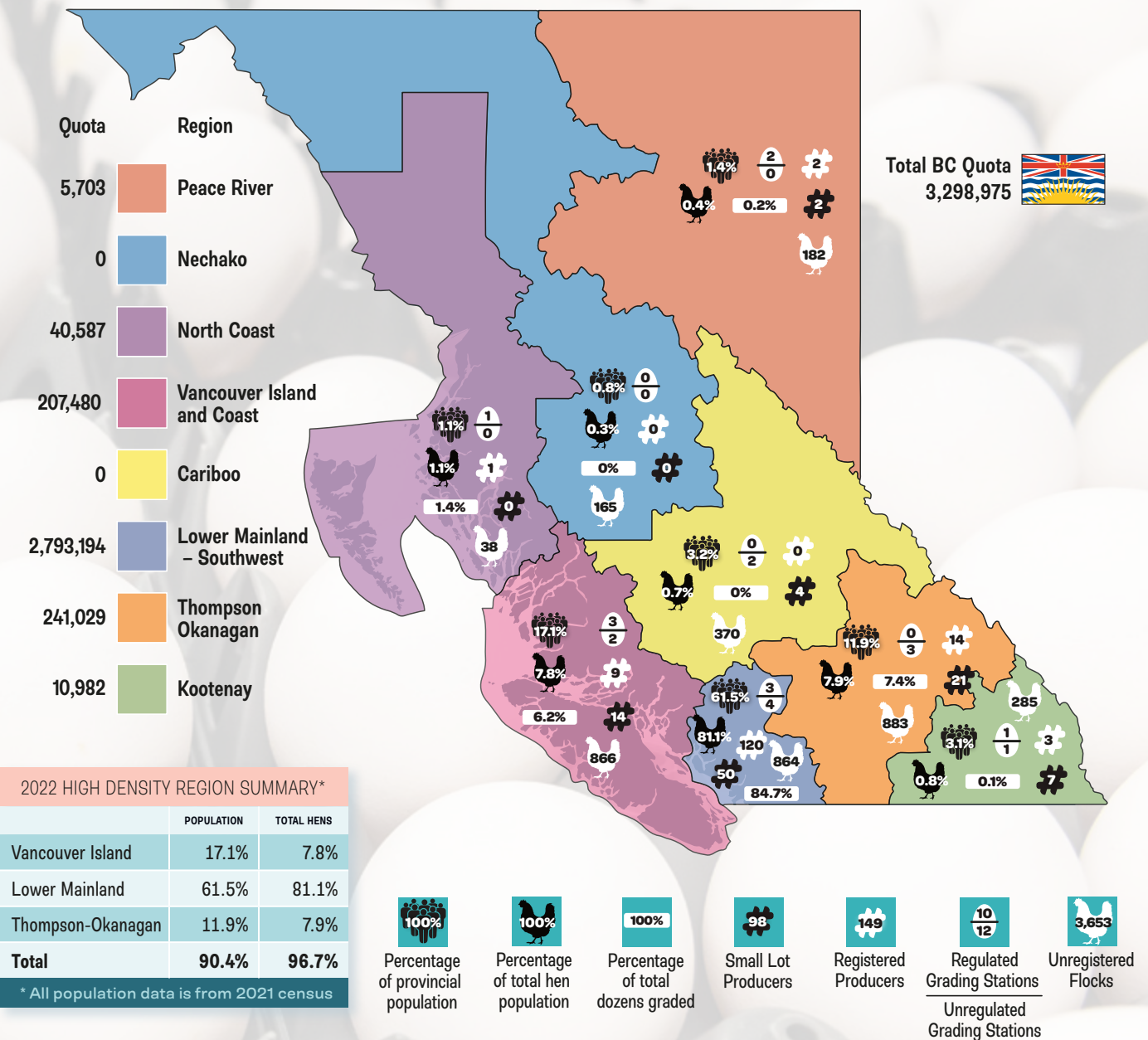


## SPECIALTY PRODUCTION LAND BASE REQUIREMENTS

| 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<br>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<br>This increases the required land base 9 times |

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

## 2022 EGG INDUSTRY IN BRITISH COLUMBIA



## 2022 ANIMAL CARE PROGRAM REVIEW

|   |  |   |                              |
|---|--|---|------------------------------|
| 49*   | 99.82%                                   | 51  | 0                            |
| Animal Care Program (ACP) audits completed on registered producers  | Average Animal Care Program Score (2022) | facilities received an ACP audit including: <ul style="list-style-type: none"><li>• 44 completed by BC Egg and Egg Farmers of Canada auditors</li><li>• 7 completed by third-party auditors</li></ul> | Animal Care Program failures |
| * BC experienced two periods of Avian Influenza which resulted in the suspension of regular farm audits. Regular audits are expected to resume in 2023. |  |   |                              |



# CHAIR'S Report

The theme of this year's annual report, **Supporting Each Other**, is very fitting because we have really needed to pull together and support each other through a very challenging 2022. While Avian Influenza was a major challenge for everyone in the poultry industry it was not the defining moment of 2022 – our response to it was.

BC egg producers and our BC Egg staff stepped up and went above and beyond on the BC Poultry Association Emergency Operations Centre (EOC). Yes, dealing with AI was very, very difficult but our response to the virus was one of which to be proud.

While AI was the focus for much of the year, we were also able to complete other important work. We conducted a number of consultations with stakeholders during the year. We recognize that many producers suffered from 'survey fatigue' and we are grateful to everyone who took the time to fill out even one of the surveys. We knew this year's consultation process was a big ask but it was very important work that had to be completed, including the review of the Consolidated Order.

We read every response and every comment on every survey. We learned that the Board must be nimble in an ever-changing environment based on the information and feedback we received from various stakeholders through these surveys and Zoom meetings. Sometimes the Board has to make tough decisions and changes, supported by sound processes, data and policies, but they are necessary in order to keep BC on a progressive path forward.

We continue to lead the country in the area of alternative housing which includes enriched, free run, free range and organic production. Over 45% of BC's eggs are produced in alternative housing systems, with the largest percentage increase occurring in enriched housing over the past few years. The market is never static and the demands for different types of eggs fluctuate depending on consumers' purchasing power and desire for specific product benefits. We endeavour to work closely with graders to understand and respond to changes in market demand, and develop programs accordingly.

Our strong commitment to hen welfare is evidenced through the results of our rigorous on-farm programs, third party audits, and Barn Fitness Program. Some hen welfare issues – like AI – require a world-wide response and BC Egg is proud to work with Egg Farmers of Canada to solve international poultry issues.



The public took a great interest in supporting local farmers during the flooding in 2021. That support has grown to include learning more about where their food comes from and how it's produced. We support this change through our public outreach events and work hard with producers and graders to get local products on the grocery store shelves.

Finally, I want to thank the Board of Directors, staff and committee members for their endless energy and countless hours in serving the best interests of the egg industry throughout BC. Our regional delegates spent a lot of time reaching out to their regions – by phone and Zoom when they couldn't travel due to either COVID or AI. I also want to acknowledge that we have had an excellent working relationship with Minister Lana Popham and wish her well as she moves on to a new Ministry. We are looking forward to building a strong relationship with Minister Pam Alexis whose riding includes a large number of poultry farms in the Fraser Valley.

I'm confident that our industry will continue to progress and prosper in the coming year, as we work together and support each other to overcome any challenges that may lay ahead.

A stylized blue ink signature of Gunta Vitins.

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

# EXECUTIVE, Directors' Report

After a very tough 2021, we were hoping 2022 would be a year of recovery and growth. Unfortunately, 2022 ended up being even more challenging than 2021 with a province-wide outbreak of Avian Influenza (AI).

There were some positives that came out of the AI outbreak. First, our biosecurity program worked – the epidemiology reports for the fall have not been completed; however, there was no evidence of widespread mechanical farm-to-farm transfer of AI in the spring. Most infections were due to 'point source incursions.' We are interested in receiving the epidemiology reports for the fall so we can learn from this event and make changes as required.

I was also very impressed by the number of egg producers who took on leadership roles in the BC Poultry Association's Emergency Operations Centre (EOC). They were instrumental in helping the EOC run as smoothly as it did.

The entire BC poultry sector showed its leadership with our response to AI. For example, the BC Permit Department became the gold standard in Canada. Other provinces learned from us and ran their permit departments based on BC's best practices.

