

## Written submission for the pre-budget consultations

**Prepared by Egg Farmers of Canada**

## Summary

Egg Farmers of Canada (EFC) recommends the following measures:

1. Recognize the unprecedented dual impacts of trade concessions and the pandemic, and provide immediate compensation to the egg and poultry sectors for the market access granted by the Canadian government for Comprehensive and Progressive Trans-Pacific Partnership agreement (CPTPP) and Canada-United States-Mexico Agreement (CUSMA).
2. Provide assurance to the egg and poultry sectors that if there is a situation where depopulation is required due to conditions created by the pandemic, the government will offer support.
3. Modernize food labelling to allow clear distinctions to be made between natural and "true" forms of eggs, and new product alternatives.
4. Offer funding and in-kind support to increase food security in northern and remote communities through increased access to eggs.
5. Provide funding in the amount of \$250,000 to sustain and increase efforts to deliver eggs through an international partnership focused on malnutrition and vulnerable populations.

## Recommendations

### **1. Provide immediate compensation to the egg and poultry sectors for the market access granted by the Canadian government for CPTPP and CUSMA**

**Issue:** The COVID-19 pandemic has placed exceptional pressure on the agricultural and agri-food sector.

Throughout the health crisis, egg farmers and industry partners remained dedicated to maintaining the strength of Canada's egg supply chain. Our industry experienced a temporary increase in demand for eggs at stores, and a drastic and sustained decline in demand for eggs by the foodservice sector due to the closures of restaurants, hotels and other providers. This resulted in an overall reduction in demand, and a surplus of eggs.

The challenges triggered by the COVID-19 crisis were compounded with the fact that our farmers are still awaiting the details of programs and initiatives to mitigate the impacts of the CPTPP on our sector—under a process that was completed over a year ago. Additionally, while CUSMA entered into force this past July, the process to mitigate losses on the egg and poultry sectors have not yet started. Canada's egg farmers, along with our poultry colleagues, are anxiously awaiting support from government from these trade deals, which was promised during the 2019 federal budget, throughout the election, in the Minister of Agriculture and Agri-Food's mandate letter, and in the Speech from the Throne. Our sectors have worked with the Office of the Minister of Finance and the Office of the Minister of Agriculture and Agri-Food to develop programs to address the losses resulting from the CPTPP, with the process concluding and recommendations put forward in the spring of 2019.

**Recommendation:** EFC recommends that the government recognize the unprecedented dual impacts of trade concessions and the pandemic on our sector and expedite the announcement of fair and full support measures for Canadian egg and poultry farmers. By announcing programs and initiatives that ensure the long-term sustainability and competitiveness of our sectors, farmers will have new tools to navigate the market losses from these trade agreements as they recover from the challenges they faced during the pandemic. These measures enable farmers to plan for the future and support efforts to kick-start the economy.

### **2. Support for egg and poultry sectors in the event that farmers are forced to depopulate their flocks**

**Issue:** The unprecedented impact arising due to COVID-19, coupled with uncertainty due to a potential secondary wave, will have long-term consequences. Canada's egg and poultry sectors remain committed to providing food security for Canadians as we navigate what's ahead; however, our farmers need assurance from the federal government that support will be there if we are forced to depopulate our flocks. Given that the federal/provincial/territorial Business Risk Management (BRM) programs would not fit this purpose without

significant reform, it is essential that the federal government take the lead to assist our sector in addressing the losses and risks that are not covered by these programs.

**Recommendation:** Since the beginning of this crisis, the federal government has demonstrated its capability to create initiatives that help various agricultural and agri-food sectors get through this unprecedented crisis. The egg and poultry sectors require the same level of support to ensure the stability and sustainability of our industries. EFC recommends that the government provide assurance to the egg and poultry sectors that if there is a situation where depopulation is required, the government will offer appropriate support.

### **3. Modernize food labelling to allow clear distinctions to be made between natural and "true" forms of eggs, and new product alternatives**

**Issue:** Consumers face more choices than ever before when it comes to food items, including new product alternatives such as plant-based proteins and egg substitutes. These products represent a new category of food, some of which carry the name “eggs” or a picture of eggs on their labels. This implies the presence of the ingredient and conveys the impression that egg substitute products are functionally and nutritionally interchangeable with eggs, when they are not.

The Canadian Food Inspection Agency has already established a precedent based on the current regulatory regime: soy, almond, rice or other plant-based “milk” products sold in Canada are labelled as a “beverage” and plant-based “cheeses” cannot be labelled “cheese”. The same consideration should be given to egg substitutes to avoid misleading consumers. A recent comparison found that whole eggs have significantly more nutrients than egg substitutes:

- Classic eggs are higher in protein as well as a number of vitamins and nutrients, like vitamin A, vitamin D, vitamin E, vitamin B12, folate, iron, biotin, lutein and choline.
- Eggs provide all nine essential amino acids, whereas plant sources of protein do not.
- Classic eggs are a whole food, whereas plant-based egg substitutes are highly processed.

