

Annual Report

2018 - 2019



Sask
PORK

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.

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Chairman's Message



As we look back on the previous year, it seems we are we are truly living in interesting times. Now more than ever, events happening elsewhere across the globe are shaping our markets and the future direction of our industry. These events represent both opportunities and threats.

African Swine Fever (ASF) continues to take its toll globally as the disease continues to spread across land and sea with the Philippines the latest country to acknowledge they have positive pigs. China, the world's largest pork producer, has lost as much as 50% of its pork production leaving a protein deficiency that will take years to recover from. We all know that pork is the main protein source for Chinese consumers and as a result of the major losses from ASF, retail prices have soared with live hogs well over \$400 USD today. The major problem for China going forward is not where the pork will come from (exporting countries are ramping up production in anticipation), but rather the logistics of moving that much pork into the country. There are not enough containers worldwide let alone the infrastructure needed to handle it all. The result will be a shortage for some time and this will be to the benefit of producers here in Canada.

The recent announcement by China to lift the ban on Canadian pork is welcome news and as noted above, poses a great opportunity for producers not only in Saskatchewan but the Canadian industry as a whole. China imposed the ban last June because CFIA export documents had been falsified, leaving Canada on the sidelines. As their need for pork steadily increased over the past year, other countries have taken full of advantage with increased sales and now we're playing catch-up in being re-established as a trusted supplier. This will come, and hopefully exports can resume their upward trend as in the first half of the year which should translate to improved value for producers.

It is abundantly clear keeping ASF out is critically important to our hog industry. All it takes is one pig to be confirmed with ASF anywhere in the country and we will lose our export opportunities overnight. Having said we are fortunate that the prairies is one of the highest health regions in the country if not North America. We know this because genetics companies for example want to locate here for the high health status and in Saskatchewan we are extremely fortunate as PEDv has been found in both our neighbouring provinces, but not here. We must continue to be vigilant in our biosecurity awareness and not let our guard down. We will continue to be rewarded.

This past summer also saw the retirement of Sask Pork's General Manager Neil Ketilson after 17 years at the helm. Neil was a tremendous asset to Sask Pork and represented Saskatchewan interests extremely well at the provincial and federal level. We wish him well in retirement.

Taking Neil's place is Mark Ferguson who many of you know as he has worked for Sask Pork for the past 15 years as an economic analyst. Additionally, Mark has been very active over the years on provincial regulatory issues that have become burdensome for producers. We look forward to Mark continuing to push the interest of Saskatchewan producers along with the strategic vision of Sask Pork forward in these very interesting times.

Casey Smit
Chairman

General Manager's Message



I was honored to have been selected by the Board of Directors to fill the role of General Manager effective August 1, 2019. It is a pleasure to continue to work on behalf of Saskatchewan's hog producers. I've worked with Sask Pork since 2005, and have had the opportunity to get to know most producers in the province in my previous role. I now look forward to new responsibilities and challenges as GM. I would like to thank Neil for his 17 years of service to the pork industry, and wish him all the best in his well-earned retirement.

If there is one theme that dominated nearly every industry discussion, meeting, news article, and presentation over the past year, it is African Swine Fever (ASF). This previously obscure swine virus that had been circulating slowly in Africa and Eastern Europe for many years became front page news when it was reported in August, 2018 that it had been spotted in China. Although there are varying reports, it seems clear that the resultant mortality and preemptive culling has cost China as much as half of their swine herd.

The loss of what amounts to a quarter of the world's herd is big news, and the ultimate impact of this production shortfall on markets will be significant in the coming years. Keeping ASF out of Canada and North America and preparing effective response plans in the event the disease reaches us became a top priority in 2018/2019. Since Canada exports approximately 70% of its pork production, the risk of any foreign animal disease to our industry is huge, and a border closure for any length of time would be devastating.

To this end, we've been working with governments and industry organizations across Canada in a coordinated approach to ASF planning, and have established an emergency plan for Saskatchewan. However, prevention of the disease through biosecurity measures is the #1 priority. From a practical standpoint, this means detecting and eliminating illegal meat imports from ASF positive countries – work that falls to the Canada Border Services Agency (CBSA). Secondly, in my view, establishing agreements with other countries to ensure trade can continue from disease free zones, even from infected countries must be a top priority for our federal government. We achieved such an agreement with the U.S. in May.

Our producers' vigilance and continuous improvements in on-farm biosecurity have paid dividends in terms of keeping the highly infectious PED virus out of Saskatchewan. While most of our units are blessed with generous separation distances from nearby farms, contact with outside personnel, equipment, and transport trailers still pose a daily risk to our farms. Sask Pork introduced a program that will roll out in August, 2019 to provide free biosecurity signage to all farms, and we hope you will take advantage of this opportunity.

Signage is important for another reason, and that is to make the general public aware that it is inappropriate to enter your yard and facility without prior notice and permission. Planned incursions by animal activists onto farms are becoming more prevalent. Improving signage and posting "no entry" or "no trespassing" allows police to actually charge intruders and we encourage all farms to consider adding this to existing signage.

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General Manager's Message

One of the things that has changed so much since I started at Sask Pork is that the internet and social media have become so predominant in our lives as a source of information. News stories, especially bad ones, now unfold at the speed of light. At the barn level, it may not seem like what you do on a daily basis can have national and international interest and significance, but it certainly can. Now more than ever, we as an industry need to maintain our high standards for food safety and animal care. And it's not just about practicing it, it's about documenting and demonstrating your practices day after day, and year after year. Our on-farm programs such as CQA, TQA, Pigtrace, and the new CPE program are our collective defenses against unreasonable and false claims. As an industry, we will continue to promote the value your efforts bring to the supply chain.

Industry Growth and development continues to be a major strategic objective of the Board. To this end, in 2018/2019 we renewed our efforts to promote new barn construction, particularly among existing grain farms. While it will take years to realize the impact, I believe we are raising awareness of the opportunities the hog industry can bring to farms and communities. Of note, over the past year, we've had several new major production units constructed and populated, congratulations to Wheatland Colony, Hypor, and Olymel on your achievements.

Finally, I would like to express my appreciation to the Sask Pork Staff – Kim, Ravneet, and Patty for their dedication to the job and to helping pork producers across Saskatchewan every day. If you have any concerns or thoughts on what we can do as an organization to assist your farm or make your job as a hog producer easier, please let us know.

Mark Ferguson
General Manager

Board of Directors

Sask Pork Directors 2017-2019

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.



Casey Smit
Chairman



Toby Tschetter
Vice-Chair



John Beckton
Audit Chair



Dickson Gould
Director



Curt Kowalchuk
Director



Jay McGrath
Director

Mission Statement

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.

Vision

Helping producers achieve excellence in sustainable and profitable pork production.

Directors & Staff Committee Representation

Staff

Neil Ketilson
General Manager
(306) 343-3504
nketilson@saskpork.com
(retired July 31, 2019)

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

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

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, Ravneet Kaur
CQA®/CPE Provincial Coordinators Group - Ravneet Kaur
Code of Practice for the Care and Handling of Pigs Review Committee - Casey Smit
CPE Management Committee - Toby Tschetter
CPE Technical Group - Ravneet Kaur
CPC CPE National Database Committee - Ravneet Kaur
CPC National Swine Health Initiative - Ravneet Kaur
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 2019 Planning Committee - Kim Browne
Agricultural Producers Association of Saskatchewan - Livestock Committee - Mark Ferguson
Canadian Centre for Health and Safety in Agriculture - Needleless Injector Study - Project Stakeholder Representative - Ravneet Kaur
Farm and Food Care Saskatchewan Board of Directors - Jay McGrath
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

