



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

Central Experimental Farm
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960 Carling Avenue
Ottawa, Ontario K1A 0C6

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Édifice 59
960, avenue Carling
Ottawa, Ontario K1A 0C6

March 25, 2026

Mr. Roger Pelissero
Chair
Egg Farmers of Canada
21 Florence Street
Ottawa, Ontario K2P 0W6

Subject: Proposed Amendments to the *Canadian Egg Marketing Levies Order*

Dear Mr. Pelissero,

At its March 24, 2026, meeting, the Farm Products Council of Canada (Council) reviewed the proposed amendment to the Canadian Egg Marketing Levies Order, as outlined in your letter of March 9, 2026.

Following a thorough review of the rationale provided by the Egg Farmers of Canada and internal analysis, Council members found that the amendment was necessary for the implementation of the marketing plan as contained in the *Canadian Egg Marketing Agency Proclamation*. Therefore, the amendment was approved and will come into force on April 19, 2026.

Should you have any questions, please do not hesitate to contact me or Lisa Melanson-Daigle, Council Secretary, by email at fpcc.secretariat.cpac@fpcc-cpac.gc.ca.

Sincerely,

Brian Douglas
Chair

March 09, 2026

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

Re: Unrestricted Pooled Income Fund Levies Order Amendment

Dear Brian:

Egg Farmers of Canada (EFC) is seeking Farm Products Council of Canada (FPCC) prior approval of an amendment to the Canadian Egg Marketing Agency's Levies Order, which was unanimously approved by the Board of Directors (Board) on February 10, 2026. Drafting instructions reflecting the amendment were provided to the FPCC and the Department of Justice on February 19, 2026. Official stamped copies of the Levies Order package will be forwarded to your office in accordance with established blue stamp process timelines.

EFC is proposing a 6-cent increase to the Unrestricted Pooled Income Fund (PIF) levy effective April 19, 2026 (Period 5).

Upper and Lower Fund Balance Liquidity Thresholds

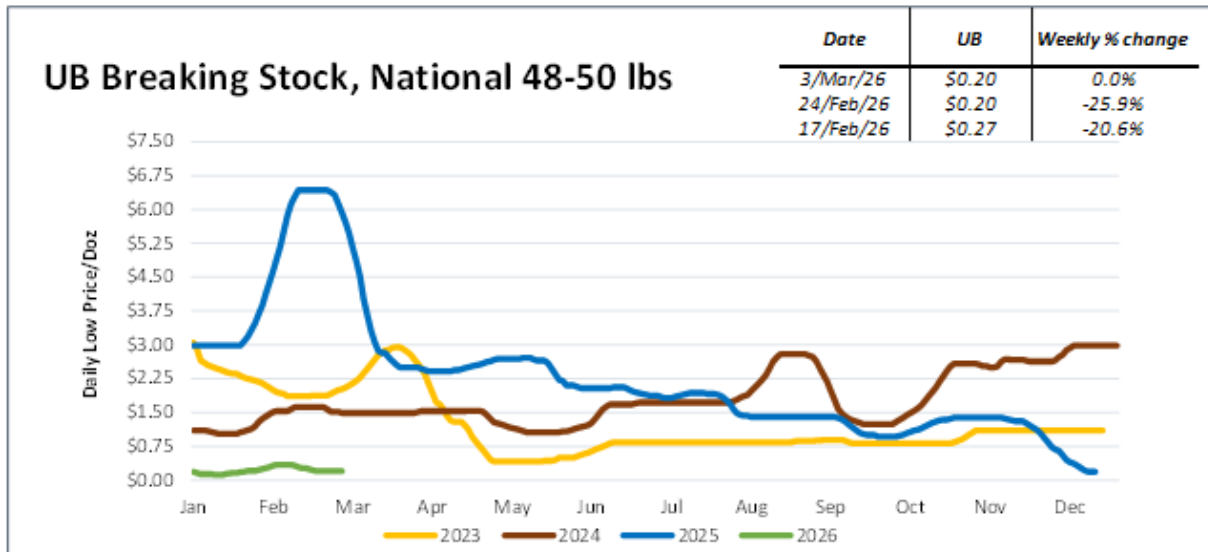
Ongoing volatility in market factors affecting the PIF has made it increasingly difficult to forecast future funding requirements, even in the short term. Given recent and ongoing market volatility, on November 13, 2025, the Board approved a Budget Committee recommendation that the establishment of PIF levy rate should be calculated based on actual historical data rather than reliance on predicting future market conditions. In addition, the Board approved the suspension of the current practice of using fixed "trigger points" for the PIF, in favour of a Budget Committee recommendation to develop PIF upper and lower fund balance liquidity guidelines to calculate the appropriate liquidity thresholds for the PIF based on the following principle:

"The PIF lower and upper fund balance liquidity thresholds will be established using a data-driven approach grounded in historical requirements rather than uncertain future projections. By basing the annual levy rate on the average of the fund's net expenses over the previous five years, and adjusting for emerging economic factors, this principle better supports financial stability, enhances liquidity and predictability, and supports the long-term sustainability of the fund."

