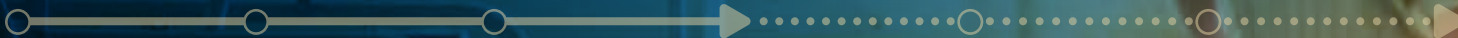


2021

Ontario Pork Corporate Profile

Charting a course for the next 75 years



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Charting a course for the next 75 years



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Message from the Chair

Charting a course for the future

The effects of the COVID-19 pandemic have been felt throughout the last year by everyone. The Ontario pork industry experienced the economic impacts of the pandemic in extreme pricing volatility, rising costs and COVID-19-related disruptions in processing capacity.

Overall, our industry remained resilient in the face of unprecedented challenges and delivered outstanding results by providing safe and nutritious pork to Canadians and consumers around the world. With over \$1.045 billion in gross domestic product, \$2.832 billion in economic output and 15,843 full-time job equivalents we are proud of our contribution.

Charting a course for an industry as diverse as Ontario's swine sector is no trivial task. Last year, Ontario Pork's Board of Directors and management team engaged in a strategic planning process to address the sector's immediate and longer-term needs and to shape the organization for the near future.

The result is the 2021-24 Strategic Plan, which articulates goals and objectives for the coming years and presents a structure to determine priorities. At its core is Ontario Pork's mission to foster a vibrant business environment for pork producers. The new strategy resets the organization's core values and sets out a vision to build "Strong producer confidence and public trust in the pork industry." To this end, Ontario Pork is putting an emphasis on:

- ▶ Minimizing and managing risks impacting production
- ▶ Strengthening the industry's reputation, brand and value proposition
- ▶ Promoting issue awareness
- ▶ Focusing research to advance the industry
- ▶ Engaging future leaders

Extensive consultation helps to identify priority areas for Ontario Pork. Although COVID-19 has restricted our ability to conduct face-to-face meetings, the Board of Directors has continued to consult and collaborate with delegates and members-at-large to ensure Ontario Pork's work is informed by producers' needs, experience and expertise through advisory groups and committees, information meetings, the annual general meeting and Policy Day.

Staying connected during the time of lockdowns and physical distancing is paramount. Ontario Pork supported new collaboration models, including virtual and hybrid meetings, with investment in technology and training. This ensures that the Board remains connected with membership and staff can perform their duties, meet regulatory obligations and provide uninterrupted services to pork producers and the industry.

Discussions with members focused on steps taken to address the threat of African swine fever (ASF) as well as Ontario Pork's efforts to develop solutions for greenhouse gas reduction, industry infrastructure and a balanced hog supply.

Ontario Pork is taking the lead on these and other key issues by developing policy positions, advocating for our members' interests, navigating complex challenges and coordinating industry responses.

Last year, construction began on the new Ontario Swine Research Centre. This collaborative project with the University of Guelph and the provincial government is a strategic investment in the future of the swine sector as an important driver of economic success, innovation and job creation in Ontario and Canada.



On behalf of the Board, I would like to thank staff who remained focused on delivering services to Ontario Pork's members while adapting to a dramatically changed operational landscape. In my first year as Board Chair of Ontario Pork, I am thankful for the unwavering commitment and strong support of my fellow Board members. I would like to thank Eric Schwindt, the former Board Chair, for his leadership and service to the industry.

Although the pandemic continues, we plan for the future with cautious optimism. This optimism is based on the 75-year history of our industry, its resilience, resourcefulness, strength and continuous innovation. I look forward to advancing the legacy built by Ontario's farm families who will continue to provide safe and nutritious pork for the world.


John de Bruyn, Chair

Message from the General Manager

Adapting to constant change

In times of instability, Ontario Pork continues to advance the interests of its members through adaptability, innovation and a clear focus on fostering a vibrant business environment for pork producers.

If 2020 was defined by our response to crisis, 2021 was the year we focused on creating new paths forward. From hybrid meetings to enhanced online training and safety-oriented workplace practices, Ontario Pork found innovative ways to adapt to a new reality.

Comprehensive planning plays a vital role in this organization's ability to anticipate and mitigate challenges to the industry, whether related to foreign animal disease, labour challenges or other market disruptions. Plans developed by staff are living documents, continually reviewed, tested and updated so that in a crisis situation, Ontario Pork can respond quickly and efficiently. Member support is essential to the successful implementation of these plans, and to that end, emergency preparedness information sessions for producers were held across the province in September.

As the collective voice of producers, Ontario Pork actively seeks input and feedback from its members. When traditional meeting formats were no longer possible, staff and producers embraced technology to ensure that member voices were heard, whether in-person or virtually. In March 2021, that included offering a half-day annual meeting in a virtual format, five hybrid information sessions in early fall, and November's Policy Day forum attended in-person by 60 producers, with another dozen participating online. In partnership with the Ontario Pork Industry Council, virtual information sessions were offered on human resources practices, COVID-19 workplace

requirements and first aid training. While we hope that the 2022 annual general meeting can take place in-person with virtual attendance options, Ontario Pork remains ready to adapt to changing circumstances.

Providing support to producers is central to Ontario Pork's mandate. Through 2021, the Industry and Member Services team worked directly with producers to navigate new and existing national programs and provincial legislation. This included on-farm outreach to support the development of emergency plans, Pig Care and Pig Safe validations under the Canadian Pork Excellence (CPE) program, improved animal care practices and farm staff training. In addition, new producer resources were created to provide accurate information about important topics including Provincial Animal Welfare legislation, biosecurity, the CPE corrective action process and traceability requirements. Enhancements to AgManifest included the release of a new interface allowing records to be updated in real-time from a smartphone or handheld device.

Ontario Pork actively advocates for meaningful change that benefits the swine sector. Lobbying efforts in 2021 helped pave the way for new government funding for risk management programs, on-farm biosecurity investments, and disease prevention and preparedness programs. Industry input also helped shape new invasive species legislation to reduce disease risk, as well as changes that reduced regulatory burdens under the Nutrient Management Act.

Building public trust and consumer demand are key to the creation of a vibrant domestic business environment for pork producers. With strategic investments in digital and social media advertising,

the new *How to Cook Pork* page became the top pork cooking guide in Canada. The second year of the *Many Ways to Pork* campaign outperformed the first, with 400,000 Ontarians visiting the consumer website, compared to 123,000 in 2020. Ontario Pork also saw continued growth in the number of retailers and food service providers seeking to use the Ontario Pork brand in their marketing efforts. Education and outreach work continued, with the addition of interactive games and nutrition information to the *Experience Ontario Pork* website, and the development of a new, modern Pig Mobile in anticipation of a return to more live events in the near future.

In 2021, Ontario Pork's board and senior staff charted a course for the future with the completion of the organization's new strategic plan. In the months ahead, managers will focus on developing a business plan putting strategic intents and objectives in action.

To deliver the new strategic plan, we will build on the Ontario pork industry's historic achievements to further strengthen its resilience and viability.




Ken Ovington, General Manager

About Ontario Pork

Ontario Pork is the voice
of the province's



pork farmers and a leader in
the agriculture industry

Led by producers, Ontario Pork is committed to sustainable growth in the pork sector, delivering government representation, research investment and industry improvements in areas including animal care and environmental sustainability, while growing the brand and reputation of producers and their products. Ontario Pork also provides marketing services to participating producers.

Founded in 1946 — and celebrating 75 years of service to pork producers in 2021 — the Ontario Pork Producers' Marketing Board is a non-profit agricultural organization that operates under the *Farm Products Marketing Act*.