- Manager's Meeting, Winnipeg, MB, August 28, 2018 - Neil Ketilson
- Maple Leaf Meeting, Winnipeg, MB, August 28, 2018 - Neil Ketilson
- Saskatchewan SPCA Conference, Saskatoon, SK, September 18, 2018 - Ravneet Kaur
- National Communications Group Meeting, Winnipeg, MB, September 18-19 2018 - Kim Browne
- Ontario Pork Hedging Meeting, Toronto, ON, September 25, 2018 - Neil Ketilson
- Wheatland Colony Open House - Cabri, SK, September 25, 2018 - Neil Ketilson, Ravneet Kaur
- Ag Experience Agri-Ed School Tours, Saskatoon, SK, October 2-4, 2018 - Kim Browne, Mark Ferguson, Ravneet Kaur
- CWSHIN Fall Meeting, Saskatoon, SK, October 17, 2018 - Ravneet Kaur
- Pork Value Chain Roundtable, Ottawa, ON, October 20-12, 2018 - Neil Ketilson
- CPC Fall Meeting, Ottawa, October 23-24, 2018 - Casey Smit, Neil Ketilson, Toby Tschetter
- Animal Welfare in Saskatchewan, Saskatoon, SK, October 30, 2018 - Ravneet Kaur
- Canada Pork International Shanghai China Mission, November 7-13, 2018 - Neil Ketilson
- Ministry of Agriculture meeting with Honourable David Merit, November 27, 2018 - Casey Smit, Neil Ketilson, Mark Ferguson
- Agricultural Producers Association of Saskatchewan AGM, Regina, SK, November 28, 2018 - Mark Ferguson
- Canada Pork International China Mission, November 28, 2018 - Neil Ketilson
- Agriculture in the Classroom Partner Strategy Session, Saskatoon, SK, December 5, 2019 - Kim Browne
- Farm and Food Care Annual Conference, Saskatoon, SK, December 6, 2018 - Kim Browne
- Banff Pork Seminar, Banff, AB, January 8-10, 2019 - Neil Ketilson, Toby Tschetter, Dickson Gould
- NIS Stakeholders Advisory Group Meeting, Saskatoon, SK, January 14, 2019 - Ravneet Kaur
- Farm Credit Canada Conference, Ottawa, February 11-14, 2019 - Neil Ketilson
- Canada Pork International Conference, Ottawa, ON, February 21, 2019 - Neil Ketilson
- Cramer Livestock Show - Swift Current, SK, February 21, 2019 - Mark Ferguson, Toby Tschetter
- Ag Expo, February 27-March 1, 2019 - Toby Tschetter
- SARM Annual Convention, Saskatoon, SK, March 12-14, 2019 - Mark Ferguson
- University of Saskatchewan Agriculture Student Lectures, March 2019 - Mark Ferguson
- Ontario Pork Annual General Meeting, Guelph, ON, March 19, 2019 - Neil Ketilson
- Olymel hosted African Swine Fever Preparedness Meeting, Winnipeg, MB, March 27, 2019 - Casey Smit, Ravneet Kaur,
- Saskatchewan Ministry of Agriculture Livestock Development Consultation, Regina, SK, March 28, 2019 - Casey Smit, Neil Ketilson, Mark Ferguson

Directors & Staff External Activities

- Saskatchewan Ministry of Agriculture Livestock Development Steering Committee, Regina, SK, March 29, 2019 - Mark Ferguson
- Agricultural Producers Association of Saskatchewan (APAS) Policy Conference, April 2-3, 2019, Saskatoon, SK - Mark Ferguson
- Canadian Pork Council Spring Meeting - Ottawa, ON, April 9-10, 2019 - Casey Smit, Neil Ketilson
- Prairie Swine Centre Producer Meeting, Saskatoon, SK, April 10, 2019 - Ravneet Kaur,
- Manitoba Pork Council Annual General Meeting, Winnipeg, MB, April 11, 2019 - Toby Tschetter, Dickson Gould
- StatsCan Advisory Meeting, Ottawa, ON, April 10-11, 2019, Mark Ferguson
- Agriculture in the City - Saskatoon, SK - April 22, 2019, Kim Browne, Ravneet Kaur
- Sask Pork Producer PEDV Meeting, Rosetown, SK, April 25, 2019 - Toby Tschetter, Ravneet Kaur
- Ministry of Agriculture Public Trust Meeting, Saskatoon, SK, April 26, 2019 - Kim Browne
- Saskatchewan Agriculture Hall of Fame Awards, April 27, 2019 - Neil Ketilson, Kim Browne
- African Swine Fever Forum, Ottawa, ON, April 30-May 2, 2019 - Neil Ketilson
- Saskatchewan Agri-Value Forum & Networking 2019, Saskatoon, SK, May 2, 2019 Mark Ferguson
- African Swine Fever Emergency Planning Meeting, Saskatoon, SK, May 21, 2019 - Neil Ketilson, Mark Ferguson, Ravneet Kaur
- SPI Consultation, Davidson, SK, May 22, 2019 - Mark Ferguson
- SARM Meeting, Regina, SK, May 23, 2019 - Neil Ketilson, Mark Ferguson
- Agriculture Development Fund (ADF) LOI Meeting, Saskatoon, SK, May 30, 2019 - Mark Ferguson
- Canadian Meat Council Annual Conference, Niagara Falls, ON, June 3-4, 2019 - Neil Ketilson
- PIC Open House, Percival, SK, June 5, 2019 - Ravneet Kaur
- CFIA ASF Preparedness Meeting Winnipeg, MB, June 18, 2019 - Ravneet Kaur
- Western Hog Exchange Producer Meeting, June 19, 2019, Swift Current - John Beckton
- Wild Boar Symposium, Saskatoon, SK, June 20, 2019 - Ravneet Kaur
- Farm and Food Care SK Farm to Fork Food Influencer Tours, June 25-27, 2019, Kim Browne, Ravneet Kaur
- Traceability Workshop, Toronto, ON, June 26, 2019 - Mark Ferguson
- Animal Health Emergency Management (AHM) Awareness and Planning Meeting, Regina, SK, July 9, 2019 - Ravneet Kaur
- AG in Motion Show, Langham, SK, July 16-18, 2019 - Mark Ferguson, John Beckton, Toby Tschetter, Ravneet Kaur, Kim Browne
- Thunder Creek Pork Producer Open House, Moose Jaw, July 16, 2019 - Neil Ketilson, Ravneet Kaur
- CPC Made in Canada Hog Price Meeting, Montreal, PQ, July 18, 2019 - Neil Ketilson, Dickson Gould
- Pacific Northwest Economic Region Conference Agri-Food Sector Emergency Planning session, Saskatoon, July 24, 2019, Neil Ketilson

Governance

2018 Annual General Meeting

The AGM was held in Saskatoon on December 19 at the Heritage Inn. About 60 producers, industry representatives were in attendance. Three Resolutions were brought forward at the meeting.

Resolution #1

That Twigg and Company Chartered Accounts be appointed as auditors for the 2018-2019 Fiscal Year.

MOVED J. Beckton/ T. Tschetter

Carried

Resolution #2

Whereas there are large numbers of producers in the southern part of the province:

Be it resolved that the annual Sask Pork meeting be moved to Swift Current.

MOVED S. Waldner / H. Stahl

Carried

Resolution #3

Whereas the CQA program is being phased out as of January 1, 2019, and that producers are being asked to participate in the new, more onerous Canadian Pork Excellence Program;

Be it resolved that Sask Pork will only support the transition of producers onto the CPE program when all federal packers have agreed to pay an additional \$9.00 per head for CPE validated hogs.

MOVED P. Hofer / Herbie Stahl

Carried

Industry and Policy Development

Industry Development

Sustainable industry development and growth was prioritised under Sask Pork's 2018 Strategic plan. Throughout 2018/2019, this program area was a major focus with efforts focused on developing communication and display tools; promoting the value of manure; and continuing to work towards an improved permitting and regulatory environment for hog barns in the province.

Sask Pork retained a marketing firm, (William Joseph) to assist in developing communication tools to assist in promoting the industry and the benefits of establishing hog operations to communities, grain farms, and the wider provincial audience. A focus of communication efforts is promoting the value of hog manure.

Several new hog production units were constructed and populated over the past year. Congratulations to Wheatland Colony, Hypor (Bon Accord Nucleus), Olymel (Eagle Creek) and PIC (Boar Stud Aurora GTC).

Manure Nutrient Demonstration

Sask Pork coordinated a manure demonstration plot at the Ag in Motion Show in Langham in July 2019. This project was intended to provide a visual demonstration of the impact of hog manure applied at various rates on several different crops. The demonstration facilitated Sask Pork in connecting with grain producers and promoting the value of manure and the industry with producers and the general public.

Sask Pork contracted the Prairie Agriculture Machinery Institute (PAMI) to apply hog manure at the site and seed and maintain the plots. Some work was required on the Sask Pork manure injection tanker to get it in an operational state after a few years of disuse.

Manure was applied at 4,000 gal/acre and 8,000 gal/acre along with a check strip with no manure. Three different crops were planted:

Wheat, Barley, and Canola. Dry conditions at the site posed an agronomic challenge at the site throughout the spring, but the plots looked great for the show, showing a typical response to the manure application.

Mark Ferguson, Ravneet Kaur and director John Beckton hosted the display.



Industry and Policy Development

Barn Permitting and Regulatory Environment

In response to concerns raised by livestock groups, The Ministry of Agriculture established the livestock development steering committee in 2018. The main goal of the committee, which is comprised of members of the municipalities, livestock sector, government, and community planners is to identify ways to improve the approval process. 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.

Sask Pork also contributed to the review of the Statements of Provincial Interest (SPI) regulations in 2018/2019. SPI legislation grants the Minister of Government Relations broad powers with regards to approving RM bylaws, and could be used to ensure that ILO development bylaws are reasonable, and proposals receive fair consideration by RM councils.

Sask Pork attended a consultation session on May 22, 2019 and has 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 operation similar to the process in Alberta.

Sow Conversions

Over the last few years, several packers and retailers have committed to source their pork exclusively from stall-free systems in the future. Additionally, the Canadian Code of Practice for the care and handling of pigs (2014), requires that, as of July 1, 2014, all new holdings, newly built, rebuilt or brought into use for the first time must house mated gilts and sows in groups.