The Budget Committee has been charged with developing the necessary documentation, guidelines and processes to implement the new PIF lower and upper fund balance liquidity thresholds. This work is underway and will be completed in 2026.

Urner Barry (UB) Price Actuals

Prior to the February 10 Board meeting, the Budget Committee held a meeting on February 3, 2026, to review revised 2026 PIF projections. Due to an abnormal and unseasonal decrease in the Urner Barry (UB) price, strong downward pressure on the Processor Price will have serious financial implications for the PIF in 2026. Between November 20, 2025, and January 6, 2026, the Urner Barry price used in the calculation of the Processor Price fell from \$1.39 on November 20, 2025, to an unprecedented low of \$0.12 on January 12, 2026. The rapid decrease was likely due to United States (US) producers increasing egg production in anticipation of Highly Pathogenic Avian Influenza (HPAI) cases. Since January, the UB price reached \$0.20 on February 20, and has remained unchanged, as of March 3, 2026 (please see table below).



Scenarios Analysis

At the Budget Committee meeting on February 3, the committee considered multiple scenarios that forecasted the impact of HPAI on the PIF. The scenarios included an average number of HPAI cases in Canada and a low number of HPAI cases in the US (Scenario 1), and an average number of HPAI cases in both countries (Scenario 2).

Both scenarios indicated a steady decrease of the PIF balance; however, under Scenario 1, the PIF would end 2026 with a balance of just over \$6M, dangerously close to a deficit situation (as shown below). The main difference between the scenarios is the impact of the low UB price on the Processor Price and Import Allowance costs. Budget Committee and Board discussions highlighted that Scenario 1 would be the most probable currently based on the low UB price.

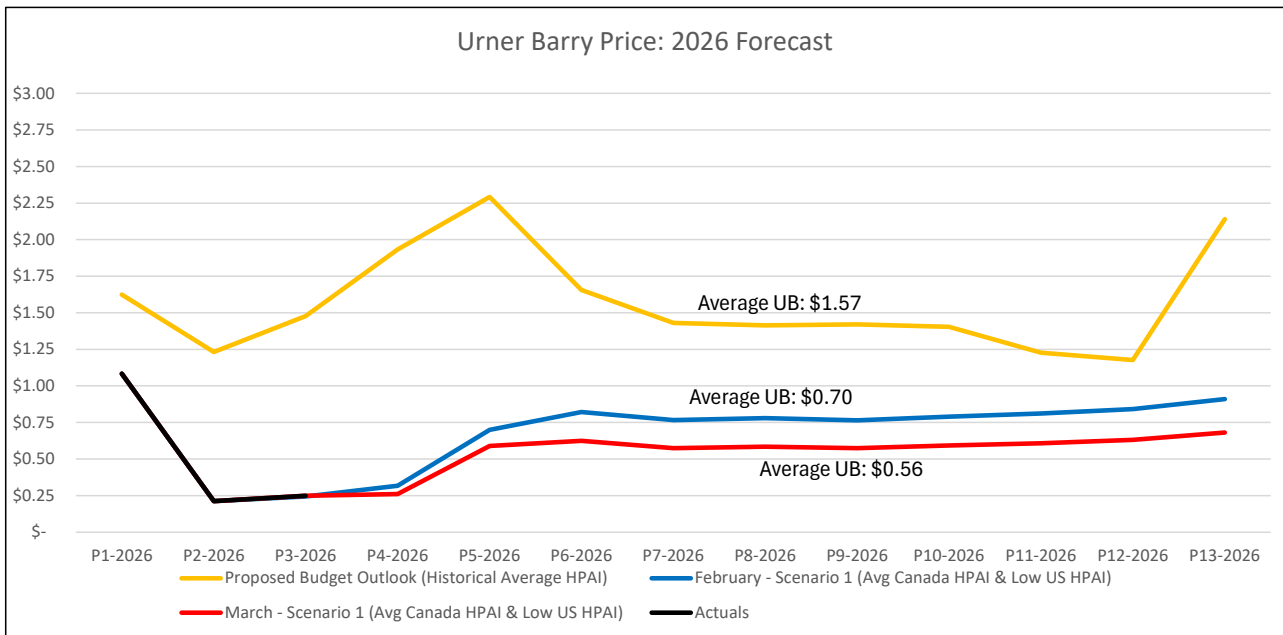
| | Scenario 1: Average Canada & Low US HPAI 2026 | Scenario 2: Average Canada & US HPAI 2026 | Scenario 1 with 6-cent levy rate increase effective Period 5, 2026 |
|-----------------------------------|--|--|---|
| Production (boxes) | 64,489,256 | 64,489,256 | 64,489,256 |
| TD Growth | 4.65% | 4.65% | 4.65% |
| Processor Demand Growth | 5.00% | 5.00% | 5.00% |
| Processor Demand (boxes) | 17,322,648 | 17,322,648 | 17,322,648 |
| Table Imports (boxes) | 795,317 | 795,317 | 795,317 |
| IP (boxes) | 16,126,914 | 16,126,914 | 16,126,914 |
| Final Processor Prices (with LHP) | \$1.13 | \$1.38 | \$1.13 |
| Final Processor Prices (no LHP) | \$1.11 | \$1.36 | \$1.11 |
| Combined CUB/CGB (no LHP) | \$1.03 | \$1.28 | \$1.03 |
| 20 Day UB Price (USD) | \$0.70 | \$1.14 | \$0.70 |
| Grain Based Price (USD) | \$0.80 | \$0.80 | \$0.80 |
| Buyback Price | \$2.67 | \$2.67 | \$2.67 |
| Import Allowance Costs | \$5,555,838 | \$13,661,569 | \$5,555,838 |
| Imports (boxes) | 797,631 | 797,631 | 797,631 |
| Cost Per Box | \$6.97 | \$17.13 | \$6.97 |