While AI did consume a lot of time and effort in 2022, we did work on non-AI related tasks during the year. One of the larger projects was revamping our Consolidated Order. Thank you to everyone who participated in the various consultation surveys to ensure we collected feedback from a wide variety of producers. This process will be completed in early 2023.

We also held a New Producer Program draw but, unfortunately, did not receive any qualified applications. We will be holding another draw early in 2023 and we look forward to receiving more applications from people looking to get into egg farming.

In March, we hosted a conference and AGM exclusively for egg producers for the first time since 2015. The conference, held at the Fairmont Hotel Vancouver, was deemed a success by all attendees. Everyone was very excited to be able to get together in person once again. The next BC Egg Conference and AGM is planned for early 2024.



While AI may have forced us to cancel our producer Christmas party, it couldn't dampen our Christmas spirit. We used the funds we would have spent on the party to buy turkey dinners and deliver them to several shelters in the Fraser Valley. Board members and staff delivered the meals a few days before Christmas and were pleased to bring a bit of joy to the shelter residents and staff. In addition, the hot chocolate bombs that had been purchased as the producer gift, were donated to Canuck Place, Ronald McDonald House, and the pediatric oncology department at BC's Children's Hospital.

Finally, we were pleased to welcome two new staff members who were hired to replace staff who moved on to other opportunities. Michelle McGregor is our new Administrative Assistant and Desirae Delcourt is our new PLO. Producers may remember Desirae as she worked with us as a summer student a few years ago. Both Michelle and Desirae have fit in to the office team seamlessly.

All staff are looking forward to working with producers in 2023.

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





# EGG FARMERS CANADA Directors' Report

As we enter 2023, the egg sector may be in a better place than some other protein commodities but, like everyone in Canada, we're dealing with inflationary pressures, the instability caused by war, extreme weather, the lingering effects of the pandemic and the threat of avian influenza. Fortunately, the strong structures and effective processes we have in place provide us with the resiliency to face these challenges.

What underpins our structures and processes, is our collective willingness to collaborate. We are all highly motivated to work together to find solutions—at all levels, among all groups and across all jurisdictions. Make no mistake about it: It is collaboration that produced 2022's strong outcomes. And I can safely say that our continued ability to work together will be the key to building further resiliency.

While much has been accomplished over the last year, there are several outcomes I want to highlight because they keep us on the path to becoming the world leader in per capita egg consumption.

This past year saw the roll-out of the redeveloped national Animal Care Program. The program was independently reviewed by the National Farm Animal Care Council, which confirmed that it meets all applicable requirements outlined in the Code of Practice for the Care and Handling of Pullets and Laying Hens. We are making this collective commitment to rigorous animal welfare standards for a very good reason: These standards are the cornerstone of the trust that we have nurtured with Canadians and with our value chain. Our redeveloped Animal Care Program will allow us to keep the trust of those we serve.

Our advocacy work in 2022 focused on keeping government decision-makers abreast of the issues that are most important to egg farmers. Because of our efforts with parliamentarians, officials and a growing number of departments and agencies, we are seeing encouraging progress on such issues as labelling modernization, the development of a national labour strategy, the roll-out of a green agricultural plan and the preparation of a national school food policy.

On the trade front, 2022 saw the announcement of new support measures for supply managed farmers navigating the market access impact of the Canada-United States-Mexico Agreement. A sum of \$85 million has been allocated to the egg farming sector to support investments in farming operations and planning for the future. This is in addition to the \$134 million announced in 2021 to offset the impact of Comprehensive and Progressive Agreement for Trans-Pacific Partnership. These funds will be directed to the existing Poultry and Egg On-Farm Investment Program, which offers us a tool to reinvest in our operations.

Looking next to egg promotion and marketing, 2022 saw our innovative and award-winning marketing programs continue to encourage Canadians to eat eggs at any time and at any meal. As retail sales return to pre-pandemic levels and with the foodservice and restaurant sector rebounding, eggs continue to be a central part of Canadians' diets.

Our sustainability journey continued to evolve in 2022 with the launch of the revolutionary new National Environmental Sustainability Tool (NEST). This innovative online tool allows Canadian egg farmers to measure, monitor and manage their farm's environmental footprint and create action plans to improve sustainability

on-farm. No other sector has a tool like NEST—and we will be rolling out enhancements to this tool in 2023. As farmers continue to embrace net-zero building practices, we will lead the way towards a more sustainable food system.

Similarly, 2022 also saw the advancement of our latest Cost of Production (COP) study, with the fieldwork phase wrapping up in the fall. The study was the first to measure the cost of producing a dozen marketable free-run eggs in a way that gives a fair rate of return on labour and investment. These efforts will help produce the first-ever separate COP results for conventional, enriched colony and free-run eggs. This milestone further reflects the direction in which we are headed as the industry shifts to alternative methods of production.

There is one last item I want to highlight. On December 15, 2022, Egg Farmers of Canada marked the 50<sup>th</sup> anniversary of its creation and the introduction of egg supply management in Canada. As we reflect on how far we have come together, it is worth remembering why supply management was created in the first place. It replaced a chaotic egg marketing system, bringing stability to farmers and allowing them to plan without having to worry about whether their eggs would sell.

While supply management serves the central purpose of orderly marketing, it has enabled so much more.

Looking back on our achievements can give us a sense of history. Our traditions of innovation, collaboration, and willingness to embrace change will carry us forward as we focus our collective efforts on the future, our Vision 2020 Business Plan, and our goal of becoming the world leader in per capita egg consumption.

To my colleagues at the national table and in BC, I want to express my heartfelt thanks for your ongoing dedication and commitment. Success would not be possible without your effort and collaboration. 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

The months-long Avian Influenza outbreak challenged our industry in many ways in 2022. Producers took financial hits from losing a flock in production or pullets being raised elsewhere. Many producers were unable to place chicks as planned because they were located in 1 km zones.

In addition to the Audit and Finance Committee's regular responsibilities, including fiduciary obligations with respect to accounting, auditing, financial reporting and internal control functions of BC Egg, the Committee had the pleasure of working with the new auditors, Loewen Kruse.

An exciting project for the committee was to organize a new post-secondary agriculture scholarship for students with a special interest in poultry at the University of the Fraser Valley. This scholarship will be given out to worthy students beginning in 2023.

I would like to thank the committee members (Alana Dueck, Alf Wall, Bryan Siemens and Trevor deWolde) for their hard work this year



**Jeff Regier**  
CHAIR

## Production Management Committee

The Production Management Committee (PMC) was excited to schedule Barn Fitness Audits on Vancouver Island this year. Unfortunately, the audits had to be paused due to the Avian Influenza outbreak. The Committee is committed to continuing the Barn Fitness Audits due to the benefits they bring to the entire sector. Audits will be rescheduled in 2023.