In order to meet the increasing market demands and requirements set out in the Code of Practice, the Canadian sow herd is now under transition. It is estimated around 20-40% of sows are now housed in group sow housing systems and by 2024, the majority of sow barns will have converted to groups across Canada.

Saskatchewan pork producers have been actively transitioning to Group Sow Housing systems and in 2019 there were 43,500 sows managed in groups. Several farms are currently rebuilding or undergoing renovations and some have committed to moving to group sow housing over the next next couple of years.

Given our significant progress, industry members of the National Farmed Animal Health and Welfare Council (NFAHWC) are exploring the options regarding sow exercising and extending the final date for conversions.

Export and Trade

Canada annually exports pork products to over 100 countries. Export sales account for nearly 70% of the pork produced in the country. In 2018, Canada exported a total of approximately 1.26 million tonnes of pork with a value of \$3.9 billion.

Japan surpassed The United States in 2018 as Canada's top market for pork in terms of total dollar value with \$1.27 billion in sales. The U.S. continues to be Canada's largest market for pork in terms of Quantity with nearly 347,000 tonnes shipped. Exports to China declined by 9% in 2018, though China remained our second largest market for pork in terms of the total quantity exported. Exports to Mexico increased by 29%, while exports to South Korea increased by 19%.

2018 Top Export Markets

<i>Country</i>	<i>Value (Thousands)</i>	<i>Quantity (Tonnes)</i>
Japan	\$1,274,603	264,636
United States	\$1,254,726	346,834
China	\$514,334	283,216
Mexico	\$251,643	152,581
South Korea	\$158,576	45,054

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 2018/2019. 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:

Canada-United States-Mexico Agreement (CUSMA)

CUSMA is the result of a 2017–2018 renegotiation of the North American Free Trade Agreement (NAFTA) by Canada, Mexico, and United States. The agreement was signed on November 30, 2018, though each country must still formally ratify the agreement.

The result of the negotiations basically maintained the status quo for swine and pork trade in North America and retention of a dispute resolution system similar to that included in NAFTA. Some of the more prominent changes to the agreement include giving US dairy farmers greater access to the Canadian market, and guidelines to have a higher proportion of automobiles manufactured amongst the three nations rather than imported from elsewhere.

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 that was originally signed in February, 2016, and was subsequently renegotiated after the United States withdrew in January 2017. The agreement was signed in March, 2018 and came into force in December, 2018.

The CPTPP 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.

Swine Health

African Swine Fever

African swine fever (ASF) is a contagious viral disease that only affects pigs (all ages). Given the threat the disease poses to global agriculture and trade, it is a federally reportable disease in Canada and must be reported to the World Organisation for Animal Health (OIE) within 24 hrs of confirmation of a positive case.

ASF has never been found in Canada, but is routinely found in several African countries and since 2007 the disease has spread to Central Asia including China and to several European countries. As there is no effective vaccine or treatment for ASF, the best strategy is preventing the entry of the virus into Canada.

North America is currently free of the disease and all areas of the pork value chain at the international, national and domestic levels are cooperating. A strong relationship between industry and the veterinary community will be key to keeping ASF out of Canada.

The Canadian Pork Council (CPC), Canadian Food Inspection Agency (CFIA), provincial pork agencies, the processing sector and regional government agencies participate on numerous steering committees and working groups to address all aspects of this disease.

International

Domestic Zoning Preparation

- An Industry-government working group comprised of the Canadian Pork Council (CPC), Canadian Meat (CMC), Canada Pork International (CPI), Global Affairs Canada, CFIA and Agriculture and Agri-Food Canada (AAFC) is pursuing a coordinated approach to zoning in Canada.

- Canada submitted a self-declaration of freedom from ASF to the OIE. It has been approved and is published on the OIE website. This allows Canada to submit information to show that we have been historically free of this disease.
- Canada has bilateral zoning agreements with the US and European Union. Similar bilateral zoning discussion with our other important trading partners such as Japan are ongoing.

Domestic

Feed Ingredient Imports

- The Government of Canada has imposed changes to import requirements for unprocessed grains, oilseeds and associated ingredients destined for use in livestock feed because of the risk that they could be contaminated with ASF.

Border Security Measures

- To minimize the chances of introducing the virus into Canada, CPC and CFIA are working with the Canada Border Services Agency (CBSA) to increase precautionary measures at the border, increase traveller awareness and enhance surveillance of incoming flights from high-risk countries.
- Additional detector dogs are being used to focus specifically on flights/cargo coming from ASF affected countries. CFIA is not actively testing meat seized at Canadian borders for ASF. It is all considered to be contaminated and is destroyed.
- There are also public communications campaigns directed at international travellers who may be visiting regions where ASF is present to educate them on the potential risk from bringing illegal and potentially infected pork products into the country.

Swine Health

ASF Communications

CPC, CFIA and the provincial pork boards have been sharing resources developed for the travel industry; commercial hog producers; small-scale producers and pet owners about the threat of ASF, and these have been distributed.

Wild Pigs

CFIA, CPC and Environment and Climate Change Canada are collaborating on a strategy to manage the threat posed by wild pigs on the habitat and transmitters of disease in Canada.

African Swine Fever Forum - Ottawa April 30 to May 1, 2019

The objective of the meeting was to enhance regional cooperation in the prevention and mitigation of the impact of ASF in the Americas. A revised framework for action to prevent and mitigate the impacts of ASF in the Americas has been released.

CPC alongside industry and government representatives of Canada and the US participated at the Agri-Food Sector Emergency Planning session during the the conference. ASF surveillance, biosecurity and movement control was discussed.

National ASF Committees and Working Groups

- Executive Management Board: Industry and Government collaboration on working towards a Pan-Canadian ASF Action Plan
- National Emergency Response Team (NERT)
- Biosecurity Working Group
- Wild Pig Working Group
- Humane Depopulation Working Group
- Surveillance Working Group
- Zoning Industry-Government Working Group

African Swine Fever/Foreign Animal Disease Outbreak (ASF/FAD) Preparedness Workshop on May 21st, 2019, Saskatoon, SK

Recognising the severity of the impact of such a disease outbreak on the pork sector, Sask Pork hosted this workshop. Attendees included representatives from the CFIA, Saskatchewan Ministry of Agriculture, Prairie Diagnostic Services, producers, and veterinarians.

The primary goal of the meeting was to assess our preparedness, establish roles and responsibilities for the sector partners, brainstorm action plans, recognize and resolve gaps. It was important to identify what the sector will look like after an ASF/FAD event if the disease is confirmed in the USA, BC, Ontario or Western Canada / Saskatchewan.

Animal movements, feed, reproduction, euthanasia, producer communications etc. in the event of an ASF/FAD occurrence were discussed in detail and a preliminary ASF industry emergency response plan was drafted.

Committees/Working Groups Sask Pork participates on:

NEOC (CFIA/ACIA) - An informal forum for sharing information on preparedness/response activities at a local, regional and national level for the purpose of awareness.

CFIA Communications Working Group - CFIA public affairs staff share current information and ongoing initiatives with provincial pork agencies communications staff.

Western Area ASF steering committee CFIA, provincial governments (BC, AB, SK, MB and provincial pork boards. There are four working groups: Destruction and disposal; Event management and communication; Permits and zoning; Market and financial assistance.

Swine Health

Enhanced Porcine Epidemic Diarrhea Virus and Swine Delta Corona Virus (SDCoV)

Saskatchewan farms remained free of Porcine Epidemic Diarrhea (PEDv) in 2018/2019. The on-farm, transport, and market biosecurity efforts by all stakeholders has prevented the introduction of this costly disease.

Sask Pork administers the PED and SDCoV Surveillance program which is funded by the Government of Saskatchewan. Registered Veterinary Technologists, Tamara Mcloughlin and Susan Armstrong are contracted to collect samples at two primary high-traffic sites; a deadstock assembly site, the other an abattoir. Additional sites tested include feed mills, truck washes, abattoirs, and some transport vehicles. 278 samples were submitted to Prairie Diagnostic Services for testing.

Positive samples of Swine Delta Corona Virus (SDCoV) were obtained in the *environmental samples* at two different sites in Saskatchewan in January, followed soon after by a positive sample from a transport trailer.

There is no evidence that SDCoV is present in swine in Saskatchewan at this time. 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.

The Board of Directors and the Saskatchewan Ministry of Agriculture have established a PEDV Contingency Fund to help cover costs for the isolation, treatment, eradication and clean-up of the first break of PEDV on a Saskatchewan farm. This contingency fund was established to assist in preventing the further spread of the disease by working with the affected farm in funding incremental costs associated with the PEDv outbreak.

