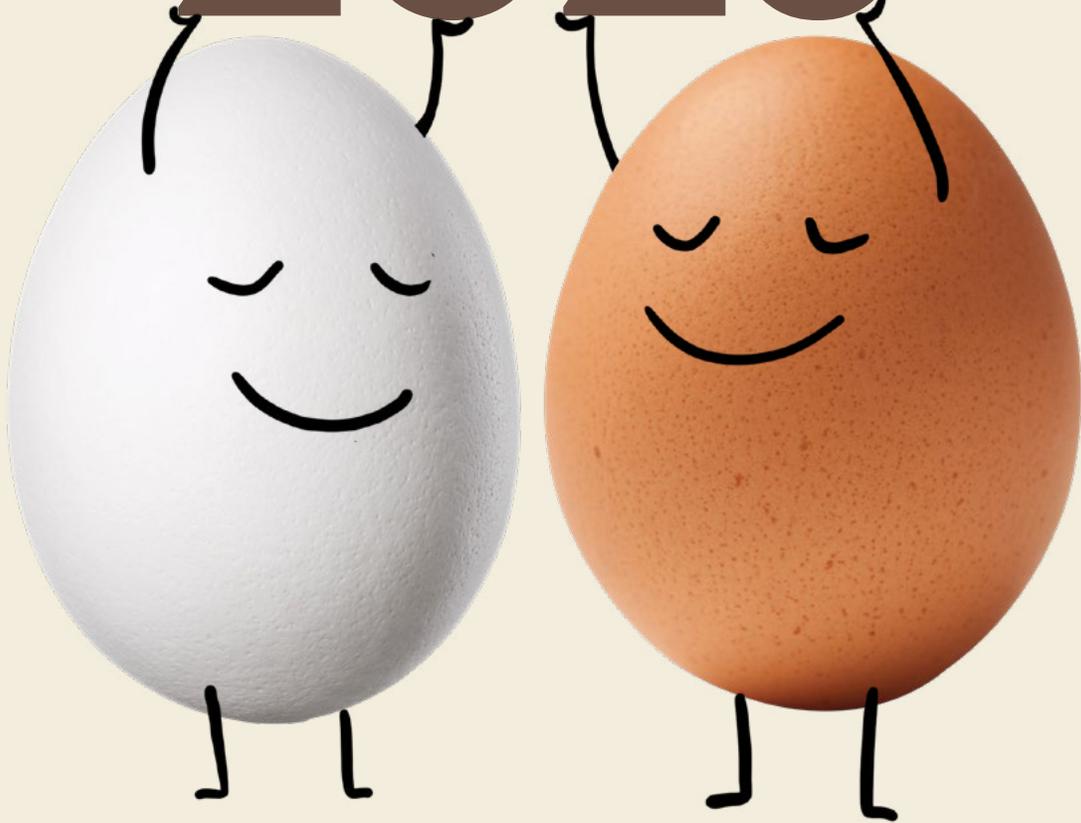


2023



Egg Farmers of Alberta (EFA) represents the province's more than 160 registered egg farmers, who provide Albertans with a stable supply of fresh, local eggs.

You can connect with EFA online by visiting our website or engaging with us on social media. You can learn more about eggs and the egg farming families who are dedicated to caring for laying hens, committed to producing high quality food, and effectively stewarding the land they farm.

Be Social with Us:

 eggs.ab.ca

 [Egg Farmers](#)

 [@EFA_AB_eggs](#)

 [@EggFarmersofAlberta](#)

 [@EggFarmersAB](#)

 [@eggfarmersalberta](#)

 [@eggfarmersofalberta](#)



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EFA TEAM



BOARD OF DIRECTORS

Peter Waldner
Chair

Conrad Vanessen
Vice Chair

Beatrice Visser
EFC Director

Jerry Hofer
EFC Alternate

Elie Hofer
Director

John Hofer
Director



1



2



3



4



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9



10



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12



13

STAFF

1) Stephen Scott
General Manager

2) David Webb
Marketing & Communications
Manager

3) Jenna Griffin
Manager, Programs & Research

4) Kari Buijs
Business Manager / Controller

5) Laurel Martin
Office Manager

6) Tate O'Dwyer
Marketing & Social Media
Coordinator

7) Carley Frerichs
Farm Programs Coordinator

8) Erin Johnston
Farm Services Administrator

9) Brandy Addai
Emergency Preparedness
and Response Coordinator

10) Dave Lastiwka
Field Services Coordinator

11) Murray Minchin
Field Services Coordinator

12) Reshma Kurian
Financial Coordinator

13) Andrea Bieganeck
Administrative Support
Coordinator



INDUSTRY SNAPSHOT

	All Eggs	Regular Eggs	Omega-3 Eggs	Other Specialty Eggs (e.g., free range, free run, organic)
TOTAL EGG SALES (2023)	in AB +0.7% in CAN +2.6%	in AB +1.2% in CAN +3.6%	in AB -16.1% in CAN -14.6%	in AB +1.5% in CAN +1.4%
MARKET SHARE (2023)		in AB 87.0% in CAN 87.0%	in AB 2.5% in CAN 3.3%	in AB 10.5% in CAN 9.7%
TOTAL EGG SALES (2022)	in AB -3.0% in CAN -2.8%	in AB -1.6% in CAN -2.7%	in AB -15.3% in CAN -0.5%	in AB -9.9% in CAN -5.2%
MARKET SHARE (2022)		in AB 86.6% in CAN 86.2%	in AB 3.0% in CAN 4.0%	in AB 10.5% in CAN 9.8%

LEVY FOR REGISTERED PRODUCERS

2023
\$11.068/ 

2022
\$14.543/ 

LEVY FOR UNREGISTERED PRODUCERS

2023
\$0.417 /  12

2022
\$0.548 /  12

AVERAGE PRODUCER PRICE FOR LARGE EGGS IN 2023

\$2.918  **\$2.846**
from 2022

TOTAL HENS INVENTORY

2022
2,753,962

2023
2,946,831

AVERAGE FLOCK SIZE

2022
16,200

2023
17,541

START CLEAN - STAY CLEAN
LAYERS
AVERAGE SCORE



PEEP
average scores



A new PEEP assessment was introduced in 2023. Please see the article on page 20-21 for more details on the changes made to PEEP.

ANIMAL CARE PROGRAM
AVERAGE SCORE



TOTAL INDUSTRIAL PRODUCT
(IN BOXES)



TOTAL EGG
PRODUCTION
(IN DOZENS)



TOTAL
NUMBER OF
REGISTERED
PRODUCERS



MESSAGE FROM THE CHAIR



The year 2023 began with great optimism; the Alberta egg industry had endured its first outbreak of Avian Influenza (AI), and everything was returning to pre-pandemic normal. The spring migration came and went with just a single hiccup, with only one backyard flock testing positive for AI. Egg Ambassadors and our live laying hen display returned to the Calgary Stampede for the first time since 2019. It was exciting to once again focus on farming and promoting the fresh, local eggs we are all so proud to provide for our fellow Albertans!

The AI outbreak of 2022 was a wakeup call for egg farmers and the broader poultry industry, which forever changed how we do business both on-farm and in the EFA office. Farmers are much more proactive when it comes to biosecurity, going above and beyond what is required to safeguard their flocks of laying hens. That same approach

is being followed by EFA, as the Board of Directors made the strategic decision to expand the EFA staff to include a dedicated Emergency Preparedness and Response Coordinator (EPRC). Not only will this staff member help ensure the provincial egg industry is ready to manage future outbreaks and emergencies, but the creation of this position will also provide capacity for the rest of the EFA staff to manage ongoing responsibilities even in the face of a crisis.

After launching our revised sustainability strategy last year and integrating EFA's eight new sustainability pledges into our strategic and operational planning, it was easier for the EFA Board to consider each issue and opportunity through the lens of the long-term viability of the provincial egg industry. With an emphasis on sustainability and a renewed understanding of the value of collaboration in mind, the EFA Board tackled several critical issues through the year including market development, farm-gate pickup, the Quota Exchange, and preparing for the New Entrant Program to run in 2024. The Board made decisions based on what was in the best interest for a majority of Alberta egg farmers both today and in the future.

Unfortunately, through the tail end of the fall migration, AI returned with a vengeance to Alberta and Western Canada. By the end of the year, Alberta had seen a total of 20 confirmed positive cases of AI, including ten commercial poultry farms. Aided greatly by the experience gained last year and the newly-created EPRC position, EFA and the Alberta Poultry Industry Emergency Management Team (APIEMT) were able to effectively meet the challenge of this year's AI outbreak head-on, while continuing to work on everything EFA had committed to for the year. The egg industry's commitment to sustainability is demonstrated through our adaptability, as well as our ability to implement the lessons learned individually and collectively last year.

The return of AI could have made it easy and excusable for farmers to shut off the world and focus on themselves and their farms but, through outbreaks and a pandemic, egg farmers have persevered. I want to take a moment to acknowledge the dedication and passion shared by egg farmers in Alberta and across Canada. Alberta egg farmers continue to step up to serve on the EFA Board, serve on EFA committees, participate in various industry studies and surveys, volunteer for research projects, volunteer as Egg Ambassadors, and open their farms to EFA staff and other value-chain stakeholders. It fills me with pride to be part of such a wonderful industry.

Finally, on behalf of the EFA Board of Directors, I would like to thank the EFA staff for another exceptional year. As a team, you consistently perform at a high level, and do your part to help position our industry for success in both the short and long term. To the EFA Board and staff, my fellow egg farmers, and all our partners, I wish you a happy, healthy, and prosperous 2024!

PETER WALDNER
CHAIR





MESSAGE FROM THE GM

In 2023, the Alberta egg industry faced a dynamic landscape of challenges and opportunities. Despite the persistent threat of Avian Influenza (AI), the industry embraced a nuanced approach, drawing insights from the experiences of the 2022 outbreak. This prompted a comprehensive review of response mechanisms, with a focus on seamless integration into day-to-day operations.

A pivotal shift occurred with the collaborative efforts of the feather boards and EFA. Recognizing the need for enhanced support, a novel position, the Emergency Preparedness and Response Coordinator, was established. This strategic move replaced external industry professionals, embedding crisis management expertise within the feather boards to ensure continuous improvement in supporting producers during emergencies.

Heartfelt appreciation is extended to our resilient producers for their unwavering commitment to addressing the AI threat. Their proactive measures in bolstering biosecurity and active collaboration in national initiatives during periods of egg shortages are commendable. As we navigate the persistent risk of AI, the ongoing support of our producers is invaluable as we delve into research and program development for a more robust response to this virus.

