



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

Unclassified / Non classifié

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Le 25 septembre 2025

Monsieur Roger Pelissero
Président
Les Producteurs d'œufs du Canada
21, rue Florence
Ottawa (Ontario) K2P 0W6

Objet : Modifications proposées à l'*Ordonnance sur les redevances à payer pour la commercialisation des œufs au Canada* et au *Règlement de 1986 de l'Office canadien de commercialisation des œufs sur le contingentement*

Cher Monsieur Pelissero,

Lors de sa réunion du 25 septembre 2025, le Conseil des produits agricoles du Canada (le Conseil) a examiné les modifications proposées à l'*Ordonnance sur les redevances à payer pour la commercialisation des œufs au Canada* (l'*Ordonnance sur les redevances*) et à l'annexe 1 (contingents fédéraux) au *Règlement de 1986 de l'Office canadien de commercialisation des œufs sur le contingentement* (*Règlement sur le contingentement*), tel que demandé dans vos lettres datées du 28 août 2025.

Après un examen approfondi de la justification fournie par les Producteurs d'œufs du Canada (POC) et suite à une analyse interne, les membres du Conseil ont convenu que les modifications étaient nécessaires à la mise en œuvre du plan de commercialisation des POC. Les modifications à l'*Ordonnance sur les redevances* entreront en vigueur le 2 novembre 2025, tandis que les modifications au *Règlement sur le contingentement* entreront en vigueur le 5 octobre 2025.

Pour toute question, n'hésitez pas à communiquer avec moi ou avec Lisa Melanson-Daigle, secrétaire du Conseil, par courriel, à l'adresse fpcc.secretariat.cpac@fpcc-cpac.gc.ca.

Sincères salutations,

Signature sur la version originale

Brian Douglas
Président

August 28, 2025

Mr. Brian Douglas
Chairperson
Farm Products Council of Canada
Central Experimental Farm
Building 59, 960 Carling Avenue
Ottawa ON K1A 0C6

Re: 2025 Federal Quota Allocation

Dear Brian:

Egg Farmers of Canada (EFC) is seeking Farm Products Council of Canada (FPCC) prior approval for an amendment to Schedule 1, Federal Quota, of the Canadian Egg Marketing Agency Quota Regulations effective December 29, 2024, to December 27, 2025. This amendment was unanimously approved by the EFC Board of Directors (EFC Board) on August 19, 2025. Drafting instructions reflecting the amendments have been provided to FPCC at the same time as the Department of Justice. Official stamped copies of the Quota Regulations amending package will be forwarded to your office in accordance with established blue stamp process timelines.

The August 19 Board meeting package included a memo from legal counsel, Alyssa Holland (Conway Baxter Wilson LLP), outlining EFC's legal and fiduciary duties pertaining to quota allocation, and to ensure that the obligations of the Federal-Provincial Agreement (FPA), replaced in November 2024 with the Federal-Provincial-Territorial Agreement (FPTA), and Farm Products Agencies Act (FPAA) are met (section 11.2 of the EFC Board package). The August 19 EFC Board package also included a copy of Dr. Maurice Doyon's document *Discussion of Canadian Egg Quota Allocation Overbase Factors* (section 11.1 of the EFC Board package), which EFC uses to assess the five overbase criteria as per the Canadian Egg Marketing Agency Proclamation.

Mrs. Holland's memo emphasized that the EFC Board has discretion regarding the allocation of quota, as determined in the 2006 Justice Shore ruling, and that the Quota Allocation Calculation (QAC) Policy can be used as a guideline in exercising that discretion to supply the Canadian market. Mrs. Holland also underlined the importance of the QAC Policy and that it was achieved by consensus. This consensus has allowed the QAC Policy to adapt and evolve in order to respond to various challenges and issues since the QAC Policy's initial adoption.

Dr. Doyon's report begins with the principle of comparative advantage of production and then addresses various province-by-province indicators related to overbase factors, as updated using the most current, finalized data. Professor Doyon's paper also explained the linkages of the various indicators to the overbase factors in the Proclamation and to EFC's statutory objects. Since 2016, the report also includes a discussion regarding initiatives implemented to reduce EFC's reliance on levy such as the Processor Agreement and the Natural Overrun Fee Program (previously the Service Fee Program), which have offset the cost of surplus production that is not required to satisfy Table Disappearance (TD).

