

Annual Report

2017 - 2018



Saskatchewan
PORK DEVELOPMENT BOARD

Corporate Governance

The Saskatchewan Pork Development Board (Sask Pork) is an agency established under the Agri-Food Council and complies with the provisions of *The Agri-Food Act, 2004*, *The Agri-Food Regulations 2004*, and *The Pork Industry Development Plan Regulations, 2013* pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing and investing activities.

Internal Controls

Sask Pork adheres to internal financial controls as detailed in the *Policy and Operating Procedures Manual* approved by the Board of Directors in September 2005.

Cover photo:
Saskatchewan Pork Industry Symposium
Long Service Awards presentation, November 14, 2017.
Photo courtesy of Sask Pork.

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Chairman's Message



The past year will best be remembered for the year that wasn't. What started off as a promising year in terms of market hog returns for producers starting turning to a mediocre year before finally collapsing in September. The losses were unexpected and in large part driven by oversupply worries in the US and further exacerbated by the trade war that erupted over the summer. Since then prices have recovered to more seasonal norms but what happened over the summer took the shine off what was a promising year.

An area we continue to focus on that was started by the previous board is to streamline the process for new barn construction. Saskatchewan has always had inherent advantages over other jurisdictions with our abundant land base and feed grain supplies making it an ideal place to raise hogs. Our goal is to improve the conditions for that to happen even more. In that regard we continue to work with the Ministry of Agriculture on improving the permitting process to make it less cumbersome and more timely. Permitting as of today can take as long as two years and be heavily influenced at the local level or by outside parties. We need to find the balance between all interested parties in allowing producers the opportunity to expand and grow in a sustainable manner.

The Canadian Pork Excellence (CPE) program which has been in the works for quite some time will be finally launched in 2019. The CPE program combines the CQA, Pig Trace and ACA all under one umbrella and is the cornerstone of the quality assurances that buyers of Canadian pork expect. The Verified Canadian Pork label that goes on every package of meat that is sold overseas, differentiates Canada from its competitors. In Japan, Canadian pork has made tremendous inroads against our US competitors and is regarded very highly in large part because of the internationally recognized quality program we have in place. Without it we would just be another country trying to sell indistinguishable pork in a very competitive environment. The 2019 transition to the CPE program will strengthen our position in providing high quality pork internationally.

This year was also the first year for the new Sask Pork Board of Directors. All but one director (returning after a 6 year absence) is new to the board. All are very active producers and engaged at the board level serving on numerous committees proudly representing Saskatchewan hog producers.

The board has also taken on updating the strategic plan for Sask Pork to ensure it stays focused on what's important for producers and what it will take to grow within the province. This process has been underway since early spring and should be completed in 2019.

In closing I am confident that the Board of Directors and staff at Sask pork are all committed and very passionate about our industry and are up to the challenge of what lies ahead and that will be key as we look forward to the opportunities in 2019.

A handwritten signature in blue ink, appearing to read 'Casey Smit'.

Casey Smit
Chairman

General Manager's Message



This will be my last annual report to producers as I am retiring in July after 16 years as General Manager. As I reflect on the past 16 years, a few themes are foremost in my memory; some of the major events that shaped our provincial industry, the resilience and ingenuity of producers to face their many challenges and the thoughtfulness, sincerity and leadership of people involved in the business, whether they are producers, co-workers or local, provincial or national leaders. While much is left to be done, in my view the industry has also made some major strides.

During my tenure, the period from 2006 to 2009 was likely the worst financially for hog producers in the province. Often dubbed the “perfect storm”, hog prices hit three successive years of low \$120 per ckg prices (\$20 below the 10 year average price), with historically high feed grain prices of \$214 per tonne (\$5.83) for wheat and \$170 per tonne (\$3.78/ bu) barley, which produced significant losses for everyone. Adding to the perfect storm was the announcement by Maple Leaf Foods that the Mitchell's Gourmet Foods processing plant in Saskatoon would cease slaughtering pigs in 2007. This left many smaller independent producers with higher transport costs and an inability to put together economic loads, resulting in many leaving the industry. During this time Sask Pork and the Canadian Pork Council lobbied federal and provincial governments for financial support resulting in the provincial Short Term Hog Loan Program and the federal Hog Farm Transition Program. While government support alone is never enough, it was an opportunity for some to bridge the economic crisis and others to exit the industry with dignity.

One of our most interesting initiatives at Sask Pork, which resulted from the Maple Leaf announcement to close the Mitchell's plant, was to find a meat processing partner to build a new hog processing plant in Saskatchewan. As a testament to producers' support for a new plant, Sask Pork incorporated a new entity which enrolled over 800,000 pigs and with producer funding we were able to develop a business plan to seek out a suitable partner. We found such a partner and came within the last few details of an agreement when it fell apart. It was so disappointing. Fortunately a couple years later, we did encourage Donald's Fine Food's to open the Thunder Creek Pork plant in Moose Jaw. That plant now processes over 300,000 hogs per year reducing transport and hauling costs for many producers in the southern part of the province and we believe adds a competitor that has increased the price of hogs for every producer in Saskatchewan.

One of the results of the financial crisis, especially for the larger independent companies, was the consolidation of production into fewer, much larger and vertically integrated companies. In Saskatchewan, the purchase of Big Sky Farms by Olymel was a significant deal, for not only Saskatchewan, but Western Canada. Who knows what might have happened to the Red Deer plant, or the dynamics of the packing industry in western Canada had another company purchased Big Sky. The larger integrated companies now control over 40% of hog production in western Canada and continue to grow.

In the past years producers of all sizes have been driven by the necessity of being competitive in the global marketplace. For the most part this has been achieved by increasing size, production efficiencies, and protecting herd health. Through research and the genetics companies, the industry has increased pigs weaned per sow by over 25%, increased feed efficiency significantly through research, and improved the meat quality through genetics, feed, handling and processing techniques.

General Manager's Message

From an organizational perspective the continual improvements to on-farm programs such as the Canadian Quality Assurance program, traceability, funding of research at the Prairie Swine Center and Swine Innovation Porc have all played their part in the success of the industry. Very importantly the biosecurity program developed under the former Canadian Swine Health Board was instrumental in improving the knowledge and implementation of herd health protection in all of Canada. This has shown to be particularly useful in preventing the spread of PEDv that has become endemic in the United States.

Increasingly we are under public scrutiny with respect to how we raise, manage and care for our hogs. Our producers have supported new initiatives that demonstrate our excellence in animal care. Sask Pork has also supported inter commodity organizations such as the former FACS (Farm Animal Council of Saskatchewan), Farm and Food Care Saskatchewan (FCCSK), Agriculture in the Classroom and other groups who work to educate the public in creating an understanding of modern agriculture and sustainable production practices.

One of the pillars to achieving success in a policy, regulatory or marketing environment is to join forces and work with other people, organizations or governments. Provincial, national and international government policy is a critical part of our business and the success of the industry is dependant on those who help shape the rules. Sask Pork's staff and Board of Directors have played a significant role with the Canadian Pork Council, Canada Pork International, and Canadian swine health initiatives. At the federal level, former Minister of Agriculture Gerry Ritz, Martin Rice, former Executive Director of the Canadian Pork Council, Jacques Pomerlau, former Director of Canada Pork International were significant national leaders who shaped the industry in the past 15 years. At the provincial level, I would like to acknowledge the past provincial Ministers of Agriculture, Mark Wartman, Bob Bjornerud, Lyle Stewart and current Minister of Agriculture Honourable David Marit for their support of the industry.

I have been fortunate to work with very committed Boards of Directors and Chairs. To Leon Lueke, Shirley Voldeng, Joe Kleinsasser, Jay McGrath, Florian Possberg and Casey Smit and their respective Boards, a sincere and appreciative thank you. Despite industry challenges, everyone was positive, supportive and genuinely interested in developing solutions. That's unusual in most organizations and is a testament to the dedication and sincerity of those who have lead the organization.

To the staff, past and present, thank you for your dedication, creativity and leadership. Sask Pork's reputation is based on the team members who develop and execute programs, services and build relationships with others. In my view Sask Pork more than carries its weight in these categories. In closing, I believe Sask Pork made a difference for producers, especially through the difficult times, through the research we funded, initiatives we were involved with and work performed each day.



Neil Ketilson
General Manager

Board of Directors

Elections

Board of Directors elections are held in November of odd numbered years. Six directors are elected and can hold office for a maximum of three consecutive, two-year terms.

The Executive is elected annually by the Board of Directors at the first scheduled meeting of directors following the Annual General Meeting.

Board of Directors 2017-2019



Casey Smit
Chairman



Grant Wilson
Vice-Chairman



John Beckton
Audit Chair

Mission

Through leadership and collaboration, foster a positive business environment that sustains our global competitiveness and high standards for on-farm production while stimulating long term growth and investment in the Saskatchewan pork industry.



Curt Kowalchuk
Director



Jay McGrath
Director



Toby Tschetter
Director

Vision

Helping producers achieve excellence in sustainable and profitable pork production.

2017 was an election year for Sask Pork. The Board of Directors were acclaimed in October 2017.

