

Annual Report

2019 - 2020



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



It is difficult to think of a more impactful event in the last number of years than the 2020 Covid-19 pandemic and how it has affected our daily life beyond anything imagined before. Unlike a seasonal flu, Covid-19 is a global event with no country or region spared from this very infectious virus. The toll has been severe, as government and health agencies struggle to contain the spread, imposing rotating lockdowns impacting businesses and people's livelihoods alike.

The hog industry was not immune to this reality as the supply chain was severely disrupted starting back in April, as slaughter plants in the US and Canada struggled to keep up as positive cases continued to rise among their workforces. This continues to this day as a second wave is impacting slaughter plants mostly in eastern Canada. However, it became very apparent, very quickly, how integral the entire supply chain is to having food security for Canadians including producing pork. Whether at the farm level, where day to day chores needed to continue or to the supply chains that delivered food to stores, each step was deemed to be critical and efforts to ensure minimal disruption was vital to everyone up and down the supply chain.

The main slaughter plants that Saskatchewan producers rely on (Olymel, Maple Leaf, Hylife and Thunder Creek) have all done a commendable job by providing all the social distancing protocols and PPE for staff, to mitigate the impact of Covid-19 as much as possible. Overall, they have fared better than other plants in Eastern Canada and in the US. Our hope being that this will continue.

Early this year the Covid-19 situation in eastern Canada affected slaughter plants causing significant backlogs of market hogs. Fortunately, this was cleared up by late summer but with the second Covid-19 wave well underway this fall the situation is similar if not worse. 5,000-8000 market hogs are being shipped to the west every week to be slaughtered to alleviate the pressure. In Saskatchewan, Thunder Creek was also faced with a slow down because of Covid-19. Thankfully, they were able to get up to full speed rather quickly with minimal disruption.

African Swine Fever continues to spread unabated globally with Germany the latest country to be impacted by ASF, where it has taken a foothold in the wild boar population on its eastern border with Poland. Thankfully, it has not spread to any commercial operations, but it has negatively impacted market returns as China halted all pork imports from Germany. While this unfortunate event should favour the Canadian export market, China is also delisting slaughter plants that have active cases of Covid-19. As of this writing more than 10 plants in Canada have been delisted with no clear timeline or process for reinstatement.

In Canada, the working groups are moving ahead with trying to understand the implications of a positive case of ASF and how do we deal with a business model that has no other outlets for excess pigs. There is a clear understanding that in the event of a confirmed positive on farm the CFIA will be heavily involved. Outside of the immediate quarantine zone it is not clear yet as to what will happen to our industry. In addition to understanding the implications of a positive case we must continue to aggressively lobby the government on ensuring that our ports of entry have the ability to search and detain any illegal products that we do know make its way onto our shores. Again, working groups are working extremely hard on addressing these very real concerns as the impact on our industry would be incalculable.

Chairman's Message

Lastly, despite the challenges we currently have, there is reason to be optimistic. China will take our pork once again after some of the political issues get resolved. The devastation to their industry from ASF will take years to recover from. We are in a tremendous position to capture that opportunity when it is presented and until then we must forge ahead with producing some of the highest quality pork in the world.

Regarding ASF our best defense is prevention. We have some of the best biosecurity standards right here in Saskatchewan and perhaps in North America with a healthy pig population and no record of a positive PEDv herd recorded to date. That is remarkable by any measure and the same approach has to be taken with ASF or any other disease threat. Of course, we need a national approach and that is being worked on as discussed earlier but maintaining our province as a high health region will go a long way in protecting our industry.

Finally, the pandemic will come to an end. Vaccines are on the horizon and hopefully one year from now we are back to normal with an in-person AGM. Until then we all need to do our part and mitigate as much as possible the impact on our ourselves, family and friends and most importantly our health care system.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Casey Smit', with a stylized, cursive style.

Casey Smit
Chairman

General Manager's Message



Well, what a year it's been. A tough one from both a business and personal standpoint. We continue to navigate through new restrictions on our daily activities as we try to protect each other, particularly the most vulnerable members of society, from an enemy we can't see.

In an industry where we are continuously planning ahead, and trying to mitigate the various risks our farms face, one of the last things we contemplated over the years as a threat, was a human health pandemic of all things. Since March, COVID-19 has certainly shaped our reality, and our industry. Yet when I look back at what has gone on, I'm proud of the resiliency of our farms, our processors, and all of the supporting businesses and people that make our industry tick across western Canada.

Our biggest test occurred in April when a number of U.S. processing plants were forced to temporarily close due to COVID cases among workers. This resulted in a short-lived boost to prices due to a shortage of product, followed by a long-term slump that extended through the summer months. Most significantly impacted were our farms that export weanlings. So bleak was the outlook at the time for this fall's prices that it was a struggle to find buyers, let alone negotiate a fair price for small pigs. Market hog prices were similarly disappointing as well throughout the spring and summer months as prices hit their lowest levels since 2009. However, the efforts of our processors in establishing successful protocols and the diligence of the skilled workers at the plants has resulted in very little disruption at our slaughter plants and western Canadian hogs continue to be processed with no backlogs.

While the short-term issues with COVID-19 have certainly taken center-stage, we continue to keep many files moving forward on your behalf. On a positive note, the National Pork Promotion and Research Agency (PRA) took a big step forward as the proposal to create the PRA was published in the March 7 edition of the Canada Gazette Part 1. This agency has been in development for many years, and will be funded through the collection of a levy on imported hogs and pork. It is estimated that these import levies will generate approximately \$2 million annually in new funding for the collective benefit of the Canadian pork sector.

Pricing was also a major area of focus throughout the year. Sask Pork collaborated with the other western provinces in a major effort to analyze current formulas, and examine the role that carcass cutout data might play in pricing formulas in the future, and advocate for change. We met several times with major processors to discuss new pricing mechanisms during the year. The divergence over the past decade of pork prices and hog prices is a major concern, and the extreme volatility of current pricing mechanisms is a major deterrent for existing farms to stay involved in this business, and newcomers to invest. While it may seem that progress on this front is slow, we are encouraged by some of the formulas proposed by a few western Canadian processing companies over the past year.

The suite of on-farm programs- CQA, CPE, and PigTrace remain critically important to the industry. What you do on farm does matter in the bigger picture. Just as important as doing things right, is being able to demonstrate our commitment to food safety and animal care as an industry. The importance of these programs in maintaining market access and public trust cannot be understated. Being able to declare that a 3rd party auditor visits your farm on a regular basis, and you have a report stating that you met or exceed all industry standards is a compelling defense against unfounded accusations.

Finally, biosecurity, disease surveillance, and emergency planning initiatives remain critically important in ensuring diseases affecting swine, including PED and ASF do not gain a foothold in the province.

General Manager's Message

Sask Pork has had two new staff members join the organization this year. Jessica Podhodeski rejoins Sask Pork on a part-time basis to work on agri-education and community outreach initiatives and Shawn Halter has filled the role of Manager, Industry Development and Analysis. I would also like to recognize Kim, Patty and Ravneet for their ongoing dedicated service and commitment to the industry.

In closing, I would like to thank Sask Pork's Board of Directors for their time, advice and guidance over the past year. It is a pleasure to continue work with a group of people – both directors and staff who are both committed and passionate about this industry.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark Ferguson". The signature is written in a cursive, flowing style.

Mark Ferguson

General Manager

Board of Directors

SASK PORK DIRECTORS 2019-2020

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.

Committee Representation

STAFF

Mark Ferguson

General Manager
mferguson@saskpork.com

Kim Browne

Executive Administration
Promotions/Communications
Pork Symposium Coordinator
kbrowne@saskpork.com

Shawn Halter

Manager Industry Development &
Analysis
shalter@saskpork.com

Ravneet Kaur

Manager Producer Services &
On-Farm Food Safety
rkaur@saskpork.com

Jessica Podhordeski

Community Relations Coordinator
jpodhordeski@saskpork.com

Patty Riley

Financial Administrator
priley@saskpork.com

CANADIAN PORK COUNCIL

Advocacy Committee - Casey Smit
Board of Directors - Casey Smit
Canada Pork International - Dickson Gould
CQA®/CPE Provincial Coordinators Group - Ravneet Kaur
Codes of Practice Committee - Casey Smit
CPE Management Committee - Toby Tschetter / Ravneet Kaur
CPE National Database Committee - Ravneet Kaur
National Swine Health Initiative - Ravneet Kaur
National Communications Group - Kim Browne
PigTrace Implementation Team - Mark Ferguson / Ravneet Kaur
PigTrace Policy Committee - Casey Smit
Swine Innovation Porc - Dickson Gould

INDUSTRY REPRESENTATION

Agricultural Producers Association of Saskatchewan - Livestock Committee -
Mark Ferguson / Shawn Halter
African Swine Fever Western Area Destruction and Disposal Working Group -
Ravneet Kaur
African Swine Fever Western Area Event Management and Communication
Working Group - Ravneet Kaur
African Swine Fever Western Area Permitting and Zoning Working Group -
Mark Ferguson
Canadian Western Swine Health Intelligence Network - 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
Provincial African Swine Fever Planning Group (Ministry of Agriculture) -
Mark Ferguson / Ravneet Kaur / Shawn Halter
Government of Saskatchewan Livestock Development Steering Committee -
Mark Ferguson
Prairie Swine Centre Board of Directors - Mark Ferguson
Statistics Canada Agricultural Statistics Advisory Committee - Mark Ferguson
Western Canadian Hog Pricing Initiative - Toby Tschetter / Mark Ferguson