The EFC Board continues to support Dr. Doyon's view that the indicators are best assessed in a holistic manner, rather than in isolation. This includes the use of alternative tools to augment decision-making, rather than relying solely on the overbase indicators. The selected indicators remain instructive and are closely linked to EFC's mandate.

The EFC Board reviewed TD growth rates for 2025, and 2026. Included in section 11.3 of the August 19 Board package, year-to-date TD showed one of the strongest annual growth rates in recent history at 5.91% for Periods 1-6 of 2025. Forecasted 2025 TD growth rates for the full year were adjusted from the rate presented to the EFC Board in November 2024 (4.12%), to 6.50% which incorporated strong year-to-date growth, strong growth signals from several key regions, and potential acceleration in growth from the return of feature activity in retail markets. Further, the preliminary 2026 TD growth rate used in Market and Population Growth (MPG) QAC calculations was calculated as 4.83%, updating previous expectations that relied only on population growth.

Population Growth Factor

In 2018, EFC implemented the Market and Population Growth (MPG) QAC, which in addition to current year TD estimates, uses TD estimates for both one year and two years in advance to assess Federal Quota changes. This enabled EFC to immediately approve quota increases that would meet a portion of the estimated growth in demand a year or two away when the additional layers are eventually put into production. Given the challenge to forecast future growth, the TD estimate for two years in advance uses historical population growth. Population growth has tended to be lower than total TD growth, so it was a conservative estimate to reduce the risk of over allocating quota, but still allow for an increase in quota to meet future demand. The growth estimate for this given year would be updated with the subsequent reconciliations of the QAC in future years. Specifically, the MPG QAC uses the simple average of the last three years of population growth to determine a population growth factor.

The estimated population growth rate used in the QAC is the average population growth rate for the last three years. The 2027 population growth estimate is 2.41%, which is the average annual population growth rate from 2023-2025, based on the latest available data published by Statistics Canada.

On August 19, the EFC Board reviewed a financial update included in section 11.5 of the EFC Board package. This update included an estimated 3M boxes of eggs (roughly 45M dozens) to be imported from the United States in 2025, during a period of record high prices for American eggs. This results in an expected cost of nearly \$200M to EFC's Unrestricted Pooled Income Fund caused by insufficient Canadian egg supply. As political tensions between Canada and the United States continues to threaten border relations, sourcing eggs from the United States through supplemental imports becomes an increasingly unsustainable practice that comes at a significant cost to Canadians and food sovereignty. As a result, the EFC Board assessed an additional allocation that mitigates the increasing reliance on supplemental imports over and above trade requirements.

2025 Quota Allocation Review

The 2025 Federal Quota allocation review can be found in section 11.4 of the August 19 EFC Board meeting package. The annual TD calculations used can be found on page 140 of the package.

The 2025 quota allocation review results in an increase of 1,568,294 layers from the following components:

- i. Increase of 99,915 layers from the Final Reconciliation of the 2024 Market Population Growth (MPG) QAC Allocation;
- ii. Increase of 448,486 layers from the Second Reconciliation of the 2025 Market Population Growth (MPG) QAC Allocation;
- iii. Increase of 614,373 layers from the preliminary First Reconciliation of the 2026 Market Population Growth (MPG) QAC Allocation;
- iv. Increase of 205,938 layers from the Preliminary First Calculation of the 2027 Market Population Growth (MPG) QAC Allocation; and,
- v. Increase of 199,582 layers from a reconciliation of the Ad-hoc allocation to mitigate supplemental imports, initially passed in March of 2025.

2024 MPG QAC – Final Reconciliation

The 2024 MPG QAC was most recently presented to the EFC Board in March 2025 for a total allocation of 1,254,881 layers. A final reconciliation was presented on August 19, which stated an additional 99,915 layers were required, based on finalized TD growth for 2024 (6.15%) being higher than the growth rate of 5.51% presented in March 2025.