Directors & Staff Committee Representation

Staff

Neil Ketilson

General Manager
(306) 343-3504
nketilson@saskpork.com

Kim Browne

Executive Administration
Promotions & Communications
Symposium Coordinator
(306) 343-3506
kbrowne@saskpork.com

Mark Ferguson

Manager Industry & Policy
Analysis
(306) 343-3503
mferguson@saskpork.com

Ravneet Kaur

Manager Producer Services &
On-Farm Food Safety
(306) 343-3502
rkaur@saskpork.com
(Joined Sask Pork in May 2018)

Patty Riley

Financial Administrator
(306) 343-3507
priley@saskpork.com

Bridget Gray, DVM

Manager Producer Services &
On-Farm Food Safety
(July 2017 - May 2018)

Harvey Wagner

Manager Producers Services &
On-Farm Food Safety
(January 2018 - April 2018)

Canadian Pork Council

Board of Directors - Casey Smit
Business Risk Management Committee - Casey Smit
Canada Pork International - Neil Ketilson (Chairman)
Canadian Western Swine Health Intelligence Network - Neil Ketilson
CQA®/CPE Provincial Coordinators Group - Ravneet Kaur
Code of Practice for the Care and Handling of Pigs Review Committee
- Casey Smit
National Communications Group - Kim Browne
PigTrace Implementation Team - Mark Ferguson
PigTrace Policy Committee - Casey Smit
Swine Innovation Porc - Neil Ketilson

Industry Representation

Agriculture in the City 2018 Planning Committee - Kim Browne
Agricultural Producers Association of Saskatchewan - Livestock
Committee - Mark Ferguson
Canadian Western Transport Wash Certification Program - Bridget
Gray
Farm and Food Care Saskatchewan - Grant Wilson
Feeds Innovation Institute, U of S - Mark Ferguson
Government of Saskatchewan Livestock Development Steering
Committee - Mark Ferguson
Prairie Swine Centre Board of Directors - Neil Ketilson
Statistics Canada Agricultural Statistics Advisory Committee - Mark
Ferguson

Directors & Staff External Activities

- Leman Conference, Minnesota, August 18-22, 2017 - Bridget Gray
- Western Canadian Association of Swine Veterinarians Conference, Saskatoon, October 18-20, 2017 - Bridget Gray
- Olymel Community Barbecue, Humboldt, September 27, 2017 - Neil Ketilson
- Agri-Risk Conference, Ottawa, September 19-22, 2017 - Neil Ketilson
- Ag Experience Agri-Ed School Tours, Saskatoon, October 3-5, 2017 - Kim Browne, Mark Ferguson
- Pork Value Roundtable, Toronto, October 18, 2017 - Neil Ketilson
- Canadian Pork Council Fall Meeting, Ottawa, October 24-25, 2017 - Casey Smit, Paul Ulrich, Neil Ketilson
- Saskatchewan Association of Veterinary Technologists, Saskatoon, Presentation, November 5-6, 2017 - Bridget Gray
- Agriculture and Agri-Food Canada China Mission with Minister Lawrence MacAulay, November 12-21, 2017 - Neil Ketilson
- Agricultural Producers Association of Saskatchewan Livestock Committee Meeting, Regina, November 22, 2017 - Mark Ferguson
- Agricultural Producers Association of Saskatchewan Annual General Meeting, Regina, November 29-30, 2017 - Mark Ferguson
- Climate Change Strategy Meeting, Regina, November 30, 2017 - Mark Ferguson
- CAP Stakeholder Consultations, Regina, November 30, 2017 - Mark Ferguson
- Government of Saskatchewan Livestock Development Forum, Regina, December 5, 2017- Florian Possberg, Mark Ferguson
- Banff Pork Seminar, Banff, Alberta, January 10, 2018 - Neil Ketilson, Toby Tschetter
- CAES Ag Policy Conference, Ottawa, January 25-26, 2018 - Neil Ketilson
- Canadian Pork Council CPE Peer Review Meeting, Ottawa, January 31, 2018 - Toby Tschetter
- Canada Pork International Board of Directors Meeting and AGM, Montreal, February 20-21, 2018, Neil Ketilson
- Cramer Livestock Show, Swift Current, February 22, 2018 - Mark Ferguson
- Canadian Pork Council Producer Trade Mission to Japan, March 2018 - Casey Smit
- Saskatchewan Government Relations Stakeholder Meeting, Saskatoon, March 15, 2018 - Mark Ferguson
- Federal Funding Announcement, University of Saskatchewan, re Swine Welfare Chair, Saskatoon, March 15, 2018 - Kim Browne
- Ontario Pork Annual General Meeting, Guelph, March, 20-21, 2018 - Neil Ketilson
- University of Saskatchewan Agriculture Student Lectures, March 26 & March 28, 2018 - Mark Ferguson
- Thinking Forward Swine Welfare Forum and NSERC National Swine Welfare Chair Launch, Mississauga, April 4, 2018 - Neil Ketilson
- Manitoba Pork Annual General Meeting, Winnipeg, April 4-5, 2018 - Casey Smit, Curt Kowalchuk
- StatsCan Advisory Meeting, April 10-11, 2018 - Mark Ferguson
- Agriculture in the City Event, Saskatoon, April 21, 2018 - Kim Browne

Directors & Staff External Activities

- CWSHIN Board of Directors Meeting, Calgary, April 26, 2018 - Bridget Gray
- Agri-Value Workshop, Saskatoon, May 3-4, 2018 - Neil Ketilson
- Pork Value Chain Roundtable, Gatineau, May 11, 2018 - Neil Ketilson
- CPI / International Meat Secretariat (IMS) Meeting, Dallas, May 29 - June 4, 2018 - Neil Ketilson
- ADF Meeting, Saskatoon, May 31, 2018 - Mark Ferguson
- Saskatchewan Ministry of Agriculture Livestock Branch Meeting, Regina, June 21, 2018 - Neil Ketilson, Mark Ferguson, Ravneet Kaur
- TQA Advisor Training, Des Moines, IO, July 12-13 2018 - Ravneet Kaur
- Thunder Creek Pork Producer Open House, Moose Jaw, July 10, 2018 - Neil Ketilson, Ravneet Kaur
- Farm and Food Care Saskatchewan Farm Tours Reception/Commodity Trade Show, Saskatoon - July 24-25, 2018 - Kim Browne

Policy and Industry Development

Risk Management

The ARI Pork industry hedging project concluded on March 31st, 2018. The project was designed to examine the status of risk management programs in the hog industry in Canada, and look at potential barriers and enhancements to current program offerings that could increase producer uptake in forward pricing. The project concluded that cash requirements in the form of 'margin calls' form a significant hurdle for producers and organizations hedging hogs on behalf of producers to overcome. On a national scale, this limits both program availability and producer uptake of forward pricing activities.

The second part of this project focused on developing solutions to this problem through the design and implementation of a national program to remove or significantly reduce the financial obstacles that are inherent to hedging hogs.

The project concluded that a margin financing program or loan guarantee would complement the existing risk management tools being offered commercially to Canadian hog producers by providing service providers (hog marketing firms) with the ability to meet any margin requirements.

Having this confidence would ultimately allow the service providers to increase their participation limits and to introduce new risk management products for Canadian hog producers in the future. After scoring the various approaches to solving the margin financial issue, the recommended approach was to pursue a single national provider of hedge margin financing services under a tripartite agreement structure in cooperation with the various service providers.

Discussions with interested lenders are ongoing.

Barn Permitting and Regulatory Environment

Last year, Sask pork organized a series of meetings with livestock commodity groups which culminated in a request to the Government of Saskatchewan to begin the process of modernizing the provincial legislative and regulatory framework to improve the permitting process and protect producers' right to farm. In response to this request, the Ministry of Agriculture organized a Livestock Growth Forum that was held on December 5 & 6, 2017.

A diverse group of producers, municipal leaders, community planners, and regulatory agencies, including three participants from the pork industry participated in organized presentations and discussions to gain a better understanding of the issues challenging growth and the ongoing operations of ILOs. The forum was successful in generating an understanding of industry issues amongst all participants, and various options were informally introduced and discussed.

Following the Livestock Growth Forum in December, the Ministry of Agriculture established a steering committee that met for the first time in June 2018. This steering committee includes a number of participants representing the interests of the municipal sector, livestock industries, government, municipal planners. The committee is tasked with examining the provincial and municipal regulatory framework for intensive livestock operations in terms of taxation, permitting, and right-to-farm issues, and develop recommendations for improvements by consensus if possible. It has a one-year mandate to provide recommendations.

Policy and Industry Development

Finally, a review of the Statements of Provincial Interest (SPI) regulations is currently underway in 2018/2019. SPI legislation gives the Minister of Government Relations broad powers with regards to approving RM bylaws, and could be used to ensure that ILO development proposals receive fair consideration by RM councils. Sask Pork attended a consultation session on March 8, 2018 and submitted written recommendations suggesting that the Agriculture SPI be amended and strengthened with the objective of ensuring consistency across the entire province in terms of livestock planning and zoning standards.

Specifically, there should be a common science-based methodology for determining minimum separation distances for siting livestock operations.

National Levy

The proposed Canadian Pork Promotion and Research Agency, the instrument by which the Canadian pork industry may impose a levy on imported hogs and pork products, equivalent to the levy for domestic production is waiting for federal government approval. When approved, this agency will provide significant new resources to the Canadian industry.

Traceability

Sask Pork continues to administer the PigTrace program on behalf of the Canadian Pork Council for producers in Saskatchewan. Our primary responsibility is registering new producers; premises; slaughter plants; obtaining PIDs; creating PigTrace Accounts; and assisting stakeholders with identifiers and tags. Sask Pork also assists producers and abattoirs as needed with movement reporting.

In 2016/2017 Sask Pork registered/created new PigTrace accounts for approximately 50 new premises. Between August 1, 2017 and July 31, 2018, 38,988 movement events involving Saskatchewan farms were reported to PigTrace. These movement

events accounted for 7.2 million individual animals movements. Saskatchewan producers are to be commended for their active commitment and participation in this program.

Industry Development

Sask Pork continues to work towards its goal of establishing 100,000 new finishing spaces in the province by 2018. There are several new barns under construction in Saskatchewan that are expected to begin production until the fall/winter of 2018 and several developments under consideration.

Strategic Development

To enhance our growth strategy initiative, the Board of Directors undertook the development of a new Strategic Plan for the organization.

A strategic planning session was held with directors and staff on April 18, 2018. It was facilitated by Brooke Dobni, Ph.D., MBA, BComm of the University of Saskatchewan.