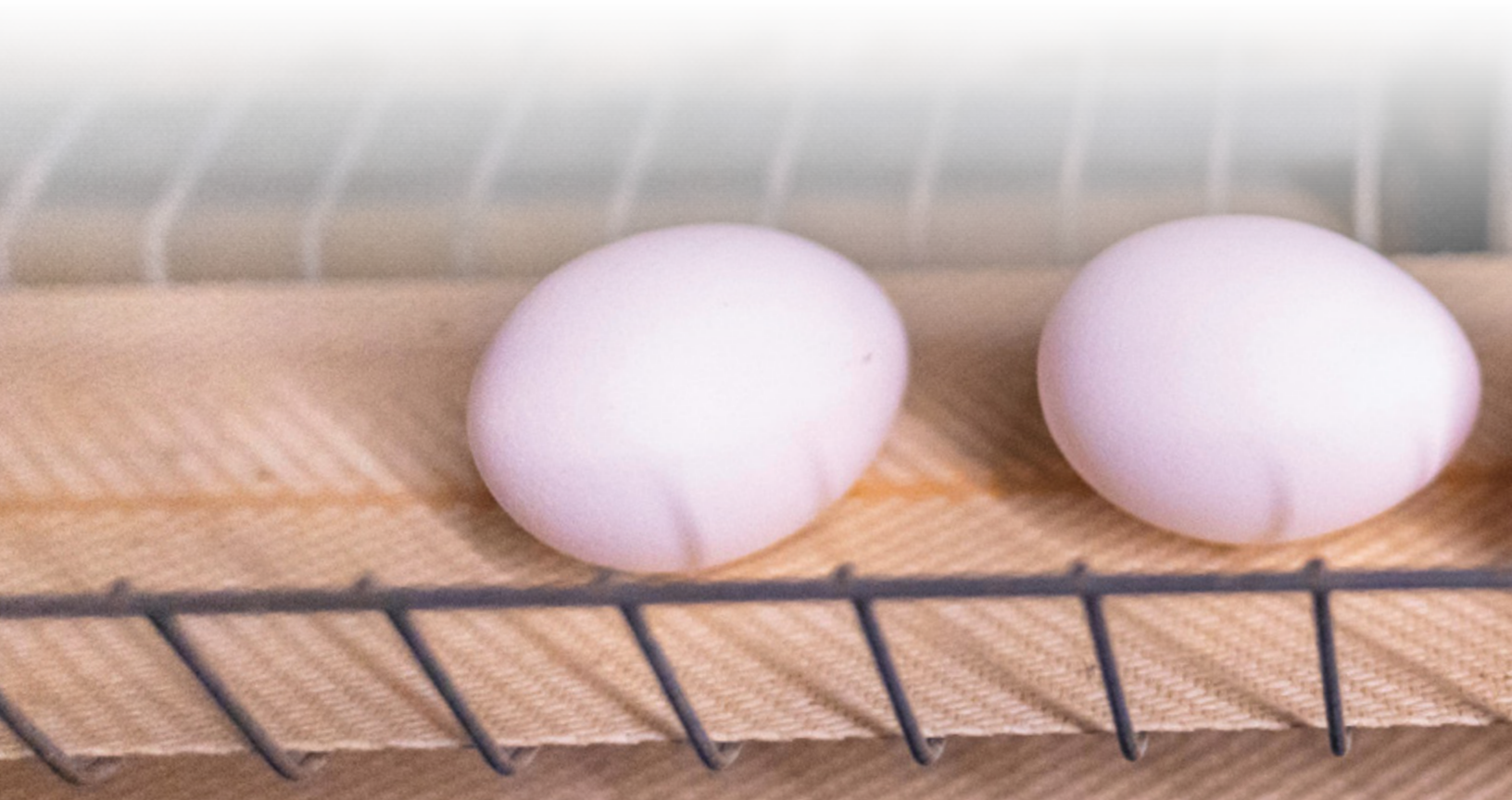
The PMC was pleased to provide feedback on a number of Egg Farmer of Canada proposals including pullet barn measurement requirements and national free-range standards.

Thank you to all the committee members for their hard work in 2022. The committee members are Scott Janzen, Dwayne Vanderkooi, Dan Kampen and Bodo Goetzke. Special thanks go to Scott Janzen as 2022 marked his tenth year on the PMC.

I urge any producer with a concern or issue about any on-farm program to reach out to one of the PMC 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 the 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 NMPA. 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.

The 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 2022, the COGA held eleven virtual sessions. The sessions held included: Economic Update; Global Grains and Commodity Update; Seasonal and Temporary Foreign Workers Program Update; Safety Culture and Why You Want It; Safety Culture: Responsibility & Due Diligence; Effective Meetings – Part 1; Agriculture and Banking – What you need to know; Effective Meetings – Part 2; Psychosocial Hazards in the Workplace; and Producer, Processor and Family Wellness (2 sessions).

The 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, Jon Krahn, Matt Vane, Jeff Reiger, and Katie Lowe. There were also several egg farmers that attended some of our COGA sessions.

In 2022, the BCCOMB was the Independent Elections Officer for nine (9) elections and managed sixteen (16) surveys. The annual Director's Compensation Survey was conducted once again, enabling its members to compare their remuneration with similar organizations.



**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 2022, the EPA included:

- Mark Siemens, Chair
- Juschka Clarke, Vice-Chair
- Dan Kampen, Fraser Valley Representative
- Richard Gotzke, Fraser Valley Representative
- Krista Harris, Fraser Valley Representative
- Wayne Johnson, Interior Representative
- Rob Regehr, Interior Representative
- Ian Woike, Island Representative
- James Lockwood, Island Representative

The EPA was instrumental in the response to Avian Influenza in 2022. Several members took on leadership positions with the BC Poultry Association's Emergency Operations Centre (EOC). They offered expertise to the EOC and support to affected farmers. We'd also like to thank the many producers who stepped up to help in the many different roles that needed to be filled.

Despite how busy everyone was with Avian Influenza for most of 2022, the EPA was able to work on several other projects. The provided feedback to the BC Egg Marketing Board on all consultations around the update to the Consolidated Order and elections review.

The EPA devoted time and resources to assist producers having difficulty with fowl removal. The EPA assisted Board staff with the testing of a new CO<sub>2</sub> machine to make fowl removal in the Interior easier and more economically feasible. The EPA also worked with the Island EPA to put together a fowl removal committee, which is currently working on a solution to improve the fowl removal process for Vancouver Island producers.

The EPA also participated in Ag Days once again this year. This provided many opportunities to inform our MLAs about the current industry successes and challenges. The highlighted message this year continued to be the need for more protection against trespassers and activists on our farms. We received a renewed commitment from the government to pursue this and we hope to see some progress made in 2023.

I thank all the EPA members for their hard work and dedication in 2022.



**Mark Siemens**  
CHAIR

## Marketing and Communications Committee

The Marketing and Communications (MarComm) Committee is different from other committees in that the majority of its members are non-producers who specialize in areas like marketing, media and consumer research. These experts provide advice and a different perspective for the producer members.

The Committee was pleased to approve a plan that included many in-person events again for 2022. They encouraged staff to maintain the virtual barn tour program as is a pandemic success story allowing thousands of children to meet a farmer and see inside barns.

At the mid-year meeting, the Committee members learned about Avian Influenza and how it impacted summer fairs. They advised staff to continue with the fair displays even without hens to ensure the public had plenty of opportunity to meet farmers.

At the end of the year, the Committee reviewed the work done to date and compared the results of the campaign evaluation research with the plan for 2023. They felt gaps were being addressed and that staff were making good use of the allocated budget.

I want to thank the Committee members: Julie Winram, Greg Waring, Carrie Barlow and Jen Laughlin, for their dedicated work in 2022.



**Jon Krahn**  
CHAIR



## Egg Industry Advisory Committee

The Egg Industry Advisory Committee (EIAC) is made up of a Chair appointed by BC Egg as well as three producer representatives and three grader/processor representatives.

This year's EIAC members include:

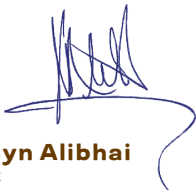
- Aryn Alibhai, Chair
- Bruce Richardson, Grader
- Mike Vanderpol, Processor
- Collin Regehr, Grader
- Rob Regehr, Producer
- Dan Kampen, Producer
- Juschka Clarke, Producer

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, industry utilization rates, and the quota allocation model.

The BC egg industry continued to face a number of challenges in 2022. The market is still recovering from the effects of COVID making it somewhat difficult to predict consumer demands. Adding to that challenge was the extent to how Avian Influenza spread in North America, which reduced the supply of eggs and subsequently increased the retail egg prices. Furthermore, the industry had to manage the volatility of grain pricing and supply constraints.

Given the nature of these market challenges, the EIAC spent time reviewing them and providing feedback designed to mitigate negative impacts on the egg sector. The recommendations made included pricing changes, the allocation of quota, and the implementation of a production sleeve.

I want to thank the committee members for their hard work and dedication in 2022.



**Aryn Alibhai**  
CHAIR

# 2022 Market Review

After two years of dealing with the COVID pandemic, 2022 brought us the Avian Influenza outbreak. AI not only forced producers to move to Red biosecurity status and take many extra precautions around the farm, but it also had a large impact on the market – especially in November and December.

As more flocks went positive and were culled, graders worked tirelessly to make sure eggs were able to reach all areas of the province. Cold and stormy winter weather made this job particularly difficult in the last part of the year.

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 increased slightly in 2022 as BC's 52-week-growth rate ended 2022 at 0.8%. This year's positive growth follows an incredible growth in 2020 of 13.2% which was followed in 2021 by a slight reduction of -5.9%. It appears that the market is likely returning to a more stabilized growth trend. We are optimistic that the market will grow in 2023.

In the midst of the adversity and challenges thrown at producers in 2022, BC Egg ended the calendar year with an average utilization of 95.9% of its allotted quota. Our objective is to get as close to 100% as possible to ensure BC consumers are getting as much local product as possible.

