

ONTARIO PORK

Corporate Profile 2018



Morgan Bos



ONTARIO PORK





Table of Contents

2	Message from the Chair
3	Message from the General Manager
4	About Ontario Pork
6	Ontario's Pork Industry
8	Board Committees and Advisory Groups
9	Leadership Training
10	Government Relations and Policy
12	Producer Engagement
13	Swine Health Ontario
14	Research and Innovation
15	Technology and Infrastructure
16	Social Responsibility Report
18	Brand and Reputation
20	Financial Statements
36	The Pig Mobile

Message from the Chair

ONTARIO PORK PRODUCERS POSITIONED TO PROSPER

I'm pleased to present Ontario Pork's Corporate Profile 2017-18. Over the past year, the Board of Directors focused on Ontario Pork's commitment to deliver value to pork producers through programs, advocacy and research.

In a year punctuated by market and trade turbulence, Ontario Pork delivered essential programs and services to members, while actively promoting our industry to government and consumers.

The Ontario pork industry (including domestic and live export markets) delivered \$2.8 billion in economic output over the past year. That is 12 per cent higher than 2016-17, a remarkable result considering trade uncertainty and intense competition domestically and abroad. Ontario Pork members can be proud of the impact we have on our provincial economy and encouraged by the exciting opportunities we see for the future.

While we develop opportunities for growth in international markets, we recognize competition, particularly from the U.S. and Europe, is growing. Together with increasing global supply, this is expected to increase the pressure on our industry in several international pork markets in the year ahead.

Geo-political tensions, trade disputes and the spread of African Swine Fever (ASF) provide complex and constantly changing world dynamics. In 2017-18, we saw the immediate effects that trade disputes have on market prices and the critical importance of access to key markets for our products.

To maintain our place in the global market, Ontario Pork provided technical input that contributed to the removal of trade barriers through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade agreement between 11 countries around the Pacific, and to the USA and Mexico through the United States-Mexico-Canada Agreement (USMCA). These agreements will put us in good standing amongst our competitors in a rapidly changing global market.

Consumer interest in food quality and safety is increasing and the opportunity to market sustainably grown Ontario pork is ripe both here and overseas. Given the potential trade opportunities provided by CPTPP and the fact that the Asia-Pacific region's population is forecast to increase significantly by 2030, demand for high quality Ontario pork should continue to grow.

Ontario Pork is focused on ensuring long-term sustainability. There is a need to proactively promote pork's relevance in the human diet, while demonstrating transparency in the way we operate our farms. Our three-year journey of reporting on our social responsibility efforts underpins our commitment to transparency and sharing our story with both consumers and government. Today, we have a better sense of where we need to focus as we continue to improve what we do and how we do it. While there is more work ahead, we are confident that we are on the right path.

Despite the tremendous uncertainty in global markets, we know that Ontario is a prime geographical location for producing high quality pork at internationally competitive prices, with potential to grow and capitalize on future opportunities. Globally, a growing middle class has demonstrated an increasing appetite for healthy proteins. International demand for pork is projected to increase at an annual rate twice Canada's total consumption. By building on Ontario's existing production base and infrastructure, our pork sector is well positioned to grow exports, investment and jobs in the coming years.

Ontario Pork will continue to foster a vibrant business environment for our producer members.



A handwritten signature in dark ink, appearing to read 'Eric Schwindt'.

Eric Schwindt, Chair

Message from the General Manager

SEEKING THE EDGE IN A COMPETITIVE MARKET

Over the past year, Ontario Pork focused on fluctuations in pricing, trade volatility, an outbreak of African Swine Fever (ASF) in China and parts of Europe and building relationships with the new government.

Through it all, Ontario Pork's mission stayed constant: "To foster a vibrant business environment for producers," providing pork producers with programs and services that support risk management, promote the industry and build its reputation.

Economic Stability

Ontario Pork plays a central role in discussions to ensure the competitiveness of the province's pork producers. In this effort, we are guided by the principle that for pork producers to thrive, economic sustainability must be at the foundation of environmental and social sustainability. Ontario Pork engages in open and active dialogue with the government and policy makers to discuss ideas and technical considerations through working groups, consultations and developing common communications about best practices. This year we were pleased to provide input into consultations regarding the new United States-Mexico-Canada Agreement (USMCA), as well as championing stronger safety nets for producers including the Risk Management Program and a potential production insurance solution for Ontario pork producers.

Animal Health

When news broke of ASF affecting swine production in China and Europe, we worked closely with our partners at Swine Health Ontario (SHO), the Canadian Pork Council (CPC) and the Ontario Pork Industry Council (OPIC) to ensure our producers were provided with up-to-date and accurate information about ASF.