From this session a Strategic Priorities Framework document was submitted to the Board of Directors in May 2018.

The framework includes updating Sask Pork's Mission and Vision statements and identifying key strategic areas of focus for Sask Pork:

- Producer Services
- Industry Development
- External Relations
- Research

It was also determined there was a need for a long term strategy to ensure for sustainable and profitable pork production in Saskatchewan into the future. The intent is to develop a program to attract investment in the industry.

Policy and Industry Development

In June 2018, the Board of Directors engaged the William Joseph Agency in Saskatoon to assist in developing a long term macro-marketing strategy and communications plan for the industry. An insights meeting for information gathering was held with William Joseph in July and work on the project will commence in August 2018.

Canada Pork International - Market Development Activities

In February, 2018 it was anticipated that the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) would be signed in Chile on March 8th. Due to the timely ratification and implementation, Canadian pork producers participated in a trade mission to Japan.

Delegates would gain insight into the new opportunities being created by the signature of the CPTPP and how to further develop the market.

Producers taking part in the mission learned of how important on-farm programs are to our export customers and get a glimpse of how Canadian pork is marketed to Japanese buyers. In 2017, Japan was second largest market for Canadian pork products with a value of \$1.2 Billion dollars.

Rick Bergmann, CPC Chairman and 13 Canadian pork producers (Casey Smit attended on behalf of Saskatchewan producers) took part in the mission March 5-8th. The group had the opportunity to meet with Honourable Lawrence MacAulay, Canadian Minister of Agriculture and Agri-Foods, visit a number of retailers and also attend the international Foodex event where Canada Pork International marketed Canadian pork to Japanese customers.



Photo Courtesy Canada Pork International

Export Focus

Canada annually exports pork products to over 100 countries. Export sales account for nearly 70% of the pork produced in the country. In 2017, Canada exported a total of approximately 1.28 million tonnes of pork with a value of \$4 billion which broke the previous record of 3.8 billion set in 2016.

The United States continues to be Canada's largest market for pork, both in terms of quantity and total dollar value of exports. Japan is Canada's highest valued market for pork, and our second largest market for pork in terms of total dollar value. Exports to China increased significantly last year and these gains were sustained in 2017. China continues to be our second largest market for pork in terms of the total quantity exported.

2017 Top Export Markets

Country	Value (Thousands)	Quantity (Tonnes)
United States	1,410,605	375,952
Japan	1,219,769	252,084
China	567,222	306,083
Mexico	194,428	123,199
South Korea	133,318	40,019

Given Canada's international reputation as a cost-competitive and high quality pork producer, free trade is a key driver of our export success. The Government of Canada continued to negotiate beneficial free trade deals with major pork importers in 2017/2018. These deals take years to negotiate and conclude.

The Government of Canada along with the Canadian Pork Council and Canada Pork International should be commended for their efforts in opening up new markets for pork. Among the highlights this year:

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The CPTPP (CPP-11) is a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The agreement was originally signed in February, 2016, and subsequently renegotiated after the United States withdrew in January 2017. The agreement was signed in March, 2018 and will come into force in December, 2018.

Despite the withdrawal of the U.S., the CPTPP is a very important trade agreement for the Canadian pork industry and secures our ability to export pork to Japan on fully competitive terms with other CPTPP pork exporting countries, and other regions which have secured free trade deals with Japan, such as the European Union. It also provides our exporters with important competitive advantages relative to non-participating countries such as the U.S., and Brazil, and put us on equal footing in the event these countries negotiate bi-lateral trade agreements in the future.

NAFTA Renegotiation

During the 2016 US presidential election, Donald Trump's campaign included the promise to re-negotiate NAFTA, or cancel it if re-negotiations were to fail. After significant posturing by all three both countries, official negotiations on the agreement began in August, 2017. Negotiations stretched into 2018, and in a surprise move, the U.S. announced tariffs on steel and aluminum against a number of countries including Canada and Mexico in May, 2018. Canada and Mexico responded with retaliatory tariffs in June. As of July 31, 2018 no agreement has been reached.

Swine Health Focus

Saskatchewan Swine Welfare Program

The Saskatchewan Swine Welfare Program (SSWP) came to an end March 1, 2018. The program was based on a 60% Growing Forward 2 (GF2), 20% Sask Pork, 20% producer split, with \$216,000 available from GF2.

At the end of the program, 42 farms applied for needle-free injection systems and 71 farms applied for euthanasia equipment. The total equipment purchased was \$320,717. Producers covered \$65,092. Producers received \$63,856 from Sask Pork and \$191,769 from Growing Forward 2 (Governments of Saskatchewan and Canada), for a total of \$255,625. The program was about 90% subscribed.

Saskatchewan Loadout Biosecurity Program (SLBP)

The SLBP also wrapped up in March, 2018. The SLBP was a very short-term program which became available as a result of other GF2 programs being underutilized. The program was for loadout biosecurity equipment improvements and veterinary assessments.

It was based on a 50%-25%-25% split; with GF2 providing \$100,000, Sask Pork \$50,000 and producers \$50,000 on a "first in" basis. The maximum eligible amount per farm was \$8,000, with a maximum payment of \$6,000 for equipment and \$300 for veterinary assessments.

The program funds were fully claimed a few days before the final application date. A total of 30 farms received funding, with an average payment of \$4,997. The GF2 funded \$100,000, Sask Pork funded \$49,909 with producers picking up the balance.

PEDv Preparedness

Saskatchewan farms remained free of Porcine Epidemic Diarrhea (PEDv) in 2017/2018. The on-farm transport, and market biosecurity efforts by all stakeholders prevented the introduction of this costly disease.

Sask Pork's Contingency Plan for PEDv has been updated.

Enhanced Porcine Epidemic Diarrhea Virus Surveillance in Saskatchewan

Sask Pork organized and administers a PEDv Surveillance program. \$250,000 in funding was approved for five years (2018-2023) for the under the Canadian Agricultural Partnership.

Registered Veterinary Technologist, Tamara McLaughlin and Susan Armstrong are contracted to collect samples at primary high-traffic sites (deadstock facility and abattoir).

Additional sites tested included feed mills, truck washes and some transport vehicles. 330 samples were submitted to Prairie Diagnostic Services for testing with no positives or suspects found.

Producers and transporters were reminded that high-traffic sites, such as auction markets, assembly yards, abattoirs, and scrape-out sites are potential sources of contamination. Following proper biosecurity practices is imperative when delivering animals to these areas.

Between May, 2018 to July 31st, 2018 11 new cases of PEDv were confirmed in Manitoba. Sask Pork is monitoring the PEDv situation in Manitoba and the movement of vehicles and animals between the two provinces to ensure Saskatchewan farms are not exposed to the active virus due to sanitation issues with vehicles.

Producer Services

Canadian Quality Assurance (CQA) and CPE (Canadian Pork Excellence):

There are 150 current registered units participating in the CQA® and ACA® programs, which include all Saskatchewan hogs sold to federal slaughter plants. A few more farms have depopulated over the last number of months for various reasons (one depopulated to re-build).

The Canadian Pork Excellence (CPE) program with PigSAFE (food safety), PigCARE (animal welfare) and PigTRACE (traceability) components is entering the final stage prior to the full launch.

The CPC Board approved the final version of the PigSAFE | PigCARE manual. The mandatory online/in-person validator and manager training is under development with the official CPE launch planned for 2019.

The CQA/ACA program will be phased out completely by the year 2022 however the Canadian Ractopamine-Free Pork Certification Program (CRFPCP) continues as part of the CPE program.

Transport Quality Assurance (TQA®)

TQA training and certification sessions is now done online with 7 individuals completing the training this year. Version 6 of the TQA program launched in March 2017, allowed for on-line training for all individuals (new trainees and existing drivers).

Livestock Emergency Response

In the event of a roll-over emergency involving livestock, Sask Pork has available four fully equipped trailers located in 4 regions across the province.

Unit #1 - Olymel - Humboldt, SK

Unit #2 - Roberge Transport - Moose Jaw, SK

Unit #3 - RM of Round Valley #410, Unity, SK

Unit #4 - Rama - Yorkton, SK

National Swine Health Chair Announcement



Photo courtesy of Canadian Pork Council. - group attending the Thinking Forward Swine Welfare Forum/NSERC National Chair in Swine Welfare Launch, April 4, 2018 in Mississauga, Ont.



Pictured left to right: Honourable Ralph Goodale, Canada's Minister of Public Safety and Emergency Preparedness, Dr. Yolande Seddon, National Swine Welfare Chair, Dr. Franco Vizeacoumar, College of Medicine, Peter Stoicheff Ph.D., President, University of Saskatchewan.

On March 15, 2018 in Saskatoon, the Government of Canada and University of Saskatchewan jointly announced \$10 million in funding for U of S research projects including \$2 million towards the National Chair in Swine Welfare project.

Sask Pork has contributed \$75,000 towards the establishment of a Swine Welfare Chair under the national Industry Research Chair Funding Agreement.

Communications & Promotion

Saskatchewan Pork Industry Symposium 2017

Pork Symposium celebrated its 40th anniversary in 2017. Notable speakers from across Canada and the U.S. presented on topics including animal care and transport, global pork markets, on-farm food safety programs and human resources information to help with hiring and retaining employees.

Also in 2017, the Prairie Swine Centre marked its 25th Anniversary with a special presentation by President & CEO, Lee Whittington on 25 Years of Making Research Work!

More than 250 people attended the two day conference.

2017 Symposium Advisory Committee

Jeff Bergermann, Olymel
Kim Browne, Sask Pork (Symposium Coordinator)
Dan Columbus, Prairie Swine Centre
Carl Esau, Hypor, A Hendrix Genetics Company
Mark Ferguson, Sask Pork
Henry Gauvreau, DVM, Warman Veterinary Services
Steffen Klenk, PIC North America
Glenn Kuhn, Topigs
Brad Marцениuk, Saskatchewan Ministry of Agriculture
Sam Waldner, Kyle Farming Co. Ltd.
Grant Wilson, Fast Genetics

In 2017, Sask Pork also recognized Saskatchewan pork producers for their long term commitment to sustainable pork production in the province.

