

Home Grown



2020-2021 ANNUAL REPORT



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.

VISION

Helping producers achieve excellence in sustainable and profitable pork production.

CORPORATE GOVERNANCE

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.





TABLE OF CONTENTS

04	Messages from the Chair & General Manager
06	2020-2021 Year in Review
08	Board of Directors
09	Industry Representation
10	Industry Development
12	Export & Trade
13	Producer Services & On-Farm Programs
16	Swine Health
18	African Swine Fever
19	Research & Innovation
24	Consumer Promotion
26	In the Community
27	Ag Education
28	Saskatchewan Pork Industry Symposium
29	Digital Engagement
30	Statistics & Trends
38	Independent Auditor's Report





CHAIRMAN'S MESSAGE

The past year was a mixed bag of highs and lows for Saskatchewan hog producers. We experienced exceptional returns for our hogs that came very close to what we received in 2014 when PEDv in the U.S. created a massive shortfall of pigs, driving prices up to unprecedented highs. This time around, the price increase was driven by a combination of global and domestic events.

Canadian exports to date are down 1.7% YTD which, in the grand scheme of things, is not too bad. Canadian exporters compete in a global market against some very fierce competition and, despite a stronger dollar compared to last year, still managed to gain market share in the U.S., Mexico and Philippines. In fact, exports to the Philippines increased more than 400% this year. This kept pork moving out of the country despite Covid-19 setbacks at slaughter plants and other disruptive events throughout the year.

Domestically, the slaughter numbers were down marginally at 1.9% but pork production was up largely due to increased carcass weights that were up 3.4% to 108kgs.

This can largely be attributed to the situation in Quebec where the backup of market ready hogs has increased carcass weights north of 120kgs. This is a massive problem caused in part by Covid-19 and labour shortages that won't be solved anytime soon.

The west had its own challenges with the Olymel plant temporarily shutting for several weeks due to a Covid-19 outbreak, causing a minor backlog of market hogs that was, thankfully, quickly cleared up by the end of April. This was followed by a record dry summer that resulted in one of the worst droughts ever recorded, pushing feed grain costs to unimaginable highs. While strong prices helped offset some of the sharp increases, our focus now needs to be on the upcoming year and how to manage with higher feed costs firmly entrenched.

Sask Pork continues to focus on the priorities and issues that producers face in an everchanging world. Over the past year, animal welfare, traceability, disease prevention and preparedness, and pricing continue to be very active files receiving attention from your representatives, both provincially and nationally. I encourage you to reach out to your directors and staff as we always welcome ideas or concerns as we work on your behalf to represent and continue to develop the pork industry in the province.

In closing, I want to thank producers and staff for your dedication and support to the industry and organization over the past year.

Sincerely,

Casey Smit
Board Chair





GENERAL MANAGER'S MESSAGE

As we look back on another busy year, the profound impact that weather, specifically rainfall, can have on our industry is clear. The historic drought and hot temperatures that we experienced this spring and summer in western Canada may go down as the worst in Saskatchewan history and will have a long-term significant impact on feed availability and pricing.

Hog farms were also tested by slaughter plant disruptions due to the ongoing COVID-19 pandemic. While these were stressful times, the short-term nature of the shutdowns as well as collaboration with processors to fit in hog deliveries meant that most farms were not left holding hogs for too long. Further, with rising markets throughout most of the year, many producers holding back hogs and feeding to higher carcass weights were rewarded with higher prices.

Despite the obvious challenges, great hog market conditions over the past 12 months

made 2020/2021 a year to remember. Looking back at the stats, index 100 prices in the province between August 1, 2020 to July 31, 2021 averaged \$187.93/kg, which came very close to breaking the all-time record returns experienced in 2014. The past year also saw significant and historic changes to your pricing formulas, with the pork cutout and reasonable price floors now being included in many contracts. This is a significant risk management tool that producers have never before benefited from. On the revenue side at least, the future is bright for hog production in the province!

I am happy to report that the national Pork Promotion and Research Agency (PPRA) was officially created this past November. The Agency has worked on developing its administration, and setting priorities and strategic goals. Over a decade of planning and preparation went into founding this new agency, which will permit the pork industry to collect a levy on imported pork products to promote and market pork and conduct research, benefiting producers across Canada.

As always, our core work of promoting and developing the Saskatchewan industry, lobbying, delivering a robust research program, encouraging pork consumption, and delivering many programs and services on your behalf continued uninterrupted. Though in-person events were not always possible this year, we continued to find innovative ways of connecting with the public, and engaging producers.

In closing, I would like to thank the Board of Directors for their leadership and guidance. Thanks also to our staff who continue to do excellent work on behalf of producers and the industry. Finally, I want to acknowledge the contribution of Kim Browne, who retired in September after 22 years of dedicated service to the industry and the organization.

Mark Ferguson
General Manager



2020-21 YEAR

1,850,000

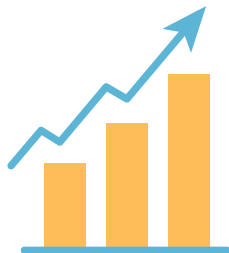
market weight hogs sold



index 100 hog prices
the second highest
on record

Saskatchewan remains the 5th
largest pork producing
province in Canada

1. Manitoba
2. Ontario
3. Quebec
4. Alberta
5. Saskatchewan



22 trainees completed the
online Transportation Quality
Assurance Program (TQA)

18

new
recipes
developed



2.2
MILLION

pigs produced
on 147 farms across
Saskatchewan



58

farms transitioned to
the Canadian Pork
Excellence Program

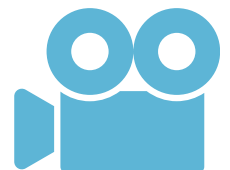
45 NEW PREMISES
REGISTERED



\$358,000

in funding for research
& innovation

6 Ask the Expert
videos with celebrity
cookbook authors



IN REVIEW

102,900

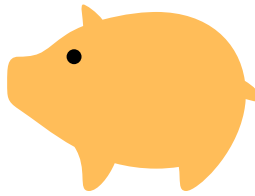
sows & bred gilts in
Saskatchewan's breeding herd



4.1
MILLION

impressions on
6 social media channels

\$25,000 IN PORK DONATED
TO FOOD BANKS



54,066
pigs in group
sow housing

consumer promotion
on 5 radio stations
across
Saskatchewan



328
meetings & events
attended on
behalf of
producers

30+ volunteers at
Kinsmen Telemiracle
received a meal of
Saskatchewan ham



9

Saskatchewan
producers who produce
over 50,000 hogs a year

NEARLY 70% OF
THE PORK
PRODUCED
IN CANADA IS
EXPORTED TO...

100
countries



331 registrants from
19 countries
attended
Symposium 2020
virtually



BOARD OF DIRECTORS



**CASEY
SMIT**

Board Chair
Olymel
Humboldt, SK.



**TOBY
TSCHETTER**

Vice-Chair
Star City Farming
Star City, SK.



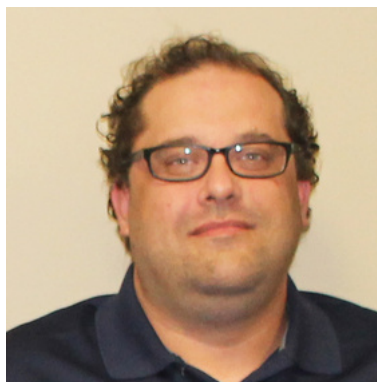
**JOHN
BECKTON**

Audit Chair
Brock Stock Farm Ltd.
Saskatoon, SK.



**DICKSON
GOULD**

Director
The Progressive Group
Niverville, MB.



**CURT
KOWALCHUK**

Director
Polar Pork Farms
Perdue, SK.



**JAY
MCGRATH**

Director
Sinnett Pork Farm Ltd.
Leroy, SK.

