



# BC Egg Production Overview & 2024 New Producer Program Information Session





# BC Egg Production Overview





# BC Egg Production

- Types of Producers
- Types of Production
- Quota
- Levy
- On Farm Programs & Standards
- Selling Eggs
- Surplus Eggs
- Spent Hens



# Types of Producers

- “Registered Producer” means a Producer who is registered under the British Columbia Egg Marketing Scheme and holds Quota and a Licence
- “Producer-Grader” means a Registered Producer who grades their own production and has been issued a Grader Licence by CFIA. Producer-Graders can also grade eggs from other producers.

# Types of Producers

- “Producer-Vendor” means a Registered Producer who produces and markets, offers for sale, sells, stores or transports all or any portion of the regulated product produced by them but does not process, market, offer for sale, sell, store or transport the regulated product produced by any other person.

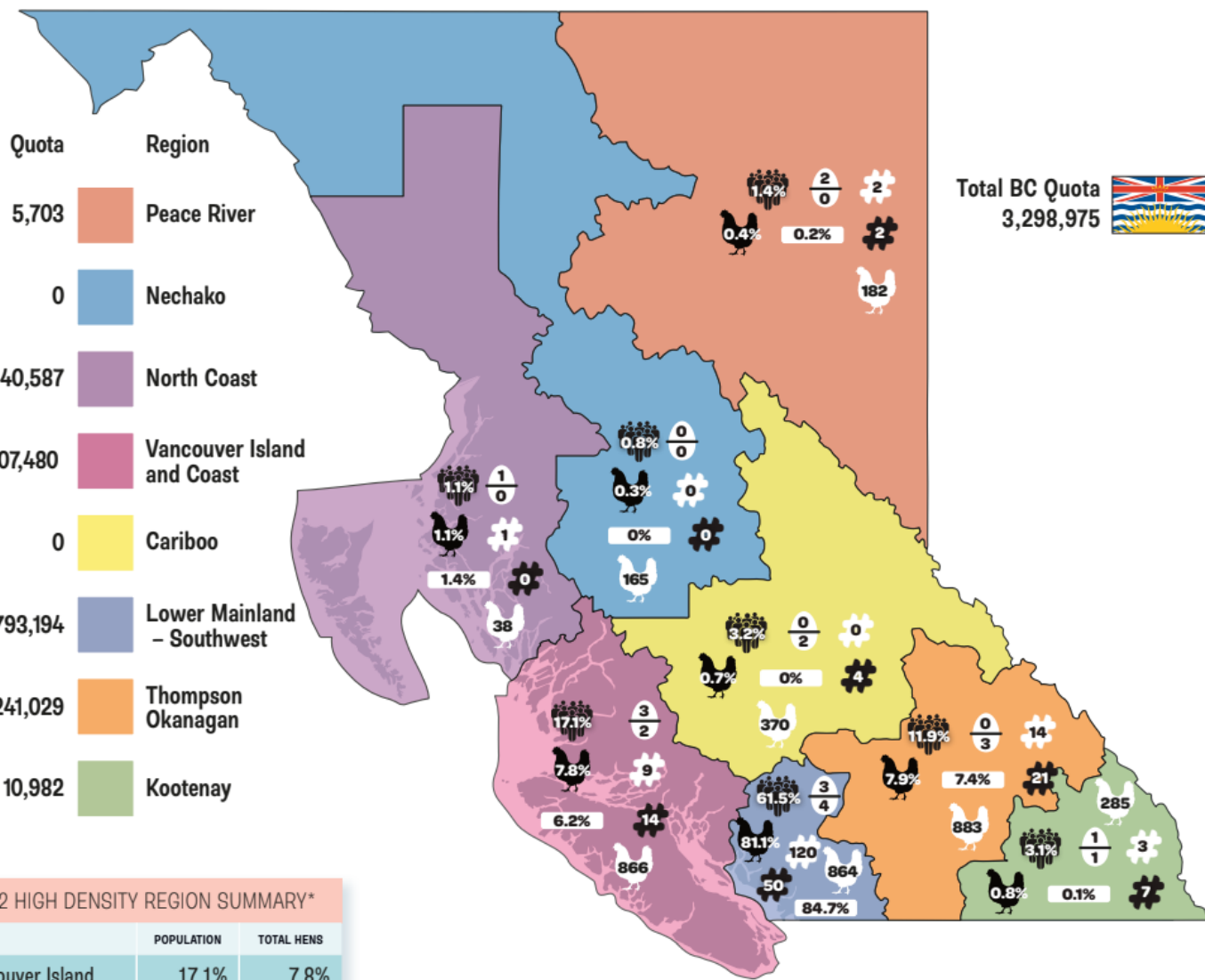


# Types of Producers

- “Small Lot Permit Holder” is an unregistered producer who has a permit to keep between 100 and 399 laying hens to produce and sell eggs directly to end consumers.
  - No quota is required. Small Lot Producers cannot sell their eggs (which are ungraded eggs) to stores, restaurants, processors or egg graders.

Note: No permit or quota is needed to have 99 or fewer laying hens.





Total BC Quota 3,298,975

2022 HIGH DENSITY REGION SUMMARY\*

	POPULATION	TOTAL HENS
Vancouver Island	17.1%	7.8%
Lower Mainland	61.5%	81.1%
Thompson-Okanagan	11.9%	7.9%
<b>Total</b>	<b>90.4%</b>	<b>96.7%</b>

\* All population data is from 2021 census

- Percentage of provincial population
- Percentage of total hen population
- Percentage of total dozens graded
- Small Lot Producers
- Registered Producers
- Regulated Grading Stations  
Unregulated Grading Stations
- Unregistered Flocks

# Types of Production

- Conventional - enclosures with wire mesh and sloping floors; 4 to 8 hens per cage. Conventional cages are being phased out by 2036 (no new builds allowed as of 2016).
- Enriched – wire mesh enclosure with additional equipment intended to allow hens to express their natural behaviours; 25 to 75 hens per cage (depending on system design).