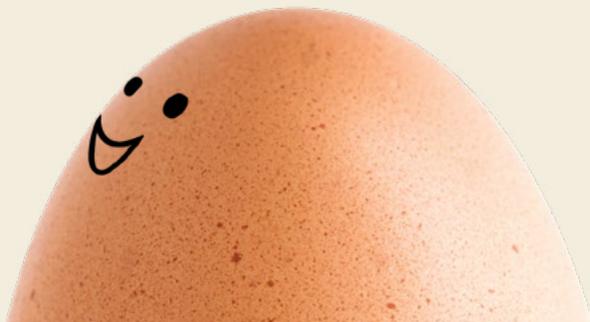
The landscape of inflation, a prominent narrative in 2022 and 2023, also left its mark on retail egg prices. While consumers have felt the pressures of price inflation on egg products in Canada, the egg industry demonstrated resilience with relatively low-price inflation compared to other food sectors. Recent consumer research indicates a rising trend of individuals opting for eggs, appreciating their perceived value in comparison to alternative protein sources. This trend offers encouragement, suggesting a sustained preference for eggs as a central component of meals.

EFA actively promoted eggs as a nutritious and economically viable protein source, employing diverse strategies such as leveraging social media influencers, collaborations with sports teams, and direct engagement with consumers at events like the Calgary Stampede. The trust bestowed upon Alberta egg farmers by consumers is a testament to the industry's commitment to delivering safe, nutritious eggs from well-cared-for hens.

Alberta's leadership in sustainability data collection is noteworthy; sincere thanks are extended to all producers contributing to this initiative. This data serves as a valuable benchmark, empowering producers to make informed decisions for the future. EFA's holistic approach to data utilization enables producers to assess inputs systematically, identifying potential areas for cost-saving initiatives.

For several years the EFA Board has remained resolute in evaluating strategies to unlock value from eggs. This commitment will persist into 2024, as the Board explores diversified applications for eggs and egg products, spanning both the culinary and non-culinary realms. By stimulating demand for eggs, Alberta producers are poised to reap the benefits of increased production, further solidifying their role as key contributors to the agricultural landscape.

STEPHEN SCOTT
GENERAL MANAGER



EFC DIRECTOR'S REPORT



EGG FARMERS CAN JUSTLY BE PROUD OF THE PROGRESS MADE IN 2023. BUILDING ON THE ACCOMPLISHMENTS OF THE PAST AND THE STABLE FOUNDATION SUPPLY MANAGEMENT PROVIDES, WE MOVED FORWARD ON MANY FRONTS THROUGHOUT THE YEAR. UNDERPINNED BY THE STRONG PROCESSES AND STRUCTURES THAT KEEP OUR APPROACH STEADY EVEN AS PEOPLE CHANGE AND ISSUES EVOLVE, OUR COLLECTIVE WILLINGNESS TO COLLABORATE ALLOWED US TO DRAW ON EACH OTHER'S STRENGTHS AND PUSH FORWARD FOR THE BENEFIT OF ALL.

Our major accomplishments of 2023, some of which are highlighted here, would not have happened without everyone pulling together towards a common goal. As your EFC Director, I am pleased to provide an overview of some of the events and outcomes that shaped the past year:

Modernizing Our Approach to Collaboration:

Our ongoing work to modernize how we work together and across jurisdictions through the Federal-Provincial-Territorial Agreement (FPTA) made great strides in 2023. The committee overseeing the process and the EFC Board of Directors unanimously approved the wording of the FPTA, clearing the path to get every province and territory signed on—something we expect to be completed in early 2024. The FPTA is the blueprint for the egg industry in Canada and lays out how stakeholders work together. A renewed FPTA is essential for securing the future of the egg industry.

Stronger Protection for Supply Management:

Advocating for egg farmers and our industry is an important part of what EFC does. This past year, we made the most of a historic opportunity to protect supply management through new legislation. Bill C-282, which cleared the House of Commons with support from a large majority of MPs across all parties, would prohibit future trade agreements from making any new market access concessions in supply-managed sectors. We have worked diligently with colleagues from the dairy and poultry sectors to make sure Parliamentarians have a complete understanding of why this bill is good for farmers, Canadians and the country as a whole. Advocacy work will continue as the bill makes its way through the Senate in 2024.

Keeping the Trust of Canadians:

Research, both on our own and work done by the Canadian Centre for Food Integrity, confirmed that Canadians trust farmers and the systems and approaches in place to deliver safe, nutritious food produced to the highest standards. Our work this past year allowed us to uphold the world-class standards in food safety and animal welfare that Canadian egg farmers are known for. For example, 2023 saw the redeveloped Animal Care Program take effect, with the adoption of leading-edge standards of care for laying hens in all housing systems in Canada. We also made the program requirements accessible to Canadians by making the program's manuals publicly available through our eggfarmers.ca website. This builds transparency in our processes—something that is critical to maintaining trust levels and our social license.

Progress on Environmental Issues:

Sustainability is an important goal for our industry and we made noteworthy progress on environmental matters in 2023. EFC announced its commitment to achieve net-zero greenhouse gas emissions by 2050. This net-zero goal builds on past efforts and further entrenches a commitment to the environment in our farming operations. Meanwhile, the new National Environmental Sustainability and Technology Tool (NESTT) was improved—thanks to feedback from farmers. Its capabilities have been expanded and

new features added, enhancing the ability of Canadian egg farmers to set sustainability goals, create action plans, track progress, and work towards making their farms even more sustainable.

Marketing Eggs to Canadians:

In 2023, EFC unveiled its latest marketing campaign, centered on the concept of enjoying eggs for dinner. The humorous and quirky ads featured relatable situations and asked, 'What's stopping you?' from serving eggs for dinner. With more consumers preparing meals at home, Canadians are exploring new ways of enjoying eggs. This insight gave us a strong launching point to demonstrate how eggs can be used at dinnertime and we are seeing traction, with egg sales and consumption growing.

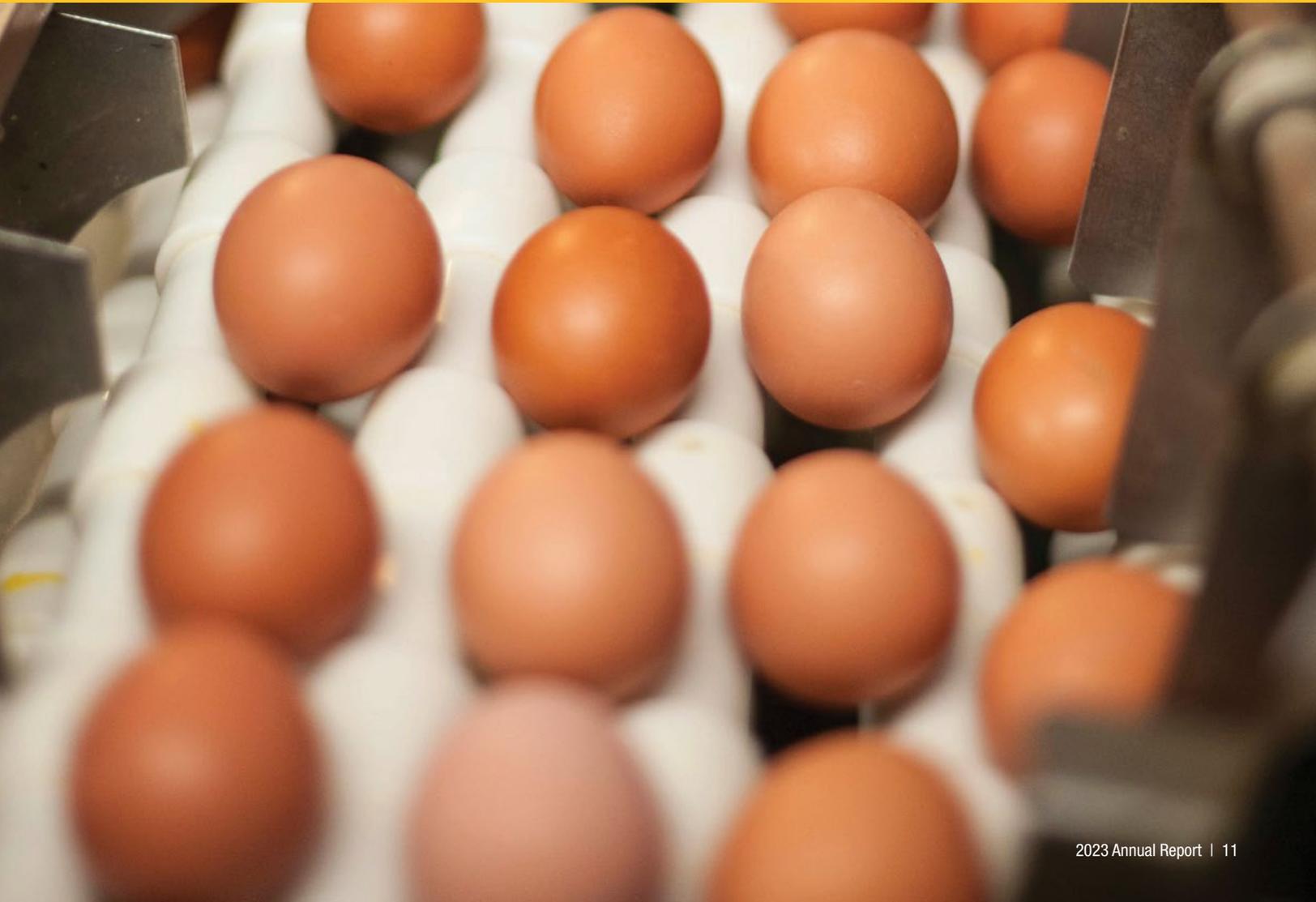
Driving Innovation Through Research:

Our research program continued to thrive, generating insights that allowed us to address gaps in our industry and prepare for the future in innovative ways—from providing pathways to become more sustainable, to offering new insights to care for our hens. Throughout the year, we shared valuable research outcomes and findings with farmers and stakeholders who can put them into practice, helping to advance areas of importance and enhance efficiencies in our farming practices.

While we are ending the year in a strong place, we cannot afford to rest. We must keep working on all fronts, from advocacy to sustainability. We must also keep working collaboratively. The hen housing transition is one example. Our supply chain has applauded our efforts to transition to new methods of production, but there is still work to be done and we cannot afford to lose our momentum. To keep moving forward in 2024, we will need to maintain a high degree of coordination and communication at all levels, especially as it relates to farmers making investments in new housing systems. Only through ongoing dialogue that keeps everyone informed of transition plans, can we ensure a coordinated approach. It's all part of working together. By continuing to do so, we will continue to make progress on critical files.