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

Sask Pork held a *PEDV Producer Information Session* on April 25 in Swift Current. 55 producers attended the session that covered:

- Canadian swine health disease prevention initiatives: Neil Ketilson and Ravneet Kaur;
- Manitoba's history with the 2017 PEDv epidemic: Karine Talbot, DVM, HyLife Foods;
- On-farm Biosecurity: Dr. Henry Gauvreau, DVM Warman Veterinary Services;
- PED environmental surveillance program results: Wendy Wilkins, DVM, Saskatchewan Ministry of Agriculture.

Wild Boar Eradication Initiative

Sask Pork is collaborating with the Saskatchewan Crop Insurance Corporation and Dr. Ryan Brook (University of Saskatchewan) to promote the wild boar control program in the province.

Dr. Brook has been conducting ongoing research on free-ranging wild pigs and reports that numbers have increased dramatically over the past 30 years. These animals pose significant risks to agriculture and specifically to domestic swine production.



Photo courtesy Dr. Ryan Brook, U of S

Producer Services / On-Farm Programs

To assist with collecting data on wild pig populations, Dr. Brook submitted a proposal to Sask Pork for partial funding to purchase 100 additional trail cameras.

50 would be located where pigs have not yet been detected but are likely to occur to support removal efforts and 50 additional cameras would be placed in areas known to have wild pigs to study the distribution and abundance of animals in these regions. The photos taken in these areas will help estimate populations and determine whether numbers are increasing or decreasing.

Sask Pork will be developing a public education billboard campaign in the winter of 2019 aimed at encouraging the public to report any sightings of boar to a tipline or their local crop insurance office.

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

- Saskatchewan has 148 registered units participating in the CQA® and ACA® programs, which include all hogs sold to federal slaughter plants.
- The Canadian Pork Excellence (CPE) program with PigSAFE (food safety), PigCARE (animal welfare) and PigTRACE (traceability) components was launched in April 2019.
- The mandatory in-person Canadian Pork Excellence (CPE) Validator training was completed in January 2019.
- CQA/ACA program will phase out completely by the year 2022.
- The Canadian Ractopamine-Free Pork Certification Program (CRFPCP) continues.

Transport Quality Assurance (TQA®)

This year Sask Pork held 1 in-person TQA certification session with 9 attendees, plus an additional 60 through online training. Version 6 of the program was launched in March 2017, and allows the option of online training for all trainees including new ones.

Livestock Emergency Response

The fourth Livestock Emergency Response Unit has been deployed at Rama near Yorkton. The remaining units are located at: Humboldt, Moose Jaw and Unity.

Traceability

Sask Pork continues to provide support for the PigTrace program on behalf of the Canadian Pork Council for producers in Saskatchewan.

Our primary responsibility is registering new producers, production units, and 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 2018/2019 Sask Pork registered/created new PigTrace accounts for approximately 55 new premises. In this time period, 23,669 movement events involving Saskatchewan farms or premises were entered into PigTrace. These movement events accounted for the movements of 5.3 million individual animals.

Saskatchewan producers are to be commended for their active commitment and participation in this program.

Pork Industry Awards 2018

The Lifetime Achievement Award for *Dedicated Service and Commitment to Saskatchewan Hog Producers* was presented to Dr. Mark Jacobson of Warman Veterinary Services in Saskatoon who will be retiring from WVS.

Jay McGrath of Sinnett Pork Farms made the presentation acknowledging Dr. Jacobson's 25 years of valued service, counsel, dedication and friendship to Saskatchewan hog producers.

A special presentation was also made by Mark Wipf of Sovereign Colony, on behalf of the hog producing Colonies, industry suppliers and producers Dr. Jacobson served over the years. He was presented with a commemorative clock crafted by Kyle Colony and engraved by Goldenview Colony.

The Lifetime Achievement award for *Visionary Leadership and Contributions to the Pork Industry* was presented to Lee Whittington, past CEO of the Prairie Swine Centre (PSC).

The award was co-presented by Dr. Harold Fast of Fast Genetics and Dr. John Patience, Iowa State University.

Lee retired earlier in 2018 after a 25 year career with the Prairie Swine Centre. He joined the Centre in 1992 as director of Technology Transfer. He became President/CEO in 2008, managing operations, and maintaining an international brand for applied research in pork production. He has been an untiring spokesperson for the pork industry and the University of Saskatchewan.



Pictured L to R: Jay McGrath, Marilyn Jacobson, Dr. Mark Jacobson



Pictured L to R: Grace Whittington, Lee Whittington



Pictured L to R: Marilyn Jacobson, Dr. Mark Jacobson, Mark Wipf



Pictured L to R: Dr. John Patience, Lee Whittington, Grace Whittington, Dr. Harold Fast

Communications / Public Education

Pork Industry Symposium 2018

The 41st Pork Industry Symposium was held November 14-15, 2018 in Saskatoon with 279 people attending over the two days. Speakers from across Canada and the U.S. presented production related topics as well as more global focussed presentations that included advocating for agriculture, global trade and the economics of pork production in North America.

Agriculture in the City 2019

The eighth annual Agriculture in the City was held at the Lawson Heights Mall, Saskatoon, Saskatchewan, on Saturday April 13, 2019.

The goal of Ag in the City remains consistent: to educate urban audiences about agriculture, identifying connections between farming and food for those who have no other direct contact with agriculture and food production.

Kim Browne has been a member of the planning committee since the event began in 2011 and coordinates the Animal Agriculture Zone.

The event strategy is developed and executed by a collaborative group of key stakeholders. In 2019, funding previously provided by the Ministry of Agriculture and AAFC, through the Growing Forward II/Canadian Agricultural Partnership program, was not available.

The event became a project of Farm & Food Care Saskatchewan (who also receive cost-shared funds), with AAFC and the Ministry of Agriculture remaining on the steering committee.

AgExperience School Tours - Prairieland Park

Sask Pork hosted the pork display October 2-4, 2018 at Prairieland Park. Presentations were made to 36 grade 4/5 classrooms (700 students) 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.

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 more than 1000 students each year.

University of Saskatchewan Science Ambassador Program

Sask Pork supported this initiative this summer providing resources for U of S graduate students Khalil Sahtout and Akinola Williams Ogbeyemi who had the opportunity to work as Science Ambassadors in northern Saskatchewan.

From May 6-June 6, 2019 they provided students with a wide spectrum of information on animal agriculture.

Khalil specifically covered hog production and was able to adapt our AgEd resources to lesson plans. The students thoroughly enjoyed this amazing experience and Khalil indicated his involvement has led to him working towards establishing an agriculture focussed academy in the north.

Communications / Public Education

Ministry of Agriculture - Public Trust

Sask Pork participates in the Saskatchewan Ministry of Agriculture's Ag Communicators group who represent the province's commodities and advocacy groups. In 2019, the Ministry launched its Public Trust Strategy focussing on building public trust of agriculture.

This is a key component of the Province's *Saskatchewan Plan for Growth* which was developed to "improve the quality of life for all Saskatchewan people and allow producers access to tools and technologies they need to be sustainable and competitive. It also supports science-based policy and decision making."

The three pillars of the Public Trust Strategy are:

Pillar 1 - Doing the Right Thing encourages ag industry support to adopt best practices

Pillar 2 - Effective Assurance ensuring regulatory and non-regulatory assurance programs are in place. This pillar is about safeguarding the public interest.

Pillar 3 - Awareness and Engagement telling the story of agriculture, i.e., its contributions to the economy; role in feeding the world; and environmental stewardship.

Sask Pork also partners with Farm and Food Care Saskatchewan and Agriculture in the Classroom on projects that further public education including the annual Farm to Fork Tours and Ag-Experience student education tours.

Social Media

Sask Pork continues to work on building a greater social media presence on Facebook, Twitter and Instagram to reach consumers and industry.

Social media engagement numbers are averaging about 516 Twitter followers. Facebook engagements are down slightly with Instagram increasing significantly over the last year.

Farm Biosecurity Signage

New biosecurity signage have been designed and include a set of Controlled Access and three Restricted Access signs for each registered premise. These will be made available to farms in the fall of 2019.



Communications / Media

Farmscape Radio Program

Farmscape, hosted by Bruce Cochrane, has been broadcasting for 20 years. In 2019 there was a change in the funding of the program with Sask Pork and Manitoba Pork no longer sharing the cost. Farmscape is now sponsored by:

- Canadian Centre for Swine Improvement (CCSI)
- Centre de développement du porc du Québec (CDPQ)
- Prairie Swine Centre (PSC)
- Polar Pork Farms
- Sask Pork
- Swine Innovation Porc
- University of Saskatchewan

Bruce continues to provide media services for Sask Pork, at Saskatchewan Pork Symposium and Banff Pork Seminar.

Content is available on-line and through email subscription:

<http://www.farmscape.ca/f6Subscribe.aspx>

Radio Advertising

Saskatchewan Rush Lacrosse Club - 2018-19 Broadcast Partner with commercials airing during pre-game shows on 98Cool FM radio December 2018 through to April 2019.