Industry Support

Over the years, Ontario Pork has invested resources to ensure ongoing support for producers and industry stakeholders. From the development of material such

as our Human Resources Manual for the Ontario Pork Sector, developed in co-operation with OPIC, and our On-Farm Emergency Response Planning Guide, staff at Ontario Pork remain committed to creating, maintaining and improving tools that help Ontario's hog industry operate effectively.

Brand Recognition and Reputation

Ontario Pork is here to serve and support provincial pork producers, and ensure that consumers know about the high quality, healthy pork available in their local grocery stores and butcher shops. In 2018, we launched updated in-store point-of-sale materials that highlight four key attributes that are important to consumers: raised by Ontario farmers, no added hormones, natural and healthy. These attributes elevate the already recognizable Ontario Pork brand.

Social Responsibility

The success of our industry is dependent on how well we adapt and change to the world around us as well as how we plan for long-term sustainability. Our social responsibility journey was launched in 2015, and over the past three years, we have seen some positive changes.

As we move forward, we will review and evaluate our performance, assess and adjust our goals to maintain momentum in responsibly contributing to Ontario's economy – and to our future.

I am confident that with the support of our members, the assistance and collaboration of the industry, the leadership of the Board of Directors and the skills and expertise of Ontario Pork staff, together we can build a future for this industry.



A handwritten signature in blue ink, appearing to read 'K Ovington'.

Ken Ovington, General Manager

About Ontario Pork

Part of a proud Canadian farming tradition, Ontario Pork represents 1,179 pork producers who care for their animals and the environment while providing healthy, sustainable food for a hungry world.

Ontario Pork demonstrates its commitment to the sustainable growth of the Ontario pork industry by delivering consumer education, research, government representation, environmental issues, animal care and policy services. Ontario Pork also provides marketing services to producers who opt to use them, including arranging payment and trucking of hogs, working co-operatively with processors.

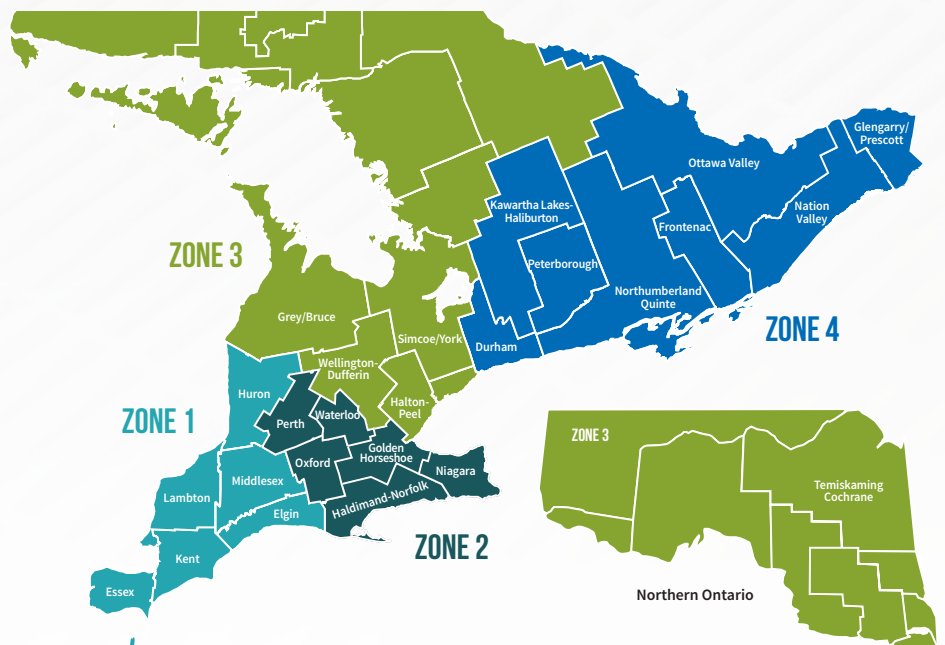
Founded in 1946, the Ontario Pork Marketing Board is a non-profit association that operates under the Farm Products Marketing Act.

Ontario's local pork producers' associations

Local associations are at the centre of everything we do at Ontario Pork. They form the base of our electoral structure, are important in electing delegates and providing input to the Board of Directors into policies and decisions that impact the industry.

Associations play varying roles within their local communities. They work to promote the industry through activities including fairs, agriculture education, advocacy, barbecues and fundraising events.

Active, engaged local associations provide a firm foundation upon which the future of the industry is based. Local associations are critical for generating the energy, flow of ideas and proactive work necessary to maintain a voice that advocates for the needs of farmers and the trust of society.





VISION

Distinction and excellence in pork

MISSION

Foster a vibrant business environment for producers

VALUES

- Integrity, trust, respect, and honesty in all we do
- Leadership within the industry
- Excellence in service and performance
- Accountability for all our actions
- Open communications with producers, government, stakeholders and staff
- Working in partnership with producers and stakeholders within the industry



ONTARIO PORK'S BOARD OF DIRECTORS

The Board of Directors is responsible for guiding and monitoring Ontario Pork on behalf of its members, pork producers, to whom the Board is accountable.