I could not be more enthusiastic about embracing what is ahead with my fellow egg farmers in the province of Alberta and our colleagues across Canada. I also want to thank the staff and the farm families whose hard work and commitment make our industry strong and support the millions of Canadians who rely on our products.

BEATRICE VISSER
EFC REPRESENTATIVE





01

HEALTHY BIRDS

ANIMAL CARE PROGRAM – LAYERS

May marked the compulsory implementation of the national redeveloped Animal Care Program (ACP). The new program, independently reviewed and recognized by the National Farm Animal Care Council (NFACC), meets all requirements of the *Code of Practice for the Care and Handling of Pullets and Laying Hens*. The detailed and comprehensive program is the product of years of collaboration amongst stakeholders as diverse as veterinarians, farmers, retail representatives, scientists, and government representatives. Despite a myriad of changes to the program, Alberta's egg farmers successfully adapted to the new measures. Under the new Animal Care Program, all farmers are required to achieve a score of 100%, and all those who had an audit in May or later met this achievement.



Overall, 31 farms (19%) were audited on the original program prior to May, while 133 were audited on the redeveloped program (some farms were impacted by Avian Influenza and did not have a flock in place for an audit). The combined average score across both programs was 99.93%.

The most common corrective action on the redeveloped program was missing a written plan for depopulating a flock in an emergency situation (21 instances). Additionally, seven farmers with free-run or enriched systems received a corrective action related to turning on and off lighting gradually over a period of time. This is a new element that was not in the previous program, which is intended to ensure birds have time to come off perches and to move onto perches to roost without injury.

The redeveloped ACP maintains the requirement for each farm to have a third party audit every three years. Accordingly, 50 third-party audits were conducted in 2023.

Animal Care Program – Pullets

Preparations continue for the launch of a Pullet Animal Care Program, covering the rearing phase of production. Like the redeveloped Animal Care Program for Layers, the Pullet ACP development is occurring under the NFACC Animal Care Assessment Framework, which offers a credible and nationally coordinated process for developing the program based on the *Code of Practice for the Care and Handling of Pullets and Laying Hens*.

The EFC Board of Directors approved a pullet measuring protocol in July, since measuring pullet systems in a standardized fashion is a critical first step to prepare for reviewing housing criteria during an Animal Care Program audit. In collaboration with EFC Field Inspectors, EFA's Field Service Coordinators aim to use the protocol to collect information on the capacity of pullet facilities in Alberta, with the target of measuring all pullet facilities prior to the end of 2024.

Use of the pullet measuring protocol affords the opportunity to develop a list of challenges and uncertainties. A list of limiting factors and measuring challenges will go to the Pullet Animal Care Program Development Team for consideration in 2024. Once these are resolved and the protocol is final, Alberta's pullet producers will be provided with a Pullet Housing Certificate that stipulates the facility capacity. The goal is for the Pullet Animal Care Program to be launched in 2025.

Hen Housing

In 2017, the *Code of Practice for the Care and Handling of Pullets and Laying Hens* was released with this commitment:

“The industry commits to a minimum of 85% of hens to be transitioned from existing conventional cage systems to alternative housing systems that meet the requirements of this Code within 15 years (July 2031), and will aim to transition 100% of hens within the same time frame. It is expected that 50% of birds will be transitioned within 8 years (July 2024).”

Since the announcement, Alberta egg farmers have been transitioning at a rapid rate away from conventional housing. By the end of 2023, 63% of provincial production has transitioned from conventional housing, already exceeding the 2024 goal. EFA transition projections expect Alberta producers to achieve the 85% transition target by July 2031.

To support producers during the transition to alternative hen housing, EFA hosted the webinar *“Dietary Fibre in Laying Hens, A Review of the Effects”* with Dr. Rene Kwakkel from Wageningen University, who shared his international expertise with Alberta egg farmers. Dr. Kwakkel discussed how fiber and the right dietary structure can reduce wet litter and feather pecking, particularly in free-run housing systems.

EFA provided funding in 2019 to Dr. Clover Bench at the University of Alberta toward the project, *‘Use of 3D Kinematic, QCT, Infrared, and Genomic to Evaluate Perching in Commercial Strains of Enriched-Housed Laying Hen.’* This goal of the research, which was completed in 2023, was to use motion capture technology to explore the connection between optimal perching types and stronger bones, better keel and foot health, and potential genetic markers. By looking at varying perch shapes, commercial layer strains, and pullet rearing environments, the study aimed to guide hen housing design, identify genetic factors affecting hen welfare, provide tools for poultry genetic companies to enhance welfare, and inform best management practices based on the Code of Practice. In December EFA's Research Committee received a final report from Dr. Bench and her research team, learning that the use of mushroom perches can reduce keel bone damage relative to round perches and that, although brown birds have stronger and denser bones, they experience more keel bone damage. This suggests that although increased bone strength may reduce keel bone damage severity, there are additional contributing factors such as perching position and use.



Avian Influenza

After a good start to the year, it was disappointing to see Avian Influenza return to the province. The spring migratory season was subdued compared to 2022, in terms of the number of Highly Pathogenic Avian Influenza (HPAI) cases, with only a single case of HPAI in Alberta in April, in a non-commercial flock. However, the fall migration brought 19 HPAI cases, with ten in commercial flocks. Two layer flocks tested positive for HPAI while another was impacted by a farm quarantine that necessitated a distinct unit application.

To mitigate the impact on inventory the Alberta End of Lay Program (AELP) was opened in April and September. Running this program enabled Alberta to get closer to 100% utilization for our 52-week average. The AELP is estimated to have helped put an additional 300,000 dozen local eggs onto grocery store shelves across the province.

Given the significance of the 2022 outbreak, the increasing persistence of HPAI in wild birds across Western Canada, and the resultant ongoing risk to commercial poultry producers, several initiatives were implemented to help producers understand and mitigate the risks, and to improve the efficiency of response in future outbreaks.

Biosecurity Assessment

The Canadian Food Inspection Agency (CFIA) has reported that a Danish Entry was a protective factor against HPAI in 2022. For many years, EFA has promoted the use of a Danish Entry via an annual biosecurity assessment delivered on all farms. In 2022, 38% of Alberta's egg farmers reported the use of a bench at their transition zone, with the remaining farms using either a board, door, painted line, or no marking. In early 2023, EFA provided communications to farmers further highlighting the critical importance of a Danish Entry as a system that increases the visibility of the transition zone and acts as a hard-to-ignore barrier to entry that facilitates a boot change. Egg farmers responded to the call and the threat of HPAI by installing new Danish Entries; by the end of the year over 53% of farmers had Danish Entries, representing an increase of 25 farms.

“Seeing the Danish Entry is a daily reminder to slow down, and that biosecurity is real. I feel like I’ve done something to protect my farm and my industry. I would never go back to just a red line.”

- Registered Alberta egg producer

Work is underway to update the EFA biosecurity assessment for 2024, to incorporate and further emphasize HPAI risk factors. EFA will be contacting farmers to follow-up on their assessments and better understand barriers to adoption of best management practices.

Disposal Resources & Webinar

In February, all Alberta poultry producers were invited to an online training session related to the development of an emergency disposal plan for their operation. The webinar provided information on the available disposal methods in the event of an HPAI positive and the strengths and weaknesses of each option. It outlined regulatory authority and requirements for disposal and discussed the process for applying to have a site approved by authorities. Farmers were provided with templates for the common emergency disposal methods currently available and approved by the Canadian Food Inspection Agency (CFIA), and were urged to reflect on the disposal methods suitable for their farm, develop Standard Operating Procedures adapted to their farm, and liaise with Alberta Agriculture and Irrigation for necessary pre-approvals. In response, many egg producers developed and submitted emergency disposal plans for their operations, aimed at reducing decision-making stress during a crisis, speeding up recovery and return to production, and limiting delays in virus containment.

Nitrogen for Emergency Depopulation

The poultry industries in Western Canada identified a critical need for a more broadly available, humane, and effective alternative to carbon dioxide (CO₂) for emergency depopulation of poultry barns. The emergence of HPAI in 2022 exposed the vulnerability of relying solely on CO₂, especially as supply constraints persisted into 2023. Nitrogen has been globally accepted as a humane and effective method for euthanizing and depopulating poultry, but its prior application for whole barn gassing has been limited.

In early 2023, EFA secured funding from the Canadian Agricultural Partnership (CAP) to review the feasibility of using nitrogen for whole barn gassing. Initial findings suggested that this method, in routine use in Italy, could be a viable alternative in Canada. The project spurred a unique collaboration between British Columbia, Alberta, Manitoba, and Quebec to demonstrate the potential of using nitrogen as a safer, more humane, and effective alternative to CO₂ for depopulating poultry barns.

With funding from B.C.'s Farmed Animal Disease Fund, a larger scale project was implemented to investigate gas delivery systems, buy monitoring equipment, evaluate safety precautions, and conduct initial tests to determine the nitrogen's impact on barn structures and equipment. Using insights from the first phase, a first trial was run on a commercial free run floor layer operation in Alberta during their routine depopulation. Three additional trials will occur on Alberta layer farms in early 2024 and data collected will be used to craft Standard Operating Procedures (SOPs) for various barn types.

Risk Factors Research

Results Driven Agriculture Research (RDAR), EFA, and Alberta Chicken Producers (ACP) came together to fund Dr. Faizal Careem of the University of Calgary's Faculty of Veterinary Medicine's (UCVM) project, "*Environmental Monitoring of Highly Pathogenic Avian Influenza Virus (HPAIV) in Alberta With a Focus on Transmission to Commercial Poultry Operations.*" With funding secured prior to the fall HPAI positives, the researcher and his team were able to immediately respond to implement sampling and testing around farms to help the industry better understand the role of contaminated water or air to barn introduction, understand the risk of airborne spread, and determine if nonmigratory birds are playing a role. The project will provide producers with important information to adapt biosecurity measures to the behavior of the current virus.

Water Treatment Coaching

At the direction of the Production Management Committee (PMC), EFA collaborated with the Poultry Innovation Partnership (PIP) to develop and implement water treatment coaching. A water issues and treatment forum was created on the producer portal as a place to discuss water testing, treatment, and other water related challenges or solutions. Dr. Mohammad Afrouziyeh from PIP contributed his knowledge and expertise to the dialogue, responding to producer questions to help egg farmers make flock management decisions. The discussion had 70 views and included detailed advice on managing water systems.