Print Advertising



Western Producer Ag In Motion Feature - July 2019



Adding Value to Crop Production

Hog manure is a cost effective, sustainable and natural fertilizer. This valuable by-product has a high N-P-K nutrient profile making it ideal for any crop!

Ask us how we can add value to your grain operation! For the full story, see our manure nutrient demo at Ag in Motion July 16, 17 & 18 and visit saskpork.com.



Consumer Promotion

Consumer Advertising

Sask Pork continues its advertiser/sponsor relationship with the “*Cooked with Shack*” TV program hosted by Mark “Shack” Loshack that airs on Shaw TV in Saskatchewan.

The pork recipes developed and featured on the program this year:

- Pulled Pork Cottage Pie
- Pork Wellington
- Mushroom and Bacon Stuffed Pork Chops
- Orange Ginger Pork Tenderloin
- Ginger Garlic Sticky Pork
- Italian Meatballs and Pasta
- Pork Stuffed Puffed Pastry

The episodes featured beef and chicken recipes that all included bacon!

SAABA Body Building Championships

SABBA is recognized under the CBBF, which is the only nationally recognized federation providing events provincially and nationally for bikini, bodybuilding, figure, fitness and physique competitors.

As a sponsor, Sask Pork distributed pork nutrition information for attendees and competitors and an ad in the program.

PORK is a *NATURAL* Source of Protein

Protein is vital to every cell in the body

- repairs body tissues
- builds enzymes, hormones and muscles
- supports the immune system
- regulates chemical reactions in the body
- helps form blood cells
- provides energy


Optimizing Muscle Growth

Estimates are that 25 to 30 grams of high-quality protein foods at breakfast, lunch and dinner gives adults the best chance to maintain or improve muscle mass. This can be maximized by ensuring regular physical activity.

Healthy amounts of both animal and plant proteins improve diet quality and have complementary benefits when eaten together.



DID YOU KNOW. Pork tenderloin is as lean as boneless, skinless chicken breast.



Recipes and nutrition info visit saskpork.com

Canada's Food Guide

In January 2019, Health Canada released the updated guide that further reduced the recommended servings of red meats in favor of plant based options for protein sources.

While red meats are still included in the new Food Guide, Mary Ann Binnie, Nutrition Manager with the Canadian Pork Council spoke to media on behalf of the pork industry to stress the importance of red meats in the diet, particularly the essential vitamins and minerals found in pork.

She also expressed concern that Canadians might interpret this new version as a recommendation to reduce meat consumption in favour of plant based proteins which could lead to deficiencies affecting mental health and



Canada's Food Guide Image
Health Canada - 2019

energy.

Consumer Promotion

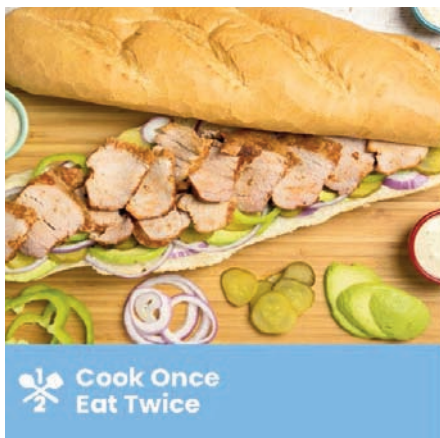
Recipes

New recipe cards were printed in April 2019 with a cook once-eat twice theme.

Blue Sky Ideas also provided recipe development support for 3 additional entertaining recipes.

- Pork Osso Buco - Slow Cooker Recipe
- Roast Loin with Apple and Walnut Stuffing
- Candied Pecan Bacon

A Charcuterie Board video was produced and posted in April at saskpork.com



Cuban Styled
Lunch Loaf



Follow us - @PickPorkSK



Cook Once
Eat Twice



Pork
"Thai Fry"



Follow us - @PickPorkSK



Cook Once
Eat Twice



Italian
Pork Sausage
Sheet Pan Dinner



Follow us - @PickPorkSK



Easy
Weeknight Meal



Thai Styled
Pork & Ginger
Soup



Follow us - @PickPorkSK



Cook Once
Eat Twice

Marketing Resources

The Board of Directors approved a marketing project with William Joseph Agency in 2018 to produce resources that would enhance Sask Pork's brand and also help further the Growth Strategy set out in the 2018 Strategic Plan. Pop-up display banners and industry factsheets were produced as part of this collaboration.

Helping Producers Achieve Excellence in Sustainable and Profitable Pork Production

Ask us about the opportunities at saskpork.com

Hog Manure is a Valuable Source of Organic Nutrients

Learn the benefits of hog manure at saskpork.com

Investing in our Rural Communities

Learn the economic benefits of hog production at saskpork.com

SASKATCHEWAN – AN IDEAL PLACE TO RAISE HOGS

Our province's vast arable land base and access to locally grown feed grains make Saskatchewan a great location for hog production.

On top of that, being centrally located, Saskatchewan producers have access to four major pork processing plants in western Canada.

1.8 million pigs are marketed to western Canadian processors annually

Over 450,000 more pigs are exported to the U.S. each year

70% of Canadian pork is exported to more than 100 countries globally

HOG MANURE – VALUABLE, NATURAL FERTILIZER
RAISING HOGS CAN RAISE THE VALUE OF YOUR FARM

- Prices for synthetic fertilizer products have increased significantly in recent years. As a result, many farmers are taking a second look at how liquid hog manure can replace or supplement high-priced synthetic fertilizer in their production systems.
- Liquid swine manure is essentially a valuable nutrient package. It contains significant quantities of nitrogen (N), phosphorus (P), potassium (K), and sulphur (S), along with micronutrients copper, manganese, and zinc – All the essentials required for a healthy and high-yielding crop.
- Manure is typically injected into the soil in the early spring before seeding, or the late fall after harvest through a drag-hose system by custom applicators. Injection conserves nutrients by locking them deep in the soil, having the nutrients applied prior to your seeding operation saves both time and money at seeding time!
- Not all of the nutrients in swine manure are available the year of application. Organic N and P in particular are mineralized over time as the organic material (solid) decomposes. Studies have shown long-term manure application can build up healthy P and K levels in the soil resulting in little need for supplementation with synthetic fertilizer, even in years where no manure is applied.
- Most producers tend to apply manure on a 2-3 year rotation to minimize application costs.
- An 8000 Gal/Ac application will provide approximately \$245/acre of nutrients; however, the cost to apply these nutrients will be around \$95/acre so the net value is \$150/acre – not including the value of micronutrients.

2500-head finisher barn produces 1.8 million gallons of manure every year

Enough to fertilize 884 acres of crop if applied on a 3-year rotation

Creating a net value of over \$35,000 in fertilizer

Sponsorship / Donations

Saskatoon Rotary RibFest - August 3-6, 2018 - trophy sponsor in Pork category and display banners at the event. Ribfest attracted 19,000 patrons and raised \$30,000 for agencies supporting First Nations literacy and education programs.

Olymel "Feeding the World" fundraiser - September 7, 2018, Humboldt - provided sponsorship, recipes and promotional items.

YXEATS Week and Evening in the Village Gala - September 5-9, 2018. Annual Riversdale district event showcasing local food and restaurants. Sask Pork was matched with Picaro for the gala where they featured a cherry smoked bacon arancini appetizer and latin porcetta stuffed with Saskatchewan pork loin. 14 additional restaurants featured pork dishes on their menus throughout the week long event.

Read Saskatoon annual PGI golf tournament supporting literacy - August 27, 2018. Provided sponsorship, promotional items and resources. Pork was served at the BBQ and more than \$63,000 was raised at the event.

Christy Winquist with Farm Credit Canada made a classroom presentation on Saskatchewan livestock production in Lumsden, SK on September 2018. Provided Agri-Ed resources for students.

Saskatchewan Hutterian Educators Association Annual Conference - September 27-28, 2018, in Lloydminster. Provided sponsorship and AgriEd resources.

SHETA & ASHE (Home Economics Teachers Conference) September 27-28, 2018, Lloydminster - Sponsorship and resources.

Grace United Church - local community cooking classes - October 2018, Lloydminster. Provided promotional items and consumer resources for 20 registrants.

Preeceville School Breakfast Cafe - October 15-19, 2018. Sponsorship, resources and display items for 13-18 year old students for Agriculture and Health Science 20 project during Ag Month.

APAS (Agricultural Producers Association of Saskatchewan) AGM - November 27-29, 2018-Regin - Sponsor and promotional pens

Canada Pork International Annual Conference February 21, 2019 - Toronto - Bronze sponsor

Goodeve Community Pig Roast and Cabaret November 3, 2018 - Fundraiser for local community centres. Provided items for silent auction and door prizes.

Telemiracle 43 - March 2-3, 2019, Saskatoon. Sponsor of volunteers meals for the event.

Saskatchewan Health Authority Kidney Wellness Fair at St. Pains Hospital March 14, 2019

Prairie Pooches Rescue Inc. - Fundraiser March 23, 2019 - Donated Gift Basket for silent auction.