External Activities

- Prairie Swine Centre Science Day, Saskatoon, SK, August 14, 2019 - Ravneet Kaur
- Western Pricing Meeting, Calgary, AB, September 12, 2019 - Mark Ferguson
- Saskatchewan SPCA Conference, Saskatoon, SK, September 18, 2019 - Ravneet Kaur
- National Communications Committee Meeting, New Westminster, BC, September 25, 2019 - Kim Browne
- Ag Experience Agri-Ed School Tours, Saskatoon, SK, October 8-10, 2019 - Kim Browne, Ravneet Kaur
- CPC Fall Meetings, Ottawa, ON, October 21-23, 2019 - Casey Smit, Mark Ferguson, Toby Tschetter, Dickson Gould
- CWSHIN Fall meeting, Saskatoon, SK, October 23, 2019 - Ravneet Kaur
- Western Canadian Association of Swine Veterinarians (WCASV) Conference, Saskatoon, SK, Oct 24-25, 2019 - Ravneet Kaur
- Lemberg Barn Development Open House, October 30, 2019 - Mark Ferguson
- African Swine Fever Preparedness Meeting with Saskatchewan Chief Veterinary Officer, October 31, 2019 - Mark Ferguson, Ravneet Kaur
- Canadian Centre for Food Integrity (CCFI) and Farm and Food Care Saskatchewan Public Trust Summit, Saskatoon, SK, November 13-14, 2020 - Mark Ferguson, Kim Browne
- Alberta Pork Annual General Meeting, November 21, 2019 - Casey Smit
- EOC Meeting, Gatineau, QB, November 25-26, 2019 - Ravneet Kaur
- Saskatchewan Ministry of Agriculture Governance Training for Provincial Boards, Saskatoon, December 4-5 - Mark Ferguson
- Ag in the Classroom Partner Strategy Session, Saskatoon, SK, December 5, 2019 - Kim Browne
- Ministry of Agriculture Industry Communicators Meeting, Saskatoon, SK, December 11, 2019 - Kim Browne
- Animal Health Emergency Management (AHM) Workshop, Regina, SK, December 13, 2019 - Ravneet Kaur
- Canadian Swine Training Development Project, Ottawa, ON, December 16-17, 2019 - Ravneet Kaur
- Banff Pork Seminar, Banff, AB, January 7, 2020 - John Beckton, Mark Ferguson, Ravneet Kaur
- Meeting with MP Kelly Block, Saskatoon, SK, January 14, 2020 - Casey Smit, Mark Ferguson
- Saskatchewan Ministry of Agriculture Governance Training, Regina, SK, January 28-29, 2020 - Toby Tschetter
- Manitoba Swine Seminar, Winnipeg, MB, February 5-6, 2020 - Toby Tschetter
- Government and Industry Expanded Hog Supply Working Group Face-to-Face Meeting – February 13, 2020 - Dickson Gould
- Cramer Livestock Expo, Swift Current, SK, February 13, 2020 - Mark Ferguson, Ravneet Kaur
- Saskatchewan Agri-Food Council All Chairs Meeting, Regina, SK, February 24, 2020 - Toby Tschetter
- Farm and Food Care Saskatchewan AGM, February 28, 2020 - Jay McGrath
- SPCA Emergency Planning Committee Meeting, March 6, 2020 - Ravneet Kaur
- Provincial General Managers' Meeting, Toronto, ON, March 12-13, 2020 - Mark Ferguson
- Meeting with Saskatchewan's Conservative Caucus (MP's and Senators), via Zoom, May 6, 2020 - Casey Smit and Mark Ferguson

Governance

2019 ANNUAL GENERAL MEETING

The AGM was held in Swift Current Thursday, November 28, 2019 at the Coast Hotel. 41 producers and industry representatives attended the meeting.

2019 ELECTION OF THE BOARD OF DIRECTORS

Max Lingard of Twigg & Co. Chartered Accountants announced the results of the 2019 Election.

Six individuals were nominated for 2019-2021 terms: John Beckton, Dickson Gould, Curt Kowalchuk, Jay McGrath, Casey Smit and Toby Tschetter.

The Board of Directors was acclaimed.

One resolution was submitted for consideration at the meeting:

RESOLUTION #1

Submitted by Herbie Stahl, Downie Lake

BACKGROUND

According to the latest FCC Vision results dated November 12, 2019, the use of price contracts is the primary means by which hog producers manage marketing risk for their operations.

However, there is substantial margin risk when engaging in forward price contracting. That is to say, if markets rally, the ability of the hog producer or forward contract administrator to maintain the hedging position of the forward contract becomes threatened. Moreover, forward pricing opportunities become limited, if, for example, the producer or administrator can no longer take on new hedges as happened across Canada over March and April 2019 during the market rally due to African Swine Fever-related demand expectations.

Financial lenders do not consider the hogs being hedged as security against the lenders' loan to the hog producer or risk management administrator borrowing funds to cover margin calls.

Farm Credit Canada (FCC) could be a provider of funds needed to cover margin calls, thereby allowing hog producers to access a more complete risk management

strategy and take advantage of pricing opportunities specific to their operations, unencumbered by margin restraints.

MOTION:

Be it resolved that Sask Pork adopts a policy of support for FCC involvement and further petitions FCC to make available the funds necessary to cover margin risk related to hedging of forward price contracts for hog producers and administrators that use the futures markets to manage marketing risk.

MOVED HERBIE STAHL / MIKE HOFER

CARRIED (NONE OPPOSED)

The 2018-2019 Audited Financial Statements for the year ended July 31, 2019 were presented by Max Lingard of Twigg and Co. Chartered Accounts.

Sask Pork received a clean audit for the 2018-2019 fiscal year.

Twigg and Co. Chartered Accounts were appointed as Sask Pork's auditors for the 2019-2020 fiscal year.

The 2019-2020 Annual Budget was presented by General Manager, Mark Ferguson.



Industry Development & Analysis

BRM/COVID RESPONSE PROGRAMS

In response to extremely low hog prices and marketing struggles beginning in April, 2020 as a result of U.S. packer and foodservice shutdowns, Sask Pork and the Canadian Pork Council began lobbying provincial and Federal governments for a series of programs to provide financial support to producers through the pandemic.

To help in the short-term, Sask Pork requested improved terms on AgriStability interim payments, or alternatively a targeted advance on AgriStability. On April 24th, the Province of Saskatchewan announced that the 2020 AgriStability Interim Payment rate would increase to 75%, as well as the normal 6-month waiting period would be waived.

The Canadian Pork Council along with Sask Pork lobbied heavily for an ad hoc payment to hog farms of \$20/hog. As part of these efforts, Sask Pork met with the Saskatchewan Conservative caucus consisting of MPs and senators to highlight the difficulties facing pork producers. To date, these efforts have not resulted in a pork industry-specific program. However, the federal government has funded several programs that did provide some relief to pork producers:

- **Canada Emergency Business Account (CEBA)**
Intended to support all business types including agriculture through providing interest-free loans of up to \$40,000 to small businesses and not-for-profits. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).
- **Canada Emergency Wage Subsidy (CEWS)**
Provides a subsidy of 75% on the first \$58,700 of employee wages, retroactive from March 15, 2020 for businesses that experienced a significant drop in revenue due to COVID.
- **Mandatory Isolation Support for Temporary Foreign Workers Program (MISTFWP)**
A one-time \$50-million program to help with the impacts of the COVID-19 pandemic by assisting Canadian agri-food employers with some of the

incremental costs associated with the mandatory 14-day isolation period imposed under the Quarantine Act on temporary foreign workers upon entering Canada.

Along with the Canadian Pork Council and other agricultural sectors, we continued to lobby for long-term improvements to the AgriStability program throughout the year. Though these changes are unlikely to be made during the current COVID pandemic and may not be enacted until the next policy framework is negotiated by Federal and Provincial Ministers, AgriStability is our primary support program and improvements to the program remain critical for providing long-term stability to the industry. The three changes we have been collectively advocating for are:

1. Restoring the program trigger to 85% as it has historically been before it was reduced in 2013 under the Growing Forward 2 policy framework. As an alternative we have also advocated for increasing the payment rate to 85% as this may be a less costly option for governments;
2. Increasing the current program caps to account for inflation and changing business structures. The current \$3 million program cap has not been increased in approximately 20 years since the program was created and severely limits support for larger pork producers; and
3. Removing Reference Margin Limits

Sask Pork also worked with the provincial government on developing emergency plans for humane euthanasia. We recommended that a provincial AgriRecovery program be developed to deal with the scenario of excess weanlings and market hogs, to provide support for euthanasia as well as feed costs. Further, Sask Pork acquired several euthanasia options to assist with what was at the time a very real threat that we would have excess weanlings and feeder pigs due to U.S. finishing barns being full, and lacking the capacity to accept Canadian pigs.

Industry Development & Analysis

Two Euthanex AgPro 255 boxes were procured to administer CO2 to litter-sized groups of small pigs. Further, a dump trailer was modified to also use as an airtight box for CO2 administration as a higher throughput option if needed. The Ministry of Agriculture provided 50% of the cost of these units, and they will remain available on request to assist any farm that may require them in the future.

PRICING

To address both the systemic issue of low prices received by producers, and the current issue of low prices during the COVID pandemic, the four western pork boards (BC Pork, Alberta Pork, Sask Pork, and Manitoba Pork Council) struck a pricing committee to examine alternative pricing mechanisms and meet with the western processors. Specifically, the committee wrote to and requested a formal meeting with each of the major processors and as of July 31, we had met with each of the companies.

A discussion paper examining the current state of western pricing, and outlining the result of these pricing meetings was developed and distributed to producers on July 20th. As of July 31, two packers in western Canada (Hylife and Olymel) had responded with permanent changes to their formulas to incorporate carcass cutout pricing.

Britco/Thunder Creek introduced a temporary price floor of \$140/ckg, while Maple Leaf responded with a 13-week \$20/ckg increase to prices if producers committed adding a year to their contract. Sask Pork appreciates the response of all processors to the current pricing situation, and looks forward to further discussions on this matter.

BARN PERMITTING AND REGULATORY ENVIRONMENT

Sask Pork continued to participate in the ministry of Agriculture's Livestock Development Steering Committee in 2019/2020. 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 ILO 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.

Sask Pork continues to advocate for consistency across the entire province in terms of livestock planning and zoning standards. Specifically, a common science-based methodology for determining minimum separation distances for siting livestock operation similar to the process in Alberta.