Foster a vibrant business environment
for producers

Mission

Strong producer confidence and public trust
in the pork industry

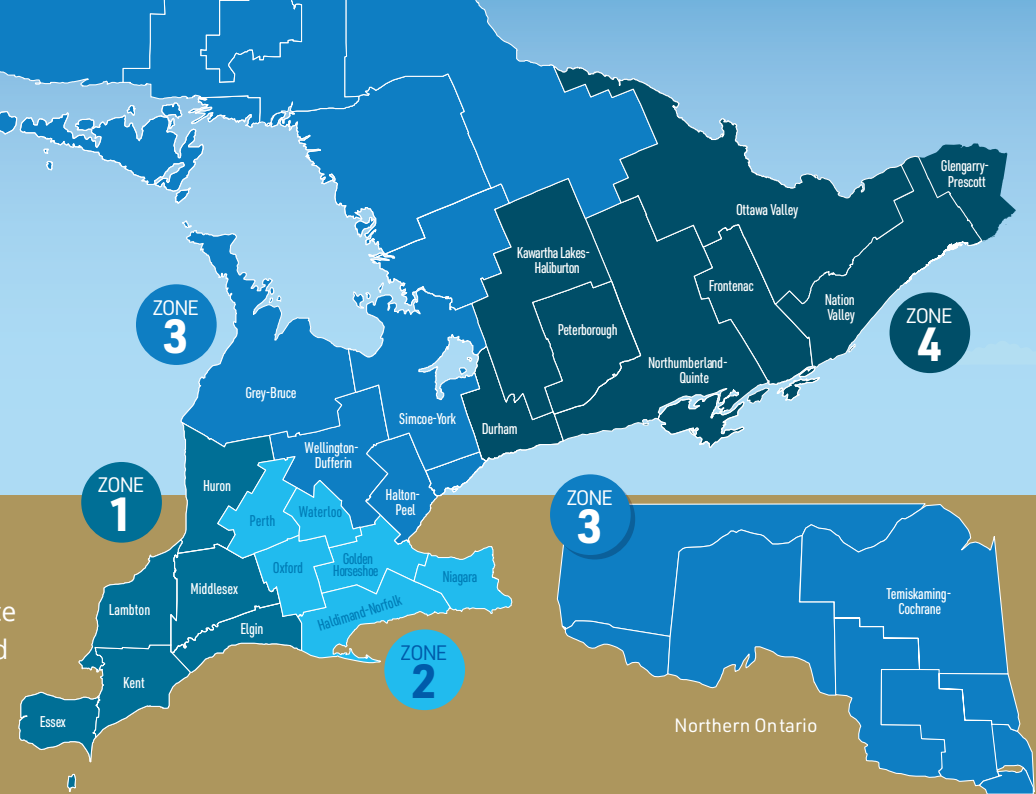
Vision

5,939,424 Hogs marketed in Ontario

Producers by hogs marketed	1-500	501-1,000	1,001-2,000	2,001-3,000	3,001-5,000	5,001-10,000	>10,000
	167 15.7%	93 8.8%	165 15.5%	145 13.6%	182 17.1%	202 19%	110 10.3%

Zones and Associations

From the local level to the national stage, Ontario Pork exists to advance the interests of producers. Local associations elect delegates and board members, provide input into policies and decisions, and promote the industry at the community level. Active, engaged local associations contribute to the long-term success of the industry.



Core Values

Excellence in performance and innovation

Integrity and honesty in all we do

Accountability for our actions

Leadership and partnership with producers and industry stakeholders to achieve common goals

Commitment to the success of pork producers and industry

Courage in our communications



GDP

\$1.04B



Economic Output

\$2.83B



Full-time equivalent jobs

15,843

Ontario Pork Leadership



Board members (2021–2022)



John de Bruyn
Chair, Oxford, Zone 2
128th Board member



Arno Schober
Vice-Chair, Simcoe/York, Zone 3
129th Board member



Maaïke Campbell
Lambton, Zone 1
135th Board member



Mike Mitchell
Middlesex, Zone 1
132nd Board member



Tara Terpstra
Huron, Zone 1
134th Board member



Doug Ahrens
Perth, Zone 2
125th Board member



Eric Schwindt
Waterloo, Zone 2
130th Board member



Chris Cossitt
Grey/Bruce, Zone 3
131th Board member



Bruce Hudson
Ottawa Valley
Zone 4, 136th Board member

Senior staff



Ken Ovington
General Manager



Stacey Ash
Manager Communications and
Consumer Marketing



Blair Cressman
Manager Ontario Pork
Marketing Division



Neil Harper
Manager Information
Systems



Patrick O'Neil
Manager Business Economics
and Development



Jim Weir
Manager Finance and
Administration



Frank Wood
Manager Industry and
Member Services



Board and Committees

As a producer-led organization, Ontario Pork offers many opportunities for member involvement, including election to the Board of Directors or membership on Board committees and advisory groups.

The Board is also responsible for strategic policy development, advocacy and government relations across various policy issues that impact the industry and producers. Ontario Pork's committees and advisory groups help support broader collaboration among producers, staff and industry stakeholders to advise the Board and advance the industry.

Producer Engagement

Ontario Pork understands the importance of connection and working closely with producers and other industry stakeholders to develop meaningful solutions to issues directly affecting the industry.

As the global pandemic continued through 2021, Ontario Pork staff and producers embraced the shift of having to rely more on technology for virtual meetings to ensure that the connection between producers and Ontario Pork remained strong and that members continued to have opportunities to exchange ideas on pressing industry issues.

In an increasingly urban society, Canadian's risk losing the connection between farming and food. In that distance, doubts and questions can take root, leading to consumer choices and government policies rooted in misinformation and emotion, rather than solid science. Ontario Pork's story is best told by experts — hog farmers who have built their lives around raising healthy animals to feed a hungry world. Ontario Pork helps members to effectively connect with consumers, government and members of their communities to share their stories.



GET INVOLVED

Ontario Pork's leadership training course is uniquely designed for pork industry advocates looking to become more effective leaders.

For more information or to get involved contact
Olga Klashtorny at olgaklashtorny@ontariopork.on.ca

Boards and Committees

Research

Tara Terpstra (Chair)
Maaïke Campbell
Chris Cossitt
John Otten
Beth Mitchell
Rod de Wolde
Tim Blackwell
Ex-officio: Arno Schober

Resolutions

Mike Mitchell (Chair)
Bruce Hudson
Phil Van Raay
Alec Boekhoven
Ex-officio: John de Bruyn

Advisory Groups

Risk Management

Maaïke Campbell (Chair)
Doug Ahrens
Steve Illick
Rob McDougall
Wouter Van Leeuwen
Bruce Clark

Sustainability

Mike Mitchell (Chair)
Bruce Hudson
Lloyd Holbrook
Lyle Campbell
Ernst de Freese

Program Development

Chris Cossitt (Chair)
Eric Schwindt
Tara Terpstra
Dianne Brekelmans
TJ Murray
Tanya Terpstra

Board Standing Committees

Audit

Mike Mitchell (Chair)
Doug Ahrens
Eric Schwindt
Ex-officio: John de Bruyn

Government Relations and Policy

Government at all levels play a strong influencing role in farming, finance, transportation, environmental policies and trade. Ontario Pork knows that working together is how we can truly make a difference.

While the COVID-19 pandemic continued to change the dynamics of our government relations activities in 2021, core values of leadership within the industry and working in partnership with producers and stakeholders continued to drive Ontario Pork's efforts, ensuring the industry's voices were heard by policymakers at all levels of government.