In January 2022, BC received a growth allocation that was too small to distribute. As a second national increase was confirmed at the end of 2022, BC Egg will be collaborating with the Farm Industry Review Board (FIRB)

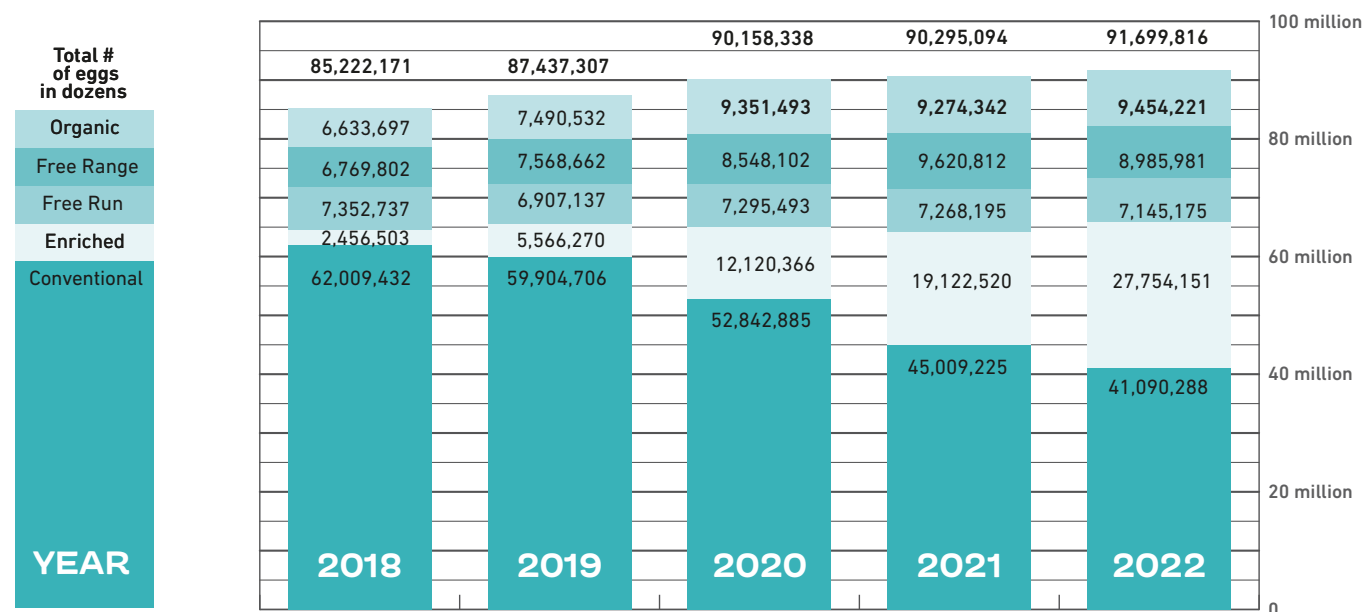
for a quota allocation to registered producers in 2023.

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 124 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 by 2025. That milestone was met by BC Egg producers in 2021 – four years ahead of schedule. In total, 28% of our production was housed in specialty facilities producing free-run, free-range, or organic eggs; 27% of our production is housed in fully enriched facilities; and 45% of our producer was housed in conventional facilities. Our egg producers remain committed to meeting market demand for all production types and will continue to supply BC's egg consumers with their preferred egg types.

In 2022 we held a New Producer Program draw that was restricted to applicants who were current, active Small Lot Permit Holders from any region in BC excluding the Lower Mainland. A comprehensive application assessment process was established to ensure fairness to all applicants. Unfortunately, no qualified applications were received. In 2023, we look forward to welcoming our 2021 New Producer Program winner who will be placing their first flock.

As at December 31, 2022, there were 149 registered family egg farms in BC.

## Annual total of BC Eggs produced in dozens



**DO NOT ENTER**

**BIO SECURITY  
IN EFFECT**

**PLEASE REPORT  
TO HOUSE**



# MARKETING Update

Avian Influenza made our summer events more challenging for staff and Ambassadors. AI also meant that any on-farm activity, including Meet the Farmer videos, could not happen. We took extra precautions with Ambassadors (such as disinfecting shoes) at all our events. Fortunately, most of the in-person events took place in the summer when there were only a few cases of AI on BC farms.

## Summer Fairs

This summer, BC Egg connected with consumers at several fairs across the province. At The Fair at the PNE, BC Egg installed a new immersive exhibit called “What is your egg type?” inspiring fair-goers to tell us about the types of eggs they choose to buy and their favorite ways to eat eggs. The backdrop of a Fraser Valley barn and the displays on production types and hen-feed created an inviting space to share dialogue on the nutritional benefits of all egg types.

We were also at the IPE in Armstrong as well as the Abbotsford Agrifair. Ambassadors local to each event engaged with the public, giving out swag and answering questions about their flocks and farms. Because it was not possible to bring live hens to any of the fairs, we showcased beautiful, authentic shots inside and out of our BC egg barns on TVs—including in-barn footage nicknamed “chicken-cam.” Staff received lots of feedback from consumers that seeing these barns increased their trust in the eggs they buy in the grocery stores.



**Our new immersive exhibit called “What is your egg type?”, at The Fair at the PNE**

At all fairs and events, BC Egg’s goal is to increase consumer trust in eggs by introducing BC’s consumers to their local egg farmers. But in addition this year, educating small-scale poultry holders and backyarders about how to prevent AI was a critical goal. Abbotsford’s Agrifair and the IPE in Armstrong are both in high density areas of commercial flocks and are very popular fairs with hobby farmers. It is our aim to engage with these audiences to help protect commercial flocks from AI and the disruptions it causes.



**Marlene Hiebert and Chef Dez at the West Coast Women’s Show**

## West Coast Women’s Show

A new tradeshow for BC Egg in 2022, the West Coast Women’s Show attracts a large audience of female consumers including single millennials, young parents and culinary enthusiasts. Our Ambassadors—five female farmers—worked alongside Chef Dez in BC Egg’s inviting kitchen-themed booth to promote egg-forward recipes for lunch and dinner.

## Restaurants & Retail

BC Egg was the breakfast sponsor at Cooks Camp in Pemberton which gave us access to chefs — one of our more-difficult-to-reach target audiences. Our Ambassadors had the opportunity to address the chefs and cooks on the topic of egg farming in BC, and enjoyed one-on-ones with restaurant stakeholders from all over the province. As a result, BC Egg is looking at ways to extend our activation at next year’s camp.

## Canadian Agriculture Literacy Month

In March 2022, Agriculture in the Classroom Canada launched the inaugural online Great Canadian Farm Tour, hosting virtual farm tours in each province—and BC Egg were delighted to take part. More than 38,000 students and over 2,000 teachers were connected in classrooms Canada-wide for an amazing virtual barn tour.



**Scott Janzen shows students his egg room as part of Agriculture Literacy Month**

## Virtual Barn Tours

The popular virtual barn tour program continues with schools, clubs and camps across the province. In 2022, BC Egg hosted 17 different virtual barn tours with 12 different Ambassadors, reaching 400+ teachers and students.

In an ongoing effort to reach more classrooms, staff attended 2022's THESA Conference, showcasing our virtual programme to the 200+ teachers and members of BC's association of home-economics specialists.

A hybrid event for 4H's Food for Thought Tour enabled the group of 40 youths to virtually tour a local farm as well as an in-person deep-dive discussion on quota and the egg industry in BC, and an edu-session on hen nutrition.

Tours for Easter Seals included a virtual Cook-Along series. Every week, a BC Egg farmer show their barn and flock, and then answers campers' questions about egg farming while they walk over to their kitchen to don their aprons to cook an easy-to-follow recipe along with Chef Dez. Our favourite participant comment so far in 2022 was when a farmer showed Dez and the group their stacks of production in the cooler: "That is a lot of eggs! I love eating eggs every day!"

## Advertising Campaign

The 2022 campaign included many different outlets including radio, digital, podcasts, online gaming and social media advertising. Our target audiences included young families (with children under 10), millennial singles, and light egg purchasers.

One highlight was a partnership with the sports-focused podcast Sekeres and Price. The hosts had authentic conversations about the nutritional benefits of eggs, posted a poll for listeners and delivered much more content than we paid for. This content was aimed at our millennial male target audience.

Millennials were also the targets of an influencer campaign that ran in both the spring and fall. We asked four foodie/health influencers to show their favorite ways to eat eggs. They created videos showing simple, delicious recipes that anyone could make at home.

We reached our young family audience through ads on social media content aimed at them. We also ran pre-roll advertising on streaming TV services and family oriented digital content.