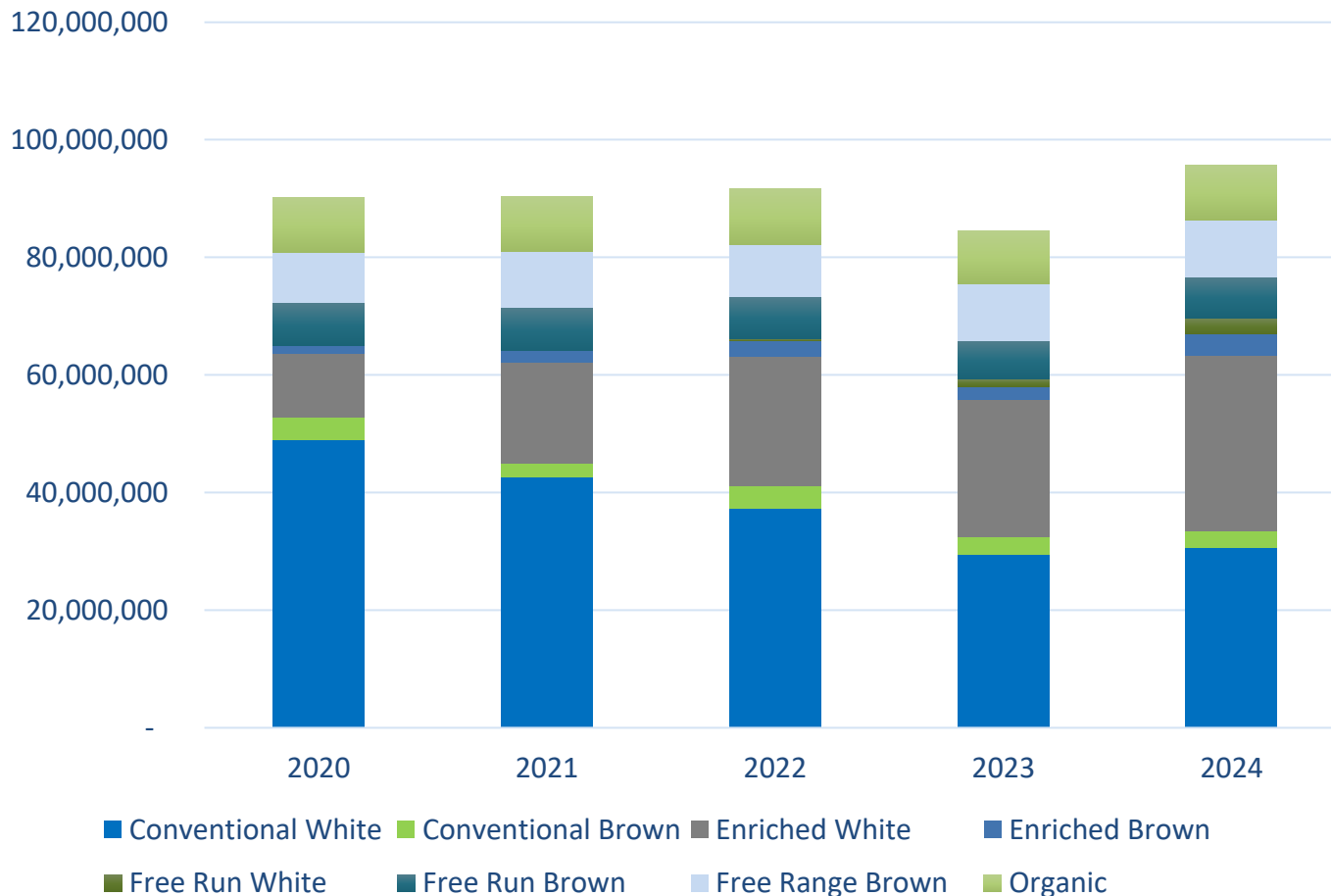
# Types of Production

- Free run - a “loose-housed” either single level or aviary system that allows hens to express their natural behaviours but does not provide access to the outdoors
- Free range - a “loose-housed” either single level or aviary system that allows hens to express their natural behaviours and provide access to the outdoors
- Organic - raised according to the Canada Organic Standards in a free range system with access to the outdoors





# Production Mix



# Quota

- Quota is the right to produce the regulated product
- Remains under the exclusive control of BCEMB at all times
- Growth Quota is allocated from the Egg Farmers of Canada to the provincial egg board (BCEMB) who then allocates the quota to Registered Producers in BC
- “Quota does not have monetary value”

# Quota

## Access to Quota for New Entrants

### *Options:*

- Purchase quota from the Quota Exchange
- Purchase farm with quota as a Going Concern Sale
- New Producer Program



# Levy

- BC Egg charges levy on a per quota unit basis, 365 days per year, whether or not a Producer has hens in the barn
- It's based on the Egg Farmers of Canada levy and BCEMB's monetary requirements, including the industrial product fund requirement and administration fees



# Levy

- Total weekly levy \$0.2897/bird
  - *EFC levy* \$0.2447/bird
  - *BCEMB levy* \$0.0450/bird
  
- Some programs also charge fees, including Temporary Allotment Programs and the Eggs for Processing Program





# On Farm Programs & Standards

All Registered Producers must follow set operational standards for on farm programs:

- Start Clean Stay Clean food safety program by Egg Farmers of Canada
- Animal Care program by Egg Farmers of Canada
- Codes of Practice for the Care and Handling of Pullets, Layers, and Spent Fowl by the National Farm Animal Care Counsel
- BC Poultry Biosecurity Program
- EFC National Microbiological Sampling Protocol for Leg Horn Egg Layer Barns and Leg Horn Pullet Barns as well as the EFC Post-Positive Protocol for Leg Horn Egg Layer Barns and Leg Horn Pullet Barns
- Specialty Program (if applicable)
- Organic Standards (if applicable)



# Selling Eggs

- The Shell Egg Grading Regulation provides legal rules and regulations for the sale of eggs
- It is illegal to sell ungraded eggs to anyone that is not the end user of the eggs, including restaurants, stores, food banks or even donating them to a community dinner