A snapshot of some of 2021 government relations and policy work:

- ▶ **Taking the lead** on the inclusion of wild hogs under *Ontario's Invasive Species Act, 2015*; through commitment to building relationships of trust, we were able to influence government policy positions and advocate for transition supports for affected producers in alignment with other agri-food organizations.
- ▶ **Actively engaging** in government consultations and with ministries and agri-food committees on soil health, nutrient management and phosphorus reduction to ensure that sector leadership on environmental issues and climate change was emphasized. Ontario Pork continued to leverage the swine industry's environmental leadership through the sharing of on-farm progress, innovation and solutions.
- ▶ **Gathering feedback** from Policy Day delegates on environmental farm practices to reduce the sector's greenhouse gas emissions. This work will be expanded upon as the pork sector continues to be a leader in environmental stewardship.
- ▶ **Ensuring** the sector's positions on issues including farm labour shortages, feed regulations, privacy, land-use compatibility, environmental compliance practices, changes to the Nutrient Management Act, conservation authority roles and animal health were front and centre, through meetings with ministers and public servants, and through Ontario Pork's submissions to government consultations.

Looking ahead, it is expected that COVID-19 will continue to pose challenges for the swine sector and the agri-food industry. Ontario Pork's efforts will continue to focus on advocating for legislation and regulations that ensure the sector remains robust and competitive. This will be especially important as federal, provincial and territorial governments begin consultations to identify agriculture sector focus areas for 2023 to 2028.



New webpage

visit ontariopork.on.ca/Communications/Public-Policy to learn more about Ontario Pork's public policy work and government submissions.



Research

Firmly rooted in a learning culture, research and innovation take the knowledge accumulated from the past and builds on it to explore opportunities for the future. Technology is always evolving, and industries can leverage it to their advantage by reviewing new developments and studying their potential applications.



The future of swine research with John Otten

Investing in research and innovation is a critical element in the progress of the pork industry. “Producers want to be a part of Ontario Pork’s Research Committee because we want to not only improve our own operations but also maintain a reputation for leading-edge advances in utilizing the best technology,” explained John Otten, a producer in Wellington County.

John is also on the steering committee for the new Ontario Swine Research Centre, which will replace the aging Arkell Swine Research Barn. “We needed to expand our operations beyond the capacity of the old site in Guelph,” he says. “The new facility

is near Elora, with enough land to accommodate extensive research into dairy, beef and swine.”

The new swine facility will incorporate a significant focus on feeding and nutrition: for young pigs, nurseries, finishers and sows, examining various aspects of feed ingredients, timing, technology and health benefits. “We will also profit from cross-over studies with the dairy and beef researchers for manure and crop management,” John adds.

“ Ontario and Canada can take our place in the global limelight because we can develop new approaches that strengthen our credibility.



The existing Arkell centre has already attracted knowledgeable professors in swine medicine and nutrition, and the upgraded facility is a powerful incentive for keen young researchers. "Ontario and Canada can take our place in the global limelight," says John, "because we can develop new approaches that strengthen our credibility."

Construction began in 2021, with an expected completion date of mid-2023. "We've spent several years planning it," John explains. "We really took a careful look at what we needed." The new site has more unique capabilities than its predecessor; for

instance, with Wi-Fi and Bluetooth, the artificial intelligence and electronics support more sophisticated methods of feeding and ventilation.

Improving production volume, keeping up with progressive trends, establishing Ontario as a centre of excellence are the benefits for producers, researchers and consumers. "Professionals will come from all across Canada to investigate improved feed practices, inbound disease challenges, crop management and emerging technologies," John says. "In short, it's a win-win scenario."



Did You Know

Ontario Pork dedicates 10 cents from each hog marketed to research — more than \$500,000 per year.

The Research Committee receives and reviews research proposals, ranging from better disease management to improved feed ingredients. They consider the needs of producers and select the submissions that could prove viable for practical use.



Innovation

Progress and innovation go hand-in-hand in ensuring the long-term success of the pork industry.

Transforming transportation with Marlon Bauman

Founded in 1980, Vernla Livestock Inc. has been transporting animals safely and humanely for over 40 years, making thousands of shipments each year within and out of Ontario.

With 35 trucks and over 40 employees, Vernla ships livestock as far west as Alberta, and as far south as the Carolinas. That much transportation, co-owner Marlon Bauman says, takes a commitment to safety and well-being for both the animals and the drivers. And technology plays an important role in making that happen.

“Technology has come a long way in just the last ten years,” says Marlon. “The number of devices on the trucks has really increased.” Vernla’s fleet management system monitors their vehicles’ location throughout their trips. Diagnostic sensors in the trucks also monitor for speed, distraction and even fuel efficiency, ensuring that they operate as efficiently as possible.

But Vernla’s business depends on the welfare of the animals. Recent improvements in trailer design have improved well-being and reduced stress for the animals they transport. Features introduced in recent years include hydraulic lifts, which cause fewer injuries and less stress when loading animals than ramps, and better ventilation in the trailers.

Drivers remain an important part of the animals’ well-being, even as technology advances. “Drivers have to love and care for the animals they’re moving,” says Marlon. “They need to be in tune with what the animals need. Technology makes it easier to do their jobs, but the driver’s skill and care is still a major factor. Vernla ensures that all drivers have training in animal welfare relating to loading and transportation through the Transport Quality Assurance program, specialized training that teaches swine transporters to minimize potential impacts on animal well-being.



That said, the livestock transportation industry continues to embrace change. Vernla recently acquired its first European-designed Berdex trailer. From the outside, it looks like a regular solid-walled trailer, but inside it’s mechanically ventilated and climate-controlled. This design may become the norm before long, instead of the open-walled trailers we’re used to seeing on the road.

With these innovations already available, what can we expect to see rolling out in the future? Marlon expects better monitors for the animals, with temperature and humidity sensors and even cameras, providing full information on the state of the load. “We will continue to see advances in ventilation, cooling and water systems, and automatic sensor and control systems to ensure that animal welfare is not compromised when transporting animals under a potentially wide range of environmental conditions.”

With the many technological advances that Vernla has already embraced, they seem poised to keep on trucking well into the new millennium.



Pork Imports and Exports

Ontario: Jan-October



Imports

\$839,472,212

133,520 metric tonnes



Exports

\$709,711,840

210,949 metric tonnes



Environmental Sustainability

Ontario's pork industry knows that fighting climate change is an essential responsibility, and sustainability is an important topic for all food growers.

Stewards of the land with Ernst de Freese

Family values are at the heart of Ontario's pork industry. Many producers grew up on the farm, and they share a deep commitment to protecting the environment for the generations that follow in their footsteps.

Ernst de Freese, a second-generation producer in Perth County, sits on the Sustainability Committee at Ontario Pork, where they review environmental issues coming down the line. "We try to get ahead of the ball when it comes to government regulations," he explains, "rather than problems becoming so big that government needs to intervene, the industry makes a point to fix the issue before they result in negative impacts."

Ernst has seen a lot of big changes over the past couple of decades. New facilities are more energy-efficient with better insulation, feed efficiency has come a long way in the last few decades. "It used to take four pounds of feed to grow one pound of pork," he points out. "We're now at about a 2.8 pounds ratio."

The use of feed by-products is an effective way to create sustainability in the industry. "Up-cycling by-products from food and fuel production into nutritious hog feed is going to be key to creating a sustainable industry in the future," he says. "By-products such as DDGs (dry distillery grains) or the soybean meal (which is left after cooking oil is extracted from soybeans) as well as other products currently comprise up to of 35% of feed rations."