The Statements of Provincial Interest (SPI) regulatory amendment consultations also concluded in 2019/2020. SPI legislation grants the Minister of Government Relations broad powers with regards to approving RM bylaws, and can be used to ensure that municipal ILO development bylaws are reasonable. New SPI amendments will come into force in January 2021, and include some additional protections for existing and proposed ILOs. Of note, there is a new statement that municipal planning documents and decisions shall insofar as practical: "Ensure that municipal permit requirements related to agricultural operations and value-added agribusiness do not duplicate or conflict with provincial regulatory requirements".

NATIONAL PORK PROMOTION AND RESEARCH AGENCY

On March 7, the proclamation to create a National Pork Promotion and Research Agency (PRA) was published in the March 7 edition of the Canada Gazette Part 1. This is a critical step in the progress of this organization. During the comment period, Sask Pork submitted a letter supporting the creation of this agency. The proposal for this agency has been in development for many years, and it will be funded through the collection of a levy on imported hogs and pork.

Canada annually imports over 200,000 tonnes of pork and pork products, on which no levies are collected to put towards producer-financed market development, pork promotion and research activities. By contrast, the U.S. has a mandatory checkoff on domestic production and imports. This new organization and the import levy will generate about \$2 million annually in new funding for the collective benefit of the Canadian pork sector.

Export and Trade

For 2019/2020, the greatest concern for pork producers was the disruption of markets and trade particularly with the U.S. during the Covid-19 pandemic. Fortunately, the border remained open for pork and live swine exports, however, uncertainty surrounding possible border closures remain an area of ongoing concern for pork producers.

Canada annually exports pork products to over 100 countries. Export sales account for nearly 70% of the pork produced in the country. In 2019, Canada exported approximately 1.26 million tonnes of pork with a value of \$4.3 billion.

Japan continues to be Canada's top market for pork in terms of total dollar value with \$1.41 billion in sales. The U.S. continues to be Canada's largest market for pork in terms of quantity with nearly 320,000 tonnes shipped. Exports to China increased by 18% in 2019, though China remained Canada's second largest market for pork in terms of the total quantity exported. Exports to Mexico increased by 12%, while exports to South Korea increased by 8%.

2019 TOP EXPORT MARKETS

Country	Value (Thousands)	Quantity (Tonnes)
Japan	\$1,403,049	261,945
United States	\$1,251,190	319,846
China	\$ 609,150	255,507
Mexico	\$ 281,872	153,224
South Korea	\$ 170,564	47,286

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

CANADA-UNITED STATES-MEXICO AGREEMENT (CUSMA)

On July 1, 2020, the Canada-United States-Mexico Agreement (CUSMA) entered into force. This agreement

maintains the status quo for swine and pork trade in North America and retention of a dispute resolution system similar to that included in NAFTA.

ZONING AGREEMENTS

Zoning is an internationally recognized tool used to manage animal diseases and facilitate international trade. Zoning systems limit trade constraints to "discrete geographic areas," rather than applying them to all exports of a commodity from anywhere in Canada.

Federal officials in Canada and the U.S. have agreed on zoning to allow safe trade of hogs and pork products if African Swine Fever (ASF) appears in either country. The two countries modified export certificates to allow trade of live swine, swine semen, pet food and animal by-products and meat to continue in approved disease-free zones in case of an ASF outbreak.

In practice, if the CFIA were to identify a specific geographic zone as infected in Canada, the U.S. Department of Agriculture would continue to allow imports of live animals, animal products and by-products from areas of Canada deemed disease-free.

Once Canada releases the affected zone, the U.S. would allow trade to resume from that area, and vice-versa for zones established in a U.S. outbreak. Similarly, Canada and the European Union have agreed to zoning arrangements.

If a positive case of ASF is confirmed in an area, geographic boundaries are defined to contain the outbreak. These boundaries are control zones established in accordance with the World Organization for Animal Health (OIE) principles. Areas of the country outside of these control zones can continue exporting hogs even if hogs in other parts of the country are afflicted with ASF. Zoning principles have been in place with the EU under the Canada-EU Comprehensive Economic and Trade Agreement (CETA). As CETA will no longer apply to the United Kingdom beginning January 1, 2021, an interim deal, Canada-United Kingdom Trade Continuity Agreement, will be in place to facilitate continued access to the benefits of CETA on a bilateral basis.

Producer Services / On-Farm Programs

CANADIAN QUALITY ASSURANCE (CQA) AND CANADIAN PORK EXCELLENCE (CPE)

- There are 147 current registered units participating in the CQA® and ACA® programs, which include all hogs sold to federal slaughter plants from Saskatchewan.
- The Canadian Pork Excellence (CPE) program with PigSAFE (food safety), PigCARE (animal welfare) and PigTRACE (traceability) components is now officially launched and all CQA validators have completed the mandatory in-person Canadian Pork Excellence (CPE) Validator training.

PIGSAFE | PIGCARE (PS|PC) PROGRAMS IMPLEMENTATION TIMELINE & COVID-19

- To help producers adjust to the COVID-19 directions of the Public Health Agency of Canada, the CPC recommended postponing on-farm visits related to the Full Validation of PigSAFE | PigCARE programs in 2020.
- Farms due for Full CQA or PigSAFE | PigCARE validations were able to request an extension of up to three months. The extension could be further extended as the COVID-19 situation changed.
- Partial validations could be completed as usual.

The CQA/ACA program will phase out completely by the end of 2023.

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, assisting stakeholders with identifiers and tags.

Sask Pork also assists producers and abattoirs as needed with movement reporting.

In 2019/2020, Sask Pork registered/created PigTrace accounts for ~20 new swine premises. Between August 1, 2019 and July 31, 2020, 41,942 movement events were

reported involving Saskatchewan farms and reported to PigTrace. These movement events accounted for 8.05 million individual animals. Saskatchewan producers are to be commended for their active commitment and active participation in this program.

TRANSPORT QUALITY ASSURANCE (TQA®)

This year Sask Pork held 1 in-person TQA certification session with 5 attendees, plus an additional 42 through online training. Version 7 of the program was launched in May 2020, and continues to allow the option of online training for all trainees, including new ones.

ASSURANCE SYSTEM PRODUCER REBATE PROGRAM

Saskatchewan Ministry of Agriculture launched the Assurance Systems Producer Program in 2018, which is a rebate program under Canadian Agriculture Partnership, focusing on animal welfare for livestock producers and biosecurity for both plant and livestock producers. The program covers fifty per cent of eligible expenses to a maximum program payment of \$15,000 per operation. Applications for the rebate must be received on or before December 31, 2022.

CANADIAN SWINE TRAINING DEVELOPMENT PROJECT

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

The project coordinated by Mark Fynn of Manitoba Pork, includes consolidation of existing training tools, review of quality and accuracy, translation and the development of new resources/tools identified as priorities by the Canadian pork sector. Training resources will be made available to all Canadian pork producers. Priority topics for the first phase of resources are: Humane Transport | Biosecurity | Euthanasia | Small Lot Production.

Swine Health Focus

PEDV

- Between August 1st, 2019 to July 31st, 2020 25 new cases of PEDv were confirmed in Manitoba.
- No new cases after first four cases of PEDv confirmed during the first quarter of 2019 in Alberta.

Saskatchewan farms remained free of Porcine Epidemic Diarrhea (PEDv) in 2019/2020. The on-farm, transport, and market biosecurity efforts by all stakeholders prevented the introduction of this costly disease.

ENHANCED PORCINE EPIDEMIC DIARRHEA VIRUS | SWINE DELTACORONAVIRUS (SDCOV) SURVEILLANCE IN SASKATCHEWAN

Sask Pork organizes and administers a PED and SDCoV Surveillance program. Two Registered Veterinary Technologists, Tamara Mcloughlin and Susan Armstrong were contracted to collect samples at 2 primary high-traffic sites; one was a deadstock assembly site, the other was an abattoir.

Additional sites tested included feed mills, truck washes, and abattoirs, as well as some transport vehicles.

- 360 samples were submitted to Prairie Diagnostic services for testing. Environmental positives detected by the surveillance program:

January: Saskatchewan Ministry of Agriculture's Animal Health Unit (AHU) received notice from Alberta's Chief Veterinary Officer regarding PED-positive samples at a plant in Alberta with trace-outs to Saskatchewan, Manitoba and Ontario.

The Saskatchewan connection was identified as a single transport trailer. Trace-outs identified three Saskatchewan premises that had contact with this trailer. All farms were sampled and confirmed negative for PED.

February: Saskatchewan Ministry of Agriculture Animal Health Unit received reports of PED-positive samples taken post-wash from transport trailers at

one high risk site in Saskatchewan. The facility was extensively sampled and Cleaning and Disinfection (C&D) completed multiple times. Trace-outs were identified and test results from all farms with potential contact came back negative.

June-July 2020: Swine Delta Corona Virus (SDCoV) investigation - Positive samples of SDCoV were obtained in the environmental samples at one high traffic site in Saskatchewan on two separate occasions in June. There were also positive samples taken from two out-of-province transport trailers, one which was also positive for PED. In all cases, very low levels of virus were detected, suggesting that the positive samples were a result of cross-contamination events and not due to infected pigs. Multiple rounds of C&D were completed, and samples taken, which all came back negative.

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.

PORCINE EPIDEMIC DIARRHEA VIRUS (PEDV) VIABILITY DURING MANURE STORAGE

A collaborative study was undertaken in Manitoba and Alberta to determine if porcine epidemic diarrhea virus (PEDv) in manure from infected lagoons is capable of causing disease or virus shedding in piglets as the PCR tests are unable to determine if the virus was infective or not. 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.

The ultimate goal was to better understand if the virus detected on PCR is infective or simply remaining nucleic acid of an inactive virus. Results indicated that the lagoon manure did not contain infectious PEDv. The trial was conducted in the biosafety containment level 3 (CL3) facilities at VIDO-InterVac. The second phase of the study will be conducted in Alberta in fall, 2020.