SASK PORK STAFF



**MARK
FERGUSON**

General
Manager



**RAVNEET
KAUR**

Producer Services
& On-Farm
Food Safety



**JESSICA
PODHORDESKI**

Community
Relations



**PATTY
RILEY**

Financial
Administrator

Missing from photos: Kim Browne (retired) & Shawn Halter

INDUSTRY REPRESENTATION

INDUSTRY COMMITTEES & BOARDS

Agricultural Producers Association of
Saskatchewan – Livestock Committee:
Shawn Halter

African Swine Fever Western Area Steering
Committee: Mark Ferguson

- Destruction and Disposal: Ravneet Kaur
- Event Management & Communication:
Ravneet Kaur
- Permitting and Zoning: Mark Ferguson

Agriculture in the Classroom:

Jessica Podhordeski

Canadian Western Swine Health Intelligence
Network: Mark Ferguson / Ravneet Kaur

CFIA African Swine Fever Communications
Working Group: Kim Browne

Farm and Food Care Saskatchewan Board
of Directors: Jay McGrath

Feed Innovation Institute, U of S:

Mark Ferguson

AAFC Government and Industry Hog Supply
Working Group: Dickson Gould

Prairie Swine Centre Board of Directors:

Mark Ferguson

Saskatchewan Feral Pig Working Group:

Mark Ferguson

CANADIAN PORK COUNCIL (CPC)/ NATIONAL

Board of Directors: Casey Smit

Advocacy Committee: Casey Smit

Business Risk Management Committee:
Casey Smit / Mark Ferguson

Canada Pork International: Dickson Gould

On Farm Programs – Provincial Coordinator
Committee: Ravneet Kaur

Codes of Practice Committee: Casey Smit

National Communications Group:

Kim Browne

PigTrace Implementation Team:

Mark Ferguson / Ravneet Kaur

PigTrace Policy Committee:

Casey Smit (Chair)

Pork Promotion & Research Agency (PPRA):

Mark Ferguson

Swine Innovation Porc: Dickson Gould



INDUSTRY DEVELOPMENT

CARBON TAX SURVEY

In response to the escalating federal carbon tax, Sask Pork, in collaboration with Alberta Pork, conducted a survey of pork producers in Saskatchewan and Alberta to estimate the impact of the tax on farms. The survey asked producers with metered barns to share their electricity and heating usage, along with any propane usage and the distance traveled to market hogs.

The results of the Saskatchewan survey found that for 2021, the carbon tax cost per pig marketed averaged \$1.06/hog, though there was a wide variation in energy use between barns as the tax ranged from \$0.49/hog to \$2.01/hog. For most farms, the heating source (natural gas or propane) makes up the majority of the carbon tax paid. Assuming energy consumption remains the same, by 2030 when the tax is expected to be \$170 per tonne of CO₂ equivalent, the average carbon tax impact will increase to \$4.50 per pig marketed.

The results of this study were sent out to the participants and published in an article in the Western Hog Journal.

PROCESSING

In 2020, Donald's Fine Foods announced it was exploring the feasibility of converting the former XL Foods beef plant in Moose Jaw, SK to a sow processing facility. Additional sow processing capacity would be a significant benefit for the western Canadian pork industry. Producers currently export the vast majority of their cull sows to the United States for processing. With a Moose Jaw sow processing plant, western Canadian producers would benefit from higher prices for sows thanks to reduced transport costs, greater ability to deliver direct, improved biosecurity, and the alleviation of border closure risks. In 2021, Donald's announced it was moving forward with its investment, targeting a 2022 completion date. Donald's has also filed a \$12.7 million building permit with the City of Moose Jaw.



PRICING

Sask Pork, along with the other provincial pork boards, and the CPC continue to explore Canadian hog pricing transparency and formulas, as well as mandatory price reporting for live hogs. Several western Canadian plants have incorporated the U.S. carcass cutout into their pricing formulas over the past year, as well as incorporated permanent pricing floors, so progress is being made in the area of improving formulas. The provinces and the CPC are also collaborating on drafting a business case for Canadian mandatory price reporting for pork cuts.

COST OF PRODUCTION MODEL

In 2021, Sask Pork renewed publishing swine cost of production results for Saskatchewan based on the cost of production model. This information and methodology are published quarterly on the Sask Pork website and can be used by existing producers and those considering building or buying a barn to understand the economics and profitability of the industry specifically in Saskatchewan.



Photo courtesy: Fast Genetics



EXPORT & TRADE

For 2020/2021, the impact of COVID-19 persisted, and continued to impact the production, trade, and logistics of pork products in the form of transportation logistics issues and market access.

Canada annually exports pork products to over 100 countries. Export sales account for nearly 70% of the pork produced in the country. In 2020, Canada exported approximately 1.48 million tonnes of pork with a value of \$5.1 billion.

In 2021, China displaced Japan as Canada's top market for pork in terms of total dollar value with \$1.65 billion in sales. The U.S. has also been displaced by China as Canada's largest market for pork in terms of quantity with 610,000 tonnes shipped. Exports to China increased by and astounding 170% in 2020. Exports to Mexico decreased by 37%, while exports to South Korea decreased by 12%.

2020 TOP EXPORT MARKETS

COUNTRY	VALUE (thousands)	QUANTITY (tonnes)
China	\$1,644,759	609,655
Japan	\$1,439,674	255,226
United States	\$1,263,259	311,203
Mexico	\$ 178,050	107,286
South Korea	\$ 149,429	38,694

AFRICAN SWINE FEVER (ASF) ZONING

Zoning is an internationally recognized tool used to help manage diseases and facilitate international trade. If a case of ASF is identified, geographic boundaries are defined to contain the outbreak. The area within these geographic boundaries form the Primary Control Zone(s) established in accordance with the World Organization for Animal Health (OIE) guidelines. The areas outside of these Primary Control Zone(s) are considered disease-free zones.

Zoning arrangements have previously been established with the U.S. and the EU. On June 22, 2021, Singapore announced that it had agreed to an ASF zoning arrangement with Canada. This means that restrictions on the import of Canadian pork and pork products into Singapore, valued at CAD \$10 million per year, would only be limited to the areas within the Primary Control Zone(s), once established, if a case of ASF were to be found in Canada.

Canada continues to negotiate zoning agreements with other trading partners, including Vietnam and Japan. Each new agreement is a positive step in Canada's prevention and preparedness efforts related to ASF.



PRODUCER SERVICES & ON-FARM PROGRAMS

CANADIAN QUALITY ASSURANCE (CQA®) AND CANADIAN PORK EXCELLENCE PigSAFE | PigCARE (PS|PC)

There are currently 147 registered units participating in the CQA® | ACA / PigSAFE | PigCARE (PS|PC) programs, which include all hogs sold to federal slaughter plants from Saskatchewan. Producers are gradually transitioning to the PigSAFE | PigCARE (PS|PC) programs. To date, there are 58 farms on the program.

With the implementation deadline extended to January 2024, sites that have not joined the (PS|PC) programs yet can remain and complete full validations on the CQA® | ACA program for their 2021 & 2022 validations. These farms must do a full PS | PC Validation for 2023. Sites can join the (PS|PC) programs earlier than 2023 by doing a full CPE Validation at the time of their anniversary.

TRACEABILITY

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

Sask Pork's 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.

Between Aug 1, 2020 and July 31, 2021 producers reported 25,136 movement events involving 5.9 million individual animals. We registered 45 new premises in this time period. Saskatchewan producers are to be commended for their active commitment and participation in this program.

ASSURANCE SYSTEM PRODUCER REBATE PROGRAM

The Assurance System Producer Rebate Program was launched by the Saskatchewan Ministry of Agriculture in 2018. The rebate program, under Canadian Agriculture Partnership, focuses on animal welfare for livestock producers and biosecurity for both plant and livestock producers. The program covers 50% of eligible expenses to a maximum program payment of \$15,000 per operation. Applications for rebate must be received on or before Dec 31, 2022.



PRODUCER SERVICES



CANADIAN SWINE TRAINING DEVELOPMENT PROJECT

This project is funded by the Agri Marketing Program under the Canadian Agricultural Partnership (CAP). Between CAP funding and Canadian Pork Council's contribution, \$1.6 million is available for training resource development between October 2019-March 2023.

The project is consolidating existing training tools and developing new resources and tools identified as priorities by the pork sector. Priorities, plans, and resources are reviewed by provincial pork development boards, including Sask Pork, pork producers, and veterinary representatives. The training resources are available to all Canadian pork producers.

Training resources developed this year:

- 15 biosecurity training videos
- 8 fact sheets on the new humane transport regulations
- 1 training video on euthanasia available through Sask Pork
- 5 training videos on fitness-for-transport
- 1 Small Scale Farming Manual & Top 10 Guide available at www.casv-acvp.com/small-scale-pig-farming



Photo courtesy: Dr Ryan Brook, University of Saskatchewan

WILD BOAR

Wild pigs are not native to Canada and are considered an invasive species. They damage private property and have a serious impact on native plants and wild animals due to their feeding habits and reproductive capability. Feral pigs can carry diseases that can be transmitted to and from domestic livestock, wildlife, and even humans. They are known to carry African Swine Fever, a serious disease, which if introduced into domestic or feral population swine, would cause financial and economic losses for Canadian hog producers.

Sask Pork operates the 1-833-PIG-SPOT hotline. Through this initiative 8 credible wild boar sightings were reported to the provincial wild boar control program operated by Saskatchewan Crop Insurance.

Sask Pork also participates in the provincial feral pig working group which supports the monitoring, surveillance, control, and eradication efforts of this invasive species.

In 2020/2021, Sask Pork collaborated with the government of Saskatchewan in supporting an emergency use registration application for a novel feral swine bait, HOGGONE® meSN® to the Federal Pest Management Regulatory Agency (PMRA). HOGGONE® contains sodium nitrite which is an approved food preservative in low doses, but which kills pigs quickly when ingested. This product has been approved in Australia and is currently undergoing the EPA approval process in the U.S, and, if approved, would be a valuable tool for provincial hunt teams to have at their disposal in Saskatchewan. ●●●●





SWINE HEALTH

PORCINE EPIDEMIC DIARRHEA PREPAREDNESS (PED)

Saskatchewan farms remained free of Porcine Epidemic Diarrhea (PED) in 2020/2021. The on-farm, transport, and market biosecurity efforts by all stakeholders prevented the introduction of this costly disease.