On his farm, Ernst reduces his fuel consumption by using snow fences to cut down on snow removal operations and decreasing hauling costs through manure trading with neighbours that are farther away. Most producers no longer apply manure to the fields in the winter, preventing run-off as the snow melts. "Good manure management is essential," Ernst maintains. "There has been a real push in the industry to watch the amount of phosphorous that is applied to the land". This is being done through feed additives like phytase and balancing manure with synthetic fertilizer to avoid overfertilization of certain nutrients.

Ernst sums it up: "Basically, we're just doing more with less: improving our processes, designing energy-efficient facilities and improving feed efficiency."

The future looks promising. As aging facilities are replaced with modern structures, they will incorporate advanced technologies that contribute to environmental health. Producers are sharing ideas for best practices in nutrient management as well as land and water use.

Farming is an ever-evolving industry, responding to new needs and new conditions. But for Ontario's pork producers, one thing remains constant: their wholehearted commitment to the health of the animals they raise, the people they serve, and the land they nurture. It's a legacy that continues to pass from generation to generation on family farms.



Leadership and Involvement

COVID-19 was the impetus for 'Swine Online' — a digital forum for producers to share best practices for animal care.

Virtually coming together with Dave DeVries

In February of 2021, Wellington County producer Dave DeVries started planning a virtual meeting place for pork producers — dubbed Swine Online — motivated by a TED Talk at the Ontario Agricultural Conference. Collaboration was key to its success, starting with the witty name. “My wife, Lauren, gets full credit for that,” he admits.

Fellow producers Brett Israel and Daniel Roelands worked with Dave on the details; and they consulted Dr. Tim Blackwell, OMAFRA's provincial vet, who enthusiastically embraced the plan. “We got a positive response right from the start,” Dave says. “People definitely wanted it to continue.”

Laura Eastwood, an OMAFRA swine specialist, gave them access to a secure Zoom platform with a chat option. “Laura is our technical guru,” Dave explains. “She runs the sessions and helps with any connectivity issues.” Dr. Blackwell acts as moderator and Jaydee Smith maintains the online blog. Recordings are put on a password-protected website for subscribers to view at any time. “The communication staff at Ontario Pork have also been very helpful in promoting the meetings,” Dave adds.

Associating with people beyond the community has been a real plus. “We have a great group of producers joining us now,” Dave comments, “some from as far away as Iowa and Saskatchewan.”

Polling questions are sent in advance to find producers who can speak to the topics, ranging from loading area logistics to feed costs to the industry's carbon footprint and environmental sustainability. Producers can showcase their operations through slides or videos, and products may be discussed, but Dave cautions that this is a neutral platform with no place for advertising or sales pitches.

Dave points out the advantages of online meetings. “For one thing, you don't have to buy doughnuts,” he says with a laugh, but then goes on to outline the more substantial benefits. “Many producers say that they really appreciate being able to see operations all over the province, and there are no biosecurity issues in virtual visits.”

Swine Online is just one example of how producers have demonstrated resilience through the COVID-19 pandemic. Embracing innovation and technology to share experiences will help build long-term connections across the industry.



For more information about Swine Online, email swineonline2021@gmail.com

Top 5 regions by producers

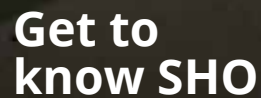
Perth – 203
Huron – 170
Wellington-Dufferin – 164
Oxford – 122
Grey/Bruce – 73



Top 5 regions by hogs marketed

Huron – 1,253,988
Perth – 909,580
Oxford – 749,136
Lambton – 675,636
Middlesex – 599,873

The COVID-19 pandemic provided valuable lessons for the industry in crisis response. With the human pandemic contributing to supply chain disruptions, it has been an opportunity to test plans in real time, identify gaps and adjust course. Fall education sessions and online crisis communications training helped deliver that information to a broader segment of the industry. While border security, and industry-wide vigilance are crucial, the most vital line of defense is adhering to strict biosecurity protocols.



Swine Health Ontario (SHO) is a leadership team dedicated to ensuring the Ontario industry has a global competitive advantage through swine health excellence. For more information on SHO visit swinehealthontario.com.

Barn door biosecurity with Mike Luyks

Every pork producer worries about keeping their herd healthy. For swine genetics provider Mike Luyks, it's key to his farm's success. "We're at the top of the pork production system," he says. "I supply a lot of pig farmers. Keeping pathogens out of our facility is top of mind."

Mike's business, Kaslo Bay Artificial Breeders, supplies about 75 farms once or twice every week. The entry of viruses like porcine epidemic diarrhea (PED), porcine reproductive and respiratory syndrome (PRRS), or mycoplasmal pneumonia into the system could be a disaster for Mike or any of his customers.

Every part of Mike's business is managed to ensure that disease cannot spread to or from their facility. Anyone entering the barns where his 450 hogs are kept must take a shower and put on farm-safe clothing. They can only bring in their lunch, and that has to be decontaminated in an ultraviolet chamber before it can enter.

Disease can enter the farm through a number of other vectors, too. To minimize risk, all of the Kaslo Bay hogs are purchased from the same supplier. A third of the Kaslo Bay herd is tested every week for PRRS.

While Mike has instituted these stringent biosecurity measures, he's eliminating other, less desirable methods. He only uses antibiotics on an as-needed basis, not as a blanket treatment, and he uses antimicrobial agents as little as possible as well. Cautious use of these disease-fighting tactics is important for the health of the food supply, but it puts additional pressure on the other biosecurity measures.



Biosecurity is an evolving field, with constant new developments. One future possibility is the introduction of animals that are resistant to common viruses like PRRS. The animals are gene-edited, not transgenic, meaning their genetics are minimally altered and lower in risk. However, society's appetite for genetically modified food is typically low, so it is uncertain whether this will be a major contributor to biosecurity. In the end, Mike sees farm processes — "barn door biosecurity" — as the most important part of the fight against pathogens. "None of it is convenient. If you forget your lunch in the truck, you have to get naked, take a shower and get your outside clothes on to go get it."

But Mike's biosecurity processes mean he can assure his customers of the health status of his farm. And the health of the pigs throughout the pork production system is the most important result of all. "The happiest, healthiest pig is always the most profitable pig," says Mike. The biosecurity that he and others promote throughout the pork farming industry improves the product at every step, from newborn piglets to the end consumer.



The happiest, healthiest pig is always the most profitable pig.

Future of Pork Production



Taking over the family farm isn't as easy as changing the name on the mailbox. Putting together a comprehensive succession plan is essential in ensuring the process of passing a farm onto the next generation goes as smoothly and successfully as possible.

Planning a farming future with the Van Raay Family

About ten years ago, Teresa and Martin Van Raay were considering retirement. They had run Van Raay Farms since taking it over from Martin's parents in 1985. The family is deeply connected with their community: son Philip is a volunteer firefighter, and Teresa is a director with the Ontario Federation of Agriculture, was previously a director with Ontario Pork and member of the local Chamber of Commerce. None of their four adult children were interested in taking over the business at that time.

That changed when Philip decided to work on the farm, followed by his brother Dean. The boys brought a renewed energy to the family business.

Phil and Dean were very interested in new technology solutions, including precision farming for the crops. They also diversified into garlic growing and started planning to replace the 1980s vintage barn with a new, larger, technology-rich barn.

Martin and Teresa wanted and needed to remain involved in the farm — but they also knew that they were now handing it down to their family, not selling or closing it. That meant they needed to undertake something even more daunting: succession planning.

The process is taking much longer than any of them anticipated. "We started five years ago," says Teresa. "Only in the past few months, we've felt we're just starting to get there."