The Board is also responsible for strategic policy development, advocacy and government relations across a wide variety of policy issues that impact the industry and producers.

As a key point of contact with the industry's various stakeholders, including the federal and provincial government, processing sector and other agricultural organizations, the Board seeks to balance the impact of regulatory shifts, as well as changes to government policy and compliance requirements, while ensuring the industry remains competitive and sustainable.

2018-19 Board

Eric Schwindt, Chair
(Waterloo – Zone 2)

John de Bruyn, Vice-Chair
(Oxford – Zone 2)

Doug Ahrens
(Perth – Zone 2)

Eric Hartemink
(Elgin – Zone 1)

Mike Mitchell
(Middlesex – Zone 1)

Teresa Van Raay
(Huron – Zone 1)

Arno Schober
(Simcoe-York – Zone 3)

Chris Cossitt
(Grey Bruce – Zone 3)

Oliver Haan
(Northumberland-Quinte – Zone 4)

SENIOR STAFF LEADERS



Ken Ovington,
General Manager



Stacey Ash, Manager
Communications and
Consumer Marketing



Neil Harper, Manager
Information Systems



Patrick O'Neil, Manager
Ontario Pork Marketing
Division



Jim Weir, Manager
Finance and
Administration



Frank Wood, Manager
Industry and Member
Services

By the Numbers

ONTARIO'S PORK INDUSTRY

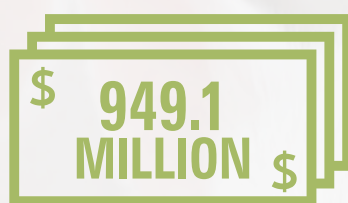
IN 2018
1,179

pork
producers
in Ontario
marketed



(5.41 million in 2017)

In 2017, Ontario's pork industry,
from "farm to fork" generated



Gross Domestic
Product (GDP)



Economic Output

14,274
FULL-TIME
EQUIVALENT JOBS



Specialization and growth made pork production more efficient in 2018



21.2% ↓ market <500 hogs per year
(down 1.9% from 2017)

36.7% ↑ market 500 to 3,000 hogs per year
(up 0.3% from 2017)

42.1% ↑ market >3,000 hogs per year
(up 0.5% from 2017)

Import and Export Numbers

Ontario January to October 2018

IMPORTS

113,368
METRIC TONNES



valued at

\$ 636
MILLION \$

EXPORTS

179,930
METRIC TONNES



valued at

\$ 473
MILLION \$

Canada January to October 2018

IMPORTS

183,392
METRIC TONNES



+3.1%
from 2017

EXPORTS

1,045,631
METRIC TONNES



-1.7%
from 2017

Ontario Pork Exports Globally (by weight)



54% United States

13% Mexico

13% China

20% Rest of world

Canada
exported
pork to



101 **MARKETS**
around the world
in the past two years

Board Committees and Advisory Groups

Ontario Pork's Board of Directors focuses on work in key areas with a structure that includes three standing committees and standing advisory groups. These groups help support broader collaboration among producers, staff and industry stakeholders to provide advice to the board and advance the industry.

COMMITTEES

Audit

Connects the Board of Directors and the auditors, and assists the Board in carrying out its fiduciary duties.

Doug Ahrens, Committee Chair, Board member

Teresa Van Raay, Board member

Eric Hartemink, Board member

Eric Schwindt, Board Chair

Research

Makes recommendations on expenditures from the research budget, as well as setting guidelines for research support and funding criteria.

Arno Schober, Committee Chair, Board member

Chris Cossitt, Board member

John de Bruyn, Board Vice-Chair

Oliver Haan, Board member

Maaïke Campbell, Producer

Rod de Wolde, Producer

Lloyd Holbrook, Producer

Resolutions

Promotes and supports constructive communication between the Board of Directors and members for all resolutions submitted to identify industry topics and areas of concern.

Teresa Van Raay, Committee Chair, Board member

John de Bruyn, Board Vice-Chair

Mike Mitchell, Board member

Jackie Rombouts, Producer

John Sikkens, Producer

Mark DeJong, Producer

ADVISORY GROUPS

Program Development

Provides advice on converting industry policies into practical, workable programs that meet the needs of Ontario pork producers.

Oliver Haan, Advisory Group Chair, Board member

Chris Cossitt, Board member

Teresa Van Raay, Board member

Dianne Brekelmans, Producer

Maaïke Campbell, Producer

John Otten, Producer

Tanya Terpstra, Producer

Risk Management

Provides advice on the design, implementation and effectiveness of risk management tools including the Risk Management Program (RMP), financial protection and hog production insurance.