Long Service Production Awards were presented to all Saskatchewan pork farms that have been in continuous production for 40, 50 and 60 years.

This special presentation was held during the luncheon on November 14. Sask Pork Chairman Florian Possberg and Mark Ferguson presented personalized awards (engraved plaques) to each of the individual farms.

60+ Years of Production

Bench Colony
Cypress Colony
Tompkins Colony
Leask Colony

50+ Years of Production

Downie Lake Colony
West Bench Colony
Hillsvale Colony
Main Centre Colony
Simmie Colony
Sand Lake Colony
Haven Colony
Paul & Judy Ulrich

40+ Years of Production

Smiley Colony
Baildon Colony
Kyle Colony
Hodgeville Colony
Clear Spring Colony
Ponteix Colony
Lakeview Colony
Quill Lake Colony
Star City Colony
Swift Current Colony
Fort Pitt Farms

Florian & Betty Possberg, Humboldt
Don & Kathleen Kolla, Cudworth
Richard and Dianne Wright, Kenosee Lake

Communications & Promotion

2017 Saskatchewan Pork Industry Awards of Distinction

Paul and Judy Ulrich, Ulrich Pork Farms, Spalding, SK were honoured for their **Entrepreneurial Spirit and Service to the Pork Industry**.

The award was presented by Lee Whittington, President and CEO of the Prairie Swine Centre.

Paul was raised on a farm in the Spalding area and began hog farming 50 years ago in 1967. He and his wife and business partner Judy also operated P & J Sales, a dealer for Crystal Spring Hog Equipment.

Paul served as Sask Pork delegate from 1999-2000 and was then elected as director in November 2011 serving as Audit Chair from 2012-2017 and Sask Pork's representative to the Agricultural Producers Association of Saskatchewan.

Prior to joining Sask Pork's Board of Directors, Paul also served as a director for SPI Marketing Group, Prairie Feed Coop and was a member of Sisco.

Judy was elected to Sask Pork's Board of Directors in April 2001, serving three consecutive terms until November 2007. During her time as a director, Judy served on the Audit Committee (2003-04), Public Policy Committee (2001-05) and Research Committee (2002-07). In 2003, she was honoured with a Rural Women's Achievement Award.

For many years the Ulrich's were very involved in Canadian Western Agribition, serving on the Swine Committee and hosting the pork industry displays at the Agri-Ed Showcase for both SPI Marketing and Sask Pork. They also competed in the hog carcass competitions at Western Canadian Agribition and Red Deer Swine Seminar.

In their community, Paul and Judy were also active in the Member Relations Committee of Advantage Credit Union and the Knights of Columbus.

David Resch, General Manager of Chesterfield Stock Farm was honored for **Production Excellence**.

The award was presented by Richard Wright, director with Chesterfield Stock Farm.

David has held the position of General Manager since 1999 and under his management the farm has achieved an extraordinary level of production performance. He is responsible for commercial animal production, and production of high-quality breeding stock.

David is a valued member of the Chesterfield operation and is highly regarded by his colleagues, staff and members of the pork industry in Saskatchewan and beyond.

Commendations for David were received from numerous industry members who shared their experiences of working with him.

Dr. Neil Shantz of Warman Veterinary Services stated that "David is a worthy recipient of the Production Excellence Award. He chose agriculture as a profession and swine production as a specialized career. He has a wealth of skills and personal characteristics that have resulted in many successes as the manager of Chesterfield Stock Farm." "He is an extremely loyal and dedicated employee and manager."

Dr. Shantz added that David clearly understands the relationship between the production aspects of the business and economics that drive the farm's financial success. This was a primary key characteristic that led to the success of Chesterfield Stock Farm.

Congratulations to our 2017 recipients!

Communications & Promotion

Agri-Education Events

Agriculture in the City 2018

Kim Browne has been a member of the planning committee since the event began in 2011 and also coordinates the Animal Agriculture Zone. This year's event was held Saturday, April 21 at the Mall at Lawson Heights in Saskatoon.

Ag in the City provides an excellent opportunity to interact with the general public and educate urban audiences about agriculture and connect them to the food they eat.

Sask Pork uses a scale model of a farrow-to-finish barn (complete with animals) to demonstrate to visitors the efficiencies and technology used in modern hog farming.

Commodity participants are divided into zones specific to their areas of production. Animal Agriculture, Crops, Food, Science and Fun Activities. There are also cooking demonstrations featuring recipes developed with all local ingredients represented at the event.

The event continues to draw large crowds with many return visitors who feel it is "one of the best educational activities they can do with their children". The estimated visitor count to the mall was 10,474 with an estimated 4,000 attending the Ag in the City event.

Agriculture in the City is administered by and receives funding from Agriculture and Agri-Food Canada with additional funding from the Saskatchewan Ministry of Agriculture and participating commodities.

AgExperience School Tours - Prairieland Park

Sask Pork hosted the pork display October 3-4-5, 2017 in Saskatoon. Presentations were made to 36 grade 4/5 classrooms over the three days. Students and teachers received information on why we raise pigs and which foods they consume every day come from animal production.

The primary goals of Ag Experience are to show students how agriculture impacts their daily lives and that agriculture is all around us.

Yorkton Grainmillers Harvest

Sask Pork has been a long-term supporter of this AgEd event. Yorkton has a dedicated pork display for which we provide signage, banners and funding to cover costs associated with penning and bedding for the pigs. The event attracts about 1200 students.

Social Media

Sask Pork continues to maintain and grow its social media presence on Facebook and Twitter. We contract with Dorothy Long of Blue Sky Ideas to manage posting of industry information and curating consumer content for Facebook, Twitter and Pinterest. Our engagement numbers are averaging about 3000 on Twitter and 1000 on Facebook and Instagram.

Sask Pork's Twitter account is averaging about 10,000 impressions per month. A good portion of the content retweeted is from the Farmscape radio program.

Website

Sask Pork completed the redesign of a new website with assistance from Blue Sky Ideas and Arxus website development. The new site was launched in July 2018.

Communications & Promotion

Hurry Hog Curling Rink Decals

Sask Pork has offered the hog line decals since 2005. In the 2017-18 curling season 45 Saskatchewan clubs ordered decals for their rinks.

TV Sponsorship/Advertising

Sask Pork continues its advertiser/sponsor relationship with the “*Cooked with Shack*” program hosted by Mark “Shack” Loshack that airs monthly on Shaw TV in Saskatchewan. Most of the episodes are posted to YouTube by Shaw.ca.

Pork recipes developed and featured this year are:

- Pork Wellington
- Pork Side Ribs with Cranberry BBQ Sauce
- Stuffed Pork Chops with Cream Sauce
- Stuffed Pork Tenderloin with Mushroom Sauce
- Orange Chili Roasted Pork Tenderloin
- Sticky Ginger Pork

Radio Advertising

Saskatchewan Rush Lacrosse Club - 2018 Broadcast Partner with commercials airing during 18 pre-game shows on 98Cool FM radio 5 playoff games - December 2017 thru April 2018.

CFL on CTV advertising package: 46 thirty-second advertising spots aired during late and early games in the pre-season and regular season including the Superbowl. Ads aired in four regions in the province: Saskatoon, Regina, Prince Albert and Yorkton from September 2017 through February 2018.

CTV Consumer Advertising - 19 thirty-second ads aired in the four CTV regions with placement during CTV primetime programming including CTV News throughout the summer months.

Farmscape Radio Program

Farmscape, hosted by Bruce Cochrane, has been broadcasting for 20 years. Sask Pork and Manitoba Pork co-sponsor the program.

19 interviews were conducted with directors and staff over the year along with 18 interviews with Pork Industry Symposium 2017 speakers. Content is available on-line and through email subscription at <http://www.farmscape.ca/f6Subscribe.aspx>

Recipe Development

Sask Pork contracted with bestselling author and food consultant Nancy S. Hughes from Daphne, Alabama who has published 19 cookbooks and created more than 7500 recipes for major clients in Canada and the U.S.

She developed 4 new *Cook Once-Eat Twice* themed recipes.

- Sheet Pan Pork Tenderloin *with Thyme Aioli with Sweet Potatoes*
- Crusty Cuban-Style Lunch Loaf
- Pork “Thai Fry”
- Pork and Fresh Ginger Soup

We also worked with Dorothy Long of Blue Sky Ideas to develop 6 additional recipes using value cuts of pork:

- Pork Osso Buco
- Pork Sausage Breakfast Casserole
- Honey Soy Pork Chops
- Candied Bacon with Pecans
- Italian Pork Sausage Sheet Pan Dinner
- Roast Pork Loin with Sausage Apple Walnut Stuffing

Communications & Promotion

Sponsorship and Donations

Through the Mud BBQ team - sponsor of the team at the North Battleford *Those Were the Days BBQ Competition* - August 12-13, 2017 - 18 teams took part in the event which is sanctioned by the Kansas City BBQ Society. Dishes prepared by the team included Smoked Pork Belly Croustini, pork shoulder and ribs. The team placed 4th and 5th in the pork categories.

Saskatchewan Hutterian Educators Association Conference - sponsor and AgEd resources.

Canadian Western Agribition International Reception November 2017.

Pork on Your Fork pig roast - Gray Community Fundraiser for Gray Community Hall and Kids Club - August 12, 2017.

Fédération des Francophones de Saskatoon - Folkfest Pavillion - August 17-19, 2017.

READ Saskatoon Golf Tournament and Fundraiser for Literacy - August 28, 2017 - hole sponsor and donation of promo items and resources. Pork served at barbecue and pork resources for golfers' bags.