## Recipes and Cooking

Our partnerships with Chef Dez and Diversivore continued in 2022. We created many new recipes including enticing photos and fun videos that are aimed at several different audiences. Light egg purchasers were encouraged to buy more eggs through videos that showed them simple and healthy ways to eat eggs. We provided families with quick and healthy meal ideas plus we showed parents how to cook with their kids. Our millennial audience was given recipes that are Instagram worthy while still being tasty and relatively simple to prepare.

## Social Media

We continued to post daily on all our social media channels. We include information on farm practices, farmers, hens, food, nutrition, and recipes. We also promote the various events we attend and provide factual information about challenges such as AI. Our recipe posts tend to be the most popular but posts featuring individual farmers or farming families are also popular with our audiences.

## Results

We were pleased to be able to reach 30% of British Columbians with our campaign this year. This number was down slightly from the year before but we didn't include TV advertising in our campaign in 2022. All other media saw approximately the same level of reach as the year before.

About 46% of people trust how eggs are farmed in BC. There is a large (44%) segment of people who say they don't know how eggs are farmed and we see this as a huge opportunity to educate them through advertising, social media and events.

Finally, 44% of people say they trust egg farmers. This high trust rating is thanks to all the Ambassadors who took the time to come to events and talk to the public. Every person who has the opportunity to meet an egg farmer either virtually or at a live event, says that they appreciate the farmers taking the time to talk to them and answer their questions.

# SUPPORTING THE Community

## Fresh Egg Donations

Food Banks in our province have seen an unprecedented increase in demand and eggs are the most requested perishable food item. In 2022, BC Egg donated 50,000 dozen fresh eggs to food banks across the province. This donation is the first of its kind between an agricultural organization and **Food Banks BC**. The donated eggs are shipped to regional food bank hubs in the Fraser Valley, Central Okanagan, Kamloops, Prince George and Vancouver Island. They are then distributed on to street-level food banks across BC—providing essential, easy-to-prepare protein and nutrition to food insecure British Columbians in our communities.

BC Egg also generously donates fresh eggs to other frontline non-profit organizations in our province. In 2022 BC Egg continued to supply nutritious eggs for the children and families at **Canuck Place Children's Hospice** in Abbotsford and for the at-risk pregnant women and mothers supported by **Sheway** in the downtown east-side of Vancouver.

We support food nutrition in schools also. BC Agriculture in the Classroom works with educators to bring agriculture and food education to K-12 students via their **BCAITC Take a Bite of BC** program. BC grown produce and proteins are donated to public and First Nations secondary schools running the culinary arts program, helping 7,200 culinary arts students learn how to cook with nutritious eggs and benefitting a further 65,000 students enjoying the dishes in their school cafeterias. BC Egg is committed to ensuring the 60 schools now enrolled in the program each receive a box of fresh eggs twice per year.



Larissa Garcia presents an egg donation to Food Banks BC

## Supporting Local Charities

In 2022, the annual BC Egg & BC Turkey golf tournament raised over \$100,000 for the first time in its history. Its chosen charity, **Union Gospel Mission (UGM)** provides health and wellness services and serves home-cooked meals three times a day to people struggling with homelessness and addiction. BC Egg thanks the generous spirit of the players, sponsors, farmers, industry partners and volunteers. This historic donation will support UGM's clients with nourishing meals containing eggs and turkey meat in the safe shelter of UGM as they rebuild their lives.

In addition, BC Egg took up the green fairways in support of other local charities and initiatives. BC Egg sponsored a tee at **Archway Community Services** 5<sup>th</sup> annual golf tournament in aid of their Family Centre and Foundry Abbotsford among other campaigns—assisting seniors, families and youth in need. BC Egg similarly supported the **Abbotsford Community Foundation** at their 2022 Smart & Caring Golf Classic—an organization that grants funds to a variety of local initiatives, including housing grants, for children and families at risk.

In support of the **Pacific Autism Family Network**, BC Egg also hosted a hole at Agriculture for Autism's 14<sup>th</sup> annual Saccomanics Golf Tournament. Ag for Autism has raised over \$700,000 to date, assisting children on the autism spectrum and their families with free, inclusive navigation services.



Katie Lowe and Amanda Brittain at the Ag for Autism Golf Tournament

# 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 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's Food Industry Branch in 1991. She moved to the private sector and held senior management positions with food distribution and ingredient supply companies Pro Organics and SunOpta Inc., global leaders in organic and natural foods. Representing the interests of food distributors and retailers, Gunta was actively involved in the 2004/2005 Specialty Reviews in the BC supply managed sectors.

Gunta's dedication to the advancement of agriculture extended to Agriculture and Agri-Food Canada's Organic Value Chain Roundtable where she served as Industry 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 leadership roles with the Canada Organic Trade Association, the US-based 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 their two sons.



**Walter Siemens**

Walter Siemens has been an egg producer since 1986. Walter currently serves on the Egg Farmers of Canada's Board of Directors and on the Executive Committee representing Western Canada. He is also currently the Chair of the Cost of Production; Code of Practice for Layers (five-year review commencing in early 2023) committees and represents EFC as Director on the NFACC Board along with the CEIRA Board of Directors.

"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 married while the youngest is presently engaged. They have six grandsons and four 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.

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 expand their "on farm" egg store to include numerous other agricultural products — all of which are locally grown.

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



**Matt Vane**

Matt is pleased to have the opportunity to serve on the Board of Directors. 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.



Jon Krahn 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 20 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 has served as a director on the BC Egg Marketing Board since 2018. He is the chair of the Marketing and Communications Committee and serves as the egg industry representative for the BC Council of Marketing Boards.

Jon and his wife Danielle have four amazing children. They 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.

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 events 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.



The background of the entire page is a close-up, slightly angled photograph of two tall stacks of brown cardboard egg cartons. The cartons are arranged in a repeating pattern, creating a strong sense of depth and texture. The lighting is soft, highlighting the ridges and grooves of the cardboard.

# 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.

Loewen Kruse 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 3, 2023



Katie Lowe  
Executive Director

# **British Columbia Egg Marketing Board**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of British Columbia Egg Marketing Board

### **Report on the Financial Statements**

#### **Opinion**

We have audited the financial statements of British Columbia Egg Marketing Board (the "Board"), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2022, and the results of its operations and cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### **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 are independent of the Board in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Matter**

The financial statements for the 52-week period ended December 25, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 22, 2022.

#### **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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

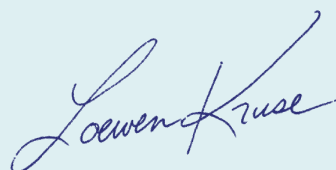
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 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 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.

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 internal control that we identify during our audit.

Burnaby, British Columbia  
February 2, 2023



Chartered Professional Accountants

**British Columbia Egg Marketing Board**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2022**

|  | December 31,<br>2022 | December 25,<br>2021<br>(Note 13) |
|--|----------------------|-----------------------------------|
| <b>ASSETS</b>                            |                      |                                   |
| CURRENT                                  |                      |                                   |
| Cash                                     | \$ 13,033,425        | \$ 11,578,500                     |
| Accounts receivable                      | 6,676,124            | 6,958,938                         |
| Prepaid expenses and deposits            | 232,033              | 378,844                           |
|  | <b>19,941,582</b>    | 18,916,282                        |
| PREPAID EXPENSES AND DEPOSITS            | 60,734               | 134,178                           |
| CAPITAL ASSETS (Note 3)                  | 435,156              | 145,434                           |
| INVESTMENT (Note 4)                      | 3,822,081            | 3,832,482                         |
|  | <b>\$ 24,259,553</b> | \$ 23,028,376                     |
| <b>LIABILITIES AND NET ASSETS</b>        |                      |                                   |
| CURRENT                                  |                      |                                   |
| Accounts payable and accrued liabilities | \$ 11,110,696        | \$ 11,716,314                     |
| Levies due to Egg Farmers of Canada      | 1,160,290            | 1,523,884                         |
| Payable to government authorities        | 31,005               | 52,099                            |
|  | <b>12,301,991</b>    | 13,292,297                        |
| DEFERRED CAPITAL CONTRIBUTIONS (Note 5)  | 184,003              | —                                 |
|  | <b>12,485,994</b>    | 13,292,297                        |
| NET ASSETS                               |                      |                                   |
| Unrestricted                             | 7,838,403            | 6,090,645                         |
| Invested in capital assets               | 435,156              | 145,434                           |
| Internally restricted operating reserve  | 3,500,000            | 3,500,000                         |
|  | <b>11,773,559</b>    | 9,736,079                         |
|  | <b>\$ 24,259,553</b> | \$ 23,028,376                     |
| LEASE COMMITMENTS (Note 6)               |                      |                                   |
| GUARANTEE (Note 7)                       |                      |                                   |