Doug Ahrens, Advisory Group Chair, Board member

Eric Hartemink, Board member

Bruce Clark, Producer

Steve Illick, Producer

Rob McDougall, Producer

Wouter Van Leeuwen, Producer

Sustainability

Ensures that the industry remains competitive and sustainable, by providing input into strategy and policymaking.

Arno Schober, Advisory Group Chair, Board member

Mike Mitchell, Board member

Lyle Campbell, Producer

Tara Terpstra, Producer

John Nyenhuis, Producer

Barn Fire Safety (ad hoc)

This committee is tasked with the development of strategy recommendations to deal with barn fires that would address existing gaps, resources and regulations.

Arno Schober, Committee Chair, Board member

Doug Ahrens, Board member

Ron Wouters, Producer

Chastity Bos, Producer

Mike Huybers, Producer

Will Teron, Tacoma Engineers

John Elston, Fire Prevention Officer CFEI, County of Middlesex

Leadership Training

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

The program consists of six modules, including corporate governance and organization structure, media training, policy development, strategic thinking, value-chain tour and government relations. In 2018, 11 producers participated in the program, developing skills and acquiring knowledge to respond effectively to the challenges of leading the pork industry in Ontario.

2018 Leadership Training Program participants:

Travis Jansen (Huron)
Derek Reid (Waterloo)
Philip Van Raay (Huron)
Tim Halliday (Perth)
Cindy Rombouts (Lambton)
Jackie Rombouts (Lambton)
Debora Terpstra (Huron)
Ronald Van de Bruinhorst (Huron)
Kevin Bosman (Wellington/Dufferin)
Drew de Bruyn (Oxford)
Mike Mitchell (Middlesex)



To get involved, contact
Ontario Pork

Government Relations and Policy

PUTTING PORK ON THE POLICY AGENDA

Ontario Pork's ongoing government relations in local, provincial and federal policy development focus on issues that directly impact pork producers, as well as broader issues in agriculture.

To ensure the competitiveness of its members, Ontario Pork's advisory groups engage with policy makers and government officials to raise awareness of important issues affecting the swine industry and its economic contribution to the province.

2018's government relations and policy work included:

- Making a strong push during the provincial election to raise the cap on the Risk Management Program. The incoming government responded with a commitment to add \$50 million to the program within three years.
- Being a leader within the industry to raise political awareness about the growing farm/barn labour shortage. As a result, the Ontario

government initiated discussions with the federal government on how to improve access to reliable labour for farmers.

- Building government awareness of the livestock sector's ability to provide environmental leadership. To this end, we highlighted the successful Peer-to-Peer Timing Matters initiative in which Ontario Pork partners with other livestock groups to reduce the spreading of manure during periods of high run-off risk. The pilot has been extended through the winter of 2019.
- Participating in industry-government roundtables to discuss practical solutions to address the issue of high vomitoxin levels in the 2018 corn crop and the risks this presents for the availability and affordability of feed grade corn for pork producers.
- Seeing our ongoing efforts to raise awareness about red tape restrictions in the Nutrient Management Act recognized when the government announced it would make changes to the regulation to help reduce red tape.



QUEEN'S PARK RECEPTION

Ontario Pork drew a record-setting lunch crowd at Queen's Park on Nov. 21, 2018, welcoming 150 guests to our annual government reception.

Members of Provincial Parliament (MPPs) and their staff discussed industry issues with Ontario Pork board members and staff.

Guests also had the opportunity to sample a range of delicious Ontario pork recipes, while Eric Schwindt provided an update on Ontario Pork's social responsibility journey and its importance to consumers, policymakers and other stakeholders.

Ernie Hardeman, Ontario's Minister of Agriculture, Food and Rural Affairs, delivered remarks and congratulated Ontario Pork on its exemplary work for the agriculture and agri-food sector. John Vanthof, NDP Agriculture Critic, also delivered remarks.

The reception coincided with a series of face-to-face meetings with MPPs to help build awareness of and support for pork sector priorities.

A photograph of two men sitting at a table, looking towards the right. The man in the foreground is balding with a receding hairline, wearing a dark jacket over a blue shirt. The man behind him has white hair and is wearing a blue and white checkered button-down shirt. They appear to be in a professional setting, possibly a conference or meeting.

Producer Engagement

SPEAKING UP FOR OUR INDUSTRY

Canadian Pork Excellence (CPE), will be replacing the Canadian Quality Assurance (CQA) and Animal Care Assessment (ACA) programs. This program has been developed by the Canadian Pork Council (CPC) and other provincial pork organizations. The CPE program is the new national platform that governs three on-farm programs: food safety (PigSAFE), animal care (PigCARE) and traceability (PigTRACE).

The CPE program will be phased in over the next four years for all producers in Ontario that are currently enrolled in the CQA program. Starting in spring 2019, producers will begin implementing the new CPE program when their next full validation is due under the existing CQA program.