This preliminary final reconciliation uses the most recent TD information from the following combination of years to update the number of layers required to be put into production to meet demand:

- Year 1 (2022) – final 2022 TD data (1.03% growth);
- Year 2 (2023) – final 2023 TD data (5.33% growth); and,
- Year 3 (2024) – final 2024 TD data (6.15% growth).

This results in a total 2024 MPG QAC allocation of 1,354,796 layers. After accounting for the 1,254,881 layers already allocated, the net increase is 99,915 layers.

2025 MPG QAC – Second Reconciliation

The 2025 MPG QAC was most recently presented to the EFC Board in March 2025. A second reconciliation was presented on August 19, which stated an additional 448,486 layers were required, based on finalized TD growth for 2024 (6.15%) being higher than the 2024 growth rate of 5.51% presented in March 2025, and the forecasted TD Growth for 2025 (6.50%) being higher than the 2025 growth rate of 4.12% presented in March 2025.

This reconciliation uses the most recent TD estimates from the following combination of years to update the number of layers required to be put into production to meet future increases in demand:

- Year 1 (2023) – final 2023 TD data (5.33% growth);
- Year 2 (2024) – final 2024 TD data (6.15% growth); and,
- Year 3 (2025) – Year 3 TD uses the Year 2 TD plus the 2025 forecasted growth rate of 6.50% as described above.

This results in a total 2025 MPG QAC allocation increase of 1,557,237 layers. After accounting for the 1,108,751 layers already allocated, the net increase is 448,486 layers. The 2025 MPG QAC will be reconciled again in November 2025 to reassess the 2025 market growth followed by a final reconciliation in 2026.

2026 MPG QAC – Preliminary First Reconciliation

The 2026 MPG QAC was most recently presented to the EFC Board in March 2025. A preliminary first reconciliation was presented on August 19, which stated an additional 614,373 layers were required, based on finalized TD growth for 2024 (6.15%) being higher than the 2024 growth rate of 5.51% presented in March 2025, the forecasted TD Growth for 2025 (6.50%) being higher than the 2025 growth rate of 4.12% presented in March 2025, and the forecasted TD Growth for 2025 (4.83%) being higher than the population growth rate of 2.55% presented in March 2025.

This reconciliation uses the most recent TD estimates from the following combination of years to update the number of layers required to be put into production to meet future increases in demand:

- Year 1 (2024) – final 2024 TD data (6.15% growth);
- Year 2 (2025) – Year 2 TD uses the Year 1 TD plus the 2025 forecasted growth rate of 6.50% as described above; and,
- Year 3 (2026) – Year 3 TD uses the Year 2 TD plus the 2026 forecasted growth rate of 4.83%.

This results in a total 2026 MPG QAC allocation increase of 1,391,038 layers. After accounting for the 776,665 layers already allocated, the net increase is 614,373 layers. The 2026 MPG QAC will be reconciled again in November 2025 to reassess the 2025 and 2026 market growth followed by reconciliations in 2026 and 2027.

2027 MPG QAC – Preliminary First Calculation

The 2027 MPG QAC was most recently presented to the EFC Board in March 2025. An updated first calculation was presented on August 19, which stated an additional 205,938 layers were required, based on forecasted TD Growth for 2025 (6.50%) being higher than the 2025 growth rate of 4.12% presented in March 2025, the forecasted TD Growth for 2025 (4.83%) being higher than the population growth rate of 2.55% presented in March 2025, and minor decrease to the Population Growth Factor (from 2.55% to 2.41%).

This reconciliation uses the most recent TD estimates from the following combination of years to update the number of layers required to be put into production to meet future increases in demand:

- Year 1 (2025) – Year 1 TD uses the 2024 TD plus the 2025 forecasted growth rate of 6.50% as described above; and,
- Year 2 (2026) – Year 2 TD uses the Year 1 TD plus the 2026 forecasted growth rate of 4.83% as described above; and,
- Year 3 (2027) – Year 3 TD uses the Year 2 TD plus the Population Growth Factor of 2.41%.

This results in a total 2027 MPG QAC allocation increase of 873,354 layers. After accounting for the 667,416 layers already allocated, the net increase is 205,938 layers. The 2027 MPG QAC will be reconciled again in November 2025 to reassess the 2025 and 2026 market growth followed by reconciliations in 2026, 2027 and 2028.