YXEATS Riversdale Annual Food Festival - September 4-9, 2017 - sponsor - Six participating restaurants featured new pork entrees and appetizers on their menus at special pricing during the week.

Olymel Fundraiser Barbecue for the Food Bank - September 8, 2017 - sponsor.

College of Pharmacy and Nutrition Annual Professional Enhancement Day - University of Saskatchewan - October 2, 2017 - sponsor.

12th Annual Saskatchewan Environmental Society Gourmet Dinner - Modern Takes on Heritage Recipes Using Local Ingredients, September 16, 2018, Saskatoon - sponsor and article on sustainable agriculture contributed to SES newsletter.

Western College of Veterinary Medicine Vetavision, University of Saskatchewan - September 29-30, 2017 - Student resources, banners and signage provided for pork display at event.

Star City Minor Sports Day - October 26, 2017 - Sponsor.

Munch Catering Regina Fundraiser supporting employment opportunities in the food industry for people living with cognitive disabilities - November 9, 2017.

2018 Canada Pork International Annual Meeting, Montreal - February 22, 2018 - sponsor

TeleMiracle 42 - March 3-4, 2018, Regina - Sponsored pork for volunteers and presenters meals.

Saskatchewan's Outstanding Young Farmer's program - June 2018 - Gold Sponsor.

Soroptimist International Saskatoon PJ's and Pearls Annual fundraising event *Celebrating Saskatoon Home Town Heroes* - The dinner featured Pork Belly and Barley Risotto Balls, Pork Queso Dip with Flax Chips prepared by local Chef David Rose. 120 attendees raised \$8,000 at the event.

Rotary Club of Saskatoon North - Food Tent at Ag in Motion, Saskatoon - July 17-19, 2018 - sponsor of pork burgers served at food tent.

6th Annual Great Saskatchewan Bacon Festival, Saturday, June 16, 2018, Kipling, SK - Silver Level & Trophy Sponsor.

Ronald McDonald House 33rd annual Ladies Golf Classic - June 25-26, 2018 - Sponsored pork for the barbecue and provided pork resources.

Sask Valley Hospital Foundation - Rhythm & Ribs Fundraiser - July 28-30, 2018 - sponsor.

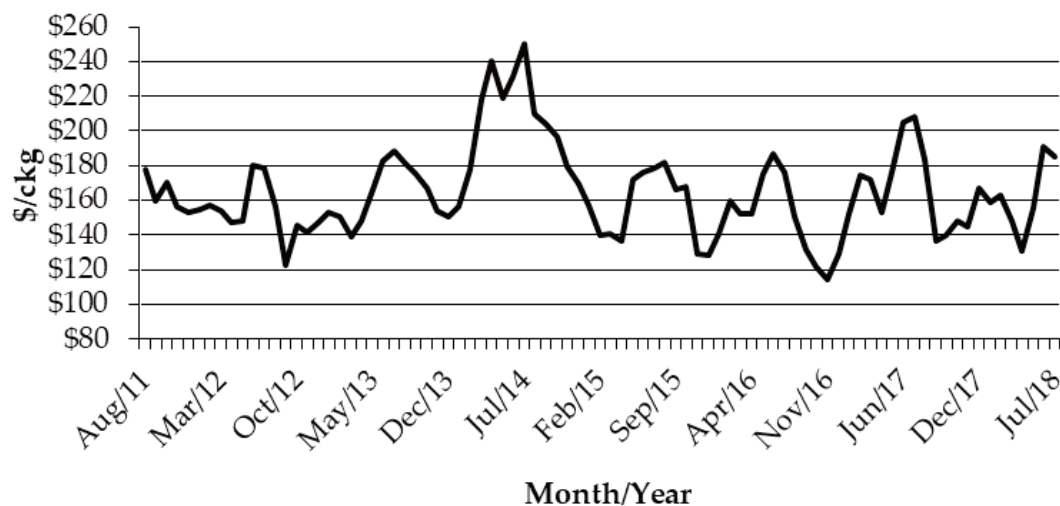
Statistics & Trends

Between August 2017 and July 2018, index 100 hog prices in Saskatchewan averaged \$158.32/ckg, which was down slightly from the previous year, and below the 5-year average of \$168.44/ckg. Prices during the spring and summer months were tempered by developing trade wars between the U.S. and several of its significant trading partners which ultimately targeted U.S. pork exports. In response to U.S. tariffs levied on steel and aluminium imports, China had imposed a total tariff of 62% on U.S. pork imports in July, 2018 while Mexico imposed tariffs of 20% on U.S. pork.

While these tariffs do not impact Canadian pork exporters directly, they are expected to further weaken U.S. pork and hog markets which were already struggling to absorb higher volumes of pork and lower carcass cut-out values in 2018. Canadian hog prices are based directly on U.S. markets via formula pricing, so Canadian hog producers will feel the same impact as U.S. producers as a result of these variables, which is an unfortunate consequence of our hog pricing mechanism.

Over the past 12 months, the Canada/U.S. exchange rate was again very stable, averaging 0.785 compared to 0.755 in 2016/2017. This marks the third straight year that the exchange rate has stayed below the 5-year average of 0.81. This has resulted in stronger Canadian hog prices.

Saskatchewan Monthly Hog Prices

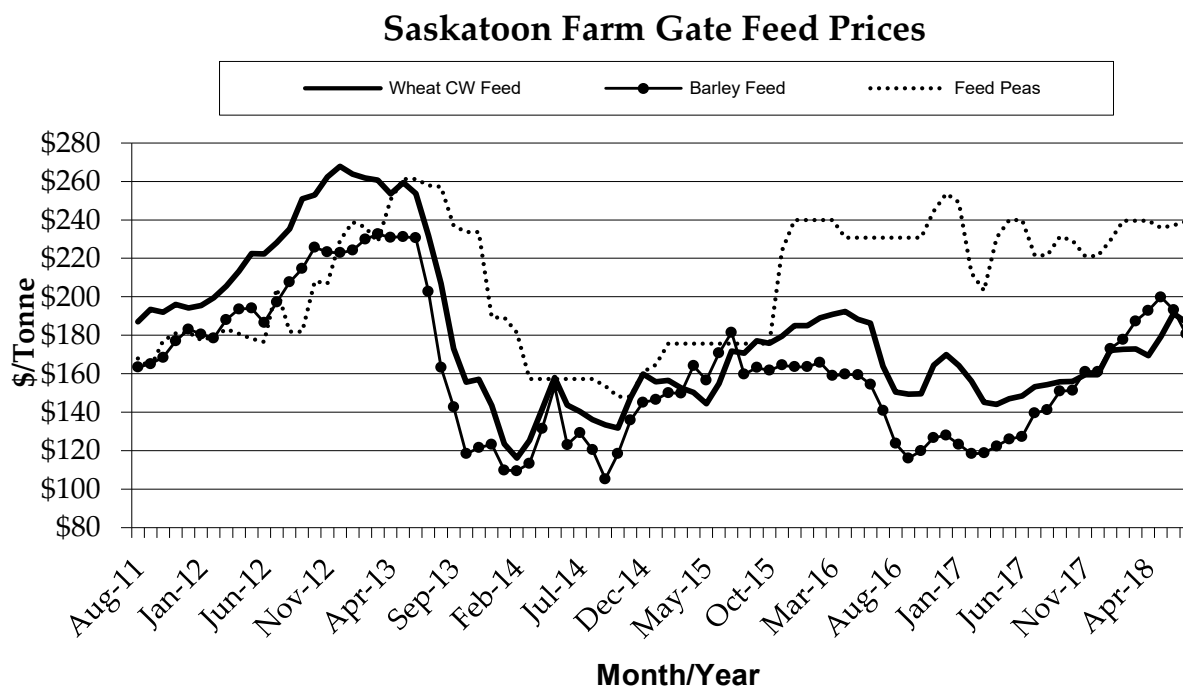


Source: H@ms Marketing Services

Statistics & Trends

Favourable dry weather in the summer and fall of 2017 produced an average yielding crop with higher than average quality in most areas of the province. There were few issues with fusarium damaged feed that had become so prevalent in recent years. Generally, high quality feed was available to be purchased throughout the year, albeit at higher prices. However, topsoil and subsoil moisture conditions remained a concern for most of the province throughout the winter and through the summer of 2018, and reduced yields and higher feed prices are expected for the 2018 harvest.

Throughout the course of the year, Saskatchewan feed wheat prices increased by \$15.65/tonne, and averaged \$169.15/tonne in 2017/2018. Feed barley increased significantly by \$48.39/tonne and averaged \$172.53/tonne, while feed peas remained virtually unchanged at \$208.33/tonne.



Source: Saskatchewan Ministry Of Agriculture

Note: Spot grain prices FOB Saskatoon.

Statistics & Trends

In 2017, a total of 87 producers marketed hogs in the province. The vast majority of this production occurred on our 149 active CQA premises. Sask Pork also continued to register new hog and wild boar premises as part of our administrative commitment to the PigTrace program. As of July 31, 2018 there were 237 non-CQA premises registered, an increase of 49 from the previous year. The majority of these producers do not typically sell hogs to packers or pay levy (farm-gate or own use), but are subject to federal traceability regulations.

Saskatchewan Producer Profile*

Number of Hogs Produced	Number of Producers				Number of Slaughter Weight Hogs Produced			
	2017	2016	2015	2014	2017	2016	2015	2014
<100	16	8	4	8	220	206	62	185
100-500	0	3	3	0	0	985	606	0
500-1000	0	2	1	0	0	1,586	663	0
1000-5000	12	8	10	12	32,996	24,322	29,195	35,045
5000-25000	52	55	53	53	640,037	711,468	626,392	629,057
25000-50000	4	4	6	4	133,193	126,910	195,940	116,178
>50000	3	3	3	3	983,574	949,941	999,050	956,255
Totals	87	83	80	80	1,790,020	1,815,418	1,851,908	1,736,720

Source: Saskatchewan Pork Development Board

*Note: These numbers are based upon levy data, and represent the number of producers/companies that marketed hogs, not the number of production units or premises. As of July 31, 2018 there were 149 CQA registered premises in Saskatchewan and 237 non-CQA registered premises.