| | | | |
|-----------------------------------|--------------------|---------------------|---------------------|
| PIF Ending Balance 2026 Q1 | \$92,132,802 | \$91,263,256 | \$92,132,802 |
| PIF Ending Balance 2026 Q2 | \$59,119,555 | \$73,496,874 | \$65,184,146 |
| PIF Ending Balance 2026 Q3 | \$31,543,879 | \$65,351,695 | \$46,660,765 |
| PIF Ending Balance 2026 Q4 | \$6,517,281 | \$60,568,224 | \$33,860,528 |

| | | | |
|----------------------------|---------------|---------------|---------------|
| TDB Ending Balance 2026 Q1 | (\$7,387,121) | (\$6,276,595) | (\$7,387,121) |
| TDB Ending Balance 2026 Q2 | (\$8,592,822) | \$0 | (\$8,592,822) |
| TDB Ending Balance 2026 Q3 | \$0 | \$0 | \$0 |
| TDB Ending Balance 2026 Q4 | \$0 | \$0 | \$0 |

Based on new forecasts obtained in late February, the UB price is expected to decrease more drastically than was reported to the Budget Committee and Board on February 3 and 10, respectively, placing additional downward pressure on the PIF.

Urner Barry Price – 2026 Forecast



Note: The actual and forecasted Period UB prices listed in the above chart are based on the average UB of the previous 20 days. These average UB prices are used in the processor price calculations.

The Board has approved a Budget Committee recommendation to implement a 6-cent PIF levy rate increase effective April 19, 2026 (Period 5). This levy increase will support a stronger PIF balance through the beginning of the year, and will result in a new national levy rate of 44.05-cents per dozen, up from 38.05-cents per dozen as of December 28, 2025. The 6-cent levy increase is divided into two parts, a 1-cent levy increase to account for updated 2025 expenditures based on a 5-year net expenses average calculation, and a 5-cent levy increase to support the ongoing liquidity requirements of the PIF. With this levy increase, the PIF balance is projected to end 2026 with a fund balance of approximately \$33.9M. Please refer to the table on page 3.

At this time, no levy changes are proposed for the Unrestricted Administration Fund, the Internally Restricted Research Fund, or the Internally Restricted Risk Management Fund.

Levy Rate Summary

The following table summarizes the change in levy rates effective April 19, 2026.

| EFC Fund | 2026 Levy New | 2026 Levy Old | \$ Change |
|----------------------------|-----------------|-----------------|-----------------|
| Unrestricted PIF | \$0.4000 | \$0.3400 | \$0.0600 |
| Restricted Risk Management | \$0.0020 | \$0.0020 | \$0.0000 |
| Total PIF Levy | \$0.4020 | \$0.3420 | \$0.0600 |
| Unrestricted Admin | \$0.0350 | \$0.0350 | \$0.0000 |
| Restricted Research | \$0.0035 | \$0.0035 | \$0.0000 |
| Total Admin Levy | \$0.0385 | \$0.0385 | \$0.0000 |
| Total National Levy | \$0.4405 | \$0.3805 | \$0.0600 |

Amendment to the Levies Order

The following table summarizes the proposed Levies Order for **Period 5, 2026**. The amounts are comprised of the new federal levy rate of \$0.4405 per dozen, along with provincial/territorial levies to be paid by each producer, effective April 19, 2026, and expiring March 31, 2027.

| Province / Territory | Total Levy Cents / Dozen |
|---------------------------|-----------------------------|
| Ontario | 50.55 |
| Quebec | 48.15 |
| Nova Scotia | 48.05 |
| New Brunswick | 51.65 |
| Manitoba | 52.05 |
| British Columbia | 50.92 |
| Prince Edward Island | 49.05 |
| Saskatchewan | 53.20 |
| Alberta | 48.05 |
| Newfoundland and Labrador | 49.05 |
| Northwest Territories | 51.45 |

The Budget Committee is scheduled to meet again on March 6, with a financial update provided to the Board of Directors on March 18. I would kindly ask that FPCC review and prior-approve the Levies Order in order for EFC to continue to support its 2026 marketing plans and ongoing operations.

Best regards,



Roger Pelissero
Chair

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