Sask Pork organizes and administers a Porcine Epidemic Diarrhea Virus (PEDv) and Swine Delta Coronavirus Surveillance program (SDCoV). Two registered veterinary technologists were contracted to collect samples at two primary high-traffic sites; a deadstock assembly site and an abattoir. Additional sites tested included feed mills, truck washes, and abattoirs, as well as some transport vehicles. 373 samples were submitted to Prairie Diagnostic Services for testing.

There is no evidence that PEDv and/or SDCoV is present in swine in Saskatchewan at this time. Producers and transporters were reminded that high-traffic site, such as auction markets, assembly yards, abattoirs, and scrape-out sites, are potential sources of contamination. Following proper biosecurity practices remains imperative when delivering animals to high traffic sites. Contingency planning and funding are in place.

Alberta and Manitoba were also PED negative.



CANADA WEST SWINE HEALTH INTELLIGENCE NETWORK (CWSHIN)

CWSHIN is a surveillance system embedded in an intelligence network that serves western swine producers, swine herd practitioners and provincial governments. It helps detect emerging swine health issues early and provides evidence of the absence of federally reportable diseases to support international trade.

CWSHIN is funded by provincial governments, Sask Pork, Alberta Pork, Manitoba Pork, and BC Pork. These organizations also participate in the technical working group and provide technical and administrative support.

CWSHIN receives data from veterinary practitioners, provincial diagnostic labs and federal abattoirs. This year, CWSHIN, in collaboration with Western Canadian Association of Swine Veterinarians, organized an eight-week ASF session for swine practitioners across Western Canada. CWSHIN also started two new projects under the 'Targeted Emerging Health Issue Investigation' activity. The projects focused on ASF risk analysis that started in March 2021 and the first lab investigation on Streptococcus.

CWSHIN communicates its findings through quarterly reports, e-newsletters, and conferences. The reports are posted at cwshin.ca.

PORCINE EPIDEMIC DIARRHEA (PED) RESEARCH

A prairie-wide collaborative study has been launched to determine if PED in manure from infected lagoons is capable of causing disease or virus shedding in piglets. The study is being undertaken in Manitoba and Alberta, due to previous outbreaks in those provinces. For the first phase, samples were collected from Manitoba's infected lagoons at differing lengths of time and pump outs since initial PED infection and then exposing live pigs to the manure.

Results indicated that the lagoon manure did not contain infectious PED. The trial was conducted in the biosafety containment level 3 facilities at Saskatoon's Vido-InterVac. The second phase of the study is being conducted in Fall 2021.

Sask Pork secured funding for its share of the project through the Ministry of Agriculture's Canadian Agricultural Partnership.

GROUP SOW HOUSING CONVERSIONS

To meet the needs of North American processors committed to sourcing pork exclusively from stall-free systems in the future, Canadian pork producers continue to transition to group sow housing. Saskatchewan pork producers now have 54,066 sows managed in groups. Several farms are either in the process of rebuilding/undergoing renovations or have committed to transition over the next couple of years.

This complex transition process requires significant investment. The Canadian Pork Council (CPC) estimates that by 2024, around 60% of sows will be housed in group sow housing systems in Canada.



AFRICAN SWINE FEVER

PLANNING AND PREPAREDNESS

African swine fever (ASF) continues to spread across central Asia, including China and several European countries. Until recently, North America was free of this disease but with the detection of ASF in Dominican Republic, enhanced international, national and regional cooperation including a strong partnership between industry and veterinary services has become critical. Sask Pork, along with other members of the Canadian Pork Council (CPC), Canadian Food Inspection Agency (CFIA), industry and government representatives continue to work collaboratively on both national and provincial level to address various aspects of this disease, such as destruction and disposal, event management and communication, permits and zoning, market and financial assistance, and wild pigs.

As part of preparing for an ASF outbreak, the CFIA, in collaboration with the four western provincial Ministries of Agriculture, provincial pork boards and multiple swine industry stakeholders hosted an event management and communication, and western area movement and permitting table top exercise. The primary objectives were to open the lines of communications for a multi-agency collaborative approach and finalize the processes and procedures for the acceptance and prioritization of requests for the movement of animals and/or things (under a license or permit) respectively.

DIAGNOSTICS AND SURVEILLANCE

The newly launched CanSpotASF enhances Canada's existing surveillance program as well as the ability to detect ASF rapidly. ASF rule-out testing can be initiated by the diagnosticians at Canadian Animal Health Surveillance Network, approved laboratories such as Prairie Diagnostic Services, as well as by herd practitioners. All samples submitted for analysis have tested negative thus far. Next steps will be adding other screening tools such as risk-based surveillance from abattoirs, increased veterinary presence and sampling on small-scale swine farms, and collecting samples from wild pigs.





RESEARCH & INNOVATION

ONGOING RESEARCH PROJECTS

YOU ARE EXPLORING ENVIRONMENTALLY SAFE SWINE DISPOSAL METHODS

Approximately 85% of Saskatchewan has geology suitable for the burial of deadstock, but that still means 15% of the province may not be suitable. This project is determining if above ground burial is a viable option for disposal of deadstock in those locations. This initiative has significant economic and logistic implications for deadstock, which could be disposed on-site where geologic conditions would otherwise preclude burial.

YOU ARE KEEPING MARKET WEIGHT PIGS HAPPY AND HEALTHY DURING TRANSPORT

This research project addresses gaps in existing knowledge about transporting 130-150kg market weight pigs to determine science-based recommendations on space allowances at different temperatures to improve the overall well-being of these pigs during transport. The study, led by Dr. Luigi Faucitano with Agriculture and Agri-Food Canada, is nearly complete.

YOU ARE CREATING BETTER TRANSPORT TRAILERS TO KEEP PIGS HEALTHIER

Improved trailer designs are being studied to address knowledge gaps about hog transport welfare and effects on meat quality, as well as introduce new transportation technology that also improves biosecurity. In partnership with Agriculture and Agri-Food Canada, short distance trials in summer and winter have been completed. Due to Covid-19, long-distance transportation trials are on hold.





RESEARCH & INNOVATION

In 2020/21, Sask Pork and hog producers across the province funded \$358,443 in research and innovation to continually improve the profitability and production of sustainably raised safe, high-quality pork.

PRAIRIE SWINE CENTRE

Sask Pork has a core funding agreement with the Prairie Swine Centre (PSC), which delivers practical research-based solutions for the hog industry. These critical funds are applied to four research pillars at PSC that focus on practical and innovative initiatives, graduate education, and knowledge transfer activities.

YOU ARE HELPING TO INCREASE NET INCOME FOR PORK PRODUCERS BY \$1/PIG/YEAR THROUGH IMPROVED NUTRITION:

- The development of feeding programs which emphasize economic efficiency, meat quality, and market value.
- Understanding feed and fibre modifications to meet the needs of pigs and changing economic conditions.

Projects undertaken:

- Long-term feeding of graded levels of deoxynivalenol in grower-finisher pigs
- Examination of the effectiveness of provision of functional amino acids to enhance pig robustness
- Creep feed source: What is effective and what do piglets prefer?
- The potential for dietary energy to affect the response of growing pigs to diets high in rye
- Feed processing to reduce ergot toxicity

FEATURED PROJECT

Swine nutritionists tackled the contentious subject of the effectiveness of creep feeding which is still widely used. Results indicated that creep feeding has little impact on post-weaning performance, there was no preference for a typical creep or a lactation diet. Despite uncertain benefits, producers who still wish to do so can continue creep feeding using a less expensive diet.

YOU ARE IMPROVING ANIMAL WELFARE BY DEVELOPING/MODIFYING HOUSING SYSTEMS & CREATING BETTER ANIMAL MANAGEMENT PRACTICES

Projects undertaken:

- Motivated for movement? Exercise and the gestation environment on sow performance and welfare
- Validation of infrared technologies for identification of market pigs at risk of transport stress, death loss and PSE meat
- Enhancing the biosecurity and welfare of livestock animals during transport
- Effects of long-distance transport on the health and welfare of early weaned pigs
- Identification of risk factors for sow mortality

YOU ARE IMPROVING THE BARN ENVIRONMENT TO ENSURE THE HEALTH AND SAFETY OF BARN WORKERS AND ANIMALS

Projects undertaken:

- Enhanced biosecurity measures to control growth of pathogens in antibiotic-free pig production

YOU ARE REDUCING OPERATING COSTS BY \$0.50/PIG/YEAR AND REDUCING PORK PRODUCTION'S ENVIRONMENTAL FOOTPRINT

Projects undertaken:

- Greenhouse gas production in swine facilities when pigs are fed high-fibre diets supplemented with a multi-carbohydrase enzyme
- Investigating intervention measures to reduce on-farm use of antibiotics in pig production
- The effect of diet supplemented with field peas and enzymes in mitigating greenhouse gas output from swine production units

FEATURED PROJECT

Even though producers across Canada are transitioning to group sow housing, there has been a significant increase in on-farm sow death losses over the past decade. To determine the possible causes, the research team focused on examining factors influencing sow mortality and culling in Canadian swine herds.