Swine Health Focus

CANADA WEST SWINE HEALTH INTELLIGENCE NETWORK (CWSHIN)

CWSHIN is a surveillance system embedded in an intelligent 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 and pork boards in Saskatchewan, Manitoba, Alberta and British Columbia. Dr. Jette Christenson manages the organization's activities and reports to the Board. The above-mentioned organizations and governments also participate in the Technical working group and provide technical and administrative support.

CWSHIN receives data from veterinary practitioners, provincial diagnostic laboratories and federal abattoirs. This past year some of the main activities that Dr. Christenson undertook were the development of a data repository, a disease map and a new clinical impression survey. These tools help interpret the data and demonstrate disease trends better.

The network communicates its findings regularly through quarterly reports and CWSHIN news for swine veterinarians and producers and also via presentations at various conferences and face to face meetings. The reports are also posted online at CWSHIN.ca.

GROUP SOW HOUSING CONVERSIONS IN SASKATCHEWAN

Over the past few years, several North American processors 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.

To meet the increasing packer/retail demands and to meet requirements of the Code of Practice, Canadian pork producers have remained committed to the transition to group sow housing. However, this is a complex process requiring significant investment. The CPC estimates that as of 2020, 30-40% of sow barns have now been converted and by 2024, around 60% of sows will be housed in group sow housing systems.

Saskatchewan pork producers have continued to transition and as of 2020, there are approximately 49,000 sows managed in groups. Several farms are either in the process of rebuilding/ undergoing renovations right now or have committed to transition over the next couple of years.

Later this year, the Canadian Pork Council (CPC) will submit the Code Technical Panel's consensus report to the National Farm Animal Care Council (NFAAC) in August 2020. The panel undertook a five-year review of the 2014 Code of Practice for the Care and Handling of Pigs and will make the recommendations including amending the deadline to transition to Group housing from 2024 to 2029. The National Farm Animal Care Council will then begin its code amendment process, which should be completed by January 2021.

FARM BIOSECURITY SIGNAGE

New farm biosecurity signage was made available to all registered farms (premises) in February 2019.

The set of 3 signs for Controlled Access and Restricted Access Zones are provided at no charge. Throughout the year, 81 farms ordered signage.

Farms may still order the signage until July 31, 2021 by contacting Sask Pork.

Research

SWINE INNOVATION PORC

Swine Innovation Porc (SIP) is a non-profit corporation that facilitates research in the Canadian swine sector. It's funded by the federal government, eight provincial pork organizations as well as multiple private partners within the pork industry.

Currently, as part of the Swine Cluster 3 research program, seven projects listed below are being carried out:

- Development of innovative strategies to reduce feed costs in the post-weaning period while maintaining optimal performance and health.
- Improved Biosecurity in the Canadian Swine Transport Industry - Phase 3.
- Reducing feed cost and the environmental footprint and enhancing global competitiveness of Canadian pork production by increased nutrient utilization of feedstuffs fed to growing-finishing pigs.
- Effects of long-distance transport on the health and welfare of early weaned pigs.
- Optimizing sow productivity and management: Impact of grouping practices on sow reproductive performance and piglet development and identification of risk factors for sow mortality;

RESEARCH

Sask Pork contributes substantial funding towards research projects that relate to profitable and sustainable production of safe, high quality pork. Over the years producers have benefited significantly from research conducted by the Prairie Swine Center, the University of Saskatchewan, VIDO, Swine Innovation Porc and others.

Sask Pork's core funding agreement with the Prairie Swine Centre (PSC) has been valuable in terms of research projects that offer practical solutions for the industry. These funds make up the base of the centre's business plan and are applied to their research initiatives, graduate education and knowledge transfer activities.

Currently PSC is involved in a variety of projects which are directed at the centre's near-market approach. Welfare research primarily focused on investigating the use of digital infrared thermography as a non-invasive tool to assess stress in pigs and determining the effects of long-distance transport on health and wetland welfare of early weaned pigs.

The results from these two studies will determine if inexpensive DT cameras would be suitable for producers and/or packers to detect sick or stressed animals and thereby facilitate welfare decision making and help the Canadian swine industry to identify best practices for transport, provide a basis for transport policy and direction for future research respectively.

Researchers also looked at finding potential solutions for reducing ergot contamination in cereal crops. With a rise of ergot infection in most regions in western Canada over the years, it was imperative that the centre looked at finding potential solutions for reducing ergot contamination. The studies confirmed that extreme processing (steam explosion) can be used as a potential technique to ergot alkaloid content and toxicity.

- Pig Gut Microbiome project (PGmp) – Characterization of the core gut microbiome associated with pig health and performance: towards fecal diagnostics and microbiome therapy.
- Enhancing the Value of Swine Cluster Research Through On-Farm Demonstration.

PRAIRIE SWINE CENTRE - RESEARCH OBJECTIVES

Objective 1: To increase net income for pork producers by \$1/pig/year through improved nutrition including:

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

Research

Projects undertaken:

- Long-term feeding of graded levels of deoxynivalenol
- Examination of the effectiveness of provision of functional amino acids to enhance pig robustness.
- Examination of the interaction of dietary fibre and immune challenge on threonine requirements and pig robustness.
- Feed processing to reduce ergot toxicity.

Objective 2 - To improve animal wellbeing by developing and modifying housing systems, animal management practices, and improving health of the pig.

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.

Objective 3 - To improve barn environment through the development of economical and practical techniques ensuring the health and safety of barn workers and animals.

Projects undertaken:

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

Objective 4 – To reduce the operating costs by \$0.50/pig/year and reduce the environmental footprint of pork production through breakthroughs in the science of odour and gas emissions, nutrient and water management, utility and resource efficiency.

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.

Research projects funded in 2019-2020:

Gowan's Feed Consultin Diets and Feeding Programs

Contracted Dr. Malachy Young to examine diet formulations with the objective slowing pig growth in the event of marketing interruptions.

University of Saskatchewan Strategic Management and Marketing of Pork in Canada

Research project conducted by Dr. Grant Wilson and Dr. David Zhang with the objective of exploring the relevant factors that advance Canadian consumers' willingness to accept and pay for pork produced with the use of novel innovations.

University of Saskatchewan Swine Dysentery Vaccine

The proposed research undertaken by Dr. Harding focuses on the development and evaluation of a potential multivalent swine dysentery vaccine and possible future commercialization.

Agriculture and Agri-Food Canada

Effects of producing heavier market pigs on their space requirements during transport to slaughter – research project led by Dr. Luigi Faucitano is looking to address gaps in the existing knowledge regarding transporting pigs of 130 and 150 Kg market weight, as well as determine science-based recommendations on space allowances at different ambient temperatures to improve overall well being of these pigs, thereby reducing the risk of death and downers during transit.

Luckhart Transport Limited Trailer design and welfare in Canadian Transport Conditions

– the objective was to address some of the gaps in knowledge regarding hog transport welfare and effects on meat quality, as well as introduce new transportation technology while improving biosecurity.

Pork Industry Awards of Distinction

LIFETIME ACHIEVEMENT AWARD FOR DEDICATED SERVICE AND COMMITMENT

DR. HENRY GAUVREAU
Warman Veterinary Services

The award was presented by Florian Possberg of Polar Pork farms who highlighted the contributions Dr. Gauvreau made over the years that reached much further than the many farms he worked with.

Dr. Gauvreau graduated from the Western College of Veterinary Medicine in 1980. After working in mixed practices in BC and Alberta; instructing at Fairview College and serving as multi-species pathologist for Alberta Agriculture, he joined Warman Veterinary Services in 2001, becoming partner in 2005.

Henry has contributed to many industry initiatives and projects at the provincial and national level and was very involved in the national biosecurity programs, CQA and the new Canadian Pork Excellence program. He was also actively involved in preparing the PED Emergency Response Plan; participated in the development of the PRRS-Free Herd Certification and Ractopamine-free programs; and a long time member of the Saskatchewan Pork Industry Symposium Advisory Committee.

Henry is considered an “always there and called on person” for any health related programs. Florian added that “high health freedom from PED was not an accident but the result of excellent veterinary support!”



Pictured L to R: Florian Possberg & Dr. Henry Gauvreau

AWARD OF DISTINCTION FOR PRODUCTION EXCELLENCE AND DEDICATED SERVICE

CURT KOWALCHUK
Polar Pork Farms

The award was presented by Daryl Possberg of Polar Pork Farms who recognized Curt for his commitment and contribution to the success of Polar Pork Farms.

Curt joined the company as Manager of the Bear Hills site in 2015. His excellent management abilities and willingness to adapt to new production techniques quickly made him very valuable. In 2017, he developed a protocol to minimize cross-contamination between litters which proved to be extremely successful.

He was soon promoted to Production Manager and is responsible for Horizon Polar Pork (Dinsmore); Bear Hills Polar Pork (Perdue), Carlton Trail (Cudworth) and the Carrot River site. Curt also oversees the Elm Springs site in Assiniboia.

In his current role as Commercial Operations Manager, he is a hardworking and passionate leader who fosters an atmosphere of open communication and cooperation. Curt credits his success to the dedicated staff under his direction who have dramatically improved productivity rates on the farms.

Curt has served as a director of Sask Pork since 2017.



Pictured L to R: Daryl Possberg & Curt Kowalchuk

Pork Industry Awards of Distinction

AWARD OF EXCELLENCE FOR DISTINGUISHED SERVICE

RAELENE PETRECEK

Prairie Swine Centre

The **award** was presented by Murray Pettitt, CEO of the Prairie Swine Centre who recognized Raelene for her long time service and commitment to the Centre's research programs over the past 27 years.

Raelene began her research career working with Dr. John Patience at the University of Saskatchewan swine unit until it became the Prairie Swine Centre in 1992.

She is one of the Prairie Swine Centre's original employees and is affectionately known as the "Corporate Memory" and the person who "goes the extra mile."