In 2017, Saskatchewan producers marketed a total of 2,196,439 pigs, which was an increase of 38,977 animals from 2016. Market weight hogs sales declined by 25,398 animals to 1.79 million hogs, while marketings of feeder pigs to the U.S. increased by 57,767 to 357,785 animals.

Number of Pigs Sold in Saskatchewan by Category

	Market Hogs	Sows and Breeding Stock	Feeder Pig/ Weanling Exports	Total Pigs Produced
2012	1,761,079	30,271	270,257	2,061,607
2013	1,720,243	38,239	331,572	2,090,054
2014	1,736,720	33,050	179,235	1,949,005
2015	1,851,908	31,039	247,765	2,130,712
2016	1,815,418	42,026	300,018	2,157,462
2017	1,790,020	48,634	357,785	2,196,439

Source: Saskatchewan Pork Development Board

Statistics & Trends

In 2017, 341,244 hogs produced in Saskatchewan were slaughtered locally in the province. Of the remainder, 821,301 were transported to Alberta for slaughter, while 577,548 animals were slaughtered in Manitoba, and 23,171 were sent to British Columbia. Saskatchewan also exported 75,390 slaughter weight animals to the U.S. Overall, marketing patterns remained virtually unchanged from 2016.

According to Statistics Canada, as of January 1, 2018 Saskatchewan's breeding herd numbered 104,400 sows and bred gilts. This is an increase of approximately 4,000 sows over 2017. The entire Canadian herd did see some growth, with 25,800 sows being added nationally. Of note, eastern Canada increased by approximately 9000 sows, while Manitoba added 22,000 sows, and Alberta declined by 10,000 sows. The national breeding herd was comprised of 1.25 million sows and bred gilts as of January 1, 2018.

Sows and Bred Gilts in Canada (1,000 Head, January 1st)

	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2012	9	137.1	90.4	314.1	550.6	302.5	319.4	21.0	642.9	1,193.5
2013	8.6	135.8	89.1	314.3	547.8	304.1	315.4	20.7	640.2	1,188.0
2014	8.6	135.9	93.0	315.4	552.9	302.6	317.3	20.0	639.9	1,192.8
2015	8.6	136.0	98.5	321.2	564.3	302.5	316.6	17.3	636.4	1,200.7
2016	8.4	138.4	101.0	326.9	574.7	307.6	314.2	16.8	638.6	1,213.3
2017	8.1	139.9	100.3	326.7	575.0	317.6	319.8	15.4	652.8	1,227.8
2018	8.8	129.4	104.4	348.8	591.4	320.6	325.8	15.8	662.2	1,253.6

Source: Statistics Canada, Cansim Table 003-0004

The total number of pigs produced in Canada increased slightly in 2017. Eastern Canadian production increased by 110,000 head and stands at 14 million pigs, while western Canada's production increased by approximately 167,000 pigs and sits at 13.3 million. Saskatchewan remains the 5th largest pork producing province in Canada behind Manitoba, Quebec, Ontario, and Alberta.

Hogs Marketed in Canada by Province (1,000 Head)

	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2012	185.8	3,007.5	2,173.3	7,998.0	13,364.6	6,582.8	6,588.9	420.7	13,592.4	26,957.0
2013	187.1	2,867.1	2,097.2	7,239.8	12,391.2	6,566.7	6,328.9	417.4	13,313.0	25,704.2
2014	185.3	2,755.2	1,993.1	7,319.7	12,253.3	6,630.3	6,169.5	399.5	13,199.3	25,452.6
2015	191.6	2,905.8	2,196.9	7,859.3	13,153.6	7,091.8	6,505.8	367.2	13,964.8	27,118.4
2016	194.3	2,947.4	2,221.3	7,805.5	13,168.5	7,007.6	6,588.8	325.4	13,921.8	27,090.3
2017	183.0	2,921.7	2,335.1	7,895.7	13,335.5	7,112.5	6,580.1	339.7	14,032.3	27,367.8

Source: Input Data from Statistics Canada Cansim Table 003-0102, calculated by Sask Pork

Calculation: Slaughter plus international and interprovincial exports, less international and interprovincial imports

Canadian slaughter increased slightly in 2017, totalling 21.6 million hogs. This was an increase of 332,000 hogs over 2016, and the highest annual slaughter since 2009.

Statistics & Trends

Hogs Slaughtered in Canada (1000 Head)

(Number of Hogs Slaughtered in Federally and Provincially Inspected Plants)

	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2012	484.6	2,406.0	213.0	5,571.8	8,675.4	4,431.0	7,985.4	28.7	12,445.1	21,120.5
2013	473.0	2,358.0	247.7	5,427.6	8,506.4	4,232.8	8,006.6	13.1	12,252.5	20,758.9
2014	493.8	2,509.5	294.0	5,051.2	8,348.5	4,021.9	7,955.2	10.1	11,987.3	20,335.7
2015	504.1	2,673.3	309.7	5,319.1	8,806.2	4,017.1	8,352.2	10.8	12,380.0	21,186.2
2016	525.7	2,619.5	328.1	5,306.5	8,779.7	4,009.0	8,462.3	10.9	12,482.2	21,261.9
2017	516.9	2,597.5	340.2	5,402.3	8,856.9	4,058.4	8,667.2	10.6	12,736.1	21,593.0

Source: Agriculture and Agri-food Canada, Red Meat Market Information, Various Years

According to Agriculture and Agri-food Canada, approximately 4.8 million feeder pigs were exported from Canada to the United States in 2017, which was an increase of 0.6% over 2016. Canadian Market hog exports to the U.S. were approximately 829,000 hogs, which is down 10% over the previous year.

Canadian Live Hog Exports to U.S. (< 50 kg, '000 Head)

	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2012	0.0	447.3	336.5	3,212.2	3,995.9	791.8	4.3	2.3	798.4	4,794.3
2013	0.0	432.1	277.9	2,513.3	3,223.3	749.3	1.8	0.3	751.3	3,974.6
2014	0.0	482.3	208.0	2,546.2	3,236.4	853.6	1.5	2.1	857.2	4,093.6
2015	0.4	500.0	312.4	2,887.1	3,700.0	903.4	1.8	8.9	914.1	4,614.1
2016	0.4	565.9	364.4	2,821.1	3,751.7	914.6	4.1	66.4	985.0	4,736.7
2017	0.0	566.7	416.3	2,825.6	3,808.6	937.6	2.6	18.9	959.1	4,767.7

Source: Statistics Canada CATSNET Analytics

Canadian Live Hog Exports to U.S. (>50 kg, '000 Head)

	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2012	0.0	152.6	12.9	397.6	563.2	288.4	28.5	1.9	318.8	882.0
2013	0.2	139.3	19.0	347.9	506.4	280.3	20.6	1.7	302.7	809.0
2014	0.0	132.5	10.3	361.7	504.6	330.1	18.8	0.0	348.9	853.5
2015	0.0	143.7	13.4	401.2	558.3	572.2	18.6	5.0	595.8	1,154.1
2016	0.0	147.8	16.9	328.9	493.6	408.7	14.4	2.7	425.7	919.4
2017	0.0	141.6	25.7	340.0	507.3	319.4	2.7	0.0	322.1	829.4

Source: Statistics Canada CATSNET Analytics

Audited Financial Statements

for the year ended July 31, 2018

Management's Responsibility

To Saskatchewan Pork Producers:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors (the "Board") is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Twigg & Company, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to the members, their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 1, 2018



Management



Management

Independent Auditors' Report

TWIGG & COMPANY CHARTERED PROFESSIONAL ACCOUNTANTS

L.D. SAFINUK *B. Comm., CPA, CA*

M. LINGARD *B. Comm., MPAcc., CPA, CA*

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Independent Auditors' Report

To the Board of Directors of Sask Pork.

Report on the Financial Statements

We have audited the accompanying financial statements of Sask Pork, which comprise the statement of financial position as at July 31, 2018 and the statements of operations, changes in net assets, cash flows, and schedule of travel expenses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Sask Pork as at July 31, 2018 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

November 1, 2018
Saskatoon, Saskatchewan


Chartered Professional Accountants

Statement of Financial Position

as at July 31, 2018

STATEMENT OF FINANCIAL POSITION
as at July 31, 2018

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT:		
Cash	\$ 786,200	\$ 1,136,416
Short-term investments	400,000	-
Accounts receivable (Note 3)	198,445	246,911
Prepaid expense	<u>25,842</u>	<u>12,491</u>
	1,410,487	1,395,818
 RESTRICTED INVESTMENTS	 <u>1,000,000</u>	 <u>1,000,000</u>
	 <u>\$ 2,410,487</u>	 <u>\$ 2,395,818</u>

LIABILITIES


CURRENT:		
Accounts payable and accrued liabilities (Note 4)	\$ 155,608	\$ 167,207
Deferred contributions and revenue (Note 5)	<u>40,461</u>	<u>37,458</u>
	<u>196,069</u>	<u>204,665</u>

NET ASSETS

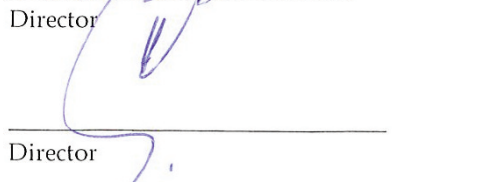
INTERNALLY RESTRICTED (Note 6)	1,000,000	1,000,000
 UNRESTRICTED	 <u>1,214,418</u>	 <u>1,191,153</u>
	<u>2,214,418</u>	<u>2,191,153</u>
	<u>\$ 2,410,487</u>	<u>\$ 2,395,818</u>