The results from this project will identify potential targets for genetic selection and improved management practices to increase sow retention and reduce mortality as well as identify best practices for group management of sows.

FEATURED PROJECT

Researchers are developing alternative disinfection measures that could control potentially antibiotic-resistant pathogens, as well as those that might further reduce antimicrobial resistance in pigs. Initial results have been promising, showing efficacy of a silver nanoparticle treatment to reduce the microbial load on test surfaces in lab conditions.

FEATURED PROJECT

Researchers are exploring strategies to further reduce greenhouse gas emissions by pigs, without negatively impacting efficiency or productivity. This study focused on the impact of non-conventional ingredients such as wheat millrun in swine diets on the environment; specifically, manure output and greenhouse gas emissions (GHG). The study found that despite high-fiber content, diets with wheat millrun don't significantly increase GHG produced by pigs. Overall benefits for the environment will be seen when crop production, manure management, and emissions from pigs are considered.





RESEARCH & INNOVATION

SWINE INNOVATION PORC (SIP)

SIP is a non-profit that facilitates research in the Canadian swine sector. It's funded by the federal government, Sask Pork and the other seven provincial pork organizations, as well as multiple private partners within the pork industry. Sask Pork and other provincial pork producer organizations contribute 2.5 cents per market hog and .5 cents per weanling, which is used to leverage public dollars and multiply investments in research and development to benefit the industry. Every \$1 from producer organizations is used to leverage an additional \$8 from other sources of funding.

Eight projects are being carried out either partly or entirely in Saskatchewan as part of the five-year Swine Cluster 3 research program (2018-2023) that includes 14 primary R&D projects in animal health, nutrition, welfare, environment, and pork quality.

YOU ARE HELPING TO REDUCE FEED COSTS IN THE POST-WEANING PERIOD

Some expenses are optional for producers, but feed is not one of them. As feed costs eat away at the bottom line, there is growing demand for more knowledge on stretching feed dollars. The critical research on developing innovative strategies to reduce feed costs in the post-weaning period while maintaining optimal performance and health is the response.

YOU ARE HELPING IMPROVE BIOSECURITY DURING TRANSPORT

The improved Biosecurity in the Canadian Swine Transport Industry project is being led by Terry Fonstad from the University of Saskatchewan and has studied improved methods for cleaning and sanitizing trailers and the eradication of pathogens.

YOU ARE ENHANCING THE VALUE OF SWINE CLUSTER RESEARCH THROUGH ON-FARM DEMONSTRATION

Enhancing the Value of Swine Cluster Research through On-Farm Demonstration is being co-led by Ken Engele of Prairie Swine Centre.

YOU ARE REDUCING FEED COST AND THE ENVIRONMENTAL FOOTPRINT FOR GROWING-FINISHING PIGS

With feed costs making up 65–70% of a typical farm's budget, feed cost is a big scientific focus. About 80% of feed is consumed by grow-finish pigs. This research aims to extract more nutrients using modern technology and find the best alternatives from various locally-sourced ingredients. It's a benefit that promises to lower the pork sector's environmental footprint at a time when the public is demanding more action.

YOU ARE KEEPING EARLY WEANED PIGS HEALTHIER DURING LONG-DISTANCE TRANSPORT

Research on the effects of long-distance transport on the health and welfare of early weaned pigs will be complete in 2023.

YOU ARE TAKING AIM AT SOW MORTALITY

Sow mortality is hard on employees and can devastate producers that feel the impact on their wallets. Researchers across the country, led by Dr. Jennifer Brown from Prairie Swine Centre, are gathering data to determine why sows died or were culled. The data is being evaluated, along with farm information and management factors, to determine associations and risk factors related to sow death and removal. Researchers hope this project will breathe new life into a critical area of study for the pork sector.

YOU ARE HELPING RAISE HEALTHY PIGS MORE EFFICIENTLY BY UNDERSTANDING THEIR GUT MICROBIOME

The Pig Gut Microbiome Project looks to break new ground in assessing the core gut microbiome associated with pig health and performance. It could offer critical information to producers that would impact areas like nutrition and feed additives. The end result may be healthier pigs with less reliance on antibiotics.

YOU ARE HELPING SMALL SWINE PRODUCERS PREVENT DISEASE

Survey Study of Small Swine Producers on their Knowledge and Application of Biosecurity Practices for the Prevention of Disease led by Dr. Murray Pettitt, CEO of Prairie Swine Centre. Results are expected in 2022.



Photo courtesy: Farm & Food Care SK





Overnight
Ham
Strata



BLT
Caesar
Salad



Raspberry
Pecan
Proscuitto
Salad

CONSUMER PROMOTION

Under the PickPork Saskatchewan consumer brand, Sask Pork created 18 new made-in-Saskatchewan recipes



Cheesy
Ham &
Noodle
Bake



Dr. Pepper
Ribs



Honey
Citrus
Glazed Pork
Tenderloin



Smoky
Chili
Pork Ribs
& Beans



Pigs in
Blankets



Dijon Pork
Burger with
Sriracha
Aioli



IN STORE RETAIL PROMOTION

Sask Pork partnered with meat processors and grocery retailers across Saskatchewan to launch a summer "Let's Get Grilling" promotion in 10 different communities. Sask Pork provided \$250 gift packs to be drawn for before the end of July. Prizes were awarded at:

Butcher Boy Meats - Regina, SK.
Community Bigway - Cudworth, SK.
Modern Meat & Abbatoir - Humboldt, SK.
Smokehaus Meats - Martensville, SK.
Sunnydale Meats - Saskatoon, SK.
Prime Meats Ltd. - St. Gregor, SK.
Hujbers Market on Main - Spiritwood, SK.
Star City Meats - Star City, SK.
Treen Meats - Swift Current, SK.
Model Meats - Watrous, SK.

MEDIA PROMOTION

Sask Pork continues its close relationship with Shaw TV Saskatchewan's "Cooked with Shack" television series hosted by radio personality Mark Loshack. Pork recipes developed on the program this year include:

Bacon wrapped pork tenderloin
Pork pickle poppers
Pork Wellington
Inside out pork burgers
Pulled pork shepherd's pie
Italian sausage stuffed pasta shells

Sask Pork aired ads that ran on radio talk show "Gormley", which airs across Saskatchewan on 650 CKOM in Saskatoon and 980 CJME in Regina. Ads also aired on the "Modern Ag-Farmer" feature on Rock 102, the August-September "Thank the Farmers" campaign on Saskatoon Media Group radio stations, and on Jim Smalley's Ag Market Update on 620 CKRM radio in Regina.

Sask Pork also placed a summer BBQ ad in the summer issue of Suddenly Saskatchewan and in the University of Saskatchewan Veterinary Yearbook 2020-2021.

BACON WRAPPED PORK TENDERLOIN

Recipe created by Mark Loshack for "Cooked With Shack"

.....



IN THE COMMUNITY

Sask Pork actively supports the communities in which members live and work.

Sask Pork made several donations to Saskatoon Food Bank & Learning Centre. In April 2021, Sask Pork partnered with Drake Meats on a \$10,000 pork donation. In July 2021, Sask Pork partnered with Country Choice Meats on a \$10,000 donation, which was a joint contribution between Sask Pork and H@ms Marketing. Sask Pork and Drake Meats also supported the Saskatoon Friendship Inn in July 2021 with a \$5,000 donation of a variety of pork products. Sask Pork donated \$1,000 towards Olymel's "Giving Back Together" campaign in support of the Humboldt & District Food Bank.

Sask Pork provided consumer promotion items, pork nutrition resources, and recipes to Saskatchewan Health Authority's Kidney Health Education Program at St. Paul's Hospital in Saskatoon.

On the agricultural front, Sask Pork continues to support events and programs through Farm & Food Care Saskatchewan and Agriculture in the Classroom, as well events such as Animal Nutrition Association of Canada conference, Saskatchewan Outstanding Young Farmers, and APAS/Saskatchewan Farm Stewardship Association.

Featured Donations



Sask Pork supported 3 food banks across the province



\$5,000 donation to fund a flight through Stars Air Ambulance



Sponsorship of an employee thank-you pizza lunch at Thunder Creek Pork in Moose Jaw



Event partner for Growing Agriculture 2020 Saskatchewan Provincial Election forum on Access Now TV



Consumer resources, recipes, and pork production resources as door prizes for Agriculture in the City



AG EDUCATION

Sask Pork's ag-education program shifted to virtual education and promotion as a result of Covid-19, due to a lack of in-person school and public events to attend for community outreach.