Saskatchewan Amateur Bodybuilding Provincial Championships, April 27, 2019, Saskatoon. Sponsorship and nutrition resources provided for competitors.

Saskatchewan Kidney Walk May 25, Saskatoon Pork nutrition resources and promotional items.

Soroptimist International Annual Fundraiser "Home Town Heroes" - May 28, 2019 - Saskatoon Pork recipes and sponsorship of the "Home Town Heroes" event that feature pork entrees and appetizers.

Great Saskatchewan Bacon Festival - June 15, 2019 - Kipling - Trophies and bronze level sponsor.

Saskatchewan Outstanding Young Farmers Program 2018 - June 20, 2019 - Regina

Sponsorship / Donations

Ronald McDonald House 34th annual Ladies Golf Classic - June 24-25, 2019 - Sponsored pork for the barbecue and provided pork resources for 150 golfers.

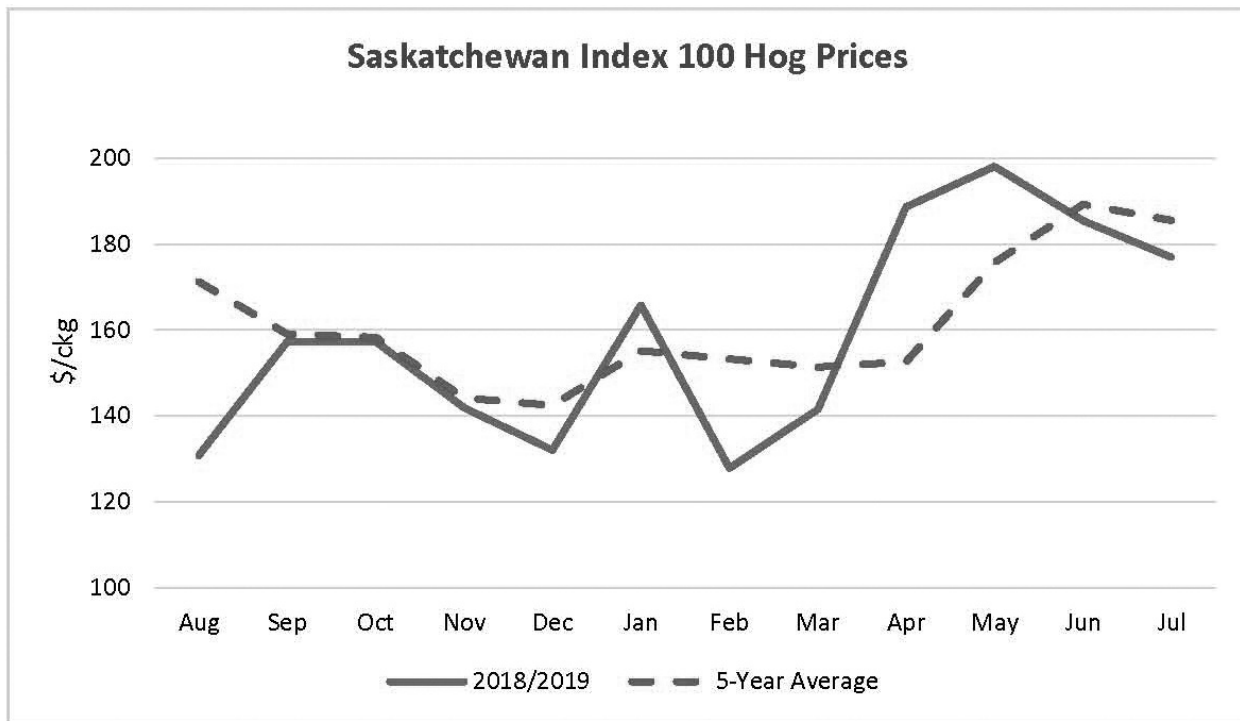
2019 Rhythm 'n Ribs July 26-28, 2019, Yorkton - The Health Foundation of East Central Saskatchewan. The event raised funds for new mamography equipment for the Yorkton Regional Hospital.

Rosetown Speed Swimming Provincial Finals July 27-28, 2019. Sponsored the Pork lunch for the event which attracted more than 500 competitors and spectators over the two days.

Statistics and Trends

Tariffs, trade issues and ASF were the main factors contributing to a tumultuous and somewhat disappointing year for hog prices. Between August 2018 and July 2019, index 100 hog prices in Saskatchewan averaged \$158.64/kg, which was very similar to the previous three years, and below the 5-year average of \$161.50/kg. Prices during the fall and winter months were weakened by a combination of increased U.S. hog marketings, significant quantities of pork entering the Chinese market as a result of preventive herd culling due to ASF in China, and Chinese and Mexican tariffs on U.S. Pork. Prices for the year rallied in the spring with a peak of \$198.05/kg reached in May, which is one month earlier than the typical seasonal trend.

Chinese tariffs of 62% on U.S. pork imports were imposed in July, 2018 and remained in place for the entire year. In late May, U.S. pork gained relief from a 20% retaliatory duty imposed by Mexico in mid-2018, in response to U.S. tariffs on steel and aluminum. These tariffs basically weakened U.S. pork and hog markets which were already struggling to absorb higher volumes of U.S. pork. Due to the Canadian industry's use of formula pricing via U.S. hog markets, Canadian hog producers have been battered by these trade wars more severely than our U.S. counterparts since the Canadian industry did not receive any targeted assistance. The U.S Government provided U.S. hog producers with a payment of \$8/hog in inventory in 2018 and \$11/hog for 2019.



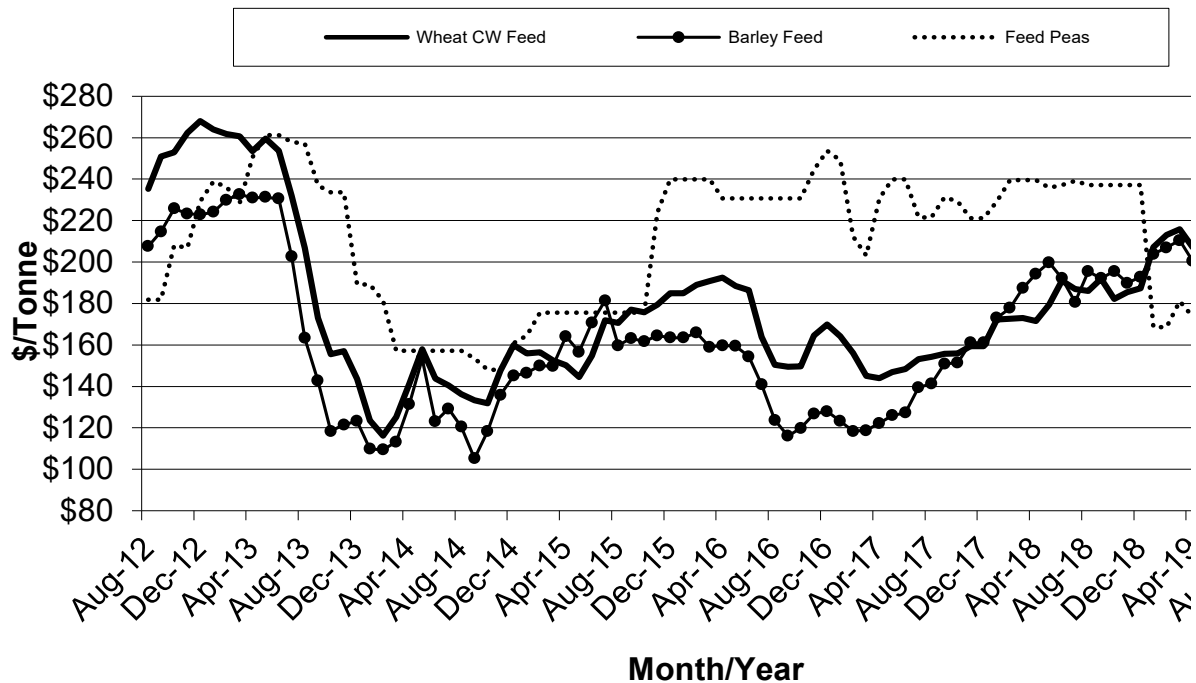
Source: H@ms Marketing Services

Statistics and Trends

The 2018/2019 crop year has proven to be another challenging one for grain producers, as the dry conditions experienced in the fall of 2018 continued into the spring with many regions experiencing the driest spring on record with little to no precipitation. Rainfall returned in June, allowing much of the seeded crop to germinate, and quite likely saving western Canada from a complete crop failure. The smaller crop last fall combined with an expectations of another reduced harvest in 2019 fueled a general trend of feed price increases throughout the year.

Throughout the course of the year, Saskatchewan feed wheat prices increased by \$31/tonne, and averaged \$199.96/tonne in 2018/2019. Similarly, feed barley increased by \$27.30/tonne and averaged \$199.83/tonne, while feed peas declined significantly due to an excellent harvest in 2018, averaging \$202.57/tonne.