# Surplus Eggs

- A program is in place to assist graders with surplus eggs, once you are able to send a minimum of 720 dozen eggs (48 boxes) in one shipment to the Pool
- The grader is responsible for the supplies for shipping
- Producer-Vendors are responsible for regular surplus



# Spent Hens

- For Registered Producers within our current service areas, BC Egg will manage the spent hen process
- For Registered Producers outside of the service area, they will be responsible for their own removals





# New Producer Program





# New Producer Program

- Program Summary
- Application Process
- Consolidated Order
- Frequently Asked Questions



# 2024 New Producer Program Objectives

1. Increasing Food Security within the Province
2. Producer Self-Sufficiency
3. Producer Experience in Egg Production and Marketing



# Draw Participation

- Two applicants by random draw
- Requirements for applicants are listed in:
  - Part IV of the 2023 BCEMB Consolidated Order
  - 2024 New Producer Program Policy and Procedures document
- Restricted to those applicants who are current, active Small Lot Permit Holders from any Region in BC excluding the Lower Mainland



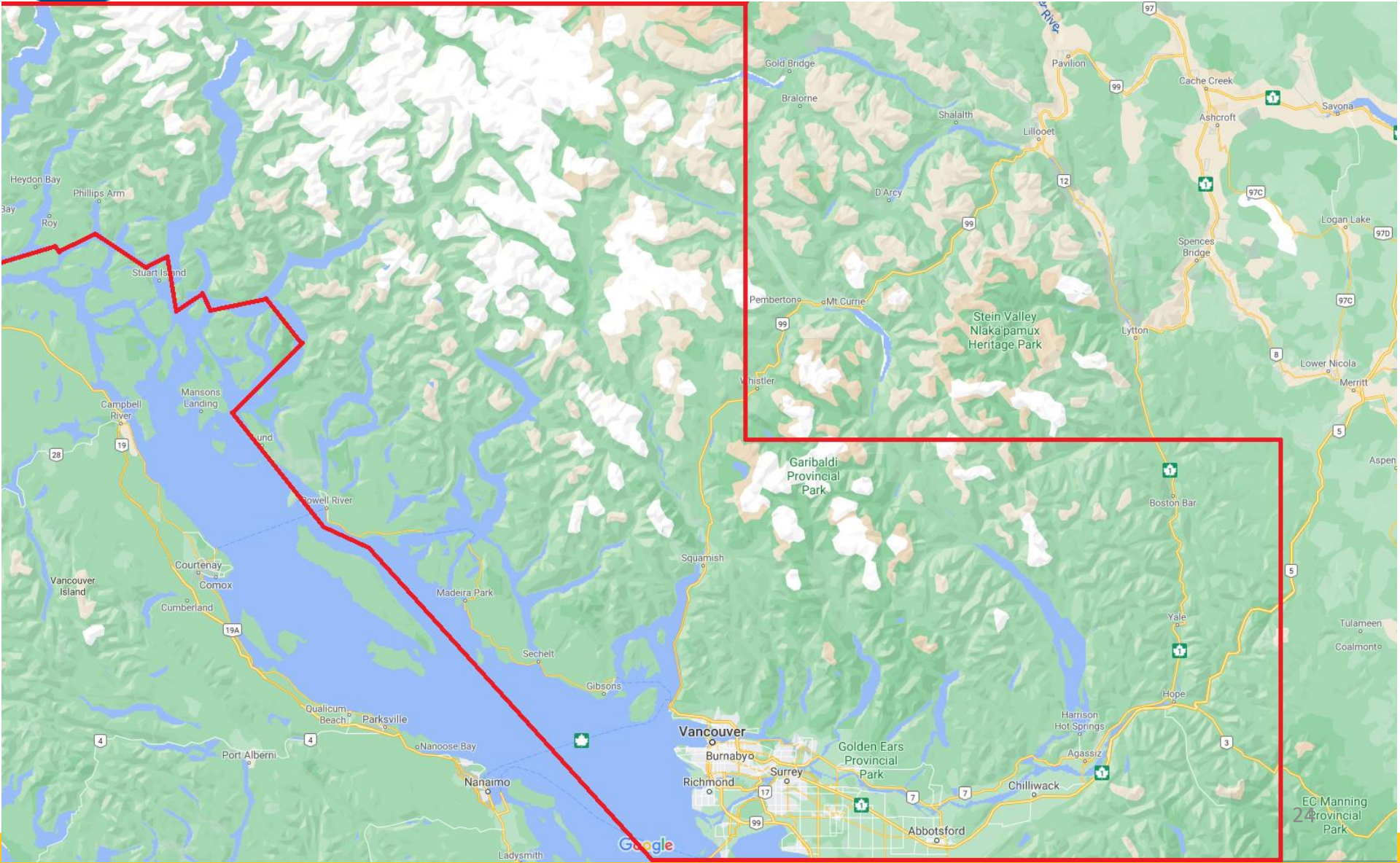


# Small Lot Permit Program

- For unregistered producers/farmers
- Between 100 and 399 laying hens
- Produce organic eggs, heritage breed eggs, free-range eggs or free-run eggs
- Yearly renewal with \$250 fee
- Includes a yearly visit from BC Egg and Salmonella Enteritidis (Se) test



# Lower Mainland





# Special Terms and Restrictions

- Production will be phased in according to the business plans
  - commencing with a maximum of 1,000 quota units
  - obtaining a maximum of 3,000 quota units at the end of three years
- Must self-market a minimum of 75% of their sellable egg production on a rolling average basis over a 12 month period





# Application Timeline

Program Notification and Applications start to be accepted	April 1, 2024
Submission deadline	June 3, 2024
Formal review process to be complete and notification letters sent	June 28, 2024
Formal interviews conducted if required	June 2024
Request for performance deposit*	July 29, 2024
Performance deposit due	August 12, 2024
Draw to be conducted	August 22, 2024