Sask Pork secured \$12,750 in grant funding through the Saskatchewan Ministry of Agriculture Ag Awareness Initiative Program (AAIP) for a multi-year project to expand outreach and public education about the pork industry with new multi-media resources housed on the Sask Pork website and YouTube channel.

"Consumer Cook Along" videos were created with home economist and cookbook author Emily Richards ("Get in The Kitchen and COOK!"), Claire Tansey, culinary teacher and author of "Dinner, Uncomplicated", and Sylvia Kong, home economist and co-author of the last three Best of Bridge cookbooks.

Outside of the AAIP initiative, Sask Pork also developed a virtual version of the "How Pigs are Raised" presentation delivered for Ag in the City programming.

New Resources

6 "Ask the Expert" videos with a veterinarian, nutritionist, researcher, breeding tech & swine nutritionist

5 "Consumer Cook Along" videos with celebrity Canadian cookbook authors

1 Producer profile: Jay McGrath of Sinnett Pork Farms-video & article

1 Farm to Table feature: Farrow to Finish article for Sask Pork website

1 One virtual Ag Education virtual presentation on "How Pigs are Raised"



Cookbook author Claire Tansey in her kitchen preparing Sheet Pan Pork Tenderloin with Bacon & Onions



SASKATCHEWAN PORK INDUSTRY SYMPOSIUM



SYMPOSIUM 2020

Saskatchewan Pork Industry Symposium 2020 shifted from the traditional in-person conference format held at The Saskatoon Inn in Saskatoon to five virtual Zoom events due to Covid-19.

Guests included University of California Davis' Dr. Frank Mitloehner, who has presented at over 800 talks internationally; Brett Stuart, President of U.S.-based Global AgriTrends; Steve Dziver, president of Commodity Professionals, a consulting firm focused on agribusiness risk and margin management, as well as Dr. Egan Brockhoff, Veterinary Counselor for the Canadian Pork Council.

5 5 weeks of Zoom sessions took place on November 5, 12, 19, 26, & December 3, 2020

15 15 speakers from 3 countries, 4 provinces, and 4 U.S. states

331 331 attendees from 19 countries joined at least one of the weekly Symposium 2020 sessions

3 3 Saskatchewan Pork Industry Symposium was the 3rd most visited page on the Sask Pork website

DIGITAL ENGAGEMENT



BACON MACARONI SALAD

saskpork.com's most popular recipe of the year

Sask Pork operates a Twitter page for both producers/industry news and also focuses consumer promotion under the banner of Pick Pork Saskatchewan on Twitter, Facebook, Instagram, Pinterest, and YouTube.

TOTAL SOCIAL MEDIA FOLLOWERS

 3,016

TOTAL SOCIAL MEDIA ENGAGEMENT

 530,243

TOTAL WEBSITE VIEWS

 57,726

 an increase of 15% since last year

TOP FACEBOOK POST OF THE YEAR



Sask Pork's recipe for Bacon Macaroni Salad in honour of National Macaroni Day reached 51,015 people with 412 reactions, shares, & comments

TOP TWEET OF THE YEAR



Canadian Food Inspection Agency's African Swine Fever checklist earned 4,187 impressions

MOST VIEWED YOUTUBE VIDEO



5,878 views for Author Emily Richards' Pork Meatballs with Mushroom Gravy

E-NEWSLETTERS



22 e-newsletters sent to producers



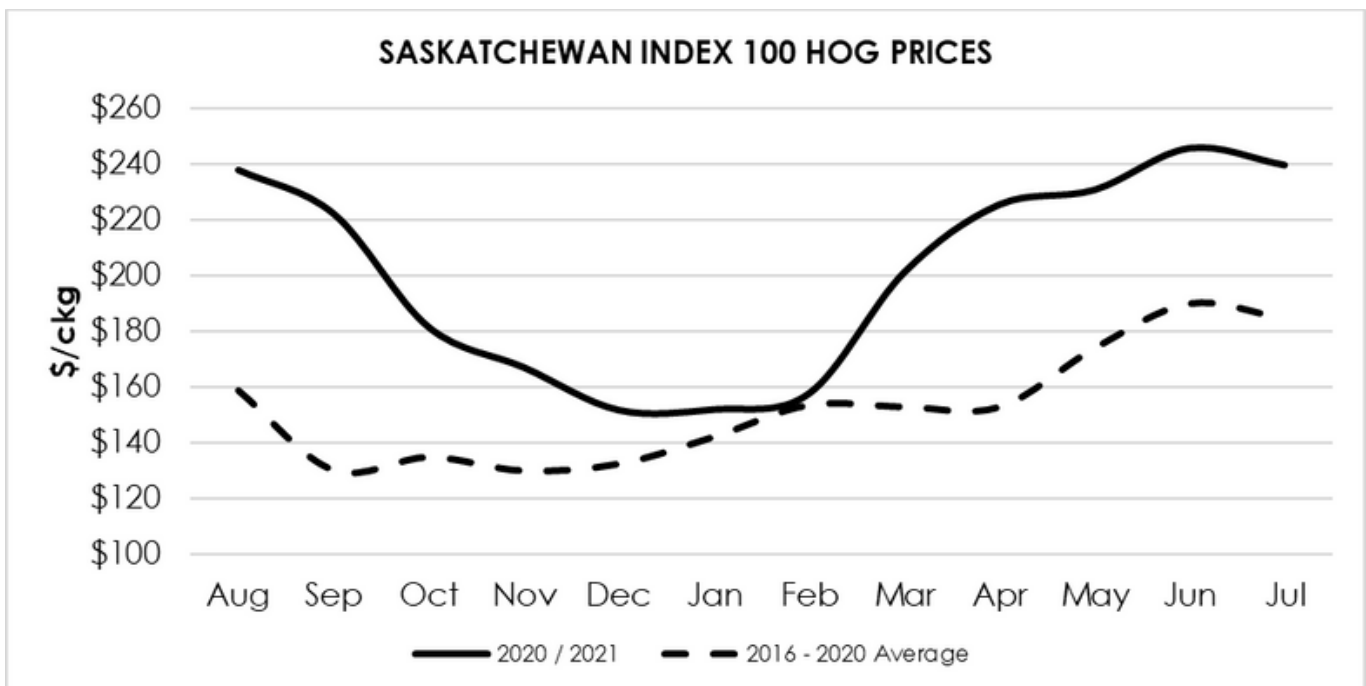
STATISTICS & TRENDS

Saskatchewan Index 100 Hog Prices



During 2020/2021, the COVID-19 pandemic continued to affect the global economy and the market for pork and live hogs. A number of Canadian processing plants were temporarily impacted by COVID-19 infections among staff, resulting in labour shortages and stoppages and slowdowns in processing. Plant COVID-19 status also impacted the ability of many Canadian plants to export to China this year. Despite these setbacks, in 2021, hog prices rebounded from the low prices seen in 2020. However, feed prices also increased significantly, particularly during the spring/summer of 2021 as markets adjusted to the drought and expected poor crops and reduced quantities of feed grains produced.

Between August 2020 and July 2021, index 100 hog prices averaged \$187.93/ckg, considerably higher than the same period last year, \$143.89/ckg and well above the 5-year average of \$161.63/ckg. In fact, prices this year were the second highest prices on record, surpassed only by the record high of \$193.34 experienced in 2013/2014.



Source: H@ms Marketing, ML Sig 4/BPTCP4 Index 100 price, does not include loin or other premiums