Raelene continues to perform research technician duties and supervises the research technician pool. She also trains graduate and undergraduate students on specific data collection methods, maintains research and production SOP's, and carries out quality control and study compliance.

Her dedication to the swine research program, commitment to high quality research and training of the next generation makes her very deserving and worthy of this award.



Pictured L to R: Murray Pettitt & Raelene Petrecek

Communications

SASKATCHEWAN PORK INDUSTRY SYMPOSIUM 2019

The 42nd Pork Industry Symposium was held November 12-13, 2019 in Saskatoon with 315 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.

AGRI-EDUCATION ACTIVITIES

Sask Pork hosted the pork industry display at Ag Experience in Saskatoon in October. Grade 4-5 students learn about how agriculture impacts their daily lives and where their food comes from. Kim Browne, Ravneet Kaur and Pauline Guidoni (WCVM Grad Student) presented at the event that attracted about 700 students. We also support the AgEducation programs coordinated by the Lloydminster and Yorkton Exhibition associations.

We also partnered with Farm and Food Care Saskatchewan and Agriculture in the Classroom on projects that furthered public education including the annual **Farm to Fork** Tours.

Sask Pork, Canola, Sask Chicken, Sask Egg, Sask Wheat Growers and Farm and Food Care Saskatchewan were invited by Sask Milk to participate in the *Very Dairy Breakfast* on September 29, 2019 at the Rayner Dairy Barn at the U of S. The event was open to the public and provided an opportunity to connect urban consumers with the people who produce their food. Visitors received a free breakfast sandwich, milk and yogurt along with a guided tour of the dairy barn.

SOCIAL MEDIA

Sask Pork continues to work on building a greater social media presence on Facebook, Twitter and Instagram. In the last year we more than doubled the website sessions. The highest month in 2019 was 1,770 and by 2020 we reached 6,428 sessions. Our followers increased by 2000 this past year and our engagement rate (people who

directly interacted with our content) is over 130,000 so far in 2020. It was under 30,000 in 2019. The improvement is directly attributable to consistent consumer Facebook advertising throughout the year. Our Twitter presence continues to grow with more than 700 following.

Sask Pork provided industry photos for AgriBiz Communications' "Sunday Shoutout" and "Thankful Thursday" social media campaigns in April 2020 that encouraged sharing positivity and gratitude during these uncertain times.

PUBLIC TRUST INITIATIVES

Sask Pork also engages in public trust initiatives through participation in Farm and Food Care Saskatchewan events and the Ministry of Agriculture's Public Trust committee.

In 2019, Sask Pork sponsored and attended the Canadian Centre for Food Integrity national conference on Public Trust that focussed on building consumer trust in modern agricultural practices and the food system. Keynote speakers and feedback from the breakout sessions reinforced the importance of agricultural groups working collaboratively to engage consumers and build trust in the food system.

ADVERTISING

October 2019: Sask Pork sponsored the 2019 Goldenwest Radio *Meals in the Field* promotion. Sponsor ads focused on industry growth and the value of manure.

January 2020: Industry ad in Saskatchewan Veterinary Yearbook 2019-2020.

April 2020 - Cool98 FM - *Music is Medicine* - Radio program focusing on how farms were adapting to COVID-19 and how important local hog farms are to ensuring a continued supply of fresh pork.

May 2020: Consumer television ad featuring Chef Jonathon Collins which was broadcast May 7 to May 30th on Global TV Regina and CTV Saskatoon, Prince Albert, Regina and Yorkton.

Communications

BRANDING BILLBOARD CAMPAIGN

As part of a continued branding program, four billboards were placed in Saskatoon and Regina for 2 months beginning in July.

Locations for classic boards were Warman Road and Idylwyld Drive in Saskatoon and two 12x40' digital superboards facing East and West at Victoria and Ring Road in Regina.



FERAL BOAR “SPOT-A-WILD BOAR” AWARENESS CAMPAIGN

Sask Pork also placed classic and digital billboards in rural locations for 2 month periods throughout the year. The campaign was designed to encourage people to report wild boar sightings in their communities.

Boards were posted at Humboldt, Melfort and North Battleford January-February and Davidson and Balgonie



in May-June.

FARMSCAPE RADIO PROGRAM

Bruce Cochrane continues to provide industry coverage through its daily radio program. The program is supported financially by Sask Pork and:

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

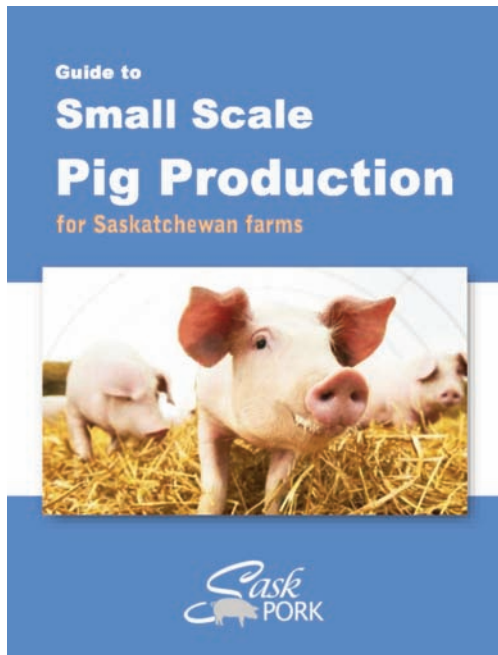
Consumer Promotion

GUIDE TO SMALL SCALE PIG PRODUCTION FOR SASKATCHEWAN FARMS

The guide was completed in April 2020 and was adapted from the a guide developed by Pork Nova Scotia and Perennia “Introduction to Small Scale Pig Production”. The Saskatchewan version included animal care and housing, swine nutrition and health and disease prevention.

Sask Pork acknowledges the contributions of Dr. Betty Althouse, CVO, Dr. Yolande M. Seddon (University of Saskatchewan), Dr. Jennifer Brown (Prairie Swine Centre) and Kathryn Tonita (Saskatchewan Ministry of Agriculture).

Sask Pork distributed the guide to all small farms for which we had contact information by mail and email; posted online and it has been further distributed by the Saskatchewan Ministry of Agriculture to small lot producers in their registry. Printed copies are made available to farms upon request.



TRADE SHOW BANNERS

Two new display banners were developed for use at public events.

Sask PORK

PORK

MORE THAN JUST PROTEIN...

OUR COMMITMENT TO PRODUCING QUALITY FOOD:

Canadian hog farmers are passionate about the high quality pork they produce. Our audited on-farm programs focus on three major components of production:

ANIMAL CARE | FOOD SAFETY | TRACEABILITY

IT'S A POWERHOUSE OF NUTRITION!

- Every bite provides quality protein, energy and key nutrients essential to good health.
- Pork is loaded with important B vitamins including B6 and B12.
- Pork is the leading source of thiamine which helps convert food into energy.
- Pork is the best meat source of riboflavin which helps keep your nervous system, skin and eyes healthy.
- Pork is a good source of iron, essential for helping the body maintain healthy red blood cells.
- Pork delivers a good supply of magnesium and phosphorus that help strengthen bones and teeth.
- Pork is naturally low in fat and sodium. In fact, pork tenderloin is as lean as boneless, skinless chicken breast.
- It's naturally low in carbohydrates
- Pork is a very affordable high-quality protein choice!

DID YOU KNOW?

- Lean meats are an important part of Canada's guide to healthy eating.
- Healthy amounts of both plant and animal proteins improve diet quality and have complementary benefits when eaten together!
- Hog farmers do not use growth hormones in pig production. Ever!
- All pork sold at retail in Canada is antibiotic-free.

saskpork.com

RAISING A MARKET HOG

A PIG'S LIFECYCLE - FARROW TO FINISH

- GESTATION (PREGNANCY)**
Gilt is young female pigs that have not yet had a litter of piglets. When they reach maturity at 6-7 months of age they can be bred. After they deliver a litter of piglets, they are called sows.
Sows are pregnant (gestate) for 3 months, 3 weeks, 3 days.
- FARROWING (BIRTH)**
A few days before they are ready to give birth, the sows and gilts are moved to a farrowing barn. They will be housed in individual farrowing pens that provide them with privacy and comfort.
Sows will give birth to 8-16 piglets that weigh about 1 kg (2.2 lbs) at birth. The sow can weigh between 180-300 kg (400-650 lbs) - about 300 times the weight of her piglets. Farrowing pens are designed to allow piglets to nurse and be close to the sow without being injured. Piglets nurse from their mother for about 3-4 weeks and are weaned at 6-7 kg (13-15 lbs.)
- WEANING**
Weaned pigs (weaners) are moved to warm nursery barns and live in groups with other piglets. They are fed a nutritious diet with added vitamins and supplements to meet their nutritional needs. They stay in the nursery for 6-8 weeks and will grow to 60-70 lbs during this period.
- FINISHING**
When pigs reach 26-30 kgs (60 lbs) they are moved from the nursery to a feeder barn. Grow-finish pigs have continuous access to feed and consume between 2-3 kgs (4 1/2 to 6 1/2 lbs) of grains per day. Their diet consists of a combination of grains including barley, canola, peas, wheat, soybeans and some corn. At about 6 months of age, or when pigs reach a weight of 120-130 kg (264-286 lbs), they are ready to go to market.

DID YOU KNOW?

- 60% of the cost of raising a market hog is feed!
- Growth hormones are never given to pigs. Ever!
- Saskatchewan produces about 2.2 million pigs/year.

saskpork.com

Consumer Promotion

SPONSOR ADVERTISING

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

Pork recipes developed on the program this year were:

- Bacon Mac and Cheese Stuffed Pork Loin
- Pulled Pork Egg Rolls
- Pulled Pork Shepherds Pie
- Bacon Wrapped Italian Sausage Stuffed Pork Tenderloin.
- Bacon Wrapped Stuffed Chicken Breast.