Ontario Pork and its members played a key role in the final development of the CPE program. Through producer and industry consultation, conducting on-farm pilot projects and keeping members up to date. We also played a significant role in the development of the producer manual

and subsequent training, making sure the final program is easy to use, transparent and can accommodate our diverse type of farms without compromising the integrity of the program.

There is still more work to be done. Over the next year, we will focus on training sessions for validators and producers, we will be recruiting validators in northern and eastern Ontario and improving our internal computer systems in order to have a smooth program implementation. Ontario Pork will continue working with producers, validators, packing plants and other provincial organizations to constantly update and improve the program, ensuring we keep it current, relevant and competitive.

In addition to the work we did on the new CPE, Ontario Pork shared updates and gathered feedback from producers at several zone meetings and worked closely with our partners at the Ontario Pork Industry Council (OPIC) on both a human resources training series and a new human resources manual for farm businesses.

Swine Health Ontario



PARTNERS IN HERD HEALTH

Swine Health Ontario (SHO) is a leadership team dedicated to ensuring the Ontario industry has a global competitive advantage through swine health excellence.

SHO is committed to improving and co-ordinating the industry's ability to prevent, prepare for and respond to serious swine health threats in Ontario. SHO's founding partners include Ontario Pork, the Ontario Pork Industry Council and the Ontario Swine Health Advisory Board. OMAFRA serves as an ex-officio member.

2018 Achievements

- Conducted testing to eliminate and control Porcine Epidemic Diarrhea (PED).
- Supported disease surveillance in partnership with federally licensed processing plants.
- Secured government funding to develop the first industry developed Incident Command Centre (ICC) in Ontario for swine health incidents and the Swine Health Information System (SHIS).
- Significant progress in developing the ICC which uses the best resources in industry to respond to new and emerging diseases.
- Launched a partial activation of the ICC to prepare for African Swine Fever.
- Worked with our partners on SHIS, a new system that will combine data from Ontario Pork's AgManifest and the Ontario Area Regional Control and Elimination (ARC&E) database linking disease status with pig movement vital for disease management and traceability purposes.

Updated Strategic Plan (2018-2022)

SHO recently updated its strategic plan. The priorities for the next five years:

- **Targeted disease management:** prepare our industry to swiftly and effectively respond to and manage reportable and non-reportable swine diseases. Focusing on biosecurity and risk management measures for on-farm, assembly and transport, we will support efforts to contain and eliminate PED, Porcine Reproductive and Respiratory Syndrome (PRRS), and Senecavirus A from Ontario.
- **Disease response:** build our industry's capacity to effectively co-ordinate and implement our response to emerging disease risks through the development of an Incident Command Centre and emergency preparedness resources.
- **Swine Health Information System:** develop a software tool which our industry comes to rely on as a valuable information hub to stay informed on localized disease reports for day-to-day business decisions regarding disease response and management.

Leadership Team

Amy Cronin, Chair,
Industry at-large
representative

Dr. Christa Arsenault,
DVM, OMAFRA
representative

Dr. Doug MacDougald,
DVM, SHO Science
and Tech Committee
representative

Clare Schlegel, Ontario
Pork representative

Chris Cossitt, Ontario
Pork representative

Dr. Cathy Templeton,
DVM, OPIC
representative

Mark Yungblut,
Industry at-large
representative

SHO Manager
Janette Svehla



For more information
on SHO visit:
swinehealtontario.com.

To sign up and provide
your information for
ARC&E, contact SHO at:
info@swinehealthontario.ca

Research and Innovation

INVESTING IN THE FUTURE OF OUR INDUSTRY

Research is the fundamental building block of progress. That's why Ontario Pork is committed to investing in research and innovation that will take this industry to the next level. We are funding projects that will advance all areas of the industry, including swine production, economic sustainability, marketing, product development and social science research. Here are some examples of the work funded in 2018:

Mycotoxins coming from feed grains: This project focuses on new methods for evaluating reliable on-farm testing and sampling for mycotoxins in grains destined for feed. The research hopes to eventually provide a mycotoxin quick test for grain dust samples that producers can use on-farm.

Carcass variability: This project will assess carcass variability in Ontario pork and the potential to increase returns to producers and improve pork quality. The study will investigate the accuracy of the AutoFom system to assess carcass lean yield as compared to whole side cutting yield, comparisons of carcass data using the standard probe techniques and the AutoFom system and the ability of the AutoFom system to predict intramuscular fat scores in loins.

Stress and pork meat quality: This research will investigate the well-documented impacts stress has on swine health and negative affects on its production, including feed efficiency, growth and meat quality. If successful, new meat quality markers could improve the current genetic selection and breeding, and help pork producers reduce production cost and antibiotics use, as well as increase the well-being of the animals.