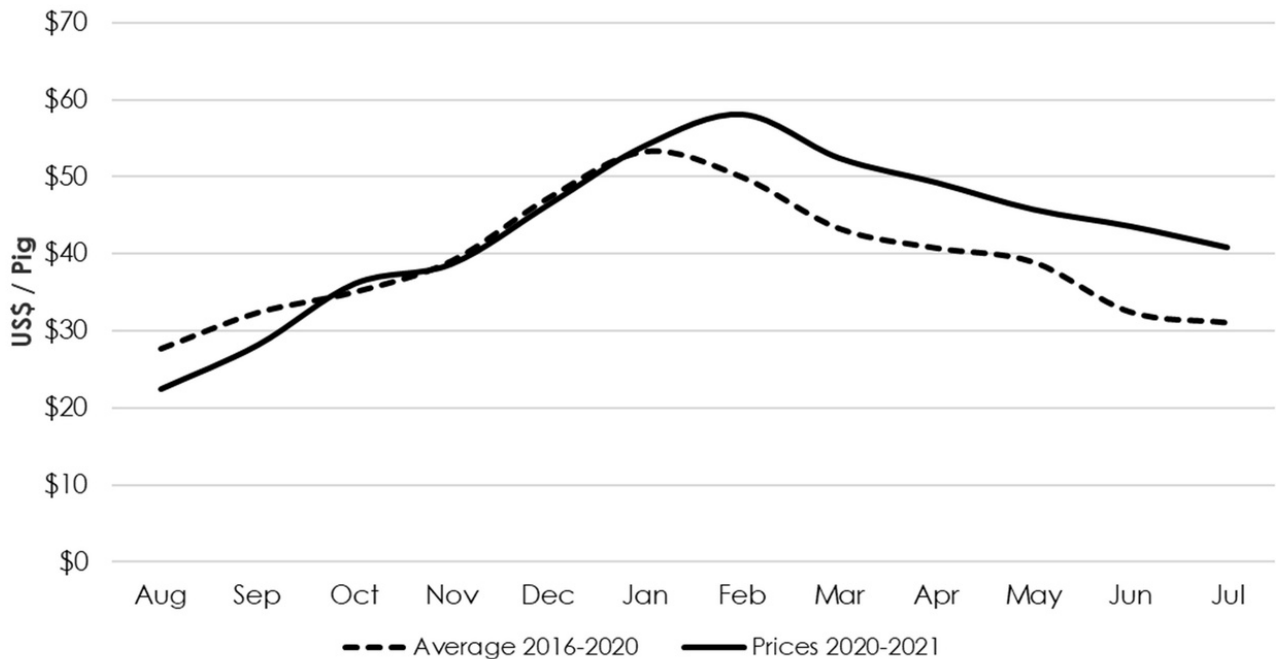
After extremely poor feeder pig prices in the spring/summer of 2020 due to U.S. slaughter disruptions, prices for 10-12 lb. feeder pigs rebounded and finished the year very strong. In 2020/2021, prices averaged U.S. \$43.06/pig, an increase of 35% over 2019/2020 and over the 5-year average of \$39.00/pig.

STATISTICS & TRENDS

USDA 10-12 lb. Feeder Pig Prices



USDA 10-12 lb. Feeder Pig Prices



Source: USDA-Agricultural Marketing Services, Market News



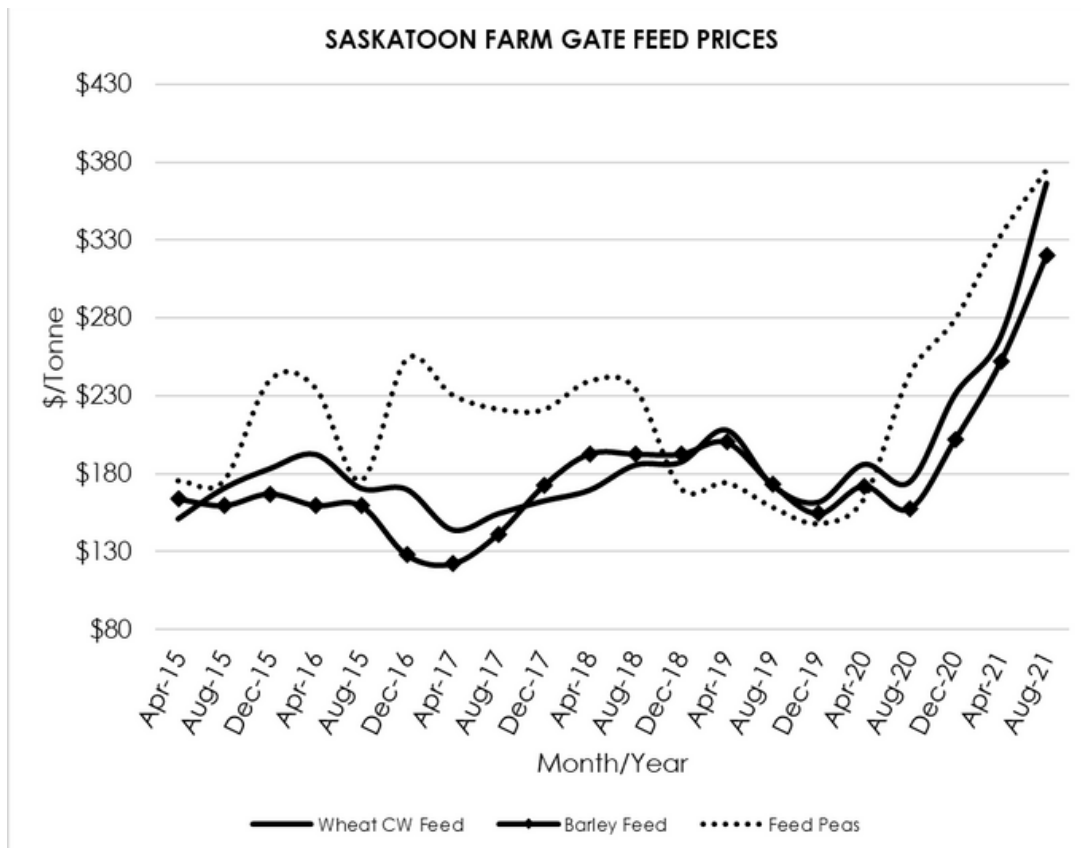
STATISTICS & TRENDS

Saskatoon Farm Gate Feed Prices



The ongoing trend of dry conditions in Saskatchewan continued this year. 2020/2021 crop yields were generally poor throughout the province due to dry and hot conditions throughout the summer. Most areas of the province reported yields that were well below average for wheat, barley, canola and peas. The final crop report for the 2021 harvest estimated average yields at 30 bushel per acre for hard red spring wheat, 49 bushel per acre for oats, 34 bushel per acre for barley, and 22 bushels per acre for peas.

From August 2020 to July 2021, Saskatchewan feed wheat prices averaged \$247.20, an increase of 41% from last year. Feed barley prices averaged \$225.75/tonne (36% increase) and feed peas averaged \$290.78/tonne (63% increase), with most analysts predicting higher prices for the coming year.



Source: Saskatchewan Ministry of Agriculture
 *Note: Spot grain prices FOB Saskatoon

STATISTICS & TRENDS

Saskatchewan Producer Profiles



In 2020, a total of 74 producers marketed hogs in the province, a decrease of eight from the previous year. Most of the decrease was in the <100 hogs produced category, which had 6 fewer producers.

The majority of Saskatchewan's hog production occurred on the province's 147 active PS|PC 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, 2021, there were 340 non-CQA/CPE® premises registered, an increase of 43 from the previous year.

SASKATCHEWAN PRODUCER PROFILE*

Number of Pigs Produced	Number of Producers				Number of Pigs Produced			
	2017	2018	2019	2020	2017	2018	2019	2020
<100	15	4	10	4	210	160	235	247
100-500	1	2	4	1	395	575	1,134	379
500-1000	1	3	1	1	919	2,047	906	806
1000-5000	11	5	2	5	30,389	11,490	5,154	15,605
5000-25000	52	48	50	48	633,740	559,878	574,778	588,165
25000-50000	4	6	7	6	133,736	188,405	235,572	176,350
>50000	8	9	8	9	1,397,050	1,522,189	1,488,625	1,493,434
Totals	92	77	82	74	2,196,439	2,284,744	2,306,404	2,274,986

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. Saskatchewan had 147 Active production units in 2020



STATISTICS & TRENDS

Pigs Sold in Saskatchewan



Saskatchewan producers marketed a total of 2,274,986 pigs, a decrease of 31,418 animals from 2019. Market weight hog sales increased by 88,672 animals to 1.85 million hogs, while marketings of feeder pigs to the U.S. decreased by 123,787 pigs. Poor returns for weanlings in the U.S. markets in the summer of 2020 contributed to a shift in marketings and the retention of feeder pigs in Saskatchewan. Sow and breeding stock sales remained relatively steady.

In 2020, 281,804 hogs produced in Saskatchewan were slaughtered locally in the province. Of the remainder, 895,100 were transported to Alberta for slaughter, while 593,117 animals were slaughtered in Manitoba, and 37,602 were processed in British Columbia. Saskatchewan also exported 66,853 slaughter weight animals to the U.S.

NUMBER OF PIGS SOLD IN SASKATCHEWAN BY CATEGORY

Year	Market Hogs	Sows and Breeding Stock Exports	Feeder Pig/Weanling Exports	Total Pigs Produced
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
2019	1,756,138	36,062	514,204	2,306,404
2020	1,844,810	39,758	390,418	2,274,986

Source: Sask Pork

According to Statistics Canada, as of January 1, 2021 Saskatchewan's breeding herd numbered 102,900 sows and bred gilts. This is a decrease of 1,600 animals from 2020. The Canadian herd increased by 12,500 sows, with the majority of this increase coming from Quebec. The national breeding herd was comprised of 1.24 million sows and bred gilts as of January 1, 2021.