Much of the difficulty is the number of variables involved. With four children in the family, ensuring everyone is treated fairly is complicated. The plan also must meet the parent's needs as they transition to the next stage. "The retirement plan for a farmer is different than for someone who works for a company," Teresa says. "Farming isn't just a career, it's a lifestyle." There are advantages to consider as well; for example, recent tax law changes have made new options available to the Van Raays.

As part of the planning process, members of the family had to carefully consider their expectations and goals. As they are doing this, the next step is to formalize it as a legal agreement. Although the process is far from easy, the family is working through it together. "If it ever got to the point where we didn't want to visit each other at Christmas, we would call it," Teresa says. "The family comes first."

Phil agrees that the process can ensure success, both for the farm and for the family. "Through all the bumps, the most important thing is that we haven't lost anything in the relationship," says Phil. "This time I have with my parents is unique to the farming community." With a succession plan soon to be in place and a new barn about to open, the future of farming for the Van Raay family seems bright.

Number of countries pork is exported to January to October



Canada
78



Ontario
41

Ontario Pork export globally



United States – **57%**
Mexico – **14%**
Japan – **9%**
Rest of world – **20%**



”

The retirement plan for a farmer is different than for someone who works for a company. Farming isn't just a career, it's a lifestyle.

Education and Outreach

Maintaining consumer trust by ensuring that the connection between food and farming remains strong continues to be the driving force for all Ontario Pork consumer education and outreach activities.



In a digital world where we are overwhelmed with information 24/7, it's never been more important to find innovative ways to reach and educate consumers of today and tomorrow.

While everyone is excited to return to in-person events, the virtual focus also gave room to start planning the new Ontario Pork Pig Mobile — which will launch later this year. It also allowed for the development of a new smaller kiosk featuring videos and an interactive quiz game. This unit will be available for smaller events where the Pig Mobile cannot be accommodated.

Getting pork production into the classroom with Taylor Selig

AgScape has worked to support Ontario's agricultural industry through education and outreach since 1991. The charitable corporation's mission is to promote agriculture and food learning in the classroom. They play a key third-party role with commodity associations to provide students and teachers with accurate, science-based facts about Ontario food production.

Taylor Selig, the executive director, explains that AgScape has created lesson plans, activities, and online resources for teachers at all levels to build student connection with the Ontario agri-food industry. They have successfully engaged students and teachers across the province. "In 2021, our resources were accessed over 70,000 times," says Taylor.

One resource was the *An Exploration of Pig Farming* teacher guide, produced in collaboration with Ontario Pork. It was launched in September 2021, and in six weeks it reached 5,000 students in 230 classrooms. "Ontario Pork Producers have a good knowledge of what the education space is looking for," Taylor says. He sees the Pig Mobile as an example of Ontario Pork's good outreach work. "It's an experiential opportunity, which many groups find difficult to manage. It's innovative, it's exciting and it's exactly where youth want to be."

AgScape and its partners like Ontario Pork work together to promote students engagement and understanding of the agricultural environment. That starts with connecting future consumers to their neighbours who produce the food they eat. Ontario Pork works closely with AgScape to connect with the public. "They have a good understanding of how to reach audiences, both inside and outside the classroom," says Taylor. "It's been nice to have their fresh and innovative thinking, and to find opportunities to work together."



Community Connection

COVID-19 meant many events and outings were replaced by virtual tours. Event hosts and participating producers worked together to ensure that experiences were engaging and interactive for the audience.

Connecting with the community, virtually with John Van Engelen

Most pork producers are proud to show off their barns and operations, and John Van Engelen of Hog-Tied Farms Ltd. is no exception. John's modern, fully Wi-Fi enabled pig barn is ideal for virtual tours. John has been doing online tours for a few years, both for school groups and for other farmers.

"Last year, I was asked to do a farm tour for the Western Fair, and I guess it went well," John says. "Because then the Royal Winter Fair asked me to do theirs, too." His virtual tours have become a popular way for anyone who has never seen a modern pig farm up close to understand how pork production really works.

Technology is integral to the operation of Hog-Tied Farms Ltd. His sows are fitted with RFID (radio-frequency identification) tags, which his electronic sow feeders read to ensure each pig receives their specific ration and precise amount, according to their size and gestation. His hogs are sorted either two or three ways and are fed different rations in each cafeteria area depending on their individual weights. John also uses RFID on his hogs in Pig Performance Testers to track his growth and gains to get an average meat per tonne of feed throughout the year. His farm was one of the first in Ontario to install an electricity-generating wind turbine, and he even designed a shower for the pigs to enjoy.

Showing urban students his clean, modern barn helps them feel engaged with local farmers. "When people get to see for themselves how calm and healthy and well-treated the pigs are," John says. "it makes a much better connection."

When he gives tours to younger schoolchildren, they mostly want to see cute piglets. But older students are much more informed and aware of the modern social issues with farming. They come armed with tough questions about environmental sustainability and animal welfare.

John welcomes this as an opportunity. "Most people don't know much about their food sources, and there are a lot of misconceptions," he says. "The tours are a great way to educate and inform them."

He estimates that, in his time on the farm, his environmental footprint has dropped by half, maybe more. John points out that he uses his barn's own manure as fertilizer and minimizes energy costs with heat exchangers. Meanwhile, John says, "I can raise a larger pig in 50 days less than it used to take to bring one to market 40 years ago."

The most important part of the tours, for John, is that they help to make real connections between the community and the food producers they depend on. "It's important to correct misunderstandings about farming," John says. "This isn't Old McDonald's farm anymore."



**Check out
John's Western Fair tour**
by visiting thegrovewfd.com/pork



Brand and Reputation

Finding new ways to build consumer confidence and strengthen Ontario Pork's reputation helps to ensure a healthy, sustainable future for industry.

Reaching the next generation of butchers with Troy Spicer

Aspiring butchers at Fanshawe College are working through their courses, a combination of classroom learning and hands-on training. They are only the second cohort of students in this new program; the first finished last fall and most are all already employed in the industry.

Fanshawe's is the only public college program for butchery in Ontario; the private Seaway Valley Meat Cutting Institute in Cornwall, Ontario is a private training institute that is also certified by the Ministry of Training, Colleges and Universities. Troy Spicer, an experienced teacher in multiple food production disciplines, launched the Fanshawe program in 2021. Fanshawe has other programs in food production, covering operations and leadership in the industry, but Troy saw a gap and designed this program to fill it. "Butchery is a highly-skilled trade. The program gets students in learning those skills quickly, and there are lots of jobs at the end."

One issue is the lack of resources for the fledgling program: meat is expensive and perishable, and the program is only starting to collect informational resources for students. "I approached Ontario Pork to see if they had anything," Troy says. "They gave me everything they had."

The students work with Ontario-grown pork, and they sell it in the learning business that they operate. The retail outlet fills 50 to 60 orders per week and displays



Ontario Pork branding prominently. Ontario Pork also sends promotional materials to students, which Troy says has a lasting impact. "The students really know the Ontario Pork brand well. They see the importance of supporting local farmers, and help customers see that value as well."

In administering a new and unique program, Troy says that consulting with Ontario Pork is valuable. "We're having interesting conversations about where to go in the future." Pork is an ideal subject matter for the course. Students are not just learning to butcher meat, but also how to market and sell it. "We teach about opportunities for value-added products that can seriously increase your revenue," says Troy. "For example, you can turn your trim into sausages, giving you much more value. We also cover cured and processed meats, and pork is, of course, a major factor with those as well."