**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 CHANGES IN NET ASSETS
December 31, 2022

|   | 53-week period ended December 31, 2022 |                            |   |               | 52-week period ended December 25, 2021 |
|---|--|----------------------------|---|---------------|--|
|   | Unrestricted                           | Invested in capital assets | Internally restricted operating reserve | Total         | Total                                  |
| NET ASSETS – BEGINNING OF PERIOD                            | \$ 6,090,645                           | \$ 145,434                 | \$ 3,500,000                            | \$ 9,736,079  | \$ 8,110,188                           |
| Excess (deficiency) of revenue over expenses for the period | 2,101,889                              | (64,409)                   | —                                       | 2,037,480     | 1,625,891                              |
| Internal transfer for the purchase of capital assets        | (354,131)                              | 354,131                    | —                                       | —             | —                                      |
| NET ASSETS – END OF PERIOD                                  | \$ 7,838,403                           | \$ 435,156                 | \$ 3,500,000                            | \$ 11,773,559 | \$ 9,736,079                           |

**British Columbia Egg Marketing Board**  
**STATEMENT OF OPERATIONS**  
**Period Ended December 31, 2022**

|  | 53-week<br>period ended<br>December 31,<br>2022 | 52-week<br>period ended<br>December 25,<br>2021 |
|--|---|---|
| <b>REVENUE</b>   |   |   |
| Levies (Note 9)  | \$ 7,303,027                                    | \$ 6,409,228                                    |
| Event registration and sponsorship (Note14)            | 216,939   | —   |
| Sale of eggs to grading stations                       | 282,205,897                                     | 246,715,953                                     |
| Purchase of eggs from producers                        | (282,205,897)                                   | (246,715,953)                                   |
|  | <b>7,519,966</b>                                | <b>6,409,228</b>                                |
| <b>EXPENSES</b> (Schedule 1)                           |   |   |
| Administrative   | 2,549,845                                       | 2,014,236                                       |
| Governance   | 606,305   | 368,495   |
| Marketing  | 363,919   | 348,713   |
| Communication  | 360,752   | 216,754   |
| Industrial product and other programs                  | 2,751,501                                       | 2,470,780                                       |
|  | <b>6,632,322</b>                                | <b>5,418,978</b>                                |
| <b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b> | <b>887,644</b>                                  | <b>990,250</b>                                  |
| <b>OTHER INCOME (EXPENSES)</b>                         |   |   |
| Other income (Note 10)                                 | 1,285,281                                       | 706,414   |
| Equity loss on investment                              | (135,445)                                       | (70,010)  |
| Loss on asset disposal                                 | —   | (763)   |
|  | <b>1,149,836</b>                                | <b>635,641</b>                                  |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                 | <b>\$ 2,037,480</b>                             | <b>\$ 1,625,891</b>                             |

**British Columbia Egg Marketing Board**  
**STATEMENT OF CASH FLOWS**  
**Period Ended December 31, 2022**

|  | 53-week<br>period ended<br>December 31,<br>2022 | 52-week<br>period ended<br>December 25,<br>2021<br>(Note 13) |
|--|---|--|
| <b>OPERATING ACTIVITIES</b>  |   |  |
| Excess of revenue over expenses  | \$ 2,037,480                                    | \$ 1,625,891   |
| Items not affecting cash:  |   |  |
| Amortization   | 64,409  | 40,361   |
| Recognition of deferred capital contributions                            | (8,903)   | —  |
| Equity loss on investment  | 135,445   | 70,010   |
| Interest accrued on advances to<br>Central Agricultural Facility Limited | (125,043)                                       | (74,983)   |
| Loss on asset disposal   | —   | 763  |
|  | <b>2,103,388</b>                                | <b>1,662,042</b>   |
| Changes in non-cash working capital items                                |   |  |
| Accounts receivable  | 282,814   | 3,150,862  |
| Prepaid expenses and deposits  | 220,255   | (268,513)  |
| Accounts payable and accrued liabilities                                 | (605,619)                                       | 2,887,453  |
| Levies due to Egg Farmers of Canada                                      | (363,594)                                       | (861,198)  |
| Payable to government authorities  | (21,094)  | 36,033   |
|  | <b>(487,238)</b>                                | <b>4,944,637</b>   |
| Cash flow from operating activities                                      | <b>1,616,150</b>                                | <b>6,606,679</b>   |
| <b>INVESTING ACTIVITY</b>  |   |  |
| Purchase of capital assets   | (354,131)                                       | (23,793)   |
| <b>FINANCING ACTIVITY</b>  |   |  |
| Contributions received for capital purchases                             | 192,906   | —  |
| <b>INCREASE IN CASH FLOW</b>   | <b>1,454,925</b>                                | <b>6,582,886</b>   |
| Cash – Beginning of period   | 11,578,500                                      | 4,995,614  |
| <b>CASH – END OF PERIOD</b>  | <b>\$ 13,033,425</b>                            | <b>\$ 11,578,500</b>   |
| <b>CASH CONSISTS OF:</b>   |   |  |
| Unrestricted cash  | \$ 9,533,425                                    | \$ 8,078,500   |
| Internally restricted cash   | 3,500,000                                       | 3,500,000  |
|  | <b>\$ 13,033,425</b>                            | <b>\$ 11,578,500</b>   |

**British Columbia Egg Marketing Board**  
**NOTES TO FINANCIAL STATEMENTS**  
**Period Ended December 31, 2022**

**1 PURPOSE 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 371 days (December 26, 2021 to December 31, 2022) and the comparative fiscal year consisted of 365 days (December 26, 2020 to December 25, 2021).

**2 SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

**Revenue recognition**

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

Event registration and sponsorship revenue are recognized as revenue once the related events are held.

Lease pool fees are recognized as revenue over the duration of the lease agreement and recorded on a monthly basis.

Investment income is recognized as revenue when earned on an accrual basis.

The Board follows the deferral method of accounting for contributions. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets' amortization.

British Columbia Egg Marketing Board

# NOTES TO FINANCIAL STATEMENTS

Period Ended December 31, 2022

**Financial instruments**

All financial instruments are initially recorded at their fair market value. Publicly traded financial instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

**Cash and cash equivalents**

Any term deposits or similar contractual instruments that are cashable and have a maturity term of three months or less are classified as cash equivalents.

**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 and includes them within investments on the Statement of Financial Position.

**Capital assets**

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

|                             |           |
|-----------------------------|-----------|
| Automotive                  | 4 years   |
| Office equipment            | 5 years   |
| Computer equipment          | 1-5 years |
| Leasehold improvements      | 10 years  |
| Agricultural event displays | 5 years   |
| Agricultural equipment      | 10 years  |

**Defined contribution plan**

The Board participates in a defined contribution plan related to future employee pension benefits and is only responsible for payments as specified under the plan agreement. The contribution amounts are determined based on employee services rendered during the period. During the period, the Board paid \$64,232 (December 25, 2021 – \$58,672) for employer contributions to the plan.

**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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Material uncertainties involving management estimates include the determination of useful lives of capital assets for the purposes of calculating amortization and the related recognition of deferred capital contributions.

**British Columbia Egg Marketing Board**  
**NOTES TO FINANCIAL STATEMENTS**  
**Period Ended December 31, 2022**

**3 CAPITAL ASSETS**

|                             |              |                             | December 31,<br>2022 | December 25,<br>2021 |
|-----------------------------|--------------|-----------------------------|----------------------|----------------------|
|                             | Cost         | Accumulated<br>amortization | Net                  | Net                  |
| Automotive                  | \$ 67,461    | \$ 67,461                   | \$ —                 | \$ 4                 |
| Office equipment            | 114,166      | 105,425                     | 8,741                | 6,711                |
| Computer equipment          | 1,010,142    | 909,194                     | 100,948              | 111,756              |
| Leasehold improvements      | 536,485      | 476,546                     | 59,939               | 15,527               |
| Agricultural event displays | 53,512       | 25,619                      | 27,893               | 11,436               |
| Agricultural equipment      | 249,133      | 11,498                      | 237,635              | —                    |
|                             | \$ 2,030,899 | \$ 1,595,743                | \$ 435,156           | \$ 145,434           |

The computer equipment includes software with a net book value as at December 31, 2022 of \$68,824 (December 25, 2021 - \$85,525), of which \$22,200 is not being amortized as it is not yet in operational use.