STATISTICS & TRENDS

Sows & Gilts in Canada



SOWS AND BRED GILTS IN CANADA ('000 HEAD, JANUARY 1ST)

Year	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2015	9.0	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	8.3	127.5	100.8	339.0	575.6	321.7	323.0	15.7	660.4	1,236.0
2020	7.9	129.0	104.5	341.0	582.4	315.9	314.2	15.1	645.2	1,227.6
2021	7.8	130.2	102.9	340.5	581.4	322.2	321.2	15.3	658.7	1,240.1

Source: Statistics Canada, Table: 32-10-0160-01



According to Agriculture and Agri-food Canada, approximately 4.4 million feeder pigs were exported from Canada to the United States in 2020, which was an increase of 3% from 2019. A total of 856,300 market weight hogs were also exported, representing an increase of 10% over the previous year.

STATISTICS & TRENDS

Canadian Exports to the U.S.



CANADIAN LIVE HOG EXPORTS TO U.S. (< 50 KG, '000 HEAD)

Year	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
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	2,825.5	3,808.5	937.4	2.6	18.9	958.9	4,767.4
2018	0.0	388.2	484.2	2,738.8	3,611.2	852.8	1.6	32.0	886.5	4,497.7
2019	0.0	427.2	483.0	2,713.8	3,624.0	661.2	1.5	24.3	687.0	4,311.0
2020	0.0	407.1	441.6	2,973.5	3,822.2	588.7	19.4	0.8	608.9	4,431.1

Source: Statistics Canada, Prepared by AAFC/MISB/AID/Market Information Section

CANADIAN LIVE HOG EXPORTS TO U.S. (>50 KG, '000 HEAD)

Year	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
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	14.9	2.7	426.2	919.9
2017	0.0	141.6	25.7	340.0	507.3	319.6	2.7	0.0	322.3	829.6
2018	0.0	128.5	17.4	313.8	459.7	288.0	1.3	0.1	289.4	749.1
2019	0.0	136.7	7.4	274.6	418.8	359.0	3.3	0.0	362.3	781.1
2020	0.0	128.5	5.3	255.1	388.9	466.1	1.3	0.0	467.4	856.3

Source: Statistics Canada, Prepared by AAFC/MISB/AID/Market Information Section

Canadian slaughter increased in 2020, totaling over 22.5 million hogs. This was an increase of approximately one million hogs from the past year and represents the largest annual slaughter over the past decade.

STATISTICS & TRENDS

Hogs Slaughtered in Canada



HOGS SLAUGHTERED IN CANADA (1,000 HEAD)

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

Year	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
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	505.6	2,510.3	311.7	5,368.6	8,696.2	4,119.7	8,572.9	10.6	12,703.2	21,399.4
2019	498.9	2,474.2	327.5	5,526.4	8,826.9	4,379.1	8,463.2	9.2	12,851.5	21,678.4
2020	530.9	2,724.0	335.5	5,932.2	9,522.6	4,663.6	8,362.2	10.1	13,035.9	22,558.5

Source: Agriculture and Agrifood Canada, Red Meat Market Information, Origin of Hogs Slaughtered in Canadian Plants



INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Sask Pork have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Sask Pork's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Chair. The Audit Chair is appointed by the Board and meets periodically with management and the producers' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Chair reports to the Board of Directors prior to its approval of the financial statements. The Audit Chair also considers, for review by the Board and approval by the producers, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the producers by Lingard + Dreger LLP, in accordance with Canadian accounting standards for not-for-profit organizations.



Management



Management



INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Producers of Sask Pork

Qualified Opinion

We have audited the financial statements of Sask Pork, which comprise the statement of financial position as at July 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Sask Pork as at July 31, 2021, 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.

Basis for Qualified Opinion

Sask Pork collects a levy from Saskatchewan producers through buyers of pork, the completeness of which is not susceptible of satisfactory audit verification. It was not practical for us to verify whether all buyers of pork produced in Saskatchewan have collected and remitted the required levy to the commission. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Sask Pork and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing Sask Pork's ability to continue as a going concern, disclosing, as applicable, matters related to 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.

(continues)



INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Producers of Sask Pork (continued)

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 misstatement 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.
- 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 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 auditor's 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 auditor's 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.

Lingard + Dreger

Chartered Professional Accountants

Saskatoon, Saskatchewan
October 15, 2021



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Statement of Financial Position
As at July 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 1,690,806	\$ 1,547,765
Short-term investments	21,500	-
Restricted investments - short-term (Note 3)	1,000,000	-
Accounts receivable (Note 4)	188,877	111,181
Prepaid expenses	25,812	15,914
	2,926,995	1,674,860
RESTRICTED INVESTMENTS (Note 3)	-	1,000,000
	\$ 2,926,995	\$ 2,674,860
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 163,343	\$ 144,504
Deferred contributions (Note 7)	106,425	58,896
	269,768	203,400
NET ASSETS		
UNRESTRICTED	1,657,227	1,471,460
INTERNALLY RESTRICTED	1,000,000	1,000,000
	2,657,227	2,471,460
	\$ 2,926,995	\$ 2,674,860

COMMITMENTS (Note 6)

APPROVED BY THE BOARD

 _____ Director

 _____ Director

See notes to the financial statements



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Statement of Operations
For the Year Ended July 31, 2021

	Budget (Note 13) 2021	2021	2020
REVENUE			
Levy and export service charge	\$ 1,673,250	\$ 1,713,004	\$ 1,670,569
Government grants and project funding (Note 9)	79,500	57,247	59,643
Interest	37,100	31,625	52,133
Other	-	10,679	3,762
Symposium fees	70,000	-	81,273
Reimbursed travel	10,000	-	7,497
	1,869,850	1,812,555	1,874,877
EXPENSES			
Salaries and wages	524,342	539,181	404,308
Research, including Prairie Swine Centre (Note 10)	371,125	358,443	375,102
Industry association	318,675	324,324	318,487
Communications	144,370	119,351	90,167
Operations and office	122,844	111,853	116,043
Producer services	108,500	70,731	102,496
Promotions	37,500	36,482	28,600
Organization development	42,235	35,029	37,919
Directors and committees	42,875	18,097	32,783
Symposium	93,525	11,862	110,255
Travel (Schedule 1)	23,700	1,435	13,886
Reimbursed expenses	10,000	-	7,225
Policy and industry development	37,000	-	606
	1,876,691	1,626,788	1,637,877
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (6,841)	\$ 185,767	\$ 237,000

SASK PORK
Statement of Changes in Net Assets
For the Year Ended July 31, 2021

	Unrestricted	Internally Restricted	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 1,471,460	\$ 1,000,000	\$ 2,471,460	\$ 2,234,460
Excess of revenue over expenses	185,767	-	185,767	237,000
NET ASSETS - END OF YEAR	\$ 1,657,227	\$ 1,000,000	\$ 2,657,227	\$ 2,471,460



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Statement of Cash Flows
For the Year Ended July 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 185,767	\$ 237,000
Changes in non-cash working capital:		
Accounts receivable	(77,696)	100,602
Prepaid expenses	(9,898)	9,878
Accounts payable and accrued liabilities	18,839	8,454
Deferred contributions	47,529	5,358
	(21,226)	124,292
Cash flow from operating activities	164,541	361,292
INVESTING ACTIVITIES		
Purchases of investments	-	(1,000,000)
Disposal of investments	-	1,728,658
Reinvested interest	(21,500)	-
Cash flow from (used by) investing activities	(21,500)	728,658
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	143,041	1,089,950
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,547,765	457,815
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,690,806	\$ 1,547,765
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 1,690,806	\$ 1,547,765



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Notes to the Financial Statements
For the Year Ended July 31, 2021

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

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 statement 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.

Cash and cash equivalents

Cash is comprised of cash on hand.

Short-term investments 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.

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 fixtures	3-5 years
Leasehold improvements	3 years

(continues)



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Notes to the Financial Statements
For the Year Ended July 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

Sask Pork follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which 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.

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

Contributions in-kind

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

Measurement uncertainty

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. RESTRICTED INVESTMENTS

	Maturity	2021	Yield	2020
Short-term				
Term deposit	8 months	\$ 1,000,000	2.15%	\$ -
Long-term				
Term deposit	-	-	-	1,000,000
		\$ 1,000,000		\$ 1,000,000



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Notes to the Financial Statements
For the Year Ended July 31, 2021

4. ACCOUNTS RECEIVABLE

The accounts receivable balance consists of the following:

	2021	2020
Levies receivable	\$ 166,119	\$ 70,216
Interest receivable	15,501	25,965
Accrued grant funding	7,257	15,000
	\$ 188,877	\$ 111,181

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2021	2020
Accrued liabilities	\$ 12,360	\$ 9,805
GST payable	3,672	4,041
Payroll liabilities	14,850	17,765
Trade payables	90,943	93,470
Vacation payable	34,796	17,729
Visa payable	6,722	1,694
	\$ 163,343	\$ 144,504

6. 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:	
2022	\$ 65,547
2023	16,387

(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 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:	
2022	\$ 5,000

INDEPENDENT AUDITOR'S REPORT

SASK PORK
Notes to the Financial Statements
For the Year Ended July 31, 2021

7. DEFERRED CONTRIBUTIONS

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 agreement provides funding for Sask Pork to organize and administer a PEDv surveillance program in the Saskatchewan swine industry.