Barn gas monitoring: This project will focus on the development and testing of wireless hydrogen sulfide, ammonia, carbon dioxide and relative humidity sensors in order to provide a full picture of the barn's environment and its impact on the health and production of the animals.

Lactation performance: This project is examining the impact that specialized feeding regimes of replacement gilts (eg. for slowed growth) have on their future lactation performance. The outcome will be recommendations to producers on feeding strategies for replacement gilts that achieve both excellent milk production and a reduced risk of lameness, increasing overall sow longevity.



Summaries of other active and completed projects funded by Ontario Pork can be found at: ontariopork.on.ca/Research



Technology and Infrastructure

Improvements in functionality and ease of use continue to be made to the AgManifest system.

The number of system users has grown with 49 transporters easily setting up and managing more than 500 pickups per week using the new “drag and drop” and other handheld features. AgManifest now supports all types of movement: farm-to-packer, farm-to-yard-to-packer as well as farm-to-farm movements for weaners and other hog types. It provides electronic receipts, automatic delivery notices as well as automated reporting to PigTrace. New features will continue to be added such as ractopamine and CQA status of all premises.

In collaboration with Swine Health Ontario (SHO), work continues to link AgManifest movement information with the ARC&E database. This provides the ability to monitor the herd health status of premises with greater effectiveness by using movement information from infected premises. Producers can participate by giving their permission to ARC&E to allow access to their movement information.

Social Responsibility Report

BUILDING A SOLID REPUTATION

Since 2015, Ontario Pork's Social Responsibility Report has supported and promoted the efforts of pork producers to continually improve their operations and share their story. Setting clear goals and measuring progress, the report is an important tool for producers, and at the same time, adds depth to Ontario Pork's advocacy and public trust efforts.

The end of the report's initial three year commitment in 2018 was an opportunity to pause and take a deeper look at what has been accomplished, the work still ahead and new challenges faced by producers. What we learned will provide a strong foundation for the next phase of Ontario Pork's social responsibility journey – and for the future success of our industry – beginning in 2019.

Here are a few ways Ontario Pork and its members have advanced across six dimensions, over the past three years:

Farm Management

Guiding principles: Compliance with regulations; Participation in the industry's voluntary standards

and initiatives; Continuous improvement through sound farm management and strategic planning

- Widespread participation in Canadian Quality Assurance/ Animal Care Assessment programs (CQA/ACA)
- High number of producers who have completed an Environmental Farm Plan
- Enhanced resources and tools to help farmers improve their businesses, in areas including housing strategies, herd health, succession planning and on-farm safety and security

Economic Performance

Guiding principles: Sound financial planning; Strong risk management strategy

- Shared Ontario Pork best practices with producer, industry and government representatives in Canada and in export markets
- Identified potential risks and provided appropriate resources to support producers through market volatility, trade disruptions and currency fluctuations

- Facilitated continuous education through various initiatives, including guest speakers, and outreach to agriculture financiers through the Ag Lenders' Day partnership with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)

Environmental Stewardship

Guiding principles: Preservation of ecosystems and resources; Minimization of negative environmental impacts

- 90% of producers report testing soil in their fields for nutrient content
- Strong adherence to pesticide application recommendations
- Partnered with OMAFRA on the Timing Matters pilot, which aims to reduce phosphorus runoff into the Lake Erie Basin
- Worked with the Thames River Phosphorus Reduction Collaborative to identify and implement innovative practical on-farm technologies to reduce nutrient runoff from fields

Animal Care and Food Safety

Guiding principles: Adoption and compliance with recognized standards regarding animal care, biosecurity and antibiotic use

- 100% of producers surveyed are certified under the CQA/ACA program
- Many producers report changes made to barns, equipment or practices to improve animal care

- High standards of animal care and husbandry practices promoted through sponsorship of meetings and conferences on swine health, including London Swine Conference, Shakespeare Swine Seminar and others
- Work underway to improve disease monitoring by linking AgManifest movement data with Area Regional Control and Elimination (ARC&E) disease status information

Relationships with the Community

Guiding principles: Participation in dialogue with local stakeholders; Contribution to the local community; Minimization of farm nuisances

- 95% of producers surveyed reported taking pre-emptive measures to address potential disturbances to neighbours, such as noise, odour or dust
- Continued support of rural and urban outreach with industry displays, online and printed materials, outreach kits and the travelling Pig Mobile
- Contributed more than 1.2 million child-sized servings of fresh ground Ontario pork to Ontario Food Banks

Workers' Well-being

Guiding principles: Safe working environment; Competitive wages; Fair labour relations

- Development, promotion and distribution of on-farm emergency resources manuals
- Collaborated with Ontario Pork Industry Council and others on enhanced human resources training and materials for on-farm use



Brand and Reputation

CHECK OUT OUR NEW BRANDING!

Last fall we launched our new retailing branding built around four key attributes that were proven important to consumers.