Grilled Pork Chops with Chickpea Salad

RECIPE DEVELOPMENT

The following new pork recipes were developed with Blue Sky Ideas this year. (Images courtesy of Canada Pork)



Pork Vegetable Barley Soup



Katsu Sando Sandwich



Pork Meatball Power Bowl



Pork Vegetable Stir Fry

Consumer Promotion



Sponsorship & Donations

Children's Wish Summer Fundraising Barbecue

August 7, 2019 - Sponsored the Hot Dogs for the Summer Fundraising Barbecue on August 7, 2019.

Read Saskatoon - PGI Golf Tournament for Literacy

August 2019 - Sponsor of the pork for dinner. The event raised \$60,000 for literacy programs in the community.

Rotary Saskatoon Ribfest, Saskatoon

August 2-5, 2019 - Sponsored this annual family event that attracted about 18,000 attendees. Ribfest raised about \$20,000 for agencies working in the areas of Youth, First Nations and Education.

Agriculture in the Classroom Teacher Expedition

August 13-15, 2019 - 20 teachers took part in the tour and had the opportunity to tour farms and agri-businesses.

YXEATS

September 4-8, 2019 - Sponsor of the annual Riversdale event during which participating local restaurants select ingredients from 1 of the sponsoring producer groups for their set-priced YXEATS menu. 75% of the participating restaurants included pork as an ingredient in their YXEATS feature this year.

Olymel "Giving Back Together" Fundraising Barbecue

September 2019 - BBQ hosted by Olymel - Sask Pork provided a cash donation and promotional items.

Vetavision 2019

September 27-28 - Supplied banners and signage for pork displays, educational resources, hog wild headbands, activity books and crayons for the vet students to hand out to visitors.

Saskatchewan Association of Veterinary Technologists 35th Annual Conference

November 1-3, 2019 - Donated gift basket consisting of a slow cooker, cookbook, meat thermometer and grocery tote bags.

Goodeve Community Club Annual Pig Roast and Cabaret

November 2, 2019 - Donated a gift basket consisting of a slow cooker, cookbook, meat thermometer and Sask Pork promotional items. The event raised funds to repair the

roof of the only community centre in the area.

Foam Lake 2A Girls Provincial Volleyball Tournament

November 15-16, 2019 - cash donation and slow cooker gift basket were provided. Two hot pork meals were served from the canteen over the two days and both dishes sold out! (Pulled Pork and Sweet & Sour Pork on rice with Sesame Marinated Vegetables.) More than 900 athletes and guests attended the tournament.

Canadian Centre for Food Integrity Public Trust Summit

November 13-14, 2019, Saskatoon - Sponsored and attended the summit.

2020 Students of the Canadian Veterinary Medical Association Symposium

January 16-18-2020 - Silver sponsor of the conference that brought together students from the five Canadian veterinary colleges who gained exposure to agricultural companies, attended wet labs and lectures and participated in agricultural tours.

Telemiracle 44

March 7-8, 2020, Saskatoon - Corporate donation of pork for the 1,500 volunteers, presenters, performers and cast members at the event.

Kidney Health Community Program - St. Paul's Hospital

March 10 & 12, 2020 - Supplied pork nutrition resources and promotional items for the Family Education Sessions on March 10 and the hospital Health Fair on March 12.

Mary's Wellness and Education Centre Saskatoon

March 2020 - Donated measuring cups and spoon sets for 12 grade 4-6 students enrolled in a 4 week program focused on improving social and cooking skills and learning about healthy eating and nutrition. The program was developed and delivered by Jen Chan, a fourth year nursing student at the University of Saskatchewan.

Thunder Creek Pork Employee Appreciation Lunch

June 2020 - Sask Pork covered the cost of lunch for all TCP employees at the Moose Jaw plant to express industry's appreciation for their commitment during the pandemic.

Canadian Progress Club Celebrity Take-Out Challenge

Sponsor of fundraiser supporting local businesses.

Sponsored the Cave Restaurant's Shack Rack of Ribs dish.

Sponsorship & Donations

DONATIONS OF FRESH PORK

Sask Pork donated 100 kgs of easy-carve hams (purchased from Prairie Meats in Saskatoon) to the Saskatoon Friendship Inn for the annual Easter Dinner in April.

In July Sask Pork partnered with Drake Meats to donate 4,400 lbs of fresh ground pork that was split between the Saskatoon and Regina Food Banks to help fill the need for protein at the food banks.

Additional pork donations with processing partners are planned for August and over the winter months.

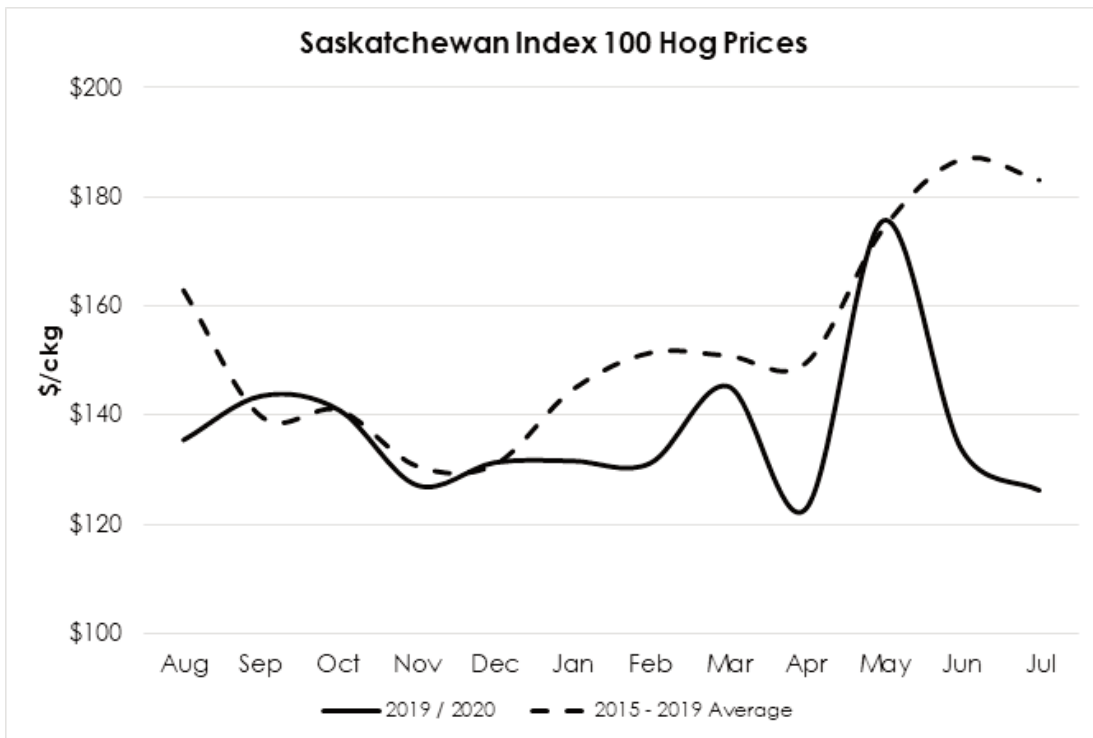


Pictured L to R: Mark Ferguson and Deborah Hamp

Statistics and Trends

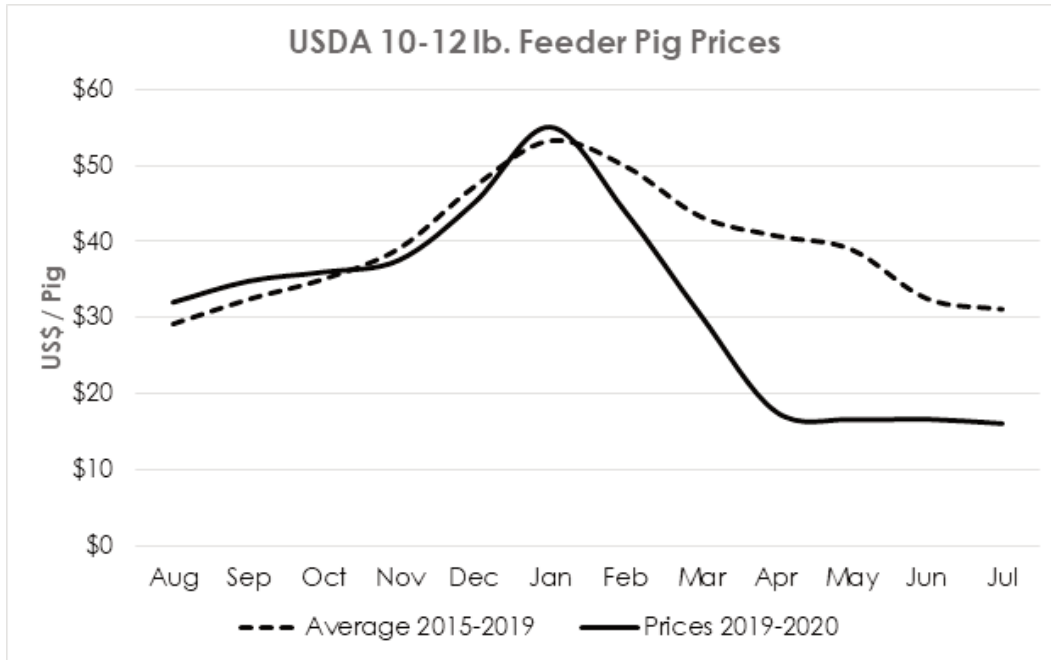
During 2019-2020, COVID-19 was the issue that dominated the global economy, and the market for pork and live hogs was no exception. COVID-19 can be blamed for sparking interruptions in slaughter capacity, as many American packing plants both slowed and shut down in April 2020 due to workers ill with the coronavirus, and some animals were reportedly euthanized in the U.S. in response to the oversupply of live hogs. COVID-19 outbreaks also temporarily impacted a number of Canadian processing plants. Measures taken to slow the spread of the virus within facilities as well as short-term shortages of skilled workers affected throughput in North American processing plants. Further, the lock-down of and closure of food service companies and restaurants, beginning in March of 2020, had a negative impact on demand and prices.