Sask Pork receives funding from the Saskatchewan Ministry of Agriculture to be held, administered and distributed in accordance with the related Above Ground Burial Trial funding agreement. The agreement provides funding for Sask Pork to determine if above ground burial is a viable option for disposal of deadstock in Saskatchewan.

	2021	2020
Deferred contributions and revenue, beginning of year	\$ 58,896	\$ 53,538
<i>Contributions and revenue received during the year:</i>		
PEDv Surveillance Program	50,000	50,000
Above Ground Burial Trial	47,520	-
<i>Less:</i>		
PEDv Surveillance Program expenses recognized as producer services expenses	(49,347)	(44,642)
Above Ground Burial Trial expenses recognized as research expenses	(644)	-
Deferred contributions and revenue, end of year	106,425	58,896

The deferred contributions and revenue relates to the following:

	2021	2020
PEDv Surveillance Program	\$ 59,549	\$ 58,896
Above Ground Burial Trial	46,876	-
	\$ 106,425	\$ 58,896

8. 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.

9. GOVERNMENT GRANTS AND PROJECT FUNDING

	2021	2020
PEDv surveillance	\$ 49,346	\$ 44,643
Public Trust Project	7,257	-
Above Ground Burial Trial	644	-
Livestock emergency equipment	-	15,000
	\$ 57,247	\$ 59,643



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Notes to the Financial Statements
For the Year Ended July 31, 2021

10. RESEARCH EXPENSE

The research expense consists of the following:

	2021	2020
Prairie Swine Centre Inc.	\$ 302,500	\$ 302,500
Canadian Swine Research & Development Cluster -Swine Innovation fund	48,299	47,352
Space Allowance During Transport	5,000	5,000
Survey Study of Small Producers	2,000	-
Above Ground Burial Trial	644	-
Swine Dysentery Vaccine	-	10,000
Strategic Management and Marketing of Pork in Canada	-	7,000
Diets and Feeding Programs	-	2,000
Impact of Trailer Design	-	1,250
	\$ 358,443	\$ 375,102

11. FINANCIAL INSTRUMENTS

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

Credit concentration

As at July 31, 2021, four customers accounted for 71.84% (2020 - 70.09%) of levies receivable, representing Sask Pork's maximum credit risk exposure. Sask Pork 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 the financial instrument might be adversely affected by a change in 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. Sask Pork is exposed to interest rate risk on its short-term investments.

Liquidity risk

Liquidity risk is the risk that Sask Pork will encounter difficulty in meeting obligations associated with financial liabilities. Sask Pork 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 Sask Pork's future net cash flow for the possibility of a negative cash flow. Sask Pork 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.

12. CAPITAL MANAGEMENT

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



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Notes to the Financial Statements
For the Year Ended July 31, 2021

13. BUDGET

The budget presented is unaudited. The budget for 2020/2021 was approved by the Board of Directors on May 28, 2020.

14. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Sask Pork is following health advisories and mandatory requirements from local, provincial and national health, and government organizations. Sask Pork has made operational changes to the business in response to the operating environment including utilizing government subsidies and assistance. The ultimate long-term financial impact on Sask Pork is unknown, but may be significant.



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Schedule of Travel Expenses **(Schedule 1)**
For the Year Ended July 31, 2021

	Budget (Note 13) 2021	2021	2020
Communications	\$ 1,000	\$ -	\$ 1,458
Industry association	4,500	-	3,193
Organizational development	7,000	923	3,968
Policy and industry development	5,000	512	1,850
Producer services	5,200	-	3,417
Promotions	1,000	-	-
	\$ 23,700	\$ 1,435	\$ 13,886

Payee List **(Schedule 2)**

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 45th Trade Centre	\$ 68,678
Canadian Pork Council	\$ 366,139
Prairie Swine Centre	\$ 304,500



INDEPENDENT AUDITOR'S REPORT

SASK PORK
Research Projects Funded from Hog Levy (Schedule 3)
For the Year Ended July 31, 2021

Project Name	Researchers	2020-2021 Funding
F. Mendard - Space Allowance During Transport	Gilles Lacombe Benoit Laplante	\$ 5,000
Prairie Swine Centre Inc.	Various	302,500
Prairie Swine Centre Inc. - Survey Study of Small Producers	Various	2,000
Swine Innovation Porc	Various	48,299
		\$ 357,799

Directors' Remuneration (Schedule 4)
For the Year Ended July 31, 2021

Directors 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, 2020 - July 31, 2021:

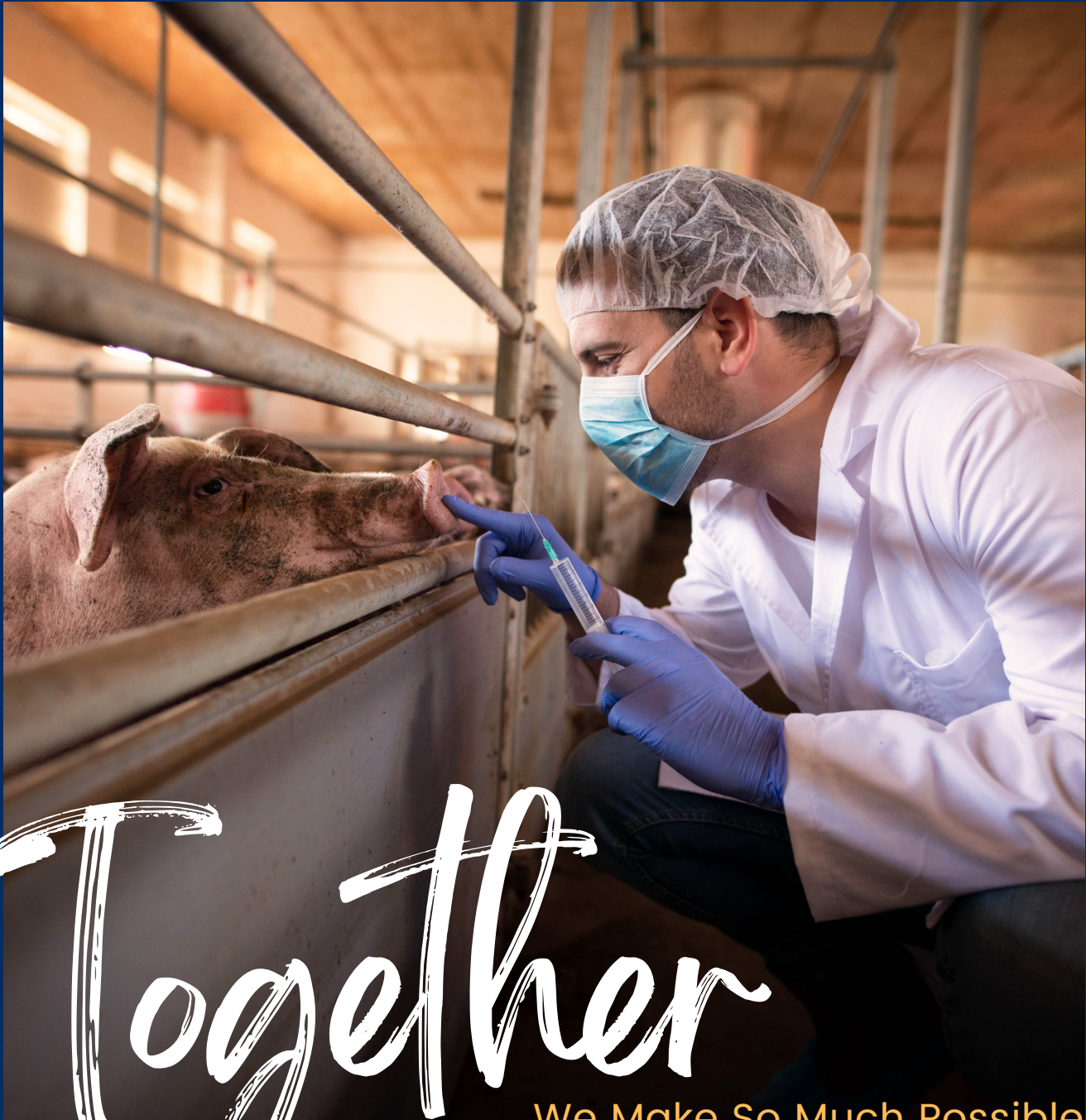
	Per Diem	Expenses	Total
Directors			
Casey Smit	\$ 8,700 *	\$ 193	\$ 8,893
Curt Kowalchuk	1,013	-	1,013
Dickson Gould	1,125	-	1,125
Jay McGrath	1,125	-	1,125
John Beckton	1,125	-	1,125
Toby Tschetter	4,500 **	198	4,698
	17,588	391	17,979
Other payments	-	118 ***	118
Directors total	\$ 17,588	\$ 509	\$ 18,097

* 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

*** Payments made to facilitate meetings





Together

We Make So Much Possible



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