Building on this work, EFA and PIP discussed the development of an on-farm water coaching program. Initial work was done to develop a producer survey to better understand producer knowledge gaps, motivations, and barriers to practice change. In 2024, EFA and PIP will aim to build on this survey, working with several pilot farms to develop and implement a robust water management optimization program.

Diagnostics

The Diagnostics Services Agreement between the Alberta poultry industry and the University of Calgary continued to have a significant impact on veterinary diagnostics in the province. In October, the Diagnostic Services Unit (DSU) opened the new Serology laboratory section, accepting poultry samples for Newcastle Disease Virus (NDV), Avian Reovirus (REO), Infectious Bronchitis Virus (IBV), Avian Encephalomyelitis (AE), and Infectious Bursal Disease (IBD). The number of poultry DSU submissions increased to over 150 in 2023, up from 64 in 2022. The Alberta Poultry Industry has committed to renewing the agreement with the UCVM for diagnostics for a further four years.



02

HEALTHY EGGS

START CLEAN - STAY CLEAN® LAYER PROGRAM

Alberta egg farmers take pride in providing safe, quality eggs to consumers, and this shows with an average Start Clean – Stay Clean® (SC-SC™) score of 99.91%, with 92% of farms scoring a perfect 100% on the program.

Farmers responded well to new elements intended to strengthen the program, including elements related to pest control, a written biosecurity protocol, and bedding materials. The most common corrective action (18 instances) was missing a record of water potability (laboratory test results at least once per year). All farms but one closed this corrective action.





Start Clean - Stay Clean® Pullet Program

Alberta pullet growers provide exceptional care to the young hens that will become layers, as demonstrated by an average Pullet Start Clean – Stay Clean® (SC-SC™) score of 99.95%, with 94.5% of farms scoring a perfect 100% on the program.

Salmonella Enteritidis (SE) Prevention & Response

EFA continues to sample each flock once in the pullet barn and twice during lay, a cornerstone of ensuring safe eggs for Albertans. Samples are processed in the Alberta Agriculture and Irrigation Food Safety Lab. In 2023, there were two cases of Salmonella Enteritidis (SE) in Alberta layer and pullet flocks, in line with the three-year rolling average of 1.33 cases per year. The response efforts for a positive SE result are coordinated through a co-operative effort between EFA, EFC, Alberta Agriculture, and the impacted farmer, ensuring the efficient removal of eggs from the table market.

Shell-Less Egg Syndrome Research

Infectious Bronchitis Virus (IBV) causes an economically important infectious disease in chickens that can be controlled by vaccination. Although IBV is known to cause defective eggs and decreased egg production, in Western Canada, IBV-vaccinated flocks were presenting with Shell-less Egg Syndrome (SES). EFA contributed funding toward the project “Vaccine-Mediated Control of Shell-less Egg Syndrome (SES) Caused by a Variant Infectious Bronchitis Virus (IBV) in Western Canada” by Dr. Faizal Careem, University of Calgary. The project, which wrapped up in 2023, aimed to propose the most effective vaccine-based control strategies. The test vaccination program using live IBV vaccines of Massachusetts and Massachusetts-Connecticut combination types between two and nine weeks of age followed by inactivated vaccine of Massachusetts type between 14-16 weeks of age demonstrated protection for impacts to egg production and quality drops compared to unvaccinated birds exposed to IBV. Of notable finding, the follow-up inactivated vaccine at 14-16 weeks appears to be critical in providing a sufficient immune response during the lay period.

03

HEALTHY FARMS

PRODUCER ENVIRONMENTAL EGG PROGRAM

The revised Producer Environmental Egg Program (PEEP) assessment, launched in January, has provided valuable insights into sustainability practices on Alberta egg farms. 111 assessments were completed, covering 106 producers.



In terms of energy generation, four farms reported they have already made the switch to solar energy, while two have opted for wind energy and yet another has deployed a co-generator. Electricity and natural gas usage metrics could improve participation as only 55% of producers reported on electricity usage, and 49% on natural gas consumption. Feed and water metrics had a strong response rate, with 100% of producers providing details about feed consumption and 99% providing details about water consumption. Manure management data was also robustly reported, with 96% of producers reporting on the mass of manure removed and 79% using weigh scales for accurate measurements. 90% of farms assessed shared insights about the end use of their manure.

The data suggests that while there is consistent reporting in several areas, energy consumption data will be a focus for improvement in the 2024 assessment. Overall, the PEEP assessment offers a glimpse into the ongoing practices and areas of enhancement in Alberta's egg industry. EFA continues to work with producers and EFC to use PEEP data to assist in populating the National Environmental Sustainability and Technology Tool (NESTT), contributing to regional and national benchmarking that will track the sustainability of the industry over time.

Farm Safety

EFA continues to work closely with AgSafe Alberta toward the goal of increased awareness and uptake of AgSafe certification and training. A four-year plan has been developed to align the Farm Safety Assessment delivered by EFA with AgSafe Certification, with a gradual introduction of new content and elements in each year of the plan.

Year One content was introduced to Alberta egg farmers at a series of workshops throughout the province this past summer. The training from the workshops was also made available online, to help producers achieve the necessary credit toward their Year One assessments. Farmers who attended the workshops noted they would implement practical changes on their farm such as:

- Upgrading their first aid kit
- Investigating the purchase of AED units
- Ensuring they have different fire extinguishers for different purposes
- Creating a barn map with emergency supplies and exits noted
- Adding additional job tasks to their Job Task Hazard Assessments such as outdoor yard maintenance, vaccinations, and using the egg lift
- Using WHMIS labels on products that have been transferred into non-original containers

The revised farm safety assessment asks that all of the people performing work in the egg barn have completed a general WHMIS course, with proper documentation. To support farmers with this, AgSafe has developed an online course to help employers provide the education component. Egg farmers were encouraged to sign up and complete the free course, which was made available as part of EFA's partnership with AgSafe. Ten farms initiated and eight farms completed this training in 2023.

Two pilot assessments were completed to gauge producer readiness. This highlighted key areas to focus on education and improvement: WHMIS and First Aid training, and barn maps. The average score between the pilot assessments was 83.5%, with one farmer successfully passing the AgSafe aligned assessment, having achieved a score of five or higher on all elements. This lays a good foundation to expand Year One coaching and assessment to all producers in 2024.

Risk Management

Alberta egg farmers participated in the Poultry Innovation Partnership (PIP) Flock Talk, "Risk Management: Balancing Continuity vs Crisis." Heather Watson from Farm Management Canada introduced a meticulous approach to risk management, and discussed creating and implementing a risk management plan. Farmers played the game "Feathered Ventures" in which they had to allocate time and money to various risk management options.

The game provided an opportunity to discuss decisions, identify sunk costs, and learn that it is never too late to improve biosecurity or build a risk management plan. The Flock Talk shone a light on crucial challenges faced by egg farmers in Alberta, including unpredictability and loss of control in the agricultural sector. Given the increasing challenges of climate change, drought management, heat, and wildfire preparedness took center stage.

Dr. Teryn Girard and Dr. Hollyn Maloney discussed vaccinations as a risk management strategy and answered producer questions about administration, scheduling, and storage. The 2023 Flock Talks were instrumental in fostering dialogue, sharing expertise, and driving change; they were a factor in increasing the uptake of E. Coli vaccination.





Extended Lay Cycle Research

EFA provided funding in 2021 toward a project led by Dr. Nathan Pelletier, from the University of British Columbia, looking at the potential sustainability implications of adopting longer lay cycle lengths. The project concluded in late 2023 and provided eye opening findings. Of note, the research model based on producer survey data and breeder guides concluded that extending lay cycles in Canada does not improve the carbon footprint of production. Given the disproportionate impact of feed on the carbon footprint of production, the loss of feed efficiency as the birds age has a negative impact that cannot be overcome by the reduction in chicks placed and pullets fed. This research finding is an important consideration as the industry looks to move to net-zero, and will be worth monitoring as genetics continue to evolve and more live production data from extended flock cycles becomes available.

Optimal Feeding Strategy Research

2023 marked the completion of Dr. Martin Zuidhof's study, *"Precision Feeding Layers for Improved Uniformity, Production, and Sustainability"*, funded in part by EFA. The study investigated the impact of feed restriction and dietary energy on the growth, body composition, and egg production of laying hens during the transition from pullet to hen. Results suggest that non-restricted feeding (per current industry practice) leads to increased feed intake and abdominal fat deposition, directing more nutrients towards egg production. High energy diets in the pullet phase led to enhanced egg production but smaller eggs, while low energy diets in the pullet phase led to lower egg production but larger eggs. Increasing dietary energy, especially during the pullet phase, is proposed to promote adiposity before sexual maturation, facilitating a smooth transition to the laying phase. The next step involves an economic analysis to assess the cost-benefit relationship of increasing dietary energy during the pullet phase.

ILWG Update

EFA is proud to be involved with the Intensive Livestock Working Group (ILWG), which continues to work on a variety of initiatives that impact the province's animal agriculture sector. The ILWG's public trust project is aimed at building relationships between intensive livestock/poultry farmers and the rural communities in which they farm. The ILWG is a member of the Alberta Water Council's project team, which is facilitating the development of a multi-sector water for life action plan for Alberta Environment and Parks. The ILWG is also a member of the National Resource Conservation Board's (NCRB) policy advisory group, which is monitoring the unresolved conflict of provincial and municipal legislation, and its impact on land development.

EFA and the Alberta egg industry would like to thank Rawnauld Axelson for his years of exemplary service and leadership, as the Executive Director of the ILWG. We wish him all the best in his well-deserved retirement.

Cost of Production Survey

Alberta egg farmers participated in the national Cost of Production Survey in 2022/2023. A total of 36 farms took part in the survey representing conventional, enriched, and free-run production. Egg Farmers of Canada is analyzing the survey data collected across the country and will present the results to the EFC board in mid to late 2024.

Quota Exchange

EFA's Quota Exchange (QE) ran four times in 2023, successfully clearing twice. The QE saw some changes in how it was administered, starting with QE2-23. Sellers would be disqualified if they requested to sell at a price 20% higher than the last three successful exchanges, and buyers would be disqualified if they requested to purchase at a price 20% lower than the last 3 successful exchanges. Successful sellers would only receive the price they wanted, whereas buyers would pay a prorated amount if their bid price was at or above the market clearing price.