As Fanshawe's butchery program grows, so will partnerships with organizations like Ontario Pork. Industry groups are key for the program's success, and they benefit both sides of the relationship. "Partnering with associations like Ontario Pork helps us to build our program," Troy says. "Our partners get an increase in profile and credibility as well. It's a plus for everyone involved."



The students really know the Ontario Pork brand well. They see the importance of supporting local farmers, and helping customers see that value as well.

Increasing Our Consumer Reach



Recipes website

Our how-to-cook pork page is now the **top pork cooking guide in all of Canada**

According to
Google

1,100+

Ontarians visit
it **every day**

Our 'Many Ways to Pork' consumer campaign is smashing records again. We nearly tripled the success and lowered the cost this year, compared to last year.

Ontarians visited
the consumer site **406,000** ...**All that for 26% less cost!**

Facebook
followers



↑135%

Instagram
followers



↑14%

Consumer newsletter
subscribers



↑93%

Retail and Food Service Branding Program 2021 Continuing to grow the brand

Retail branded partners

320 **↑7.4%** from 2020

Logo labels

1,860,500 **↑6.7%** from 2020

Food service branded members

50 **↑31.5%** from 2020

Food service member locations

66 **↑26.9%** from 2020



Consolidated Financial Statements

Independent Auditor's Report

To the Members of: The Ontario Pork Producers' Marketing Board

Opinion

We have audited the accompanying consolidated financial statements of The Ontario Pork Producers' Marketing Board, which comprise the general account consolidated statement of financial position and the trust account statement of financial position as at November 27, 2021 and the consolidated 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, these consolidated financial statements present fairly, in all material respects, the financial position of The Ontario Pork Producers' Marketing Board as at November 27, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis of 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 Ontario Pork Producers' Marketing Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated 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 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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
Licensed Public Accountants, Guelph, Ontario

January 25, 2022

RB LLP

Consolidated Statement of Operations

Year ended November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Revenue		
Service fees - Universal Services	5,812,496	5,638,728
Service fees - Marketing Division	648,612	671,186
Interest	66,435	146,708
Government grants (Note 12)	5,536	93,491
Sundry (Note 10)	327,444	268,915
	6,860,523	6,819,028
Expenses		
Operations (Schedule A)	3,706,428	3,766,547
Consumer marketing (Schedule B)	582,787	643,460
Board secretariat (Schedule C)	443,536	514,585
Industry support (Schedule D)	1,687,545	1,689,376
	6,420,296	6,613,968
Surplus of revenue over expenses before other items	440,227	205,060
Other (expense)/income		
Forward pricing (Note 6)	72,580	151,464
Ontario Swine Research Facility Funding (Note 9)	(1,500,000)	-
	(1,427,420)	51,464
(Deficit)/Surplus of revenue over expenses	(987,193)	356,524

General Account Consolidated Statement of Financial Position

November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Assets		
Current assets		
Cash	1,838,383	2,716,970
Temporary investments (Note 4)	5,412,499	5,653,438
Accounts receivable (Note 5)	188,369	345,603
Due from trust account	1,486,415	1,316,645
Prepaid expenses and supplies	450,660	414,689
Forward pricing assets (Note 6)	97,644	197,390
	9,473,970	10,644,735
Capital assets (Note 7)	926,114	947,358
	10,400,084	11,592,093
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	592,268	758,530
Government remittances payable	31,420	16,767
Research projects payable	659,948	643,590
Forward pricing liabilities (Note 6)	36,163	105,728
	1,319,799	1,524,615
Net Assets		
Funds invested in capital assets	926,114	947,358
Unrestricted funds	7,046,214	6,522,928
Internally restricted fund for research (Note 8)	554,109	549,413
Internally restricted fund for special projects (Note 9)	558,617	2,046,524
Unrealized (loss)/gain on investments	(4,769)	1,255
	9,080,285	10,067,478
	10,400,084	11,592,093

Consolidated Statement of Cash Flows

Year ended November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Operating activities		
(Deficit)/Surplus of revenue over expenses	(987,193)	356,524
Amortization of capital assets	69,035	96,190
Change in non-cash operating working capital	(153,577)	(52,044)
	(1,071,735)	400,670
Investing activities		
Decrease in temporary investments	240,939	804,311
Purchase of capital assets	(47,791)	(92,500)
	193,148	711,811
Net (Decrease)/Increase in cash	(878,587)	1,112,481
Cash, beginning of year	2,716,970	1,604,489
Cash, end of year	1,838,383	2,716,970
Changes in non-cash operating working capital of:		
Accounts receivable	157,234	(144,180)
Due from trust account	(169,770)	15,263
Forward pricing assets	99,746	228,835
Forward pricing liabilities	(69,565)	(273,341)
Prepaid expenses and supplies	(35,971)	12,184
Other Current liabilities	(135,251)	109,195
	(153,577)	(52,044)

Consolidated Statement of Changes in Net Assets

Year ended November 27, 2021 and November 28, 2020

	Beginning balance	Surplus/(Deficit) of revenue over expense	Net transfers	Unrealized loss on investments	Acquisition of capital assets	Ending balance
	\$	\$	\$	\$	\$	\$
Invested in capital assets	947,358	(69,035)	-	-	47,791	926,114
Unrestricted	6,522,928	581,842	(16,789)	6,024	(47,791)	7,046,214
Internally restricted						
For research (Note 8)	549,413		4,696	-	-	554,109
For special projects (Note 9)	2,046,524	(1,500,000)	12,093	-	-	558,617
Unrealized gain/(loss) on investments	1,255		-	(6,024)	-	(4,769)
Total	10,067,478	(987,193)	-	-	-	9,080,285

Trust Account Statement of Financial Position

November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Assets		
Cash	1,818,814	1,327,508
Accounts receivable from processors	4,021,164	4,084,093
	5,839,978	5,411,601
Liabilities		
Due to general account	1,486,415	1,316,645
Payable to producers, transporters and others	4,353,563	4,094,956
	5,839,978	5,411,601

Notes to the Consolidated Financial Statements

November 27, 2021

1. Nature of operations

The Ontario Pork Producers' Marketing Board ("Ontario Pork") represents Ontario's pork producers. Ontario Pork provides universal services to all producers. Additionally, Ontario Pork provides a marketing option that includes centralized selling to processors and settlement to producers and transporters for those producers who wish to use the service.

As Ontario Pork is an agricultural organization, from which no part of the income is available for the personal benefit of any member, it is exempt from income tax pursuant to Section 149(1)(e) of the Income Tax Act.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

A – Principles of consolidation

The consolidated financial statements include the general and trust accounts of Ontario Pork. The Ontario Pork Grading Authority (OPGA) is a controlled entity of Ontario Pork. However, the accounts of the OPGA have not been included in the accompanying financial statements. Consequently, the accounts of the OPGA have been disclosed in the accompanying notes to these financial statements (Note 17).

B – Revenue recognition

Ontario Pork follows the restricted fund method of accounting for contributions. Revenues in the form of fees from producers are recorded when services are performed. Restricted contributions are recognized as revenue in the year the related expenses are incurred. Unrestricted contributions, interest income and sundry income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

C – Forward Pricing Program

Ontario Pork offers a Forward Pricing Program to producers which enables producers to establish firm prices for future shipments of hogs.

Prices are based on the prices in effect at the Chicago Mercantile Exchange for future shipments and producers may arrange this coverage for any number of hogs based on their own expected shipments.

Ontario Pork contracts with the producers and enters into Lean Hog and Canadian Dollar contracts with the Chicago Mercantile Exchange.