Allocation to Offset Supplemental Imports

The quantity of imports is a result of domestic egg supply not being available, primarily due to insufficient Canadian egg production. Given the sustained reliance on imports, compounded with current trade uncertainty, the EFC Board assessed a quota allocation in March 2025 that intended to offset the three-year average of supplemental imports. Including 2025 forecasts, a three year average of supplemental imports totaled 20,902,420 dozens. Converted using the COP Rate of Lay, the ad-hoc allocation to offset imports includes 787,879 layers. This allocation was deemed necessary by the EFC Board to mitigate reliance on imports, while still protecting the access levels afforded by current trade deals.

In August 2025, the EFC Board reviewed a revised quantity of supplemental imports on page 143 of the EFC Board package, which included revised import levels for 2023 and 2024, and an updated forecast for 2025. With this updated information, a three year average of supplemental imports totaled 26,197,348 dozens. Converted using the COP Rate of Lay, the ad-hoc allocation to offset imports includes 987,461 layers. After accounting for the 787,879 layers already allocated, the net increase is 199,582 layers.

This allocation will assist Canadian egg farmers in meeting Canadian egg demand without reliance on external trading partners over and above our trade requirements.

Egg Industry Support for the QAC Policy

The Canadian egg industry strongly supports the QAC Policy as a reasonable balance between differential growth and economic activity in all jurisdictions. The QAC Policy strikes a balance between regional needs and the management of a national system. The EFC Board was unanimous in its agreement to use the QAC Policy guidelines to allocate quota for the 2025 fiscal year, after duly considering the overbase factors and EFC's objects.

EFC views the results of the QAC Policy as achieving regional balance, while addressing competitiveness. 88% of the proposed allocation increase is distributed to 89% of the Canadian population, recognizing areas with differential growth.

Schedule 1 of the Quota Regulation

EFC is seeking an allocation increase of 1,568,294 layers for a total allocation of 36,819,902 layers. EFC recognizes that the increase is required in order to meet Canadian consumer demand with domestic supply, and mitigate the risk of reliance on imports over and above trade requirements.

It should be noted that these new layers would likely not be put into production immediately. The placement of new quota allocations is managed by egg boards; that, and the fact that it takes 19-weeks to raise layers to production maturity, EFC estimates that 40% of the allocation will be placed within 8 months, with an additional 30% placed within 12 months, ready to meet the demands of the 2026 and 2027 market. The remaining 30% is expected to be placed by mid-late 2027. It is estimated the increased production capacity will meet future demands of both table and processing markets.

With this proposed increase, Schedule 1 of the quota regulation would provide for the maximum production of approximately 965M dozens for the period of 52-weeks from December 29, 2024, to December 27, 2025; this is not intended to be a proxy for layer inventories nor gradings information.

Schedule 1 Dec. 29, 2024 - Dec. 27, 2025 Effective date: October 5, 2025				
	Domestic Regulated Quota Dec. 29, 2024 - April 19, 2025 (layer)	Domestic Regulated Quota April 20, 2025 - Oct. 4, 2025 (layer)	Domestic Regulated Quota Oct. 5, 2025 - Dec. 27, 2025 (layer)	Limits to Federal Quotas Prorated (doz.)
BC	4,275,979	4,469,057	4,687,979	122,364,795
AB	3,642,779	3,820,180	4,028,932	105,164,261
NT	149,408	152,389	155,744	4,040,584
SK	1,551,114	1,615,563	1,690,214	44,363,161
MB	2,908,564	2,966,626	3,031,973	80,625,672
ON	12,205,203	12,722,813	13,320,689	349,054,977
QC	6,904,143	7,186,434	7,517,770	196,977,010
NB	652,878	678,881	709,988	18,477,825
NS	986,142	1,005,828	1,027,985	27,585,360
PE	165,559	168,863	172,582	4,581,330
NL	455,875	464,974	476,046	12,373,740
TOTAL	33,897,644	35,251,608	36,819,902	965,608,715

In summary, EFC looks forward to moving ahead with its QAC Policy allocations for 2025 which will ensure that EFC can provide enough domestic supply to meet the demand of Canadian consumers.