For the Saskatchewan hog sector, between August 2019 and July 2020, index 100 hog prices averaged \$137.24/c/kg, considerably lower than the same period last year, \$158.64/c/kg and below the 5-year average of \$153.87/c/kg.



Statistics and Trends

For 2019, prices for 10-12 lb. feeder pigs were consistent with the 2015-2019 average. In February of 2020, feeder pig prices began to diverge from the five-year average. This was due to a COVID related over supply.



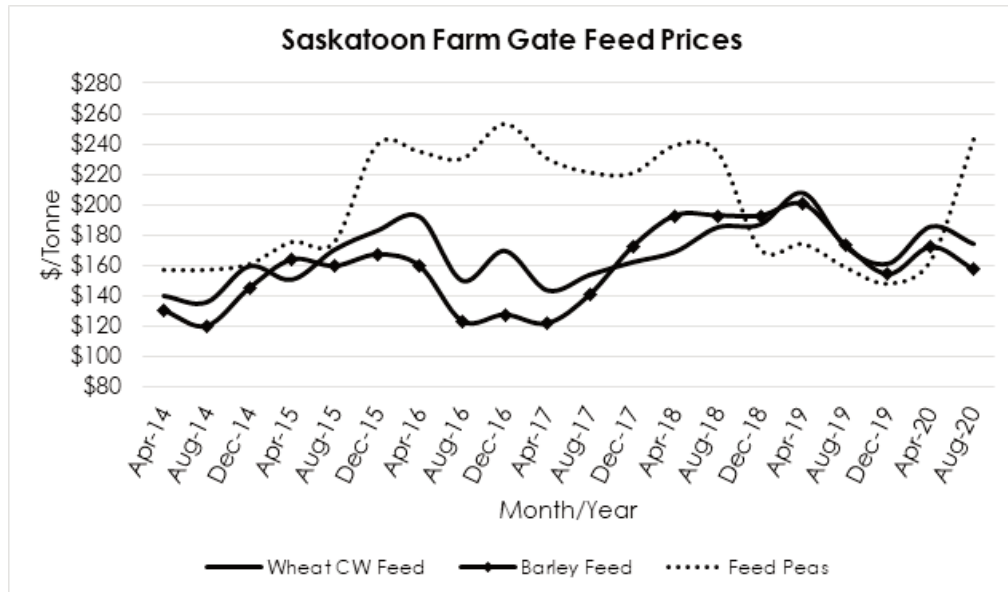
Source: USDA-Agricultural Marketing Services, Market News

In 2019/2020 crop yields varied greatly across the province, mainly due to the extremely dry conditions in spring and early summer as well as moisture received throughout the growing season. Many areas reported average to above average yields. Yields for hard red spring wheat were reported as 45 bushels per acre, durum as 39 bushels per acre, oats as 88 bushels per acre, barley as 66 bushels per acre, canola as 38 bushels per acre, peas as 38 bushels per acre.

By November, Saskatchewan producers had 93 per cent of the crop combined. Cool and wet conditions meant limited combining of the remaining crop being taken off prior to winter and some was left in the field until spring. Overall, quality was below average for almost all crops due to varying factors such as sprouting, staining and bleaching.

Throughout the course of the year, Saskatchewan feed wheat prices ranged from a low of \$151.57/tonne to a maximum of \$216.79/tonne, and averaged \$187.27/tonne in 2019/2020. Similarly, feed barley prices ranged from a low of \$144.13/tonne to a maximum of \$215.50/tonne, and averaged \$179.26/tonne in 2019/2020, while feed pea prices increased significantly from a low of \$148.08/tonne in late 2019 / early 2020 to a high of \$252.06/tonne in May of 2020.

Statistics and Trends



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

In 2019, a total of 82 producers marketed hogs in the province, a slight increase from the previous year. Most of the increase was in the <100 hogs produced category, which had 6 more producers. The majority of Saskatchewan’s hog production occurred on the province’s 147 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, 2020, there were 314 non-CQA premises registered, an increase of 20 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 Pigs	Number of Producers				Number of Pigs Produced			
	2016	2017	2018	2019	2016	2017	2018	2019
<100	9	15	4	10	212	210	160	235
100-500	3	1	2	4	985	395	575	1,134
500-1000	1	1	3	1	827	919	2,047	906
1000-5000	10	11	5	2	29,693	30,389	11,490	5,154
5000-25000	53	52	48	50	639,229	633,740	559,878	574,778
25000-50000	6	4	6	7	207,505	133,736	188,405	235,572
>50000	8	8	9	8	1,279,011	1,397,050	1,522,189	1,488,625
Totals	90	92	77	82	2,157,462	2,196,439	2,284,744	2,306,404

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.

Statistics and Trends

Saskatchewan producers marketed a total of 2,306,404 pigs, an increase of 21,660 animals from 2018. Market weight hog sales increased by 20,972 animals to 1.75 million hogs, while marketings of feeder pigs to the U.S. increased by 7,038 pigs. Sow and breeding stock marketings decreased by 6,359.

NUMBER OF PIGS SOLD IN SASKATCHEWAN BY CATEGORY

Year	Market Hogs	Sows and Breeding Stock	Feeder Pig/ Weanling Exports	Total Pigs Produced
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
2019	1,756,138	36,062	514,204	2,306,404

Source: Saskatchewan Pork Development Board

In 2019, 323,488 hogs produced in Saskatchewan were slaughtered locally in the province. Of the remainder, 772,141 were transported to Alberta for slaughter, while 607,714 animals were slaughtered in Manitoba, and 23,244 were sent to British Columbia. Saskatchewan also exported 65,613 slaughter weight animals to the U.S.

According to Statistics Canada, as of January 1, 2020 Saskatchewan's breeding herd numbered 99,300 sows and bred gilts. This is an increase of 2,100 animals from 2019. The Canadian herd declined by 8,400 sows, with the majority of this decrease coming from Quebec. The national breeding herd was comprised of 1.22 million sows and bred gilts as of January 1, 2020.

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

Year	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
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	128.9	101.3	344.7	583.2	319.6	319.3	15.7	654.6	1,237.8
2018	8.8	129.4	104.4	348.8	591.4	320.6	325.8	15.8	662.2	1,253.6
2019	8.1	127.5	97.2	339.0	571.8	321.7	323.0	15.7	660.4	1,232.2
2020	7.7	129.0	99.3	341.0	577.0	317.0	314.2	15.6	646.8	1,223.8

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

The total number of pigs produced in Canada increased by 89,000 head in 2019. Eastern Canadian production increased by 39,300 head and stands at 13.9 million pigs, while western Canada's production declined by 49,700 pigs and sits at 13.0 million. Saskatchewan remains the 5th largest pork producing province in Canada behind Manitoba, Ontario, Quebec, and Alberta.

Statistics and Trends

HOGS MARKETED IN CANADA BY PROVINCE (1,000 HEAD)

Year	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
2014	185.3	2,755.2	1,993.1	7,319.7	12,253.3	6,630.3	6,169.5	399.5	13,199.3	25,452.6
2015	191.6	2,905.8	2,196.9	7,859.3	13,153.6	7,091.8	6,505.8	367.2	13,964.8	27,118.4
2016	194.3	2,947.4	2,221.3	7,805.5	13,168.5	7,007.6	6,588.8	325.4	13,921.8	27,090.3
2017	183.0	2,921.7	2,335.1	7,895.7	13,335.5	7,112.5	6,580.1	339.7	14,032.3	27,367.8
2018	195.2	2,745.6	2,301.8	7,729.9	12,972.5	7,047.4	6,499.9	340.6	13,887.9	26,860.4
2019	186.4	2,759.3	2,312.4	7,764.1	13,022.2	7,054.7	6,540.9	331.6	13,927.2	26,949.4

Source: 1984-1994: Canadian Pork Council, 1995-present: Calculated by SaskPork, Input data from Statistics Canada CANSIM Table 32-10-0147-01

Calculation: Slaughter plus international and interprovincial exports, less international and interprovincial imports, Includes: Market Hogs, Culled Sows, Weanlings and Feeders

Canadian slaughter increased in 2019, totalling 21.7 million hogs. This was an increase of 279,100 hogs and represents the largest annual slaughter over the past decade.

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
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	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

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

Statistics & Trends

According to Agriculture and Agri-food Canada, approximately 4.3 million feeder pigs were exported from Canada to the United States in 2019, which was a decrease of 4% from 2018. 781,700 market weight hogs were exported, representing an increase of 4% over the previous year.

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

Year	BC	AB	SK	MB	West	ON	QC	ATL	East	Canada
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	2,739.8	3,612.2	852.8	1.6	32.0	886.5	4,498.7
2019	0.0	427.3	483.0	2,714.2	3,624.5	661.2	1.5	24.3	687.0	4,311.5

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
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	1154.1
2016	0.0	147.8	16.9	328.9	493.6	408.7	14.9	2.7	426.2	919.4
2017	0.0	141.6	25.7	340.0	507.3	319.6	3.0	0.0	322.6	829.6
2018	0.0	128.5	17.4	313.8	459.7	289.4	1.4	0.1	290.9	750.5
2019	0.0	136.7	7.4	274.6	418.8	359.6	3.5	0.0	363.2	781.7

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

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 Committee. The Audit Committee 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 Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee 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

for the year ended July 31, 2020



To the Board of Directors of Sask Pork

Opinion

We have audited the financial statements of Sask Pork (the Organization), which comprise the statement of financial position as at July 31, 2020, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at July 31, 2020, 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 Opinion

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 the Organization 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 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 the Organization'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 the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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.

Independent Auditor's Report


for the year ended July 31, 2020

Independent Auditor's Report to the Board of Directors (continued)

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 the Organization'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 the Organization'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 the Organization 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.