COMMITMENTS (Note 7, 8)

APPROVED BY THE BOARD:



 Director



 Director

Statement of Operations

for the year ended July 31, 2018

STATEMENT OF OPERATIONS for the year ended July 31, 2018

	<u>2018</u> <u>Budget</u> <i>(Unaudited)</i> <i>(Note 12)</i>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
REVENUE			
Levy and export service charge	\$ 1,711,200	\$ 1,635,679	\$ 1,645,903
Government grants and project funding <i>(Note 9)</i>	108,000	227,222	209,083
Symposium fees	71,000	75,910	63,990
Reimbursed travel	20,000	20,486	36,410
Interest	28,600	48,232	21,931
Other	<u>-</u>	<u>9,596</u>	<u>11,710</u>
	<u>1,938,800</u>	<u>2,017,125</u>	<u>1,989,027</u>
EXPENSES			
Research, including Prairie Swine Centre <i>(Note 7)</i>	361,500	358,527	455,827
Salaries and benefits	513,035	517,898	477,721
Industry association	328,400	310,313	313,060
Symposium	89,750	90,568	79,987
Communications	113,800	91,220	74,165
Operations and office	116,035	114,351	120,155
Promotions	60,200	44,297	48,609
Directors and committees	39,175	29,547	27,712
Policy and industry development	42,000	2,392	56,767
Travel <i>(Schedule 1)</i>	30,700	31,188	26,031
Organizational development	41,050	45,543	39,492
Amortization	1,667	-	-
National services	175,600	331,278	160,175
Reimbursed expenses	<u>20,000</u>	<u>26,738</u>	<u>38,643</u>
	<u>1,932,912</u>	<u>1,993,860</u>	<u>1,918,344</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 5,888</u>	<u>\$ 23,265</u>	<u>\$ 70,683</u>

Statement of Changes in Net Assets

for the year ended July 31, 2018

STATEMENT OF CHANGES IN NET ASSETS
for the year ended July 31, 2018

	<u>Internally</u> <u>Restricted</u>	<u>Unrestricted</u>	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
NET ASSETS, BEGINNING OF YEAR	\$ 1,000,000	\$ 1,191,153	\$ 2,191,153	\$ 2,120,470
Excess of revenue over expenses for the year	-	23,265	23,265	70,683
NET ASSETS, END OF YEAR	<u>\$ 1,000,000</u>	<u>\$ 1,214,418</u>	<u>\$ 2,214,418</u>	<u>\$ 2,191,153</u>

Statement of Cash Flows

for the year ended July 31, 2018

STATEMENT OF CASH FLOWS for the year ended July 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 23,265	\$ 70,683
Changes in non-cash working capital		
Balances related to operation:		
Accounts receivable	48,466	44,699
Prepaid expenses	(13,351)	37,853
Accounts payable and accrued liabilities	(11,599)	(6,117)
Deferred contributions and revenue	<u>3,003</u>	<u>(50,061)</u>
	<u>26,519</u>	<u>26,374</u>
Total from operating activities	<u>49,784</u>	<u>97,057</u>
INVESTING ACTIVITIES		
Net disposals (purchases) of investments	(400,000)	<u>676,950</u>
Total from investing activities	<u>(400,000)</u>	<u>676,950</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(350,216)	774,007
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>1,136,416</u>	<u>362,409</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 786,200</u>	<u>\$ 1,136,416</u>
CASH AND EQUIVALENTS CONSISTS OF:		
Cash	<u>\$ 786,200</u>	<u>\$ 1,136,416</u>

Notes to Financial Statements

for the year ended July 31, 2018

NOTES TO FINANCIAL STATEMENTS for the year ended July 31, 2018

1. DESCRIPTION OF BUSINESS

Sask Pork is a producer managed organization operating programs and research for the development of the Saskatchewan pork industry and the promotion of hogs and pork produced in Saskatchewan. Sask Pork was established by the Pork Industry Development Plan Regulations pursuant to *The Agri-Food Act, 2004*. Sask Pork is subject to supervision by the Agri-Food Council members of which are appointed by the Government of the Province of Saskatchewan.

The Pork Industry Development Plan Regulations allow Sask Pork to set and collect non-refundable levies from any person engaged in the marketing of hogs in Saskatchewan. As of January 1, 2015 the hog levy is \$0.85 per hog, \$0.23 per hog for all hogs less than 100 lbs. and \$0.85 per hog on all breeding stock exported from Canada.

Sask Pork is exempt from income taxes in accordance with Section 149 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 in Part III of the *CPA Handbook* and include the following significant accounting policies:

(a) Financial instruments:

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and deferred contributions and revenue. The fair value of the cash, accounts receivable, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

(b) Cash and cash equivalents:

Cash is comprised of cash on hand.

Short-term investments are composed of guaranteed investment certificates. Short-term investments qualify as cash equivalents when they are short term, highly liquid investments, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Short-term investments subject to restrictions that prevent their use for current purposes are included in restricted investments.

Notes to Financial Statements

for the year ended July 31, 2018

NOTES TO FINANCIAL STATEMENTS for the year ended July 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Capital assets:

Capital assets are stated at cost. Amortization is computed using the straight-line method at rates calculated to amortize the cost over their estimated useful lives at the following rates:

Computer equipment	3 years
Furniture and equipment	3-5 years
Leasehold improvements	3 years

(d) Revenue recognition:

Hog levy revenue is recognized using the accrual basis in conjunction with delivery of producer's product.

Sask Pork follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Recognition of grants related to capital assets is deferred to periods when the related capital assets are amortized.

Revenues for conference fees are recognized upon completion of the conference.

Interest and investment revenue is recognized when earned.

(e) Research funding expenses:

Research funding expenses are recognized when projects are approved and the recipient has met eligibility criteria. Funds advanced to recipients prior to eligibility criteria being met are recorded as advances.

(f) Contributions in-kind:

Contributions in-kind are recorded at fair value for goods or services used in the normal course of operations that would otherwise have been purchased.

Notes to Financial Statements

for the year ended July 31, 2018

NOTES TO FINANCIAL STATEMENTS for the year ended July 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

Significant estimates include, but are not limited to, the valuation of deferred contributions and revenue, and accruals for certain revenues and expenses.

3. ACCOUNTS RECEIVABLE

The accounts receivable balance consists of the following:

	2018	2017
Levies receivable	\$ 165,687	\$ 206,733
Grants receivable	-	23,198
Interest receivable	32,758	16,980
	\$ 198,445	\$ 246,911

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of the following:

	2018	2017
Trade payables	\$ 106,912	\$ 134,517
VISA payable	3,204	2,712
Vacation payable	16,129	16,231
Payroll liabilities	11,258	-
GST payable (receivable)	3,658	3,163
Accrued liabilities	14,447	10,584
	\$ 155,608	\$ 167,207

Notes to Financial Statements

for the year ended July 31, 2018

NOTES TO FINANCIAL STATEMENTS for the year ended July 31, 2018

5. DEFERRED CONTRIBUTIONS AND REVENUE

Sask Pork receives funding to administer the Porcine Epidemic Diarrhea (PED) prevention and preparedness program. The PED prevention and preparedness program provides funding for the monitoring of transport trucks for contamination with PED virus, contingency planning for the Saskatchewan swine industry in the event of PED incursion into the provincial herd and to assist with response activities to prevent any spread of the disease from the first farm(s) confirmed to have PED in Saskatchewan.

Sask Pork receives funding from the Saskatchewan Ministry of Agriculture to be held, administered and distributed in accordance with the related Saskatchewan Swine Welfare program funding agreement. The Saskatchewan Swine Welfare program provides funding to producers who have undertaken approved activities to improve animal welfare and be compliant with the Code of Practice for the Care and Handling of Pigs.

Sask Pork receives funding from the Saskatchewan Ministry of Agriculture to be held, administered and distributed in accordance with the related PEDv surveillance program funding agreement. The PEDv surveillance program provides funding for Sask Pork to organize and administer a PEDv Surveillance program in the Saskatchewan swine industry.

	2018	2017
Deferred contributions and revenue, beginning of year	\$ 37,458	\$ 87,519
<i>Contributions and revenue received during the year:</i>		
PEDv Surveillance Program	50,000	54,000
<i>Less:</i>		
Amounts recognized as PED prevention and preparedness program expenses	(7,541)	-
Amounts recognized as Saskatchewan Swine Welfare Program	(3,939)	(104,061)
Amounts recognized as PEDv surveillance program expenses	(9,539)	-
Funding repaid (PED prevention and preparedness)	(25,978)	-
Deferred contributions and revenue, end of year	\$ 40,461	\$ 37,458

The deferred contributions and revenue relates to the following:

	2018	2017
PED prevention and preparedness	\$ -	\$ 33,519
Saskatchewan Swine Welfare Program	-	3,939
PEDv surveillance program	40,461	-
Deferred contributions and revenue, end of year	\$ 40,461	\$ 37,458

Notes to Financial Statements

for the year ended July 31, 2018

NOTES TO FINANCIAL STATEMENTS for the year ended July 31, 2018

6. INTERNALLY RESTRICTED NET ASSETS

Sask Pork's Board of Directors have internally restricted net assets of \$1,000,000 as a reserve for future operating expenses.

7. RESEARCH COMMITMENTS

Prairie Swine Centre Inc.

Sask Pork has agreed to provide an annual contribution of \$302,500 to the Prairie Swine Centre. The annual contribution is provided for the core funding of the Prairie Swine Centre.