**4 INVESTMENT**

|   | December 31,<br>2022 | December 25,<br>2021 |
|---|----------------------|----------------------|
| 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 | 2,724,692            | 2,599,649            |
| Advances without fixed terms of repayment, including interest at prime plus 0.5%, payable monthly       | 1,000,000            | 1,000,000            |
| Equity loss since inception   | (1,578,297)          | (1,442,853)          |
|   | \$ 3,822,081         | \$ 3,832,482         |

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 \$3,243,845 accrues interest at the Bank of Canada prime at 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. As repayment is not expected within the next year, the advances have been presented as long-term on the Statement of Financial Position.

*continues*

**British Columbia Egg Marketing Board**  
**NOTES TO FINANCIAL STATEMENTS**  
**Period Ended December 31, 2022**

**4 INVESTMENT (continued)**

CAFL's condensed financial statements for the year ended December 31, 2022 showing the Board's 50% share are as follows:

|  | 2022                  | 2021           |
|--|-----------------------|----------------|
| <b>Condensed Balance Sheet</b>           |                       |                |
| Assets                                   | <b>3,747,581</b>      | \$ 3,763,110   |
| Liabilities                              | <b>5,325,877</b>      | 5,200,963      |
| Shareholders' deficiency                 | <b>\$ (1,578,296)</b> | \$ (1,437,853) |
| <b>Condensed Statement of Operations</b> |                       |                |
| Revenues                                 | <b>\$ 381,246</b>     | \$ 356,720     |
| Expenses                                 | <b>(516,691)</b>      | (429,730)      |
| Loss for the year                        | <b>\$ (135,445)</b>   | \$ (73,010)    |
| <b>Condensed Statement of Cash Flows</b> |                       |                |
| Cash provided by (used in)               |                       |                |
| Operations                               | <b>\$ 60,023</b>      | 104,489        |
| Financing                                | <b>(18,139)</b>       | (22,917)       |
| Investing                                | <b>—</b>              | (32,500)       |
| Increase in cash and cash equivalents    | <b>\$ 41,884</b>      | \$ 49,072      |

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 DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions consists of \$192,906 of externally restricted contributions the Board received for the purchase of agricultural equipment. \$147,370 was received in the previous period and reported net against the deposits made for the equipment, as prepaid expenses and deposits. \$45,536 was received in the period and upon the completion of the equipment purchase in the period the amounts were reallocated to deferred capital contributions and capital assets accordingly.

During the period the Board recognized deferred capital contributions revenue of \$8,903, with a remaining balance as at December 31, 2022 of \$184,003.

**British Columbia Egg Marketing Board**  
**NOTES TO FINANCIAL STATEMENTS**  
**Period Ended December 31, 2022**

**6 LEASE COMMITMENTS**

The Board has a long term lease with respect to photocopier equipment with quarterly payments of \$963 excluding taxes which expires in 2026. Future minimum lease payments as at year end are as follows:

|      |                  |
|------|------------------|
| 2023 | \$ 3,852         |
| 2024 | 3,852            |
| 2025 | 3,852            |
| 2026 | 963              |
|      | <u>\$ 12,519</u> |

**7 GUARANTEE**

As at December 31, 2022, the Board has guaranteed a mortgage of CAFL, up to a maximum amount of \$2,000,000 (December 25, 2021 – \$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 31, 2022, no liability has been recorded associated with this guarantee as CAFL has complied with the requisite mortgage payments.

**8 CREDIT FACILITIES**

The Board has a credit facility available of up to \$650,000 with Bank of Montreal ("BMO"). It is available in the form of either an operating demand loan, which bears interest at BMO prime rate monthly, or a letter of credit, with terms to be determined at time of issuance. The Board has not utilized the facility, therefore the balance as at December 31, 2022 was \$NIL.

The Board has credit facilities available for up to \$75,000 with BMO related to Mastercard credit cards. The outstanding balance of the credit cards as at December 31, 2022 was \$11,502 (December 25, 2021 - \$6,240).

The facilities above are secured by a registered first-ranking general security agreement over all property of the Board, and a general assignment of book debts.

**9 LEVIES**

Levies are imposed on egg producers by both the Board and EFC and are collected by the Board. Levies are reported as revenue net of the amounts remitted to EFC as the Board is only acting as an agent to collect the levies on EFC's behalf.

|   | <b>December 31,<br/>2022</b> | December 25,<br>2021 |
|---|------------------------------|----------------------|
| Total levies collected from egg producers     | <b>\$ 48,241,279</b>         | \$ 43,212,604        |
| Add: Service fee refund from EFC              | <b>1,167,796</b>             | —                    |
| Less: Levies remitted to EFC                  | <b>(40,938,252)</b>          | (35,179,736)         |
| Less: Service fee refund accrued to producers | <b>(1,167,796)</b>           | —                    |
| Less: Producer rebates                        | —                            | (1,623,640)          |
| Net levies revenue                            | <b>\$ 7,303,027</b>          | \$ 6,409,228         |

**British Columbia Egg Marketing Board**  
**NOTES TO FINANCIAL STATEMENTS**  
**Period Ended December 31, 2022**

**10 OTHER INCOME**

|  | December 31,<br>2022 | December 25,<br>2021 |
|--|----------------------|----------------------|
| Lease pool fees                                | <b>\$ 876,222</b>    | \$ 454,532           |
| Interest income                                | <b>273,272</b>       | 139,063              |
| UGM golf event revenue (net)                   | <b>92,059</b>        | 77,349               |
| Miscellaneous                                  | <b>34,825</b>        | 35,470               |
| Amortization of deferred capital contributions | <b>8,903</b>         | —                    |
|  | <b>\$ 1,285,281</b>  | \$ 706,414           |

**11 RELATED PARTY TRANSACTIONS**

During the period, the Board paid rent in the amount of \$146,437 (December 25, 2021 – \$148,614) to CAFL. In addition, the Board earned interest income in the amount of \$170,481 (December 25, 2021 – \$104,483) from CAFL, of which \$125,043 (December 25, 2021 – \$74,983) 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 \$19,422,411 (December 25, 2021 – \$18,962,597) and as at December 31, 2022 had a net payable balance of \$402,802 (December 25, 2021 – \$920,595) related to these purchases.

Included in accounts receivable at the end of the period was \$1,337,654 (December 25, 2021 – \$2,220,120) due from Egg Farmers of Canada.

During the period, the Board paid per diems and benefits to directors in the amount of \$380,661 (December 25, 2021 – \$319,105) of which \$28,703 (December 25, 2021 – \$22,338) is included in accounts payable and accrued liabilities at the end of the fiscal period.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**British Columbia Egg Marketing Board**  
**NOTES TO FINANCIAL STATEMENTS**  
**Period Ended December 31, 2022**

## 12 FINANCIAL INSTRUMENTS RISKS

### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk for its cash and accounts receivable. The Board does not directly hold any collateral as security for its receivables. Exposures to credit risk and significant changes to the risk exposure from the prior year are as follows:

- Cash held at year-end exceed the amounts covered by the Canadian Deposit Insurance Corporation, serving to increase credit risk. The Board mitigates this risk by depositing their cash with a large, high quality financial institution.
- Accounts receivable are non-interest bearing and are generally due within upon receipt. Management evaluates the credit worthiness of its industry partners and regularly reviews accounts receivable for possible impairments related to collection. The accounts receivable are primarily focused geographically within the province of British Columbia area.

Concentrations of credit risk include:

- A large portion of accounts receivable are due from entities subject to similar economic conditions. Any significant economic downturn in this sector could have a negative impact on the collectability of these receivables.

## 13 COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current period's presentation. Specifically, the long term portion of prepaid expenses have been separated from the current prepaid expenses to match the presentation format of the Statement of Financial Position, and the internally restricted operating reserve has been presented separately from unrestricted net assets.

## 14 EVENTS

The Board hosts the Annual General Meeting and other events and earns registration and sponsorship revenue and incurs expenses related to these events. The below breakdown shows the revenue, expenses, and net costs of running these events during the year.