Best regards,



Roger Pelissero
Chair

copy: EFC Board of Directors
FPCC Members
Drew Black, Chief Executive Officer

August 28, 2025

Mr. Brian Douglas
Chair
Farm Products Council of Canada
Central Experimental Farm
Building 59, 960 Carling Avenue
Ottawa, ON K1A 0C6

Re: Period 12, 2025 Levies Order Amendments

Dear Brian:

Egg Farmers of Canada (EFC) is seeking prior approval from Farm Products Council of Canada (FPCC) for an amendment to the Canadian Egg Marketing Agency Levies Order, which was unanimously approved by the EFC Board of Directors (Board) on August 19, 2025. Drafting instructions reflecting the amendment were provided to FPCC and the Department of Justice on August 28. Official stamped copies of the Levies Order amending package will be forwarded to your office in accordance with established blue stamp process timelines.

As a result of several factors affecting both the Unrestricted Pooled Income Fund (PIF) and Unrestricted Administration Fund, EFC is requesting a 9.90-cent per dozen levy rate decrease effective Period 12, 2025 (November 2, 2025); with 9.65-cents per dozen of this decrease allocated to the PIF (from 43.65-cents to 34.00-cents per dozen) and 0.25-cents per dozen allocated to the Unrestricted Administration Fund (from 3.75-cents to 3.50-cents per dozen). With these changes, the total National Levy Rate would decrease from 47.95-cents to 38.05-cents per dozen effective Period 12, 2025 (November 2, 2025).

1. 2025 PIF Projections

The PIF started 2025 with a balance of \$118.1M, which was within the fund's established trigger points of \$60M and \$120M, effective Week 1, 2025. However, the PIF balance experienced significant volatility throughout 2025 to date that is not effectively captured by solely looking at opening and projected ending balances. As such EFC is taking an additional approach to managing the PIF balance that takes into account past average expense requirements as the minimum and maximum trigger points are no longer solely sufficient to base PIF expense requirements upon.

The Quarter 2, 2025 projections indicate that the PIF will end the year with a balance of \$153.4M, which is above its maximum trigger point of \$120M. The updated projections include the impact of the Board approved levy rate decrease of 9.65-cents per dozen effective Period 12 (November 2, 2025).

The main factors contributing to the 2025 projected PIF balance ending the year above its maximum trigger point are:

- Lower than expected IP volumes; and,
- High UB prices, while lower than previous 2025 projections, continue to be higher than the 2025 Budget from November 2024 and historical levels.

The increase in Table Disappearance (TD) rates, partially offset by increased egg production from emergency measures and layer placements of past quota allocations, is expected to result in high import volumes for the rest of the year; however, at a much lower cost than the first half of the year.

While the PIF balance is still expected to end 2025 above its maximum trigger point, the methodology behind the PIF levy rate decrease is to stabilize the PIF and withstand market fluctuations as have been experienced in recent years. Many of the factors that affect the PIF remain dynamic and will be closely monitored; however, the PIF is expected to be in a more stable position than it was at the start of the year. These factors, as well as the methodology for the PIF levy rate decrease are listed and described in the sections below.

IP and Table Volumes

IP volumes are forecasted to total 12,155,412 boxes, 1,540,359 boxes lower than the Quarter 1, 2025 projections. This is due to a higher TD growth rate estimated for 2025 of 6.5%, compared to 5.15% per Q1 projections, and 4.12% per the original budget. The actual year-to-date TD growth rate for Periods 1-6 was strong and reached 5.91%. The higher TD growth rate expectation for the whole year is based on year-to-date growth and an estimated increase in per capita consumption with the anticipated return to feature activity at the retail level. Another contributing factor to lower IP volumes is the decrease in egg supply from Canadian table market imports. Table market imports are forecasted to be lower for the entire year mainly due to the high US prices.

The decrease in IP volume estimates is partially offset by higher Canadian egg inventories due to the implemented emergency measures as well as layer placements from previous quota allocations, including the proposed quota allocation increase of 1.6M layers effective Period 11, 2025.