The research expense consists of the following:

	2018	2017
Prairie Swine Centre Inc.	\$ 302,500	\$ 316,250
ADOPT Project	-	-
Canadian Swine Research & Development Cluster - Swine Innovation fund	46,027	46,525
AIP project	-	93,052
Swine Dysentery vaccine	10,000	-
PED Vaccine	-	-
	\$ 358,527	\$ 455,827

Notes to Financial Statements

for the year ended July 31, 2018

NOTES TO FINANCIAL STATEMENTS for the year ended July 31, 2018

8. LEASE COMMITMENTS

(a) Building lease:

Sask Pork is committed under a lease agreement for its premises at #2, 502 - 45th Street West. The agreement expires on October 31, 2019. The required minimum annual lease payments are as follows:

Year ending July 31:	
2019	61,145
2020	15,286

(b) Contractual commitments:

Sask Pork is committed under an annual agreement with Wonderworks Canada Inc. and Manitoba Pork to sponsor a series of pork oriented agricultural news coverage. The current agreement expires on March 31, 2019. The minimum annual charges are as follows:

Year ending July 31:	
2019	30,240

9. GOVERNMENT GRANTS AND PROJECT FUNDING

	2018	2017
Swine welfare program	\$ 87,707	\$ 104,062
Youth mentorship program	2,434	1,465
Swine loadout biosecurity program	100,000	-
AIP project	-	101,556
Social media program	-	2,000
PEDv surveillance	29,539	-
PEDv contingency plan	7,542	-
	\$ 227,222	\$ 209,083

10. FINANCIAL INSTRUMENTS

The Organization as part of its operations carried a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Notes to Financial Statements

for the year ended July 31, 2018

10. FINANCIAL INSTRUMENTS (continued)

Risk management policy

The Organization, as part of operations, has established a minimization of credit risk policy as its risk management objective. In seeking to meet this objective, the Organization follows a risk management policy approved by its Board of Directors. The collection of accounts receivable is monitored by the Financial Administrator in conjunction with contacting slaughter plants to ensure collection of the hog check-off is made on a timely basis.

Credit concentration

As at July 31, 2018, four customers accounted for 81.57% (82.05% - 2017) of accounts receivable, representing the Organization's maximum credit risk exposure. The Organization believes that there is no unusual exposure associated with the collection of these receivables. The Organization manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable. Most of the accounts receivable were collected shortly after year-end

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Organization is exposed to interest rate risk on its short-term investments.

Liquidity risk

Liquidity risk is that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit and lease office equipment and office space from creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Organization's future net cash flows for the possibility of a negative net cash flow. The Organization manages liquidity risk resulting from accounts payable and accrued liabilities by investing in liquid assets such as cash and short-term investments which can be readily available to repay accounts payable and accrued liabilities.

11. CAPITAL MANAGEMENT

The Organization has no formal capital management policy however the Board of Directors conducts an annual budgeting and strategic planning meeting. The Organization has no externally imposed capital requirements.

12. BUDGET

The budget presented is unaudited. The budget for 2017/2018 was approved by the Board of Directors on June 2, 2017.

Schedule of Travel Expenses

for the year ended July 31, 2018

SCHEDULE 1 – Schedule of Travel Expenses for the year ended July 31, 2018

	Budget (Note 12)		
	<u>2018</u>	<u>2018</u>	<u>2017</u>
National services	\$ 5,200	\$ 7,517	\$ 2,093
Industry association	12,500	9,853	11,811
Organizational development	6,000	7,289	6,511
Policy and industry development	5,000	6,529	5,498
Communications	1,000	-	118
Promotions	<u>1,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,700</u>	<u>\$ 31,188</u>	<u>\$ 26,031</u>

Payee List

for the year ended July 31, 2018

PAYEE LIST
for the year ended July 31, 2018

PAYEE LIST

The Agri-Food Council requires Sask Pork to disclose in their annual report significant payments made over the course of the year. Payments in excess of \$35,000 made to a single organization are as follows:

502 on 45 th Trade Centre	\$ 64,202
Canadian Pork Council	\$ 382,244
Manitoba Pork Council	\$ 45,255
Prairie Swine Centre	\$ 279,042
Saskatoon Inn	\$ 66,341
OlySky LP	\$ 69,347

RESEARCH PROJECTS FUNDED FROM HOG LEVY

Project Name	Researchers	2017-2018 Funding
Prairie Swine Centre Inc. (Includes \$30,000 for MITACS)	Various Dr. John	\$ 302,500
University of Saskatchewan – Swine Dysentery Vaccine	Harding	10,000
Swine Innovation Porc	Various	46,027
* <i>Payments made to Canadian Pork Council at the rate of 2.5 cents/market hog and ½ cent/weanling</i>		\$ 358,527

Directors' Remuneration & Reimbursements

for the year ended July 31, 2018

DIRECTORS' REMUNERATION for the year July 31, 2018

DIRECTORS' AND COMMITTEE MEMBERS' REMUNERATION AND REIMBURSEMENTS

Directors and committee members are compensated for the time contributed to the Organization and are reimbursed for mileage and expenses incurred while on corporate business during the course of the year. The following chart breaks down payments made for service for the period of August 1, 2017 – July 31, 2018:

<u>Directors</u>	<u>Per Diem</u>	<u>Expenses</u>	<u>Total</u>
John Beckton	\$ 225	\$ -	\$ 225
Cliff Ehr	-	-	-
Dickson Gould	900	2,057	2,957
Curt Kowalchuk	1,013	1,240	2,253
Jay McGrath	-	-	-
Shannon Meyers	- **	950	950
Florian Possberg	4,500 *	640	5,140
Casey Smit	5,450 *	2,637	8,087
Toby Tschetter	1,575	2,302	3,877
Paul Ulrich	1,350	2,161	3,511
Grant Wilson	-	587	587
Amos Wipf	450	184	634
	15,463	12,758	28,221
Other payments	-	1,326 ***	1,326
Directors Total	\$ 15,463	\$ 14,084	\$ 29,547

* Included in the per diem is a monthly honorarium of \$600 paid to the Chairman.

** Included in the per diem is a monthly honorarium of \$150 paid to the Vice-Chair (Not claimed).

*** Payments made to facilitate meetings.

Auditors' Report

TWIGG & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

L.D. SAFINUK *B. Comm., CPA, CA*

M. LINGARD *B. Comm., MPAcc., CPA, CA*

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AUDITORS' REPORT

To Saskatchewan Pork Producers:

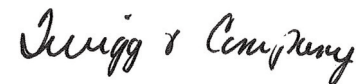
We have made an examination to determine whether Sask Pork complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities during the year ended July 31, 2018.

- The Agri-Food Act, 2004
- The Agri-Food Regulations, 2004
- The Pork Industry Development Plan Regulations, 2013

Our examination was made in accordance with the Canadian generally accepted auditing standards and, accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, Sask Pork has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the year ended July 31, 2018.

November 1, 2018
Saskatoon, Saskatchewan



Chartered Professional Accountants

Independent Auditors' Report

TWIGG & COMPANY

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INDEPENDENT AUDITORS' REPORT

To Saskatchewan Pork Producers:

We have audited Sask Pork's control as of July 31, 2018 to express an opinion as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

Management's Responsibility

The Organization's management is responsible for maintaining effective control over the objectives stated above.

Auditors' Responsibility

Our responsibility is to express an opinion based on our audit as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

(continued on next page)

Independent Auditors' Report

TWIGG & COMPANY

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INDEPENDENT AUDITORS' REPORT

To Saskatchewan Pork Producers:

(continued from previous page)

We used the control framework developed by The Chartered Professional Accountants of Canada ("CPA Canada") to make our judgments about the effectiveness of Sask Pork's control. We did not audit certain aspects of control concerning the effectiveness, economy and efficiency of certain management decision-making processes.

The CPA Canada defines controls as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

We conducted our audit in accordance with the standard for audits of internal control over financial reporting set out in the CPA Canada Handbook - Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance as to effectiveness of Sask Pork's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance, and not absolute assurance, the objectives referred to above may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

Opinion

In our opinion, based on the limitations noted above, Sask Pork's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2018 based on the CPA Canada criteria of control framework.

Independent Auditors' Report

TWIGG & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

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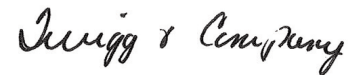
INDEPENDENT AUDITORS' REPORT

To Saskatchewan Pork Producers:

(continued from previous page)

We have also audited, in accordance with Canadian generally accepted auditing standards, the financial statements of Sask Pork, which comprise the statement of financial position as at July 31, 2018, and the statements of operations, change in net assets, cash flows, and schedule of travel expenses for the year then ended, and a summary of significant accounting policies and other explanatory information. We have issued our report dated November 1, 2018 which is the same date as the date of the report on the effectiveness of internal controls.

November 1, 2018
Saskatoon, Saskatchewan



Chartered Professional Accountants

Independent Auditors' Report

TWIGG & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To Saskatchewan Pork Producers:

We have examined the financial statements of Sask Pork for the year ended July 31, 2018 and have issued our report thereon dated November 1, 2018. We have examined the system of internal control as at July 31, 2018 and have issued our report to you dated November 1, 2018. We have also made an examination to determine whether Sask Pork complied with specified legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue-raising, borrowing and investing activities during the year ended July 31, 2018 and have issued our report to you dated November 1, 2018.

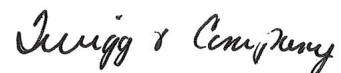
Our examinations were made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. In those instances, if any, that our study and evaluation of internal control disclosed conditions indicating that internal controls were inadequate or not complied with, substantive tests were performed to detect any case in which:

- 1) any officer or employee of Sask Pork has willfully or negligently omitted to collect or receive public money belonging to the Crown;
- 2) there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person;
and
- 3) an expenditure was made which was not properly vouchered or certified.

During the course of these examinations, nothing came to our attention that would indicate to us that:

- 1) any officer or employee of Sask Pork has willfully or negligently omitted to collect or receive public money belonging to the Crown;
- 2) there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person;
and
- 3) an expenditure was made which was not properly vouchered or certified.

November 1, 2018
Saskatoon, Saskatchewan



Chartered Professional Accountants





Sask Pork

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