Government Relations & Trade

EFA continued to promote the contributions of the egg industry and the preference Albertans have for fresh, nutritious, local eggs to the Government of Alberta. EFA shared quarterly updates with Alberta MLAs and MPs, highlighting egg industry achievements and pertinent updates for provincial politicians. EFA also requested support for Bill C-282, which would safeguard the sustainability and long-term viability of Canadian dairy, poultry, and egg farmers by preventing further market access concessions in trade agreements.

EFA was pleased to see Alberta egg farmers continuing to register for and make use of the Poultry and Egg On-Farm Investment Program (PEFIP), to improve the productivity and enhance the sustainability of egg farms across the province. The mitigation for market access granted under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Canada – United States – Mexico Agreement (CUSMA) continues to be put to good use by producers, to benefit consumers, rural economies, and Alberta's agriculture sector.





04

HEALTHY COMMUNITIES

EVENT MARKETING

EFA was excited to be fully participating with Egg Ambassadors and a live laying hen display at both the Calgary Stampede and Aggie Days, for the first time since 2019. The Stampede saw the second largest attendance on record, with almost 1.4 million people walking through the gates. EFA's booth was a big hit with kids and adults alike, proving to be as big a draw as it used to be, which enabled event staff and egg farmers many opportunities to engage visitors and answer their questions about both eggs and egg farming. EFA also participated in Mountain View Aggie Days, which was another great opportunity to promote the egg industry and the benefits of nutritious, local eggs.

Calgary Hitmen

EFA ventured into sports marketing for the first time, becoming a sponsor of the Calgary Hitmen for the 2022-2023 season. The partnership included a joint social media campaign, in-game advertising on the arena's jumbotron and video screens, and several on-site activations where we had the opportunity to talk to fans on the main concourse.

Consumer Website

EFA's website (eggs.ab.ca) continues to be the primary hub for all online activity. More than 136,000 users visited the site in 2023, viewing more than 353,000 web pages. The site features a wide array of educational information about the egg industry, farming, and nutrition. Visitors are always interested in delicious recipes, information about the different types of eggs they see at the grocery store, nutrition facts about eggs, and profiles of Alberta egg farmers.

Social Media

EFA has continued to increase our social activity and engagement by monitoring trends, expanding our monthly campaigns, and finding partners who share our passion for local food and nutrition. EFA's digital advertising campaign revolved around our three key themes for the year – eggs are nutritious, local, and sustainable. In addition to posting regularly on Facebook, Instagram, and X (formerly Twitter), EFA joined TikTok in 2023, as a new platform to reach several key demographic groups.

Influencer Partnerships

Influencer partnerships have given EFA the ability to share our passion for eggs and egg farming with even more Albertans. Meg Tucker (Cook with Meg) continued her highly successful EFA-sponsored monthly virtual cooking classes, developed several recipes and reels, and had several wonderful appearances on CTV Morning Live. Fareen Jessa (Food Mamma), Tara Noland (Noshing with the Nolands), and Bernice Hill (Dish 'n' the Kitchen) all expanded their involvement with EFA, with each of them developing and promoting egg-inspired recipes every quarter. Sarah Remmer, a family nutrition expert, published a hugely successful reel shot in a grocery store, where she explained the different types of eggs and addressed some of the most common questions and misperceptions about eggs.

Alberta on the Plate

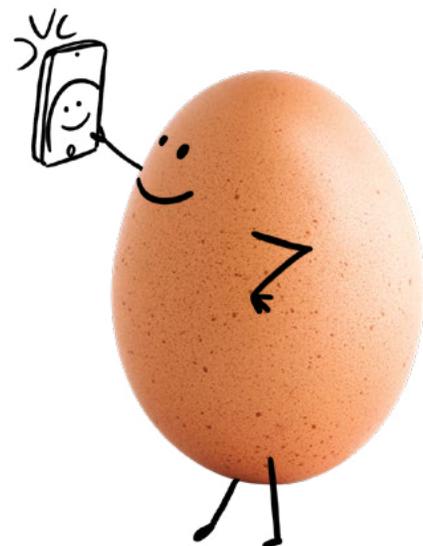
EFA was excited to once again partner with Alberta on the Plate, who are dedicated to celebrating everything Alberta has to offer when it comes to local food and drinks. In addition to providing content for their social channels, EFA was also thrilled to partner with Alberta on the Plate for a couple farm tours in 2023. EFA hosted Alberta on the Plate for a farm tour in the spring, which resulted in the publication of a comprehensive blog post about the net-zero barn at Brant Colony and the future of sustainable egg farming in the province. They also helped coordinate a summer egg farm tour for a group from the Egg & Spoon restaurant, which resulted in a collaborative social media contest leading up to Christmas.

The Cracked Egg

EFA launched a new consumer-facing podcast called The Cracked Egg, which is another platform to shine a spotlight on various stakeholders in the egg industry and connect with Albertans. The Cracked Egg featured a wide range of guests in its first year, including a farmer, supply chain partner, poultry veterinarian, chef, dietician, social influencer, and representatives from Food Banks Alberta and Breakfast Club of Canada. With positive feedback and a steadily increasing audience, The Cracked Egg looks forward to talking with an even more diverse group of guests next year.

Eggstra, Eggstra!

EFA was pleased to see significant growth of the distribution list for our quarterly e-blast consumer newsletter, *Eggstra, Eggstra!* in 2023. In addition to sharing nutritional information about eggs, egg farming facts, recipes, farmer profiles, and details about upcoming events, the e-blast was also a great way to promote the latest podcast and content created by our influencer partners. Exclusive content and contests to win free eggs were greatly enjoyed by readers.



Agricultural Education

EFA continues to be a proud supporter and promoter of agricultural education for students across Alberta. The Classroom Agriculture Program, which has been a staple in grade-four classrooms in Alberta for more than 35 years, delivered 482 presentations to more than 11,300 students in 2023. Project Agriculture, which now includes six junior/senior high school topics and encompasses both the livestock and crop sector, provides a unique opportunity for teachers and students to explore the diversity of Alberta agriculture and agri-foods. Nearly 1,200 schools accessed Project Agriculture quizzes, more than 1,000 schools downloaded handouts, and more than 600 schools viewed farmer videos, demonstrating tremendous growth of this relatively new program.

Social Responsibility

EFA has been a proud partner of both Food Banks Alberta (FBA) and Breakfast Club of Canada (BCC) since 2015, as the cornerstone of both our mission to cultivate a sustainable egg industry and our sustainability strategy pledge to positively impact communities across Alberta. EFA and the province's egg farming families are proud to be able to give back to those Albertans most in need. EFA staff volunteered their time at a local food bank and to help deliver breakfast programs to students at a couple of local schools.

Breakfast Club of Canada operated 295 school breakfast programs across Alberta in 2023, which served more than 32,000 students every day. Food Banks Alberta is comprised of more than 100 member food banks across the province, serving Albertans in need, including more than 50,000 children every month.

EFA wanted to do something special in 2023 to highlight the increasing demands on food banks across Alberta, while also promoting both local farmers and restaurants. EFA partnered with OEB, a hugely popular chain of restaurants, to provide front-line staff from several food banks in and around Calgary with an appreciation brunch. These amazing people selflessly dedicate themselves to serving their local communities, and were more than deserving of having their efforts recognized and applauded.

Industry Development

Late in the year, the EFA Board approved a partnership with THRIVE SVG Ventures, which aims to leverage THRIVE's global agtech innovation network to identify opportunities for commercial development related to the Alberta egg industry. The collaboration will focus on evaluating underutilized intellectual property (IP) from research work funded by EFA and completing an ideation discovery sprint to identify novel opportunities for Alberta egg producers. The ultimate goal is to create ventures that address market gaps and contribute to the industry's sustainability. Initial deliverables expected in 2024 will include business opportunity reports and validated business models.

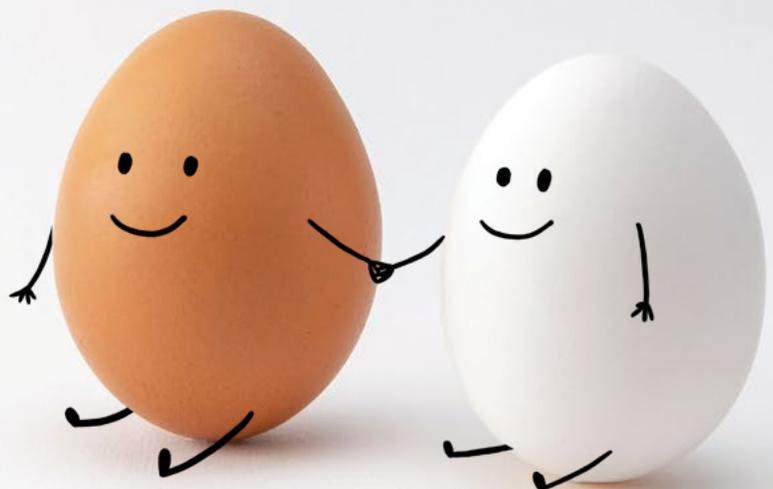
Board Governance

At the 2023 EFA AGM, there was no need for an election, as both Jerry Hofer and Elie Hofer were acclaimed to their position on the EFA Board of Directors, to serve their second three-year terms. The Board re-elected Peter Waldner as Chair, Conrad Vanessen as Vice Chair, Beatrice Visser as EFC Director, and Jerry Hofer as EFC Alternate.

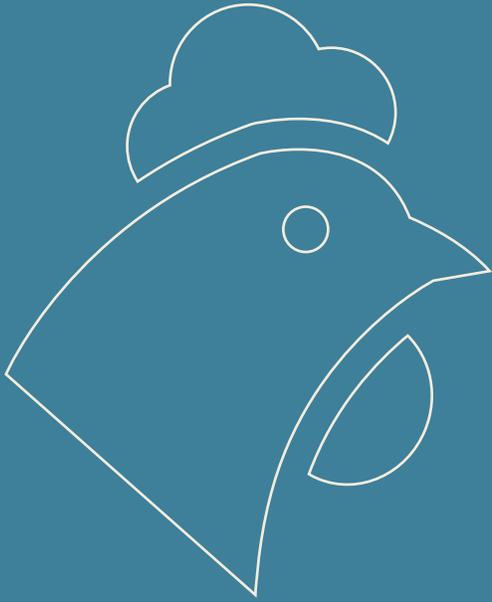
The EFA Board and management conducted their annual strategic planning session in September. Key areas of focus around EFA's four strategic pillars – healthy birds, healthy eggs, healthy farms, and healthy communities – were identified and prioritized, giving the EFA staff clear direction heading into 2024.