Saskatoon Farm Gate Feed Prices



Source: Saskatchewan Ministry Of Agriculture

* Note: Spot grain prices FOB Saskatoon.

Statistics and Trends

In 2018, a total of 77 producers marketed hogs in the province, a slight decline from the previous year. The majority of the decline was in the <100 hogs produced category, which had 11 fewer producers. The vast majority of Saskatchewan's hog production occurred on the province's 148 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, 2019 there were 294 non-CQA premises registered, an increase of 57 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 Pigs Produced			
	2015	2016	2017	2018	2015	2016	2017	2018
<100	3	9	15	4	65	212	210	160
100-500	2	3	1	2	299	985	395	575
500-1000	1	1	1	3	663	827	919	2,047
1000-5000	10	10	11	5	29,317	29,693	30,389	11,490
5000-25000	54	53	52	48	639,328	639,229	633,740	559,878
25000-50000	7	6	4	6	247,385	207,505	133,736	188,405
>50000	6	8	8	9	1,213,655	1,279,011	1,397,050	1,522,189
Totals	83	90	92	77	2,130,712	2,157,462	2,196,439	2,284,744

Source: Saskatchewan Pork Development Board

*Note: These numbers are based upon levy data, and represent the number of producers or companies that marketed hogs, not the number of production units or premises. As of July 31, 2019 there were 148 CQA registered premises in Saskatchewan and 294 non-CQA registered premises.

Saskatchewan producers marketed a total of 2,284,744 pigs, which was an increase of 88,305 animals from 2017. Market weight hog sales declined by 54,854 animals to 1.74 million hogs, while marketings of feeder pigs to the U.S. increased by 149,381 pigs. Sow and breeding stock marketings remained stable.

Number of Pigs Sold in Saskatchewan by Category

	Market Hogs	Sows and Breeding Stock	Feeder Pig/ Weanling Exports	Total Pigs Produced
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
2018	1,735,166	42,412	507,166	2,284,744

Source: Saskatchewan Pork Development Board

Statistics and Trends

290,317 hogs produced in Saskatchewan were slaughtered locally in the province in 2018. Of the remainder, 788,290 were transported to Alberta for slaughter, while 605,862 animals were slaughtered in Manitoba, and 24,021 were sent to British Columbia. Saskatchewan also exported 69,088 slaughter weight animals to the U.S.

According to Statistics Canada, as of January 1, 2019 Saskatchewan's breeding herd numbered 97,200 sows and bred gilts. This is a decrease of 4,500 sows from 2018. The Canadian herd declined by 3,100 sows, with the majority of this decrease coming from Saskatchewan. Several temporary herd reductions to accommodate group sow housing conversions contributed. The national breeding herd was comprised of 1.24 million sows and bred gilts as of January 1, 2019.

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

	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2013	8.8	129.8	89.1	319.3	547.0	304.1	303.4	20.4	627.9	1,174.9
2014	8.4	124.4	89.9	334.4	557.1	302.6	300.0	19.3	621.9	1,179.0
2015	9	122.5	91.5	331.2	554.2	302.5	311.6	17.1	631.2	1,185.4
2016	8.5	128.2	98.0	349.9	584.6	307.6	306.2	16.8	630.6	1,215.2
2017	8.3	127.9	101.3	344.7	582.2	318.6	319.3	15.8	653.7	1,235.9
2018	8.8	126.9	101.7	343.8	581.2	317.6	325.8	15.8	659.2	1,240.4
2019	8.4	127.5	97.2	344.0	577.1	321.7	323.0	15.5	660.2	1,237.3

Source: Statistics Canada, Cansim Table 32-10-160-01

The total number of pigs produced in Canada declined slightly in 2018. Eastern Canadian production declined by 199,800 head and stands at 13.9 million pigs, while western Canada's production declined by 396,400 pigs and sits at 12.9 million. Production challenges associated with managing the PED virus may be at least partially responsible for the national decline. 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
2013	187.1	2,867.1	2,097.2	7,239.8	12,391.2	6,606.7	6,288.5	417.8	13,313.0	25,704.2
2014	185.3	2,755.2	1,993.1	7,319.7	12,253.3	6,596.0	6,206.9	396.4	13,199.3	25,452.6
2015	189.6	2,905.8	2,198.9	7,859.3	13,153.6	7,070.1	6,532.0	362.7	13,964.8	27,118.4
2016	195.4	2,945.8	2,224.0	7,800.3	13,165.5	6,987.4	6,595.9	345.5	13,928.8	27,094.3
2017	182.3	2,921.2	2,335.2	7,895.9	13,334.6	7,113.4	6,579.9	339.9	14,033.2	27,367.8
2018	195.2	2,717.2	2,318.5	7,707.3	12,938.2	7,044.2	6,500.4	338.8	13,883.4	26,821.6

Source: Input Data from Statistics Canada Cansim Table 32-10-0200-01, calculated by Sask Pork

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

Includes: Market hogs and Culled Sows, Weanlings, and Feeders

Statistics and Trends

Canadian slaughter declined slightly in 2018, totalling 21.4 million hogs. This was a decrease of 189,000 hogs, but still represents the second largest annual slaughter over the past decade.

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
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
2018	511.0	2,510.3	311.7	5,368.7	8,701.7	4,119.6	8,572.9	10.6	12,703.1	21,404.8

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

According to Agriculture and Agri-food Canada, approximately 4.5 million feeder pigs were exported from Canada to the United States in 2018, which was a decrease of 6% from 2017. 751,000 market weight hogs were exported, representing a decline of 9% 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
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
2018	0.0	388.2	484.2	2,740.0	3,612.4	851.6	1.6	33.2	886.4	4,498.9

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
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
2018	0.0	128.5	17.4	313.8	459.7	289.9	1.3	0.1	291.3	751.0

Source: Statistics Canada CATSNET Analytics

Independent Auditors' Report

for the year ended July 31, 2019

TWIGG & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

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

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

650 REGENCY CENTER
333 - 25th STREET EAST
SASKATOON, SK. S7K 0L4

TELEPHONE (306) 244-0808

FACSIMILE (306) 244-0004

www.twiggandcompany.com

Independent Auditors' Report

To the Board of Directors of Sask Pork.

Opinion

We have audited the financial statements of Sask Pork, which comprise the statement of financial position as at July 31, 2019, 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Sask Pork as at July 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Sask Pork in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance to these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 misstatement, whether due to fraud or error.



Independent Auditors' Report

for the year ended July 31, 2019

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In preparing financial statements, management is responsible for assessing Sask Pork's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate Sask Pork or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Sask Pork's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent Auditors' Report

for the year ended July 31, 2019

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- Obtain an understanding of internal control relevant to the audit 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 Sask Pork's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sask Pork's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Sask Pork to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent Auditors' Report

for the year ended July 31, 2019

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Saskatoon, Saskatchewan
October 29, 2019



Chartered Professional Accountants



Statement of Financial Position

as at July 31, 2019

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT:		
Cash	\$ 457,815	\$ 786,200
Short-term investments	728,658	400,000
Accounts receivable (Note 3)	211,783	198,445
Prepaid expense	<u>25,792</u>	<u>25,842</u>
	1,424,048	1,410,487
 RESTRICTED INVESTMENTS	 <u>1,000,000</u>	 <u>1,000,000</u>
	<u>\$ 2,424,048</u>	<u>\$ 2,410,487</u>

LIABILITIES

CURRENT:		
Accounts payable and accrued liabilities (Note 4)	\$ 136,050	\$ 155,608
Deferred contributions and revenue (Note 5)	<u>53,538</u>	<u>40,461</u>
	<u>189,588</u>	<u>196,069</u>

NET ASSETS

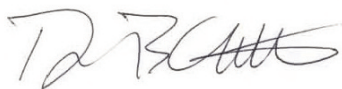
INTERNALLY RESTRICTED (Note 6)	1,000,000	1,000,000
UNRESTRICTED	<u>1,234,460</u>	<u>1,214,418</u>
	<u>2,234,460</u>	<u>2,214,418</u>
	<u>\$ 2,424,048</u>	<u>\$ 2,410,487</u>

COMMITMENTS (Note 8)

APPROVED BY THE BOARD:



Director



Director

Statement of Operations

for the year ended July 31, 2019

	2019 <u>Budget</u> <i>(Unaudited)</i> <i>(Note 13)</i>	2019 <u>Actual</u>	2018 <u>Actual</u>
REVENUE			
Levy and export service charge	\$ 1,658,750	\$ 1,623,668	\$ 1,635,679
Government grants and project funding <i>(Note 9)</i>	150,000	36,922	227,222
Symposium fees	70,000	74,700	75,910
Reimbursed travel	20,000	23,198	20,486
Interest	43,000	52,344	48,232
Other	<u>-</u>	<u>6,823</u>	<u>9,596</u>
	<u>1,941,750</u>	<u>1,817,655</u>	<u>2,017,125</u>
EXPENSES			
Research, including Prairie Swine Centre <i>(Note 7)</i>	400,625	375,985	358,527
Salaries and benefits	490,741	500,808	517,898
Industry association	333,375	310,088	310,313
Symposium	88,250	100,951	90,568
Communications	104,300	93,470	91,220
Operations and office	119,007	125,647	114,351
Promotions	60,200	24,580	44,297
Directors and committees	42,224	39,420	29,547
Policy and industry development	42,000	46,828	2,392
Travel <i>(Schedule 1)</i>	31,700	32,580	31,188
Organizational development	43,550	45,302	45,543
Producer services <i>(Note 10)</i>	231,600	77,501	331,278
Reimbursed expenses	<u>20,000</u>	<u>24,453</u>	<u>26,738</u>
	<u>2,007,573</u>	<u>1,797,613</u>	<u>1,993,860</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (<u>65,822</u>)	\$ <u>20,042</u>	\$ <u>23,265</u>

Statement of Changes in Net Assets

for the year ended July 31, 2019

	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>2019 Total</u>	<u>2018 Total</u>
NET ASSETS, BEGINNING OF YEAR	\$ 1,000,000	\$ 1,214,418	\$ 2,214,418	\$ 2,191,153
Excess of revenue over expenses for the year	<u> -</u>	<u> 20,042</u>	<u> 20,042</u>	<u> 23,265</u>
NET ASSETS, END OF YEAR	<u>\$ 1,000,000</u>	<u>\$ 1,234,460</u>	<u>\$ 2,234,460</u>	<u>\$ 2,214,418</u>

Statement of Cash Flows

for the year ended July 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 20,042	\$ 23,265
Changes in non-cash working capital		
Balances related to operation:		
Accounts receivable	(13,338)	48,466
Prepaid expenses	50	(13,351)
Accounts payable and accrued liabilities	(19,558)	(11,599)
Deferred contributions and revenue	<u>13,077</u>	<u>3,003</u>
	<u>(19,769)</u>	<u>26,519</u>
Total from operating activities	<u>273</u>	<u>49,784</u>
INVESTING ACTIVITIES		
Net disposals (purchases) of investments	<u>(328,658)</u>	<u>(400,000)</u>
Total used by investing activities	<u>(328,658)</u>	<u>(400,000)</u>
DECREASE IN CASH DURING THE YEAR	<u>(328,385)</u>	<u>(350,216)</u>
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>786,200</u>	<u>1,136,416</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 457,815</u>	<u>\$ 786,200</u>
CASH AND EQUIVALENTS CONSISTS OF:		
Cash	<u>\$ 457,815</u>	<u>\$ 786,200</u>

Notes to Financial Statements

for the year ended July 31, 2019

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.

Notes to Financial Statements

for the year ended July 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

Notes to Financial Statements

for the year ended July 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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:

	2019	2018
Levies receivable	\$ 172,218	\$ 165,687
Interest receivable	39,565	32,758
	<u>\$ 211,783</u>	<u>\$ 198,445</u>

Notes to Financial Statements

for the year ended July 31, 2019

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2019	2018
Trade payables	\$ 76,238	\$ 106,912
VISA payable	3,390	3,204
Vacation payable	14,841	16,129
Payroll liabilities	2,649	11,258
GST payable (receivable)	465	3,658
Accrued liabilities	38,467	14,447
	\$ 136,050	\$ 155,608

5. DEFERRED CONTRIBUTIONS AND REVENUE

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.

	2019	2018
Deferred contributions and revenue, beginning of year	\$ 40,461	\$ 37,458
<i>Contributions and revenue received during the year:</i>		
PEDv Surveillance Program	50,000	50,000
<i>Less:</i>		
Amounts recognized as PED prevention and preparedness program expenses	-	(7,541)
Amounts recognized as Saskatchewan Swine Welfare Program	-	(3,939)
Amounts recognized as PEDv surveillance program expenses	(36,923)	(9,539)
Funding repaid (PED prevention and preparedness)	-	(25,978)
Deferred contributions and revenue, end of year	\$ 53,538	\$ 40,461

The deferred contributions and revenue relates to the following:

	2019	2018
PED prevention and preparedness	\$ -	\$ -
Saskatchewan Swine Welfare Program	-	-
PEDv surveillance program	53,538	40,461
Deferred contributions and revenue, end of year	\$ 53,538	\$ 40,461

Notes to Financial Statements

for the year ended July 31, 2019

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 EXPENSE

The research expense consists of the following:

	2019	2018
Prairie Swine Centre Inc.	\$ 302,500	\$ 302,500
Canadian Swine Research & Development Cluster - Swine Innovation fund	45,985	46,027
Swine Dysentery vaccine	10,000	10,000
Industrial Research Chair	6,250	-
WildPigNet	10,000	-
Impact of Trailer Design	1,250	-
	\$ 375,985	\$ 358,527

8. 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, 2022. The required minimum annual lease payments and common area expenses are as follows:

Year ending July 31:	
2020	64,447
2021	65,547
2022	65,547
2023	16,387

Notes to Financial Statements

for the year ended July 31, 2019

8. COMMITMENTS (continued)

(b) Research:

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. Sask Pork is also committed to providing annual contributions for other research projects. The minimum annual charges for these commitments are as follows:

Year ending July 31:	
2020	16,875
2021	6,875
2022	5,000

9. GOVERNMENT GRANTS AND PROJECT FUNDING

	2019	2018
PEDv surveillance	\$ 36,922	\$ 29,539
PEDv contingency plan	-	7,542
Swine welfare program	-	87,707
Youth mentorship program	-	2,434
Swine loadout biosecurity program	-	100,000
	\$ 36,922	\$ 227,222

10. PRODUCER SERVICES

	2019	2018
PEDv surveillance	\$ 36,922	\$ 31,024
PEDv contingency plan	-	15,083
Swine welfare program	-	116,676
Swine loadout biosecurity program	-	149,909
Livestock emergency	518	10,805
Traceability	4,898	5,103
Manitoba Euthanasia trailer	30,000	-
Other	5,163	2,678
	\$ 77,501	\$ 331,278

Notes to Financial Statements

for the year ended July 31, 2019

11. 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.

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, 2019, four customers accounted for 80.69% (2018 - 81.57%) 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.

Notes to Financial Statements

for the year ended July 31, 2019

12. 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.

13. BUDGET

The budget presented is unaudited. The budget for 2018/2019 was approved by the Board of Directors on June 12, 2018.

Schedule of Travel Expenses

for the year ended July 31, 2019

	Budget (Note 13)		
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Producer services	\$ 5,200	\$ 4,449	\$ 7,517
Industry association	12,500	9,029	9,853
Organizational development	7,000	12,011	7,289
Policy and industry development	5,000	6,279	6,529
Communications	1,000	812	-
Promotions	<u>1,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,700</u>	<u>\$ 32,580</u>	<u>\$ 31,188</u>

Payee List

for the year ended July 31, 2019

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	\$ 348,676
Manitoba Pork Council	\$ 60,240
Prairie Swine Centre	\$ 302,500
Saskatoon Inn & Conference Centre	\$ 67,933
William Joseph Communications	\$ 40,071

RESEARCH PROJECTS FUNDED FROM HOG LEVY

Project Name	Researchers	2018-2019 Funding
Prairie Swine Centre Inc. (Includes \$30,000 for MITACS)	Various	\$ 302,500
Luckhart Transport Limited – Impact of Trailer Design	Luigi Faucitano	1,250
University of Saskatchewan – Industry Research Chair	Y. Seddon	6,250
University of Saskatchewan – WildPigNet: A Monitoring Program for Saskatchewan	Dr. Ryan Brook	10,000
University of Saskatchewan – Swine Dysentery Vaccine	Dr. John Harding	10,000
Swine Innovation Porc *	Various	45,985
<i>* Payments made to Canadian Pork Council at the rate of 2.5 cents/market hog and ½ cent/weanling</i>		\$ 375,985

Directors and Committees Remuneration

for the year ended July 31, 2019

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, 2018 – July 31, 2019:

<u>Directors</u>	<u>Per Diem</u>	<u>Expenses</u>	<u>Total</u>
John Beckton	\$ 3,375	\$ -	\$ 3,375
Dickson Gould	2,250	4,951	7,201
Curt Kowalchuk	1,464	-	1,464
Jay McGrath	2,925	1,536	4,461
Casey Smit	9,450 *	2,003	11,453
Toby Tschetter	4,538 **	5,118	9,655
Grant Wilson	788	-	788
	24,789	13,609	38,397
Other payments	-	1,023 ***	1,023
Directors Total	<u>\$ 24,789</u>	<u>\$ 14,631</u>	<u>\$ 39,420</u>

* 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 (Jan- Jul/19).

*** Payments made to facilitate meetings.



2 - 502 45th Street West
Saskatoon, SK S7L 6H2
Tel: (306) 244-7752 Fax: (306) 244-1712
Email: info@saskpork.com