Ontario Pork constantly monitors contracts with producers and the Chicago Mercantile Exchange to ensure that risks are offset and no significant speculative positions are taken.

The Farm Products Marketing Act, Regulation 400 Section 9 (b) requires Ontario Pork to maintain separate accounts for the deposit of (i) money received by the local board in trust for any other person and (ii) levies or charges imposed by the local board pursuant to powers exercised under authority granted under the Agricultural Products Marketing Act (Canada). The Trust Account Statement of Financial Position (non-consolidated) reflects all monies received from the sale of hogs on behalf of producers and the distribution of monies to producers after deducting all charges and necessary and proper disbursements and expenses.

D – Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for temporary investments, forward pricing assets and liabilities which are measured at fair value. Changes in fair value are recognized in the consolidated statement of operations.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write down is recognized in the consolidated statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the consolidated statement of operations.

Transaction costs

The organization recognizes its transaction costs in the consolidated statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

E – Effective interest method

Ontario Pork uses the effective interest method to recognize interest income or expense which includes premiums or discounts earned or incurred for financial instruments.

2. Summary of significant accounting policies (continued)

F – Derivative financial instruments

Derivative financial instruments are recognized on the consolidated statement of financial position at their fair value with changes in fair value recognized in the consolidated statement of operations.

G – Foreign currency

Monetary assets and liabilities are translated using the rate of exchange in effect at the end of the year. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average exchange rates prevailing during the year, except for amortization, which is translated at historical rates. Exchange gains or losses are shown in Schedule A.

H – Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

I – Capital assets

Capital assets are recorded at historical cost. Computer software is expensed in the year of purchase.

Amortization is provided in order to write off the cost of these assets over their estimated useful lives using the following rates and methods:

Asset Type	Amortization Rate
Buildings	5% declining-balance
Building improvements for leased premises	Term of lease (5 years)
Promotional vehicles	30% declining-balance
Computers	3-year straight-line
Other computer systems	33% declining-balance
Office furniture and equipment	20% declining-balance
Office furniture and equipment after 2014	5-year straight-line

J – Research

Ontario Pork expenses the full cost of research projects in the period it commits the funds for specific projects. Unspent funds are recorded as research projects payable.

K – Net assets internally restricted for research

A set amount of the annual service fee is designated for research. Any unspent amounts are internally restricted for research and are only transferred to unrestricted net assets when the research expenditures have been incurred. The

management of Ontario Pork may not use these internally restricted amounts for any other purpose without the approval of the board of directors.

L – Net assets internally restricted for special projects

Ontario Pork established a reserve for special projects. To be eligible for funding from this reserve, projects must benefit all Ontario pork producers, be separate from the daily activities of Ontario Pork, have the ability to leverage matching funds from other sources and have the potential for providing a return on investment. These internally restricted amounts are not available without prior approval of the board of directors.

M – Grants

Government grant revenue and expense are recorded as the related projects are completed, grant approvals are received and collection is reasonably assured. Government grants related to assets are recorded as reductions in the related assets.

N – Use of estimates

In preparing Ontario Pork's financial statements in accordance with Canadian accounting standards for not for profit organizations, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Significant estimates used within these financial statements include amortization of capital assets and accrued liabilities. Actual results could differ from these estimates.

O – Fiscal year-end

Ontario Pork's year-end is the Saturday closest to November 30.

3. Marketing division

Ontario Pork has administratively and physically separated the operating facilities of the Ontario Pork Universal Services Division and the Ontario Pork Marketing Division. This separation includes maintaining confidential pricing and financial information of the Marketing Division. Direct expenses are charged to the Marketing Division, while shared expenses are allocated to ensure they accurately reflect the costs incurred to operate the respective divisions. Ontario Pork has consulted with the Ontario Farm Products Marketing Commission which has accepted this approach as reasonable. The revenue information for the Marketing Division is disclosed separately. The balance of the financial information of the Universal Services and Marketing Divisions is reported in aggregate in these consolidated financial statements.

4. Temporary investments

	2021	2020
	\$	\$
Bonds and guaranteed investment certificates held in Canadian funds, valued at market, bearing rates varying from 0.52% to 3.01%. (2020 - 0.59% to 3.01%)		
General Account	5,412,499	5,653,438

5. Accounts receivable

	2021	2020
	\$	\$
Trade	182,706	337,285
Other	5,663	8,318
Grants	-	-
	188,369	345,603

6. Forward pricing assets and liabilities

Ontario Pork has entered into foreign currency contracts and lean hog contracts with an independent broker and with producers as previously described in the Forward Pricing Program policy included in Note 2 (c). Included in Forward Pricing liabilities are foreign currency contracts and lean hog commodity contracts with a net market value of \$36,163 (2020 - \$105,728). Included in Forward Pricing assets is the net position of contracts held with producers relating to the Forward Pricing Program with a total market value of \$97,644 (2020 - \$197,390).

	2021	2020
	\$	\$
Realized gain	6,619	57,022
Unrealized gain	61,481	91,662
Forward pricing fees/other	4,480	2,780
Forward pricing gain	72,580	151,464

7. Capital assets

7. Capital assets			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	205,445	-	205,445	205,445
Buildings and building improvements	1,738,540	1,105,153	633,387	666,723
Promotional vehicles	54,723	29,979	24,744	65
Computers and computer systems	2,655,997	2,631,432	24,565	29,016
Office furniture and equipment	669,463	631,490	37,973	46,109
	5,324,168	4,398,054	926,114	947,358

8. Internally restricted fund for research

	2021	2020
	\$	\$
Balance, beginning of year	549,413	494,388
Amounts assessed in service fees transferred into the fund during the year	611,200	593,141
Grant amounts transferred into fund during the year (Note 12)	5,536	93,491
Rescinded research projects	2,383	81,000
Research expended (Note 12)	(357,498)	(483,395)
Research other expense	(256,925)	(229,212)
Balance, end of year	554,109	549,413
Included in Research other expense are amounts paid to Swine Innovation Porc, LRIC and the University of Saskatchewan.		
Industry research expense recorded in Schedule D is comprised of :		
	\$	\$
Rescinded research projects	2,383	81,000
Research expended (Note 12)	(357,498)	(483,395)
Research other expense	(256,925)	(229,212)
Total research expense	(612,040)	(631,607)

9. Internally restricted fund for special projects

	2021	2020
	\$	\$
Balance, beginning of year	2,046,524	2,010,513
Expended - Ontario Swine Research Facility Funding	(1,500,000)	-
Amounts transferred into the fund during the year (Interest)	12,093	36,011
Balance, end of year	558,617	2,046,524

The Board of Directors approved 20% co-funding of the new Ontario Swine Research Centre in Elora. The monies expended from Special Projects in 2021 are a portion of that commitment.

10. Toronto Stockyards Land Development Fund

	2021	2020
	\$	\$
Balance, beginning of year	-	-
Amounts transferred into fund during the year	237,628	229,787
Funds expended	(237,628)	(229,787)
Balance, end of year	-	-

The amount received during the fiscal year is included in sundry revenue of \$327,444 (2020 - \$268,915) in the consolidated statement of operations.

In 2003, the board of directors established an internally restricted fund dedicated to research, development and industry education and approved the transfer of funds received from the Toronto Stockyards Land Development Board to this fund. A portion of these funds was used in 2021 for industry outreach events, swine research and health issues.

11. Credit facility agreement

Ontario Pork has entered into one credit facility agreement with a Canadian financial institution, facility (1). Facility (1) includes an unsecured authorized operating line of credit of up to \$3,500,000 due on demand. Canadian and USD dollar advances on facility (1) bear interest at prime plus 0.30%. At year-end, draws on facility (1) are \$Nil (2020 - \$Nil) and there were no draws on the facility during the year.