Human Resources

Stephen Scott led the EFA team through the first full year of his leadership as General Manager in 2023, which saw some staff turnover, as well as the creation of a new position. Brandy Addai transitioned from Logistics Coordinator to Emergency Preparedness & Response Coordinator, while Andrea Bieganek (Administrative Support Coordinator) and Reshma Kurian (Financial Coordinator) joined the team. EFA also said farewell to Sandy Xia.

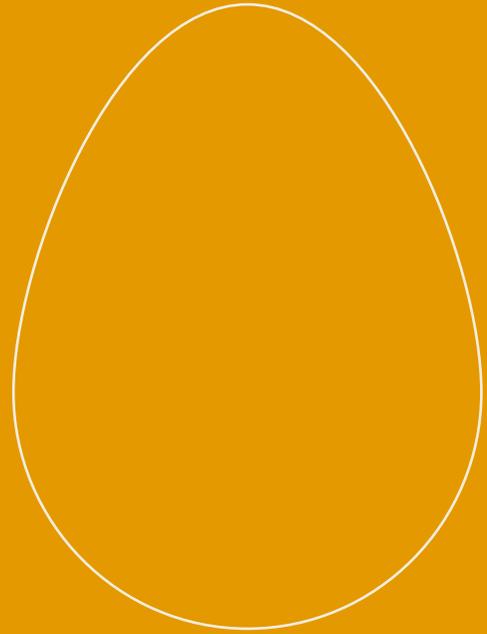






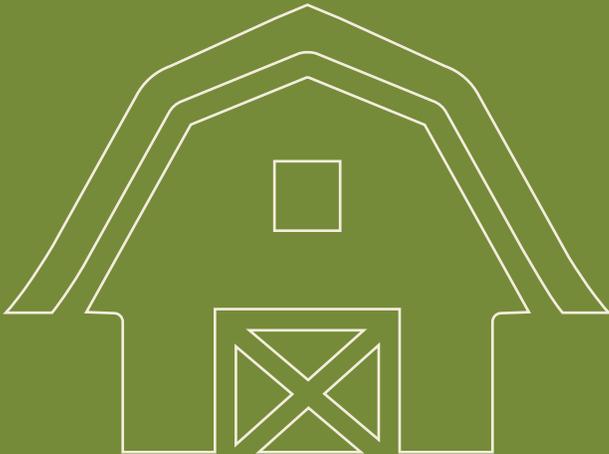
Healthy Birds:

Alberta egg farmers raise healthy birds. They are dedicated to the well-being and care of their laying hens.



Healthy Eggs:

Alberta egg farmers produce healthy eggs. They are committed to providing local eggs that are safe, fresh, and nutritious.



Healthy Farms:

Alberta egg farmers operate healthy farms. They are responsible stewards who work to minimize their environmental impacts while operating economically viable farms, to ensure successful livelihoods. They are also devoted to fostering safe work environments.



Healthy Communities:

Alberta egg farmers contribute to healthy communities. They give back to their communities and play an important role in supporting local food systems and effective supply management.



SUSTAINABILITY REPORT 2023

ABOUT EGG FARMERS OF ALBERTA

Egg Farmers of Alberta (EFA) manages the provincial egg industry and represents Alberta's more than 160 egg farming families, who are proud to provide a stable supply of fresh, locally produced eggs. Visit eggs.ab.ca for more information.

Vision: Healthy Food, Healthy Farms, Healthy Families

Mission: Cultivating a sustainable egg industry together with farmers, consumers, and other stakeholders.



About This Report

This is the second published sustainability report related to our revised Sustainability Strategy, detailing our performance in 2023. EFA will provide a balanced view of our key successes and challenges in pursuit of the goals for the organization, the farmers we represent, and the broader provincial egg industry, that were identified as EFA's sustainability pledges.

Statement From EFA Leadership

EFA and the province's egg farmers are enthusiastic about our stated mission to cultivate a sustainable egg industry in Alberta. Farmers are proud to provide a stable supply of fresh, high-quality, affordable, locally produced food for their fellow Albertans, while caring for their laying hens and farming in a more environmentally responsible manner than ever before. The foresight offered by our sustainability strategy serves the industry by helping to ensure Alberta egg farms are sustainable today and will continue to be for generations to come.

Defining Our Priorities

EFA's revamped sustainability strategy identified and prioritized sustainability issues that impact egg farmers and stakeholders, with an emphasis on guiding the Alberta egg industry through the next three to five years. EFA wanted a provincial strategy that would compliment the national sustainability strategy developed by Egg Farmers of Canada, and be more closely aligned with established global standards for sustainability reporting.

Our Sustainability Framework

EFA's approach to sustainability is built around our four pillars:

- **Healthy Birds** is about egg farmers' dedication to caring for their layer hens, with the national Animal Care Program as the cornerstone.
- **Healthy Eggs** is about the industry's commitment to providing safe, fresh, local eggs, with the national food safety program, Start Clean – Stay Clean®, as the cornerstone.
- **Healthy Farms** is about egg farmers being responsible stewards of the land they farm, with the provincial environmental program, Producer Environmental Egg Program, as the cornerstone.
- **Healthy Communities** is about giving back, engaging the public, and collaborating with value-chain partners.

We have integrated the priority issues identified through our materiality assessment into EFA's revamped sustainability strategy.

EFA has made eight sustainability pledges that will guide the provincial egg industry along a more sustainable path.



EFA'S PERFORMANCE



Healthy Birds



Alberta egg farmers raise healthy birds. They are dedicated to the well-being and care of their laying hens.

Pledge #1: EFA will apply the highest standards of animal welfare throughout the hen housing transition taking place in our industry.

Highlight: EFA provided funding in 2019 to Dr. Clover Bench at the University of Alberta toward the project, *“Use of 3D Kinematic, QCT, Infrared, and Genomic to Evaluate Perching in Commercial Strains of Enriched-Housed Laying Hens.”* The goal of the research, which was completed in 2023, was to use motion capture technology to explore the connection between optimal perching types and stronger bones, better

keel and foot health, and potential genetic markers. By looking at varying perch shapes, commercial layer strains, and pullet rearing environments, the study hopes to guide hen housing design based on biomechanics, identify genetic factors affecting hen welfare, provide tools for poultry genetic companies to enhance welfare, and inform best management practices based on the Code of Practice.

EFA's Research Committee received a final report from Dr. Bench in December 2023, learning that the use of mushroom perches can reduce keel bone damage relative to round perches and that, although brown birds have stronger and denser bones, they experience more keel bone damage. This suggests that although increased bone strength may reduce keel bone damage severity, there are additional contributing factors such as perching position and use.



Healthy Eggs

Alberta egg farmers produce healthy eggs. They are committed to providing local eggs that are safe, fresh, and nutritious.

Pledge #2: EFA will strengthen the connection between consumers and the Alberta egg farmers who provide safe, fresh, nutritious, local eggs.

Highlight: The EFA Board of Directors decided to put a short-term emphasis on promoting a couple of existing consumer-facing programs to help strengthen the connection between egg farmers and Albertans. EFA will increase promotion of the Egg Quality Assurance™ (EQA®) program, which is becoming more widely seen on egg cartons and in more restaurants, to foster understanding of the strict food safety and animal welfare standards that EQA® symbolizes. EFA is also going to promote the Made in Alberta program that the Government of Alberta launched in early 2023, to Alberta egg farmers, egg value chain partners, and consumers. Made in Alberta is a new labeling program that is intended to help consumers instantly identify food and beverage products made in our province.





Healthy Farms

Alberta egg farmers operate healthy farms. They are responsible stewards who work to minimize their environmental impacts while operating economically viable farms, to ensure successful livelihoods. They are also devoted to fostering safe work environments.

Pledge #3: EFA will increase our understanding of climate change impacts and mitigations to future-proof Alberta egg farms.

Highlight: EFA conducted a climate risk assessment for the Alberta pullet/egg industry in collaboration with All One Sky in 2022, which identified key areas of climate change impacts that could affect Alberta pullet and egg producers. In 2023, EFA focused on developing resources and extending information to guide producers on ways to minimize climate change impacts on their farms. A Risk Management Flock Talk was hosted by the Poultry Innovation Partnership (PIP), providing producers with a chance to discuss drought management (water supply and feed), wildfire management, and heat stress. Information from these discussions, as well as additional literature, programs, and research was used to develop a comprehensive Climate Adaptation resource, including a brochure on heat stress insurance and information on mitigating the risk of poor air quality from wildfire smoke during poultry transport. EFA is also exploring options to address research gaps on the impact of wildfire smoke on poultry, with a long-term goal of improving best practices information available to producers.



Pledge #4: EFA will support alignment of farm safety programs to add value for Alberta egg farmers.

Highlight: EFA continued to work closely with AgSafe Alberta toward the goal of increased awareness and uptake of AgSafe certification and training. A four-year plan has been developed to align the Farm Safety Assessment delivered by EFA with AgSafe Certification, with a gradual introduction of new content and elements in each year of the plan. Year One content was introduced to Alberta egg farmers at a series of workshops throughout the province this past summer. The training from the workshops was also made available online, to help producers achieve the necessary credit toward their Year One assessments.

Pledge #5: EFA will support the increased application of 'circular-economy' practices on Alberta egg farms to capture value and minimize environmental impacts.

Highlight: EFA supported novel strategies for creating higher value uses of egg industry byproducts. Alberta Agriculture and Irrigation's "Animal Biomass to Plant Nutrient Solution" project was completed and EFA's Research Committee worked to extend the findings, which demonstrated the value-added potential of fermenting carcass hydrolysate to produce a plant nutrient solution. EFA also engaged with multiple potential project partners to scope a work plan and budget for investigating the adoption of thermal dehydration technology for improved mortality management and end of lay disposal. EFA continues to work to secure the necessary resources to conduct this applied research and extend the technology to farmers.





Healthy Communities

Alberta egg farmers contribute to healthy communities. They give back to their communities and play an important role in supporting local food systems and effective supply management.

Pledge #6: EFA will increase demand for Alberta eggs by improving consumer awareness of sustainable egg production.

Highlight: EFA continued sharing stories about Alberta egg farmers who have taken steps to enhance the sustainability of their operation, as well as additional content more generally related to EFA's overall sustainability strategy, via blog posts and social media platforms. A unique and impressive highlight came from a visit to Green Acres Colony to do a photo/video shoot for their egg farmer profile, where they shared their story about a substantial solar farm that has been powering their entire colony since 2015. This is exactly the sort of initiative that EFA seeks to share with Albertans, which demonstrates the industry's commitment to sustainability simply as a matter of good business.