Chartered Professional Accountants

Saskatoon, Saskatchewan
October 27, 2020

Statement of Financial Position

as at July 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 1,547,765	\$ 457,815
Short-term investments	-	728,658
Accounts receivable (Note 3)	111,181	211,783
Prepaid expenses	15,914	25,792
	1,674,860	1,424,048
RESTRICTED INVESTMENTS (Note 4)	1,000,000	1,000,000
	\$ 2,674,860	\$ 2,424,048
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 144,504	\$ 136,050
Deferred contributions and revenue (Note 6)	58,896	53,538
	203,400	189,588
NET ASSETS		
UNRESTRICTED	1,471,460	1,234,460
INTERNALLY RESTRICTED	1,000,000	1,000,000
	2,471,460	2,234,460
	\$ 2,674,860	\$ 2,424,048

APPROVED BY THE BOARD



Director



Director

Statement of Operations

for the year ended July 31, 2020

	Budget (Note 13) 2020	2020	2019
REVENUE			
Levy and export service charge	\$ 1,673,250	\$ 1,670,569	\$ 1,623,668
Government grants and project funding (Note 8)	62,000	59,643	36,922
Symposium fees	70,000	81,273	74,700
Reimbursed travel	20,000	7,497	23,198
Interest	54,200	52,133	52,344
Other	-	3,762	6,822
	1,879,450	1,874,877	1,817,654
EXPENSES			
Salaries and wages	473,230	404,308	500,808
Research, including Prairie Swine Centre (Note 9)	376,125	375,102	375,985
Industry association	318,675	318,487	310,088
Operations and office	118,622	116,043	125,646
Symposium	92,325	110,255	100,951
Producer services	104,750	102,496	77,501
Communications	149,630	90,167	93,470
Organization development	45,370	37,919	45,302
Directors and committees	42,875	32,783	39,420
Promotions	30,200	28,600	24,580
Travel (Schedule 1)	31,700	13,886	32,580
Reimbursed expenses	20,000	7,225	24,453
Policy and industry development	42,000	606	46,828
	1,845,502	1,637,877	1,797,612
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 33,948	\$ 237,000	\$ 20,042

Statement of Changes in Net Assets

for the year ended July 31, 2020

	Unrestricted	Internally Restricted	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 1,234,460	\$ 1,000,000	\$ 2,234,460	\$ 2,214,418
Excess of revenue over expenses	237,000	-	237,000	20,042
NET ASSETS - END OF YEAR	\$ 1,471,460	\$ 1,000,000	\$ 2,471,460	\$ 2,234,460

Statement of Cash Flows

for the year ended July 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 237,000	\$ 20,042
Changes in non-cash working capital:		
Accounts receivable	100,602	(13,338)
Accounts payable and accrued liabilities	8,454	(19,558)
Deferred contributions and revenue	5,358	13,077
Prepaid expenses	9,878	50
	124,292	(19,769)
Cash flow from operating activities	361,292	273
INVESTING ACTIVITY		
Net disposals (purchases) of investments	728,658	(328,658)
Cash flow from (used by) investing activity	728,658	(328,658)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	1,089,950	(328,385)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	457,815	786,200
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,547,765	\$ 457,815
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 1,547,765	\$ 457,815

Notes to Financial Statements

for the year ended July 31, 2020

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.

Notes to Financial Statements

for the year ended July 31, 2020

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

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.

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.

Notes to Financial Statements

for the year ended July 31, 2020

3. ACCOUNTS RECEIVABLE

The accounts receivable balance consists of the following:

	2020	2019
Levies receivable	\$ 85,216	\$ 172,218
Interest receivable	25,965	39,565
	\$ 111,181	\$ 211,783

4. RESTRICTED INVESTMENTS

	Maturity	2020	Yield	2019
Long term				
Term deposit	1 2 years	\$ 1,000,000	2.15%	\$ 1,000,000
		\$ 1,000,000		\$ 1,000,000

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2020	2019
Accrued liabilities	\$ 9,805	\$ 38,468
GST payable	4,041	2,973
Payroll liabilities	17,765	143
Trade payables	93,470	76,235
Vacation payable	17,729	14,841
Visa payable	1,694	3,390
	\$ 144,504	\$ 136,050

Notes to Financial Statements

for the year ended July 31, 2020

6. 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.

	2020		2019
Deferred contributions and revenue, beginning of year	\$ 53,538	\$	40,461
Contributions and revenue received during the year: PEDv surveillance program	50,000		50,000
Less:			
Amounts recognized as PEDv surveillance program expenses	(44,642)		(36,923)
Deferred contributions and revenue, end of year	58,896		53,538

The deferred contributions and revenue relates to the following:

	2020		2019
Deferred Revenue: PEDv Surveillance Program	\$ 58,896	\$	53,538

7. 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.

8. GOVERNMENT GRANTS AND PROJECT FUNDING

	2020		2019
Livestock emergency equipment	\$ 15,000	\$	-
PEDv surveillance	44,643		36,922
	\$ 59,643	\$	36,922

Notes to Financial Statements

for the year ended July 31, 2020

9. RESEARCH EXPENSE

The research expense consists of the following:

	2020	2019
Prairie Swine Centre Inc.	\$ 302,500	\$ 302,500
Canadian Swine Research & Development Cluster		
Swine Innovation fund	47,352	45,985
Swine Dysentery Vaccine	10,000	10,000
Strategic Management and Marketing of Pork in Canada	7,000	-
Space Allowance During Transport	5,000	-
Diets and Feeding Programs	2,000	-
Impact of Trailer Design	1,250	1,250
Industrial Research Chair	-	6,250
WildPigNet	-	10,000
	\$ 375,102	\$ 375,985

10. 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:

2021	\$ 65,547
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:

2021	\$ -
	6,250

Notes to Financial Statements

for the year ended July 31, 2020

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 unless otherwise disclosed.

Credit concentration

As at July 31, 2020, four customers accounted for 70.09% (2019 80.69%) of accounts receivable, representing the Organization's maximum credit risk exposure. 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 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. The Organization is exposed to interest rate risk on its short term investments.

Liquidity risk

Liquidity risk is the risk 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 flow for the possibility of a negative 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.

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 2019/2020 was approved by the Board of Directors on June 20, 2019.

Schedule of Travel Expenses / Payee List

for the year ended July 31, 2020

	Budget (Note 13) 2020	2020	2019
Communications	\$ 1,000	\$ 1,458	\$ 812
Industry association	12,500	3,193	9,029
Organizational development	7,000	3,968	12,011
Policy and industry development	5,000	1,850	6,279
Producer services	5,200	3,417	4,449
Promotions	1,000	-	-
	\$ 31,700	\$ 13,886	\$ 32,580

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 as follows:

502 on 45th Trade Centre	\$ 67,559
Canadian Pork Council	\$ 358,930
Prairie Swine Centre	\$ 302,500
Saskatoon Inn Conference Centre	\$ 77,235

Research Projects Funded

for the year ended July 31, 2020

Project Name	Researchers	2019-2020 Funding
F. Mendard - Space Allowance During Transport	Gilles Lacombe	
Gown's Feed Consulting - Diets and Feeding Programs	Benoit Laplante	\$ 5,000
Luckhart Transport Limited - Impact of Trailer Design	Dr. Malachy Young	2,000
Prairie Swine Centre Inc.	Luigi Faucitano	1,250
Swine Innovation Porc *	Various	302,500
University of Saskatchewan - Swine Dysentery Vaccine	Various	47,352
University of Saskatchewan - Strategic Management and Marketing of Pork in Canada	Dr. John Harding	10,000
	Dr. Grant Wilson	
	Dr. David Di Zhang	7,000
		\$ 375,102

Directors Remuneration

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, 2019 - July 31, 2020:

	Per Diem	Expenses	Total
Directors			
Casey Smit	\$ 8,700 *	\$ 526	\$ 9,226
Curt Kowalchuk	675	-	675
Dickson Gould	2,813	4,932	7,745
Jay McGrath	1,283	411	1,694
John Beckton	2,025	1,658	3,683
Toby Tschetter	4,725 **	4,534	9,259
	20,221	12,061	32,282
Other payments	-	547 ***	547
Directors total	\$ 20,221	\$ 12,608	\$ 32,829

* 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

See notes to the financial statements

Independent Auditor's Report



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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To Saskatchewan Pork Producers:

We have undertaken a reasonable assurance engagement of Sask Pork's compliance during the period August 1, 2019 to July 31, 2020, with the provisions of the following legislative and related authorities ("the Agreements") pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities.

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

Management's Responsibility

Management is responsible for Sask Pork's compliance with the specified requirements of the Agreements. Management is also responsible for such internal control as management determines necessary to enable Sask Pork's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Sask Pork's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Canadian Standard on Assurance Engagements 3531, *Direct Engagements to Report on Compliance*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements.

The nature, timing and extent of procedures selected depends on our professional judgement, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

Independent Auditor's Report



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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To Saskatchewan Pork Producers:

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Our Independence and Quality Control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies the Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, Sask Pork has complied with the specified requirements established in the Agreements during the period of August 1, 2019 to July 31, 2020, in all significant respects. We do not provide a legal opinion on Sask Pork's compliance with the specified requirements.

Lingard + Dreger

Saskatoon, Saskatchewan
October 27, 2020

Chartered Professional Accountants

Independent Auditor's Report



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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

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The nature, timing and extent of procedures selected depends on our professional judgement, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

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

Independent Auditor's Report



INDEPENDENT AUDITORS' REPORT

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To Saskatchewan Pork Producers:

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

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

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

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

Opinion

In our opinion, based on the limitations noted above, Sask Pork's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2020 based on the CPA Canada criteria of control framework.

We have also audited, in accordance with Canadian generally accepted auditing standards, the financial statements of Sask Pork, which comprise the statement of financial position as at July 31, 2020, and the statements of operations, change in net assets, cash flows, and schedule of travel expenses for the year then ended, and a summary of significant accounting policies and other explanatory information. We have issued our report dated October 27, 2020, which is the same date as the date of the report on the effectiveness of internal controls.

Saskatoon, Saskatchewan
October 27, 2020

Lingard + Dreger
Chartered Professional Accountants



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