Table Egg Sales volumes are forecasted to reach 1,961,695 boxes, which are 168,690 boxes higher than Quarter 1, 2025 projections. Overall, table egg sales have a minimal impact on the PIF balance as the eggs are sold to graders at the producer price for the destination province. Transportation costs associated with table egg sales are incurred by EFC.

Processor Price

The processor price has been updated to reflect the latest UB trends. The average Processor Price for 2025 is forecasted to be \$2.21 per dozen, which is \$0.25 lower than Q1 2025 projections. The UB price, an important component in the calculation of the processor price, while lower than previous 2025 projections, continues to be high compared to historical levels mainly due to the impact HPAI has had on inventory levels in the US. The UB price reached an unprecedented high of \$6.43 in early February. The UB price fluctuated significantly in the following months and decreased to \$1.40 (as at

August 18, 2025). Slower retail demand combined with increasing egg inventory levels in the US during the Summer period have partly contributed to the recent decrease in the UB price. The updated projections indicate that UB prices are expected to remain below the \$2.00 level over the summer period with gradual increases towards the holiday period (October to December) to around \$2.45 per dozen.

In addition to the UB price, Grain-Based (GB) prices are forecasted to be an average of \$0.67 per dozen, which is consistent with Q1 2025 projections. The processor price includes other components such as exchange rate impacts, regional add-ons and the value-added premium as per the processor protocol.

Low-High Price (LHP) Program

At the end of 2024, the Total Differential Balance (TDB) was \$1,030K, recoverable from processors and the LHP program was extended into 2025. With the LHP lower than the processor protocol price, the TDB recoverable from processors increased to \$57,594K at the end of Period 4, 2025. The recovery of the TDB from processors started in Period 5 and as a result, the TDB could be fully recovered by the end of the year.

The LHP is reviewed and assessed each period. The LHP assessment will depend on the UB price fluctuations as the US market adjusts to the oversupply situation; as well as EFC's financial situation and processor input on the LHP.

Buyback Prices

The average buyback price for 2025 was adjusted to \$2.68 per dozen, which is lower than Q1 projections. The updated average buyback price includes: 1) the impact of the proposed PIF levy rate decrease of 9.65-cents per dozen, effective the start of Period 12, 2025, and 2) the implementation of the National Buyback Calculation Policy, also effective Period 12, 2025. The average buyback price for 2025 does not include the impacts of the other pricing related policies such as the *National Free Run Producer Pricing Policy* and the *Renewed Conventional to Enriched Transition and Producer Prices Project*. The Buyback Price will be reviewed again during the preparation of the Quarter 3 projections, prior to the new Cost of Production (COP) implementation.

Levy Revenue

Levy revenue is forecasted to reach \$337,888K and includes the impact of the proposed PIF levy rate decrease of 9.65-cents per dozen, from 43.65-cents to 34.00-cents, effective the start of Period 12, 2025 (November 2). In accordance with the Uniform Levy Policy, the levy revenue is based on a levy basis of 30M layers up to Period 10, and increases to 31.4M layers in Period 11, which was the allocation effective Period 10, 2024 until the end of 2024 (the lowest Allocation in the 52 weeks preceding the proposed allocation increase of 1.6M layers effective Period 11, 2025). The timing of the proposed PIF levy rate decrease is in conjunction with the implementation of new pricing policies such as the *National Buyback Calculation Policy*.

PIF levy analysis:

With the ongoing volatility in the factors which affect the PIF, it has become increasingly difficult to forecast future funding requirements, even in the short-term. For example, the PIF began 2025 with a balance of \$118.1M but did not have the liquidity to pay the high Q1 import allowance claims up front.

Rather than establishing a levy rate to reach a future projected fund balance, historical information was used to set the levy rate for the PIF at a level that would equal the annual average of the PIF's net expenses without levy over the last five years. Using net expenses from 2021 to 2025 (estimated), this resulted in a required PIF levy rate of 34.35-cents per dozen or a 9.30-cent decrease from the current PIF levy rate of 43.65-cents. It was decided to further increase this decrease to 9.65-cents to reach a federal levy rate of an even 34.00-cents per dozen.

The goals of this methodology are to stabilize the PIF balance, improve liquidity, improve predictability, and provide better long-term management of the PIF for the benefit of EFC and its Canadian egg industry partners.