"It is fresh, eye-catching and it has our customers taking notice that we are offering Ontario pork."

— **Christine Hobson**, Marketing Director, Halendas Meats

"We have definitely noticed that the new material has drawn customers to our counters and has subsequently helped to increase our sales on Ontario pork."

— **Cherylan Barnes**, Category Manager, Fresh Meat, Deli and Prepared Foods, Denninger's Foods of the World

WHAT CUSTOMERS ARE SAYING...

"It is noticeable and I appreciate the information it gives."

"Nice to see clearly that I am buying Ontario pork."

"I will look for it on my next shopping trip."

"I want to know where my food is coming from. I want to support Ontario farmers. I'm more likely to buy if I know the meat is coming from local farmers."

BRANDED PARTNERS **↑ 50%**
TOTAL 171

RESOURCE REQUESTS **↑ 89%**
TOTAL 108,039



For more information on our retail program visit:
ontariopork.com/retail

PROVINCIAL AND NATIONAL PARTNERSHIPS



Ontario Pork and Canada Pork have recently completed an exciting partnership program with one of the largest retail Asian banners in the country, T&T Supermarket. Together we created a personalized campaign for T&T promoting the combined attributes of Ontario and Canadian pork.



In the fall we took the lead in developing ON Common Ground, a grassroots partnership of farm groups committed to celebrating connections among farming, food and communities in Ontario. ON Common Ground launched with an advertisement in the 25th anniversary issue of Food & Drink Magazine viewed by 2.25 million Ontarians, followed by a Farm and Food Care Ontario-organized pop-up event at Toronto's Union Station where we handed out thousands of breakfast and afternoon snacks to Toronto commuters.

CONTINUING TO EXPAND OUR REACH

Ontario's pork industry has a great story to share. We continue to build the consumer to farmer connection through traditional advertising as well as through our growing social network. Here is a snippet of how we reached Ontario consumers in 2018:



Print Audience
2,865,000



Digital How-To Ad Campaign
1.5M IMPRESSIONS



Toronto PATH Digital Signage:
Daily Audience of 100,000

PATH runs underneath downtown Toronto and is the world's largest underground shopping complex.



Temperature is Everything Contest
2,091
Total Entries



Social Media:
Instagram Likes +500%
TOTAL 12,423



Facebook Followers +37%
TOTAL 2,225

Independent Auditor's Report

To the members of The Ontario Pork Producers' Marketing Board

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 December 1, 2018 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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 December 1, 2018 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.



RLB LLP, Chartered Professional Accountants
Licensed Public Accountants
Guelph, Ontario
January 29, 2019

Consolidated statement of operations

year ended December 1, 2018 and December 2, 2017

2018

2017

Revenue

Service fees – Universal Services	\$ 5,414,905	\$ 5,249,284
Service fees – Marketing Division	678,401	734,112
Interest	130,237	112,907
Government grants (Note 13)	4,240	59,899
Sundry	260,171	266,756
	\$ 6,487,954	\$ 6,422,958

Expenses

Operations (Schedule A)	3,651,430	3,612,513
Consumer marketing (Schedule B)	699,169	726,512
Board secretariat (Schedule C)	727,878	770,402
Industry support (Schedule D)	1,665,591	1,796,539
	\$ 6,744,068	\$ 6,905,966

Deficiency of revenue over expenses before other items

\$ (256,114)

\$ (483,008)

Other income (expense)

Forward pricing (Note 6)	187,290	239,644
Net loss of In-Transit Loss account (Note 8)	(9,132)	(22,482)
	\$ 178,158	\$ 217,162

Deficiency of revenue over expenses

\$ (77,956)

\$ (265,846)

General account

Consolidated statement of financial position

December 1, 2018 and December 2, 2017

2018

2017

Assets

Current assets

Cash	\$	1,676,877	\$	1,507,316
Temporary investments (Note 4)		6,463,033		6,346,538
Accounts receivable (Note 5)		278,124		204,410
Due from trust account		960,581		1,123,185
Prepaid expenses and supplies		300,066		286,897
Forward pricing assets (Note 6)		527,500		211,111
		10,206,181		9,679,457

Capital assets (Note 7)		994,097		1,046,051
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	\$	11,200,278	\$	10,725,508
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Liabilities

Current liabilities

Accounts payable and accrued liabilities	\$	748,392	\$	664,281
Government remittances payable		15,103		25,600
Research projects payable		755,943		593,390
Forward pricing liabilities (Note 6)		444,438		118,747
	\$	1,963,876	\$	1,402,018

Minority interest (Note 8)		–		9,132
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Net assets

Funds invested in capital assets		994,097		1,046,051
Unrestricted funds		5,958,503		5,991,047
Internally restricted fund for research (Note 9)		340,514		357,259
Internally restricted fund for special projects (Note 10)		1,969,574		1,933,047
Unrealized (loss)/ gain on investments		(26,286)		(13,046)
		9,236,402		9,314,358
	\$	11,200,278	\$	10,725,508

