



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

Unclassified / Non classifié

Central Experimental Farm
Building 59
960 Carling Avenue
Ottawa, Ontario K1A 0C6

Ferme expérimentale centrale
Édifice 59
960, avenue Carling
Ottawa, Ontario K1A 0C6

Le 25 mars 2026

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**

Cher Monsieur Pelissero,

Lors de sa réunion du 24 mars 2026, le Conseil des produits agricoles du Canada (le Conseil) a examiné la modification proposée à l'Ordonnance sur les redevances à payer pour la commercialisation des œufs au Canada, tel que demandé dans la requête datée du 9 mars 2026.

Après un examen approfondi de la justification fourni par les Producteurs d'œufs du Canada et suite à une analyse interne, les membres du Conseil ont convenu que la modification était nécessaire à la mise en œuvre du plan de commercialisation énoncé dans la *Proclamation visant l'Office canadien de commercialisation des œufs*. Par conséquent, la modification a été approuvée et entrera en vigueur le 19 avril 2026.

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

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

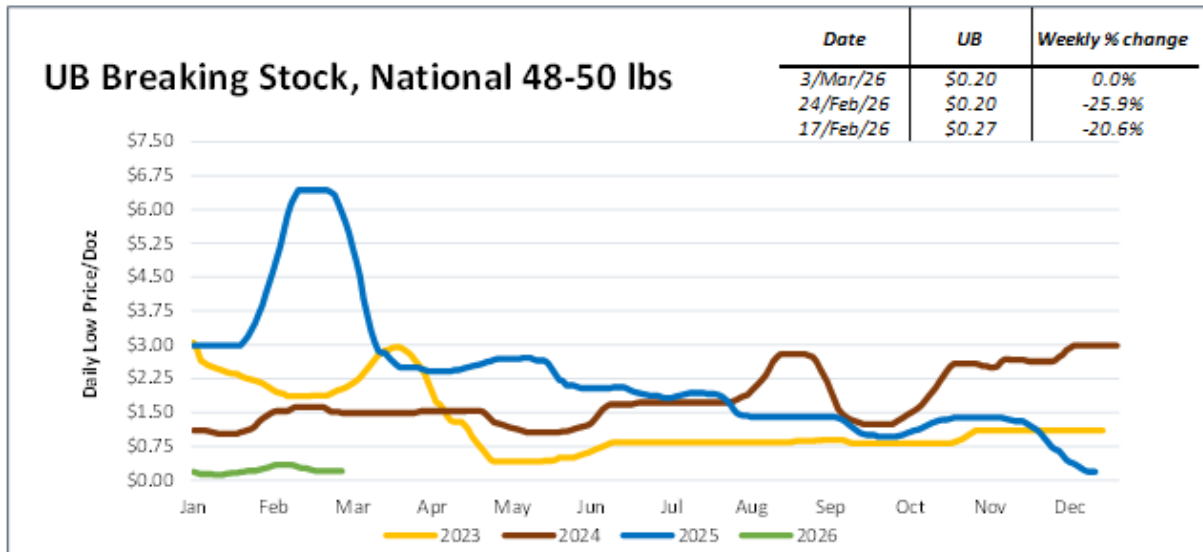
Ongoing volatility in market factors affecting the PIF has made it increasingly difficult to forecast future funding requirements, even in the short term. Given recent and ongoing market volatility, on November 13, 2025, the Board approved a Budget Committee recommendation that the establishment of PIF 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.

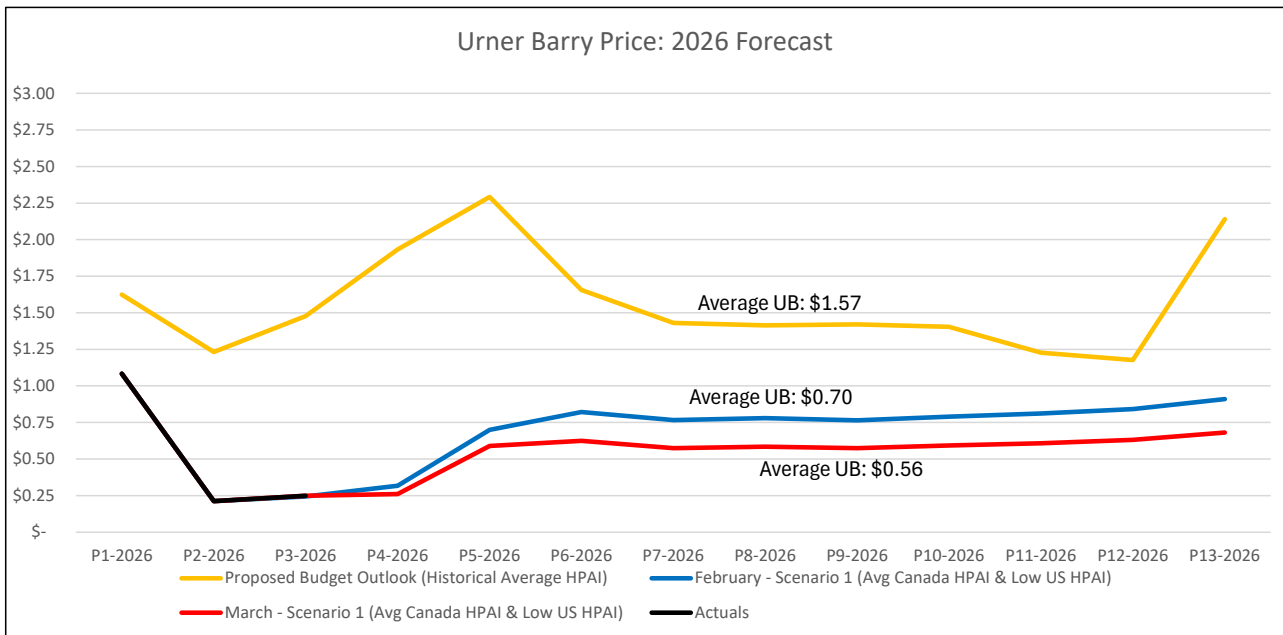
	Scenario 1: Average Canada & Low US HPAI 2026	Scenario 2: Average Canada & US HPAI 2026	Scenario 1 with 6-cent levy rate increase effective Period 5, 2026
Production (boxes)	64,489,256	64,489,256	64,489,256
TD Growth	4.65%	4.65%	4.65%
Processor Demand Growth	5.00%	5.00%	5.00%
Processor Demand (boxes)	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