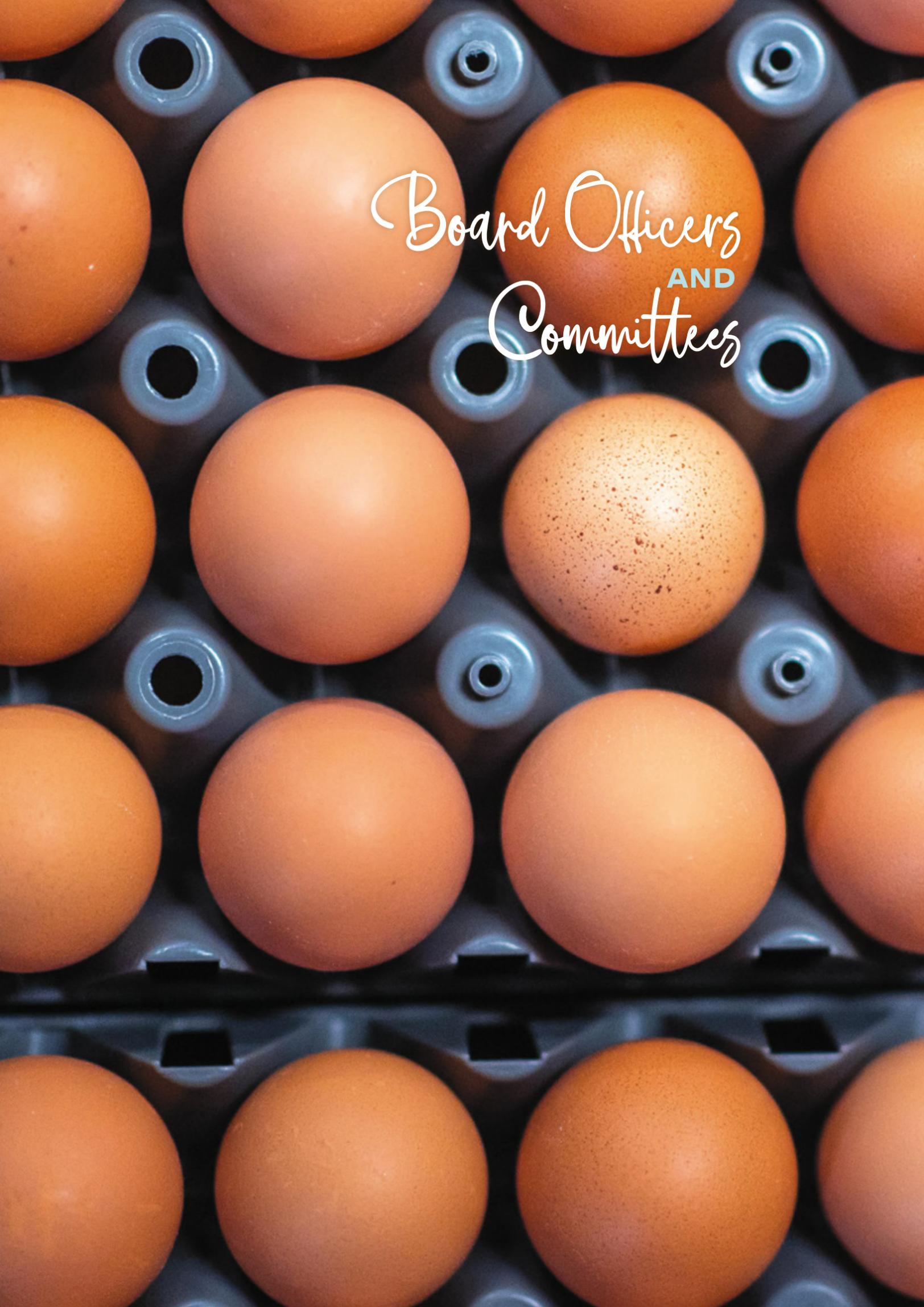
|                                      | December 31,<br>2022 | December 25,<br>2021 |
|--------------------------------------|----------------------|----------------------|
| <b>Annual General Meeting</b>        |                      |                      |
| Registration and sponsorship revenue | \$ 94,174            | \$ —                 |
| Expenses                             | (185,859)            | (7,352)              |
| Net Cost                             | \$ (91,685)          | \$ (7,352)           |
| <b>Other Events</b>                  |                      |                      |
| Registration and sponsorship revenue | \$ 122,765           | —                    |
| Expenses                             | (134,117)            | (13,714)             |
| Net Cost                             | \$ (11,352)          | \$ (13,714)          |

The expenses for other events of \$134,117 (December 25, 2021 - \$13,714) are presented within Committee, events and membership expenses in Schedule 1.

**British Columbia Egg Marketing Board**  
**SCHEDULE OF EXPENSES**  
**Period Ended December 31, 2022**

(Schedule 1)

|  | 53-week period<br>ended December 31,<br>2022 | 52-week period<br>ended December 25,<br>2021 |
|--|--|--|
| <b>ADMINISTRATIVE</b>                        |  |  |
| Amortization                                 | \$ 64,409                                    | \$ 40,361                                    |
| Annual general meeting                       | 185,859                                      | 7,352  |
| Association grants                           | 29,430                                       | -  |
| Committee, events and membership             | 237,210                                      | 170,027                                      |
| Insurance and legal                          | 72,514                                       | 40,143                                       |
| Miscellaneous                                | 13,309                                       | (6,998)                                      |
| Office and maintenance                       | 142,172                                      | 129,388                                      |
| Operations                                   | 5,854  | 56,055                                       |
| Professional development and scholarships    | 111,049                                      | 114,389                                      |
| Professional services                        | 82,058                                       | 76,162                                       |
| Rent   | 146,437                                      | 148,614                                      |
| Salaries and benefits                        | 1,405,374                                    | 1,210,062                                    |
| Travel                                       | 54,170                                       | 28,681                                       |
|  | <b>2,549,845</b>                             | <b>2,014,236</b>                             |
| <b>GOVERNANCE</b>                            |  |  |
| Per diem and benefits                        | 380,661                                      | 319,105                                      |
| Travel and accommodation                     | 225,644                                      | 49,390                                       |
|  | <b>606,305</b>                               | <b>368,495</b>                               |
| <b>MARKETING</b>                             |  |  |
| Marketing programs                           | 363,919                                      | 348,713                                      |
|  | <b>363,919</b>                               | <b>348,713</b>                               |
| <b>COMMUNICATION</b>                         |  |  |
| Communication programs                       | 47,372                                       | 22,609                                       |
| Donations and sponsorships                   | 185,010                                      | 20,718                                       |
| Events                                       | 125,313                                      | 138,148                                      |
| Website                                      | 3,057  | 35,279                                       |
|  | <b>360,752</b>                               | <b>216,754</b>                               |
| <b>INDUSTRIAL PRODUCT AND OTHER PROGRAMS</b> |  |  |
| Avian influenza                              | 27,477                                       | —  |
| EFP costs – net of recoveries                | 235,612                                      | 34,533                                       |
| Farm pickup costs                            | 1,150,000                                    | 1,150,000                                    |
| Fowl removal costs – net of recoveries       | 143,088                                      | 504,816                                      |
| Industrial product costs – net of recoveries | 1,156,455                                    | 763,781                                      |
| Quota exchange                               | 500  | —  |
| Western pool costs                           | 38,369                                       | 17,650                                       |
|  | <b>2,751,501</b>                             | <b>2,470,780</b>                             |
|  | <b>\$ 6,632,322</b>                          | <b>\$ 5,418,978</b>                          |



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

Alana Dueck, Producer Representative

Alf Wall, Producer Representative

Bryan Siemens, Producer Representative

Trevor deWolde, External Member

Erin Duetta, Staff Representative

### **Egg Industry Advisory Committee**

Amyn Alibhai, Chair

Bruce Richardson, Grader

Mike Vanderpol, Processor

Collin Regehr, Grader

Rob Regehr, Producer

Dan Kampen, Producer

Juschka Clarke, 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, HACCP Representative

Dwayne Vanderkooi, Producer Representative

Dan Kampen, Producer Representative

Bodo Goetzke, Producer Representative

Joey Aebig, Staff Representative

### **BC Egg Producers Association**

Mark Siemens, Chair

Juschka Clarke, Vice-Chair

Dan Kampen, Fraser Valley Representative

Richard Gotzke, Fraser Valley Representative

Krista Harris, Fraser Valley Representative

Wayne Johnson, Interior Representative

Rob Regehr, Interior Representative

Ian Woike, Island Representative

James Lockwood, Island Representative

## COLOPHON

All photography by Paul Joseph  
Board member head shots by  
Ballistic Arts Media Studios Inc.

Art direction and graphic production  
and select photographic images  
by Mark Massyn, Massyn Design.

Printing by Met Fine Printers





**bcegg.com**