While, historical information has been used to determine the recommended new levy rate, EFC is still strongly committed to reviewing forward-looking projections to assess the sustainability of the fund and its position relative to trigger points. In addition, EFC will refine this methodology for determining the PIF levy as more information is known to better assess its ability to provide adequate levy rates to support the PIF and to respond to changes in conditions affecting the PIF factors.

2. Unrestricted Administration Fund

The Unrestricted Administration Fund started the 2025 year with an opening balance of \$10,891K, \$2,431K higher than budgeted. Levy Revenue is currently collected at a rate of \$3.75 per dozen, which has been the levy rate in effect since Period 12, 2023. The fund's balance has remained much higher than the \$4.0M minimum trigger point since the levy rate increase was implemented. One of the contributing factors to the high balance is the increase to the levy base in the calculation of levy revenue. As a result, EFC is proposing a 0.25-cent levy decrease effective Period 12 (November 2, 2025).

With the levy rate decrease, the fund's revenue is forecasted to be \$30,260K. Net administrative expenses are forecasted to be \$32,059K, \$2,119K unfavourable to budget due to higher Corporate Services expenses for Information Technology services, and some 2024 Marketing and Nutrition Unit and Corporate & Public Affairs Unit expenses from 2024 being recorded in 2025.

The year-end Unrestricted Administration Fund balance is projected to be \$9,092K, which is \$544K favourable to budget.

3. Other Funds

The Restricted Research Fund is projected to end the year at \$6.5M, which is above its maximum trigger point of \$5M. This is due to Research Grant Program requests for proposals not taking place in 2025, but they are planned to resume in 2026.

The Restricted Risk Management Fund is projected to end the year at \$305K, which is below the fund's minimum trigger point of \$8M. This is due to a \$6.5M capital contribution to the Canadian Egg Industry Reciprocal Alliance at the end of 2024. 2025 expenses are forecasted to reach \$4,682K which includes funds towards the administration of Advanced Layer Technologies (ALT) Projects. The Risk Management Fund policy will be reviewed later this year to assess the appropriateness of the fund's trigger points.

The Natural Overrun Fee Fund is projected to end the year at \$16.7M.

A further update will be provided in November as part of the 2026 budget review.

Summary

With EFC's funds currently in a strong and stable position, along with EFC's object to have due regard to the interests of producers and consumers, EFC is requesting a 9.90-cent levy rate decrease effective Period 12, 2025 (November 2, 2025); with 9.65-cents of this decrease allocated to the PIF and 0.25-cents allocated to the Unrestricted Administration Fund.

The current and proposed levy rates are summarized in the following table.

Fund	2025 Current Levy	2025 P12 Levy change	\$ Change
PIF Unrestricted	\$0.4365	\$0.3400	\$0.0965
RMF	\$0.0010	\$0.0010	\$0.0000
Total PIF Levy	\$0.4375	\$0.3410	\$0.0965
Admin Unrestricted	\$0.0375	\$0.0350	\$0.0025
Restricted Research	\$0.0045	\$0.0045	\$0.0000
Total Admin Levy	\$0.0420	\$0.0395	\$0.0025
Total National Levy	\$0.4795	\$0.3805	\$0.0990

Amendment to the Levies Order

The current Levies Order expires March 27, 2026. The amendment is to renew the Levies Order effective November 2, 2025. The following table summarizes the proposed Levies Order for Period 12, 2025 (November 2). The amounts are comprised of the proposed EFC levy of \$0.3805 per dozen; and provincial/territorial levies to be paid by each producer, effective November 2, 2025.

Province/Territory	Total Levy Cents/ dozen
Ontario	44.55
Quebec	42.15
Nova Scotia	42.05
New Brunswick	45.65
Manitoba	46.05
British Columbia	45.89
Prince Edward Island	43.05
Saskatchewan	47.20
Alberta	49.15
Newfoundland and Labrador	43.05
Northwest Territories	45.45

I would kindly ask that FPCC review and prior-approve the Levies Order amendment in order for EFC to continue to support its 2025 marketing plan.

Best regards,



Roger Pelissero
Chair

cc: EFC Board of Directors
FPCC Members
Drew Black, CEO