The random draw is a public event, assisted by an independent auditor. All applicants are invited to attend. The details for the draw will be posted once the details are finalized.

\*Performance Deposit will be kept until the placement of your first hens





# Application Requirements

- Proof of financial ability
- Economically viable plan to sustain the production of eggs
- Vending plan that conforms to all applicable regulations (Provincial and CFIA)
- Demonstrated market need
- Proof of six months of sales in the last 365 days



# Review Committee

- All complete applications will be assessed by the NPP Review Committee
- The Committee will be comprised of a minimum of three and a maximum of six industry representatives
  - A Registered Producer that is not a Director of the BCEMB
  - A current NPP Registered Producer
  - A representative from the financial sector
  - A representative from the agri-business sector
  - A representative from the BC Egg Processors Council
  - An Egg Industry Advisory Committee member
  - A BCEMB Producer-Vendor



# Application Assessment

Part IV 2 (4)

- 0 and 75 points awarded to a business plan
  - Must score a min. of 50 points
- 0 and 25 points awarded for an essay
  - Must score a min. of 15 points
- Must score a minimum of 75 out of 100 points total



# Business Plan

## Two Parts

1. Financial – economically viable plan to sustain the production and marketing of eggs within your region
2. Operations Management – detailed description on how you will manage the day-to-day operations and conform to the draw requirements
  - How many hens will you start with?
  - How do you intend to increase your production and market through to year three and the maximum of 3,000 hens?
  - How/when will you construct your grading station (if required for your marketing plan)?



# Essay

## Three Parts

1. Why do you wish to be in egg production?
2. What is your experience in, or knowledge of, farming in general and egg production in particular?
3. Why would it be in the interests of the industry as a whole for you to be actively engaged in egg production?





# Consolidated Order

The BC Egg Marketing Board Consolidated Order outlines the regulations that all Table Egg Producers in BC must follow.

Part IV outlines the New Producer Program and its requirements.