Pledge #7: EFA and the province's egg farming families will positively contribute to the sustainability of communities across Alberta.

Highlight: EFA was proud to continue supporting Food Banks Alberta and Breakfast Club of Canada through a combination of egg donations, monetary donations, and volunteerism. EFA also began implementing its producer engagement strategy to help quantify the type and amount of contribution made collectively by Alberta farmers in their own communities, by conducting a social responsibility survey of producers. A communication strategy will be developed once sufficient contribution data has been gathered.

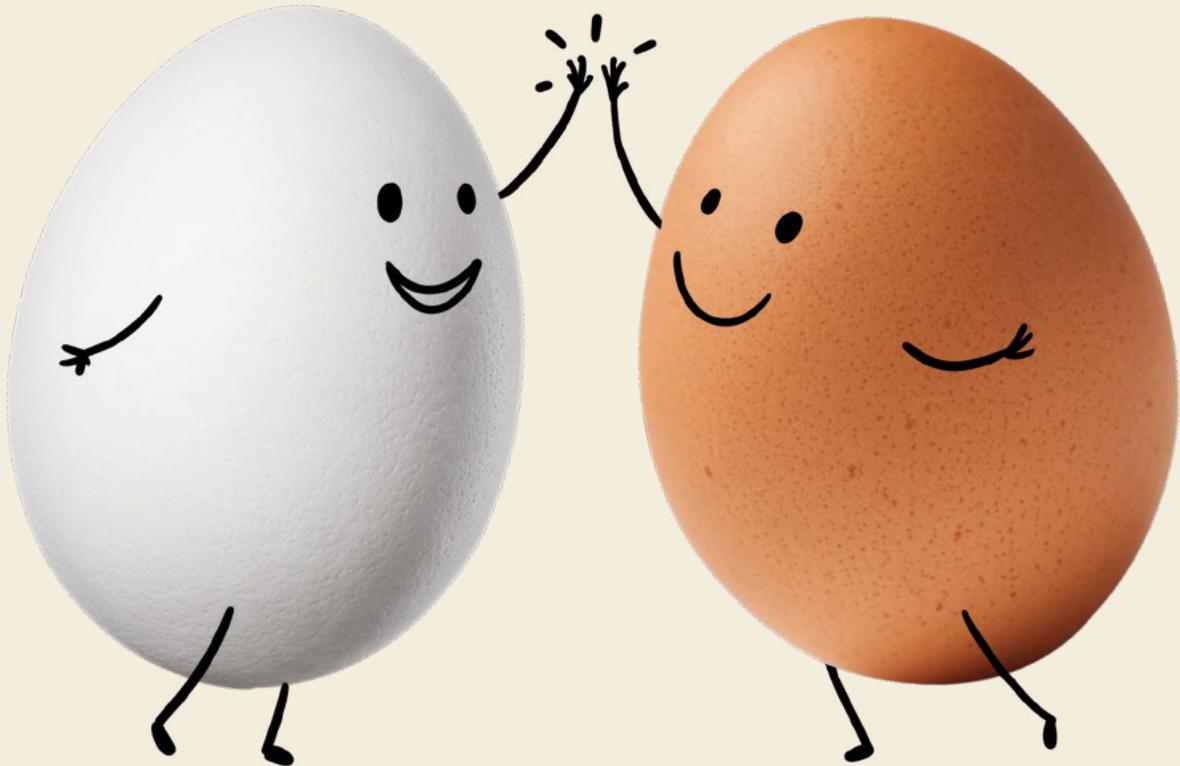
Cross-Cutting

Pledge #8: EFA will enhance on-farm data so Alberta egg farmers can monitor and improve farm sustainability performance, while preparing for expanded commercial requirements related to sustainability.

Highlight: EFA launched the revised Producer Environmental Egg Program (PEEP) in January 2023. A total of 111 assessments were completed on 106 farms, providing valuable insights into sustainability practices on Alberta egg farms. The data suggests that while there is consistent reporting in several areas, energy consumption data will be a focus for improvement in the 2024 assessment. Overall, the PEEP assessment offers a glimpse into the ongoing practices and areas of enhancement in Alberta's egg industry.

EFA continues to work with producers and Egg Farmers of Canada to use PEEP data to assist in populating the National Environmental Sustainability and Technology Tool (NESTT), contributing to regional and national benchmarking that will track the sustainability of the industry over time.





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Financial statements of Egg Farmers of Alberta

December 30, 2023

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Independent Auditor's Report

To the Directors of
Egg Farmers of Alberta

Opinion

We have audited the financial statements of Egg Farmers of Alberta ("EFA"), which comprise the statement of financial position as at December 30, 2023, and the statements of operations and changes in unrestricted net assets, and cash flows for the fifty-two week period then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EFA as at December 30, 2023, and the results of its operations and its cash flows for the fifty-two week period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 EFA in accordance with the 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing EFA'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 GAAS 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 GAAS, 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 EFA'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 EFA'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 EFA 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 significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
February 8, 2024

Egg Farmers of Alberta

Statement of operations and changes in unrestricted net assets

52-week period ended December 30, 2023

		December 30, 2023	December 31, 2022
	Notes	\$	\$
		(52 weeks)	(53 weeks)
Revenue			
Levy		28,694,156	36,591,386
Industrial product program	Schedule 2	37,956,501	36,951,765
Research fund	Schedule 3	195,939	188,329
Sustainable growth fund	Schedule 4	1,389,547	580,883
Natural overrun fee fund	Schedule 5	—	1,669,177
Conventional to enriched transition and producer prices "CETPP" fund	Schedule 6	4,699,619	4,308,057
Other income		10,654	6,526
Interest		268,071	245,017
Unrealized gain (loss) on investments		299,489	(707,866)
		73,513,976	79,833,274
Expenses			
Administrative	Schedule 1	3,231,442	3,209,315
Egg Farmers of Canada levy		25,867,287	33,918,978
Industrial product program	Schedule 2	38,419,660	37,733,913
Research fund	Schedule 3	61,283	144,890
Sustainable growth fund	Schedule 4	1,143,205	771,675
Natural overrun fee fund	Schedule 5	1,669,625	—
Conventional to enriched transition and producer prices "CETPP" fund	Schedule 6	4,412,660	3,856,243
Loss (gain) on sale of investments		90,481	(132,178)
		74,895,643	79,502,836
(Deficiency) excess of revenue over expenses		(1,381,667)	330,438
Internal transfer from industrial product program	Schedule 2	463,159	782,148
Internal transfer to research fund	Schedule 3	(134,656)	(43,439)
Internal transfer (to) from sustainable growth fund	Schedule 4	(246,342)	190,792
Internal transfer from (to) natural overrun fund	Schedule 5	1,669,625	(1,669,177)
Internal transfer to CETPP fund	Schedule 6	(286,959)	(451,814)
Unrestricted net assets, beginning of period		3,553,853	4,414,905
Unrestricted net assets, end of period		3,637,013	3,553,853

The accompanying notes are an integral part of the financial statements.

Egg Farmers of Alberta
Statement of financial position
As at December 30, 2023

		December 30, 2023	December 31, 2022
	Notes	\$	\$
		(52 weeks)	(53 weeks)
Assets			
Current assets			
Cash and cash equivalents		2,129,437	4,304,544
Accounts receivable	4	5,177,921	3,129,222
Prepaid expenses		72,383	60,428
		7,379,741	7,494,194
Long-term investments	3	4,837,418	4,693,715
Tangible capital assets	5	888,492	981,214
Intangible asset	6	5,112	5,112
		13,110,763	13,174,235
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		5,064,140	3,902,073
Government remittances payable		41,211	108,506
Due to Egg Farmers of Canada		1,495,061	1,271,638
		6,600,412	5,282,217
Net assets			
Unrestricted net assets		3,637,013	3,553,853
Industrial product program	Schedule 2	833,624	1,296,783
Research fund	Schedule 3	533,083	398,427
Sustainable growth fund	Schedule 4	636,590	390,248
Natural overrun fund	Schedule 5	—	1,669,625
CETPP fund	Schedule 6	870,041	583,082
		6,510,351	7,892,018
		13,110,763	13,174,235

The accompanying notes are an integral part of the financial statements.

Approved by the Board



_____, Director



_____, Director

Egg Farmers of Alberta

Statement of cash flows

52-week period ended December 30, 2023

	December 30, 2023	December 31, 2022
	\$	\$
	(52 weeks)	(53 weeks)
Operating activities		
(Deficiency) excess of revenue over expenses	(1,381,667)	330,438
Items not affecting cash		
Amortization of tangible capital assets	190,405	181,305
Gain on sale of tangible capital assets	(8,500)	—
Loss (gain) on sale of investments	90,481	(132,178)
Unrealized (gain) loss on investments	(299,489)	707,866
	(1,408,770)	1,087,431
Changes in non-cash working capital		
Accounts receivable	(2,048,699)	6,041,532
Prepaid expenses	(11,955)	(4,098)
Accounts payable and accrued liabilities	1,162,066	(4,758,943)
Government remittances payable	(67,295)	72,577
Due to Egg Farmers of Canada	223,423	3,667
	(2,151,230)	2,442,166
Investing activities		
Purchase of tangible capital assets	(107,683)	(115,823)
Proceeds on sale of tangible capital assets	18,500	—
Proceeds on sale of long-term investments	667,220	5,911,888
Purchase of long-term investments	(601,914)	(6,712,296)
	(23,877)	(916,231)
Net (decrease) increase in cash and cash equivalents	(2,175,107)	1,525,935
Cash and cash equivalents, beginning of period	4,304,544	2,778,609
Cash and cash equivalents, end of period	2,129,437	4,304,544

1. Nature of business

Egg Farmers of Alberta ("EFA") was incorporated by statute in 1968 as a not-for-profit body. The purpose of EFA is to provide effective promotion, control, and regulation of the marketing of eggs in Alberta. EFA is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following policies:

Method of accounting

EFA follows the deferral method of accounting for revenues whereby revenues restricted for a specific purpose are deferred until such time as they are expended.

Cash and cash equivalents

Cash and cash equivalents consist of cash in the bank and cashable investments that are highly liquid and easily convertible to cash.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value. EFA has not elected to carry any such financial instruments at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and changes in unrestricted net assets as interest income or expense.

With respect to financial assets measured at cost or amortized cost, EFA recognizes in the statement of operations and changes in unrestricted net assets an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations and changes in unrestricted net assets in the period the reversal occurs.

Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis at rates calculated to amortize the cost of the assets over their estimated useful lives as follows:

Building	25 years
Automobiles	3–5 years
Promotional display	3–5 years
Office equipment	3–10 years
Office improvements	20 years
Software	5 years

2. Significant accounting policies (continued)

Tangible capital assets (continued)

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and its carrying amount may not be fully recoverable. An impairment loss is recognized when and to the extent that management assesses the future useful life of an asset to be less than originally estimated.

Intangible asset

Intangible assets with an indefinite life are accounted for at cost and are tested for impairment whenever events or changes in circumstances indicate that they might be impaired. When the carrying amount of an item exceeds its fair value, an impairment loss is recognized in the statement of operations and changes in unrestricted net assets in an amount equal to the excess.

Revenue recognition

Egg sales are recognized at declaration when the amounts are determinable and collection can be reasonably assured.

Levies are legislated at least annually, collected monthly, and recognized on a per-bird basis each period when the amounts are determinable and collection is reasonably assured. A portion of the levy revenue recognized is allocated to different funds (Schedule 3, 4, 5 and 6).

Interest revenue and other income are recognized when amounts can be reasonably determined and collectability is assured.

Grant revenue is recognized when the related expenses are incurred. Unrestricted grants are recognized as revenue when received or receivable if the amount is fixed or can be reasonably assured and collection is reasonably assured.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Estimates primarily arise in the determination of the estimated useful lives of tangible capital assets, the potential impairment of tangible capital and intangible assets, determination of accrued liabilities, and potential contingencies.

3. Investments

Long-term investments

The long-term investments include:

	December 30, 2023	December 31, 2022
	\$	\$
Equity investments	4,837,418	4,693,715

The equity investments are recorded at fair market value.

Investment policy

EFA has established an investment policy that RBC Wealth Management ("RBC") is required to follow. The policy states that EFA's excess cash is to be invested in low-risk Canadian, American and international investments, which include equities, bonds, T-bills and short-term investments. EFA determined that the investments should be diverse; therefore, restrictions were set on the amount that could be invested in each type of investment, which is outlined as follows (these percentages are based on the market value of the investments as at December 30, 2023):

	Target %	Current %
Short term investments	0-15	2
Fixed income investments	35-65	55
Multi-class investments	0-10	0
Equity investments	20-50	43

All of the investments are in compliance with the investment policy that has been outlined by EFA for RBC to follow. The policy states that if market fluctuations cause the portfolio to fall outside these ranges, RBC will work to realign the portfolio within a reasonable amount of time.

4. Accounts receivable

	December 30, 2023	December 31, 2022
	\$	\$
Accounts receivable – Producers	2,496,775	1,526,889
Egg Farmers of Canada	2,681,146	1,602,333
	5,177,921	3,129,222

5. Tangible capital assets

			December 31, 2023
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	168,000	—	168,000
Building	902,214	563,034	339,180
Automobiles	112,413	45,130	67,283
Promotional display	66,445	61,346	5,099
Office equipment	253,803	239,352	14,451
Office improvements	548,803	410,054	138,749
Software	487,545	331,815	155,730
	2,539,223	1,650,731	888,492

			December 31, 2022
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	168,000	—	168,000
Building	902,214	526,945	375,269
Automobiles	87,014	49,824	37,190
Promotional display	60,679	59,950	729
Office equipment	245,116	226,510	18,606
Office improvements	548,803	382,614	166,189
Software	463,270	248,039	215,231
	2,475,096	1,493,882	981,214

Total amortization for the 52-week period ended December 30, 2023, was \$190,405 (\$181,305 in the 53-week period ended December 31, 2022), of which \$13,450 (\$12,753 in December 31, 2022) was included in advertising and product promotion, and \$27,012 (\$8,595 in December 31, 2022) was included in travel.

6. Intangible asset

	December 30, 2023	December 31, 2022
	\$	\$
Trademarks	5,112	5,112

7. Financial instruments

Fair value

The carrying amounts of EFA's financial assets including cash and cash equivalents, accounts receivable and government remittances receivable, and financial liabilities including accounts payable, accrued liabilities, government remittances payable, and due to Egg Farmers of Canada, approximate their fair values due to their short-term nature.

The long-term investments are recorded at fair market value.

7. Financial instruments (continued)

Credit risk

EFA is exposed to credit risk to the extent that its producers or customers may experience financial difficulty and would be unable to meet their obligations. However, this risk is mitigated as the majority of accounts receivable is due from Egg Farmers of Canada, a producer organization formed by the provincial boards, and the producers.

Market risk

EFA is exposed to market risk as a portion of its investment portfolio is held in marketable securities, which fluctuate with market pressures. Revenue could be affected adversely by changes in the market. As such, the investments are susceptible to market risk, which is defined as the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

EFA is exposed to interest rate risk as a portion of its investment portfolio is held in rate sensitive investments, which have varying maturity dates and interest rates. Accordingly, if interest rates decline, EFA may not be able to reinvest the maturing investment at a rate similar to that of the balance maturing.

Liquidity risk

EFA's objective is to have sufficient liquidity to meet its liabilities when due. EFA monitors its cash balances and cash flows generated from operations to meet its requirements.

8. Related Party Transactions

EFA collected revenues (net of expenses) from its Directors that are also egg producers in the amount of \$1,549,686 (\$1,764,584 in December 31, 2022). As at December 30, 2023 EFA had a net accounts receivable balance of \$93,864 (as at December 31, 2022 EFA had a net accounts payable balance of \$8,177), which is related to these revenues and expenses.

These transactions were carried out in the normal course of operations and are recorded at the exchange amount. This value corresponds to the consideration agreed upon by the related parties.

9. Presentation of prior year balances

Certain comparative figures have been reclassified to conform to the current year's presentation.

Egg Farmers of Alberta

Schedule 1 – Schedule of administrative expenses

52-week period ended December 30, 2023

		December 30, 2023	December 31, 2022
	Notes	\$	\$
		(52 weeks)	(53 weeks)
Advertising and product promotion	5	322,727	282,222
Amortization	5	149,943	159,957
Board governance		49,487	54,717
Building operations		57,744	59,365
Directors' and committee allowances		232,348	239,119
Employee benefits		236,953	212,727
Insurance		22,864	20,506
Meetings		104,001	66,507
Memberships		16,319	16,319
Office and printing		156,221	193,305
Postage		4,493	8,091
Professional fees		147,354	265,894
Salaries		1,219,474	1,179,676
Field Services, SE testing and diagnostic services		138,744	99,423
Telecommunications		8,817	8,215
Travel	5	363,953	343,272
		3,231,442	3,209,315

Egg Farmers of Alberta**Schedule 2 – Schedule of internal restrictions – industrial product program**

52-week period ended December 30, 2023

	December 30, 2023	December 31, 2022
	\$	\$
	(52 weeks)	(53 weeks)
Industrial product program, beginning of period	1,296,783	2,078,931
Add		
Egg sales and other revenue	37,340,879	36,809,843
Levy transfer	615,622	141,922
	37,956,501	36,951,765
Less		
Egg purchases and other expenses	37,895,140	37,269,290
Levy returned to producers	524,520	464,623
	38,419,660	37,733,913
Net change in program during the period and amount internally transferred to unrestricted net assets	(463,159)	(782,148)
Industrial product program, end of period	833,624	1,296,783

The industrial product program relates to eggs which are sold for further processing. EFA purchases eggs from grading stations and sells them to Egg Farmers of Canada for fixed prices. Shortfalls from the program are funded by an internal allocation of levies received from producers. Eggs are only purchased to the extent necessary for sale to the program; no inventory is carried.

Egg Farmers of Alberta

Schedule 3 – Schedule of internal restrictions – research fund

52-week period ended December 30, 2023

	December 30, 2023	December 31, 2022
	\$	\$
	(52 weeks)	(53 weeks)
Research fund, beginning of period	398,427	354,988
Add		
Levy revenue	195,939	188,329
Less		
Disbursements to research projects	61,283	144,890
Net change in fund during the period and amount internally transferred from unrestricted net assets	134,656	43,439
Research fund, end of period	533,083	398,427

The research fund was established in 2003 and is funded by an internal allocation of the producer levies to provide research funds to the industry.

Egg Farmers of Alberta**Schedule 4 – Schedule of internal restrictions – sustainable growth fund**

52-week period ended December 30, 2023

	December 30, 2023	December 31, 2022
	\$	\$
	(52 weeks)	(53 weeks)
Sustainable growth fund, beginning of period	390,248	581,040
Add		
Revenue	1,389,547	580,883
Less		
Levy returned to producers	970,340	453,034
Disbursements	172,865	318,641
	1,143,205	771,675
Net change in fund during the period and amount internally transferred from (to) unrestricted net assets	246,342	(190,792)
Sustainable growth fund, end of period	636,590	390,248

The sustainable growth fund (formerly the over base quota fund) is funded by an internal allocation of the producer levies for specific projects authorized by the Board of Directors.

Egg Farmers of Alberta**Schedule 5 – Schedule of internal restrictions – natural overrun fee fund**

52-week period ended December 30, 2023

	December 30, 2023	December 31, 2022
	\$	\$
	(52 weeks)	(53 weeks)
Natural overrun fee fund, beginning of period	1,669,625	448
Add		
Levy revenue	—	—
Fee return from EFC	—	1,669,177
Less		
Disbursements to producers	1,669,625	—
Net change in fund during the period and amount internally transferred (to) from unrestricted net assets	(1,669,625)	1,669,177
Natural overrun fee fund, end of period	—	1,669,625

The natural overrun fee fund (formerly the service fee fund) relates to quota allotted from EFC since 2014. EFC sets a fee annually that EFA collects in the levy which in the current year was \$nil (December 31, 2022 - \$nil). In FY 2022, EFC returned \$1,669,177 which relates to overcharges in prior years.

Egg Farmers of Alberta

Schedule 6 – Schedule of internal restrictions – conventional to enriched transition and producer prices “CETPP” fund

52-week period ended December 30, 2023

	December 30, 2023	December 31, 2022
	\$	\$
	(52 weeks)	(53 weeks)
CETPP fund, beginning of period	583,082	131,268
Add		
Levy revenue	4,699,619	4,308,057
Less		
Disbursements	4,412,660	3,856,243
Net change in fund during the period and amount internally transferred from unrestricted net assets	286,959	451,814
CETPP fund, end of period	870,041	583,082

The Conventional to Enriched Transition and Producer Prices Project “CETPP” was created nationwide to implement an optimal producer price structure to establish a blended market producer price. Funds are disbursed to farmers with special housing to provide the Conventional and Enriched Producer price.