12. Government grants and research expenditures

	2021		2020	
	Government grants	Research expenditures	Government grants	Research expenditures
	\$	\$	\$	\$
Economics	-	49,520	-	-
Innovation	-	-	5,000	60,000
Production	-	136,850	-	231,068
Social trends and perception	-	165,592	21,393	125,229
Emergency Preparedness	5,536	5,536	20,150	20,150
Other	-	-	46,948	46,948
	5,536	357,498	93,491	483,395

13. Grants

Included in animal care expense of \$16,920 (2020 - \$41,776) reported in Schedule D is a membership fee of \$12,000 (2020 - \$35,000) to Farm and Food Care.

Grants and memberships reported in Schedule D consist of the following:

	2021	2020
	\$	\$
OAC Awards Committee	500	500
Ontario Agri-Commodity Council	1,000	1,000
Ontario Agricultural Hall of Fame	1,000	1,000
Ontario Federation of Agriculture	3,000	6,500
Meat & Poultry Ontario	3,598	1,750
Presidents' Council	400	400
Sundry	1,978	7,250
	11,476	18,400

14. Canadian Pork Council

	2021	2020
	\$	\$
General Fees	946,243	920,656

The Canadian Pork Council (CPC) assessments are based on the number of pigs subject to provincial levies. This includes export weanling and feeder pigs in addition to slaughter animals. In 2021, the CPC funding was \$0.155 for market hogs and \$0.033 for weanling and feeder pigs exported (2020 - \$0.155 and \$0.033 respectively).

15. Defined contribution pension plan

The salary and employee benefits (Schedule A) includes the total plan expense for the organization's defined contribution pension plan as follows:

	2021	2020
	\$	\$
Defined contribution pension plan	112,338	108,065

16. Commitments

Ontario Pork leases office equipment with future minimum annual payments as follows:

	\$
2022	16,040
2023	5,301
2024	4,030
Total	25,371

17. Ontario Pork Grading Authority

Ontario Pork has delegated its authority for the grading of hogs to the Ontario Pork Grading Authority (OPGA), an independent not for profit organization. The OPGA provides a grading system and health data collection services. Ontario Pork producers maintain a 50% interest in the net assets of this organization. The other 50% interest is shared by two larger processors. The organization is governed by a five-member board consisting of two representatives from federal processing plants in Ontario, one representative from Meat and Poultry Ontario and two representatives from Ontario Pork. Ontario Pork also provides office and administration services to the OPGA. The financial statements of the OPGA are not consolidated in the financial statements of Ontario Pork. The following are the assets, liabilities, revenues and expenses from the audited financial statements of the OPGA for the year ended September 30, 2021.

17. Ontario Pork Grading Authority (continued)

	2021	2020
	\$	\$
Assets	463,529	483,614
Liabilities	56,049	51,234
Net assets	407,480	432,380
Revenues	794,226	814,660
Expenses	819,126	724,961
(Deficit)/Excess of revenue over expenses	(24,900)	89,699

Supplemental cash flow information

Cash flows derived from/(used by):

Operating activities	17,822	96,451
Investing activities	(61,779)	(865)
Financing activities	(47,649)	40,000
(Decrease)/Increase in cash	(91,606)	135,586
Cash, beginning of year	224,840	89,254
Cash, end of year	133,234	224,840

18. Financial instruments

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2021 compared to the previous period.

Transacting in financial instruments exposes the organization to certain financial risks and uncertainties. These risks include:

Currency risk

Ontario Pork realizes a portion of its transactions in USD and is exposed to foreign exchange fluctuations. At year-end, USD cash balances total USD \$875,509 (2020 – USD \$892,394). All balances are recorded in Canadian dollars at year-end at an exchange rate of 1.27865 (2020 – 1.29875).

Credit risk

Credit risk is the risk that counterparties fail to perform as contracted. Ontario Pork is exposed to credit risk through its trade accounts receivable and the Forward Pricing Program. Ontario Pork is exposed to a concentration of credit risk, as are all customers in the meat packing industry.

19. Material Uncertainty due to COVID-19

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of economic disruptions and the related financial impact cannot be reasonably estimated at this time. Although the organization has not been significantly impacted to date, the pandemic may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.

20. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Consolidated schedule of operations expenses - Schedule A

Year ended November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Amortization - capital assets	69,035	96,190
Audit fees	43,920	53,820
Bank charges	19,478	19,012
Cleaning	26,842	28,000
Computer software, supplies and internet	79,112	71,942
Consulting - information systems	52,478	38,825
Consulting - other	113,116	178,587
Courier	17,019	23,577
Dues and subscriptions	14,577	14,320
Exchange loss	-	2,275
Forward pricing costs	20,901	14,306
General office and other	14,489	34,401
Insurance	51,675	46,748
Legal fees	114,523	137,395
Light, heat and water	27,499	26,045
Machine and systems rental	13,487	13,487
Postage	13,819	14,579
Realty taxes	58,895	62,158
Repairs and maintenance	84,259	90,165
Salaries and employee benefits (Note 15)	2,742,966	2,652,778
Stationery and supplies	11,807	23,661
Telephone	50,135	44,788
Training and professional development	12,703	9,138
Travel	53,693	70,350
	3,706,428	3,766,547

Consolidated schedule of consumer marketing expenses - Schedule B

Year ended November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Advertising/other	413,288	417,874
Consumers' events	18,303	13,182
Education	53,785	15,966
Promotion - retail trade	10,968	32,045
Public relations	59,653	113,166
Retail and nutrition promotion	26,790	51,227
	582,787	643,460

Consolidated schedule of board secretariat expenses - Schedule C

Year ended November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Delegates' remuneration	10,565	26,441
Directors' expenses	37,414	73,577
Directors' remuneration	186,972	213,820
General office and other	25,753	5,113
Grants - counties	45,873	70,967
Liability insurance	9,356	8,505
Meetings - annual and other	72,081	58,772
Benefits	55,522	57,390
	443,536	514,585

Consolidated schedule of industry support expenses - Schedule D

Year ended November 27, 2021 and November 28, 2020

	2021	2020
	\$	\$
Animal care (Note 13)	16,920	41,776
Canadian Pork Council (Note 14)	946,243	920,656
Foodbank	40,000	56,000
Grants and memberships (Note 13)	11,476	18,400
Ontario Pork Congress	2,000	7,921
Research (Note 8)	612,040	631,607
Swine Health Ontario	8,866	13,016
Other - AgManifest	50,000	-
	1,687,545	1,689,376



Slow Roast Porchetta

Find this recipe and more at

ontariopork.on.ca/recipes/porchetta

Expenses Breakdown

Administrative / Finance

17%

Information Systems

9%

Member Services

16%

Consumer

10%

Research

11%

CPC/CPI

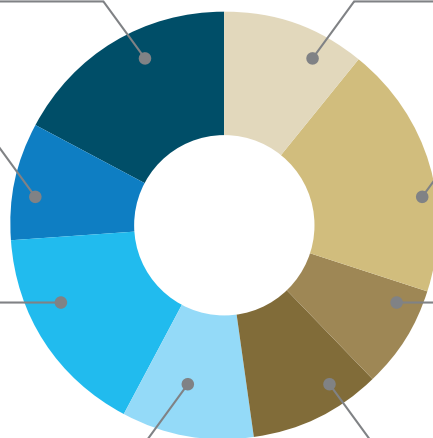
19%

Board / Association

8%

Communications

10%





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