*<https://bcegg.com/our-story/consolidated-order/>*







# NPP Frequently Asked Questions



# Certified True Copy

Part IV 1 (4) (a-d)

1. Do the copies of the birth certificate, passport, and BC ID have to be notarized?
  - The program rules require a "certified true copy of the applicant's"
    - Birth certificate or proof of age
    - Canadian passport, Canadian citizenship card or Canadian permanent resident card
    - British Columbia driver's licence or British Columbia identification card
  - A "certified true copy" would typically be notarized by a Notary Public.
2. My passport has expired, would it still be an accepted proof of residency?
  - Expiration of a passport is not the issue. It is whether whoever will be certifying the documents will certify them. It is best to check with the lawyer or notary.



# Proof of Financial Ability

Part IV 1 (4) (f)

1. Does the net worth statement need to be signed by our accountant or certified?
  - Subsection 1(4)(f) states: "proof, in a form satisfactory to the Board, of an applicant's financial ability...."
  - A certified Net Worth Statement would be considered as part of the proof of financial ability.
2. Should the accountant write a letter about the ability to post the \$10,000 deposit?
  - It would be useful in your financial submission to include a statement with respect to the ability to post the deposit.
3. With the bank approval, will a Letter of Intent suffice?
  - The Board would like to see more than a Letter of Intent, possibly a statement of pre-authorized level of financing for the undertaking. This would help the Review Panel assess the viability of the proposed plan.





# Proof of Economic Viability

Part IV 1 (4) (g)

1. How do we show economic viability to sustain egg production?
  - An applicant must be able to demonstrate their understanding of the requirements to establish and operate a layer barn and marketing of the product. Such demonstration includes a business plan that includes a financial analysis (expected costs and returns) and logistics of egg production and marketing.





# Vending Requirements

Part IV 1 (4) (i)

1. Proof of being within economic access to a grading station
  - For the purposes of this draw, the applicant will be required to demonstrate how they will meet the requirements for vending their production.
    - If the applicant intends to market 100% of their production at farm gate or farmers markets the applicant will not require a grading station.
    - If the applicant intends to market the eggs at retail establishments or restaurants, the eggs must be graded.
    - The applicant will be required to demonstrate they understand these requirements and how they intend meet these regulations.
2. Am I permitted to ship to an existing grading station?
  - All applicants must self-market their production, they may not ship to an existing grading station.



# Establish an Egg Production Unit

Part IV 1 (4) (j)

1. What is a reasonable time frame that would be accepted by the Board as proof?
  - The applicant should be able to demonstrate that they know and understand what it will take and how long it will take to go from notification that quota is available for them to utilizing that quota and increasing their production to their maximum request.
  - As a Small Lot Producer, there are likely birds already in production. The Board has accepted that it may take time for an applicant to build barns, grow their market and expand their flock.



# Ownership

Part IV 1 (4) (j)

1. Will a long-term (10 year) lease suffice as proof of ownership?
  - The applicant must have or will have title to property upon which the layer barn will be located.
2. What would be considered acceptable proof that the applicant owns, or will own prior to the commencement of egg production a layer barn?
  - Either a certified Property Assessment Notice or Certificate of Title would be acceptable.
  - In the event that an applicant does not have property upon which the layer barn will be established, the applicant can sign the Statutory Declaration stating that they "own or will own" property and will conform with the program rules.



# Statutory Declaration

Part IV 1 (4) (m)

1. Does signing a statutory declaration provide the proof necessary for the application?
  - A statutory declaration is a statement of facts made in writing. The statement is verified by the solemn declaration of the person making the statement. In and of itself, the statutory declaration does not provide proof as required in Part IV.
  - Examples of proof required would include: copies of organic certification documents if you are producing organic eggs or a copy of your Small Lot Permit.
2. What is a statutory declaration?
  - A "Statutory Declaration" is a statement of facts written down and attested to by the declaration before individuals who are authorized to administer oaths. It is a legal document. The BC Egg Marketing Board does not have a template.







# Market Need

Part IV 1 (4) (n)

## 1. How can I demonstrate Market Need?

- Records of current sales
- Letters from prospective customers
- Demonstrate knowledge of current market and how you plan to increase sales and how you plan to increase your production to meet those sales requirements.





# Number of Applications

Part IV 1 (5)

1. The application must be submitted in the name of the Small Lot Permit Holder





# Contacts

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# Thank you!

## ARE THERE ANY Questions?