**Recommendation:** As the government begins to focus on programs and strategies to restart the economy, Canadians have a renewed interest in the links between nutrition and health outcomes. We request a review of new product alternatives to eggs, which are often derived from plant-based products. Modernizing labelling requirements to make a distinction between natural and "true" forms of eggs, and new product alternatives provides consumers with essential information to make informed decisions.

#### **4. Funding that supports partnerships between agricultural organizations, government departments and local stakeholders to distribute fresh, nutritious eggs to remote and northern communities**

**Issue:** As the pandemic has illustrated, food insecurity is a major concern across the country, and particularly in remote and northern communities. Nearly 28,000 people living in Canada's three territories received the Canada Emergency Response Benefit (CERB) for at least one month.<sup>1</sup> This significant job loss, whether permanent or temporary, leads to further food insecurity in a region of Canada that already had higher than average food prices. While the CERB helps many Canadians, the amount each person receives does not reflect the reality of where they live in Canada. This is why EFC is committed to helping northern and remote communities access nutritious food through longstanding partnerships with food banks and school breakfast programs.

We recognize the efforts put forward by the federal government during the pandemic to combat food insecurity, implement the Food Surplus Rescue Program, and fund the retail-focused Nutrition North program. However, these communities have a unique set of challenges. Food banks face transportation challenges that make it difficult to bring a steady supply of food to isolated communities. Some food banks do not have adequate refrigeration space to safely store large volumes of products. Farmers do not have the localized expertise to coordinate the distribution of food items to partners in need.

Eggs are a cost effective way to enhance diets and respond to the specific dietary deficiencies in our northern communities. Research shows that northern diets often lack vitamins A and D, folate and iron, and eggs provide those important nutrients in addition to the highest-quality protein, zinc and choline.

**Recommendation:** The supply chain challenges and accompanying negative impacts on Canadians have been exasperated by the COVID-19 pandemic and the logistics of northern food distribution. EFC recommends that the government support a program that drives partnerships between egg farmers, governmental departments and local stakeholders to increase the availability of eggs through food banks and other charitable organizations in northern and remote communities. This in-kind and financial support can increase food security in northern and remote communities through increased access to eggs, which is needed now more than ever as the country recovers from the pandemic.

#### **5. Provide support to agricultural development projects that share the skills and expertise of Canadian egg farmers with farmers, and the nutrition of eggs with developing countries**

**Issue:** Canadian egg farmers are world-leaders in egg production and they share this expertise with burgeoning farmers in other parts of the world, increasing access to protein-rich eggs and supporting the advancement of the UN Sustainable Development Goals. Studies conducted among children in nutritionally vulnerable populations found that adding just one or two eggs per day to these children’s diets dramatically improves health outcomes. EFC is committed to enhance the diets of malnourished children and populations with a sustainable source of protein in the form of eggs through our work with a Canadian-led humanitarian organization called Heart for Africa (HFA). The partnership brings HOPE to Eswatini (formerly Swaziland) in the areas of Hunger, Orphans, Poverty and Education. The organization cares for over 260 orphaned and abandoned children, operates a large-scale farm and is the largest employer in the region—their work is essential to the local economy.

In 2014, EFC and HFA built an egg farm that brought the nutritional power of the humble egg to a place that needs more protein. Five years later an estimated five million eggs have been delivered via local church partners and feeding stations throughout rural Eswatini, enhancing the diets of thousands of families. Today, our work continues through ongoing support and fundraising efforts to cover ongoing operating costs of the egg farm.

The onset of the COVID-19 crisis has drastically affected both EFC and HFA’s overall fundraising efforts to support this operation. Without additional support, EFC is concerned that the long-term loss of fundraising revenue triggered by the pandemic will have a drastic impact on HFA’s operations in southern Africa, and the thousands of community members who rely on the organization for nutritious food and employment. Canada and Canadians have a long history of leading international efforts to support those who are most vulnerable. As worldwide efforts to recover from the pandemic are considered, enhancing the diets of malnourished populations with eggs can increase the efficacy of vaccines and deliver better health outcomes. These steps are essential as hunger in Africa could double this year due to a decrease in agricultural production and imports due to the pandemic, prompting a warning that a food crisis could emerge.<sup>2</sup>

**Recommendation:** In order for populations around the world to overcome COVID-19, they must have access to safe, healthy and nutritious food. EFC recommends that the Government of Canada provide financial support in the form of \$250,000 to EFC to sustain and increase efforts to deliver eggs through international partnerships focused on malnutrition and vulnerable populations.

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<sup>1</sup> Richard Gleeson, “Big uptake of COVID-19 emergency benefit program in N.W.T. and Nunavut.” *CBC News*. July 8, 2020

<sup>2</sup> “The race to feed Africa.” *The Economist*. April 25, 2020