Consolidated statement of changes in net assets

year ended December 1, 2018 and December 2, 2017

	Beginning balance	Excess (deficiency) of revenue over expense	Net transfers	Unrealized loss gain on investments	Acquisition of capital assets	Ending balance
Invested in capital assets	\$ 1,046,051	\$ (111,068)	\$ –	\$ –	\$ 59,114	\$ 994,097
Unrestricted	5,991,047	33,112	(19,782)	13,240	(59,114)	5,958,503
Internally restricted						
For research (Note 9)	357,259	–	(16,745)	–	–	340,514
For special projects (Note 10)	1,933,047	–	36,527	–	–	1,969,574
Unrealized (loss)/ gain on investments	(13,046)	–		(13,240)	–	(26,286)
Total	\$ 9,314,358	\$ (77,956)	\$ –	\$ –	\$ –	\$ 9,236,402

Consolidated statement of cash flows

year ended December 1, 2018 and December 2, 2017

	2018	2017
Operating activities		
Deficiency of revenue over expenses	\$ (77,956)	\$ (265,846)
Amortization of capital assets	111,068	106,253
Minority interest	(9,132)	(22,482)
Change in non-cash operating working capital	321,190	(134,692)
	345,170	(316,767)
Investing activities		
(Increase)/Decrease in temporary investments	(116,495)	(123,494)
Purchase of capital assets	(59,114)	(42,289)
	(175,609)	(165,783)
Net Increase/(Decrease) in cash	169,561	(482,550)
Cash, beginning of year	1,507,316	1,989,866
Cash, end of year	\$ 1,676,877	\$ 1,507,316
Changes in non-cash operating working capital of:		
Accounts receivable	\$ (73,714)	\$ 167,042
Due from trust account	162,604	(271,238)
Forward pricing assets	(316,389)	107,554
Forward pricing liabilities	325,691	(115,498)
Prepaid expenses and supplies	(13,169)	(106,397)
Other current liabilities	236,167	83,845
	\$ 321,190	\$ (134,692)

Trust account statement of financial position

December 1, 2018 and December 2, 2017	2018	2017
Assets		
Cash	\$ 1,280,275	\$ 1,010,742
Accounts receivable from processors	2,431,222	3,004,190
	\$ 3,711,497	\$ 4,014,932
Liabilities		
Due to general account	\$ 960,581	\$ 1,123,185
Payable to producers, transporters and others	2,750,916	2,891,747
	\$ 3,711,497	\$ 4,014,932

Notes to the consolidated financial statements

December 1, 2018

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.

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.

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 and the accounts of the In-Transit Loss Account in which Ontario Pork has a 50% interest. The remaining 50% interest of the net assets of the in-transit loss accounts are presented as a minority interest. 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 18).

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 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.

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.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and research projects payable.

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.

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 purchased after 2001	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

	2018	2017
Bonds and guaranteed investment certificates held in Canadian funds, valued at market, bearing rates varying from 1.40% to 3.00%. (2017 – 1.40% to 2.55%) General Account	\$ 6,463,033	\$ 6,346,538

5. Accounts receivable

	2018	2017
Trade	\$ 264,720	\$ 171,136
Other	13,404	28,131
Grants	–	5,143
	\$ 278,124	\$ 204,410

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 \$444,438 (2017 - \$118,747). 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 \$527,500 (2017 - \$211,111).

	2018	2017
Realized gain	\$ 100,368	\$ 143,200
Unrealized gain	83,062	92,364
Forward pricing fees/other	3,860	4,080
Forward pricing gain	\$ 187,290	\$ 239,644

7. Capital assets

	2018			2017
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 205,445	\$ –	\$ 205,445	\$ 205,445
Buildings and building improvements	1,700,513	1,001,790	698,723	751,824
Promotional vehicles	30,024	29,891	133	189
Computers and computer systems	2,584,556	2,531,351	53,205	37,637
Office furniture and equipment	622,856	586,265	36,591	50,956
	\$ 5,143,394	\$ 4,149,297	\$ 994,097	\$ 1,046,051

8. In-Transit Loss Account

The In-Transit Loss Account was established by Ontario Pork in partnership with producers, packers and transporters to compensate for losses due to death of hogs in transit. Ontario Pork retains a 50% interest in the residual earnings of this account. Included in the consolidated statement of financial position and consolidated statement of operations of the general account are the following assets, liabilities, net assets and proportionate net loss:

	2018	2017
Assets	\$ –	\$ 18,264
Liabilities	–	–
Net assets	–	18,264
Net loss	\$ (9,132)	\$ (22,482)

The 50% interest in the net assets of the In-Transit Loss Account allocated to the producers, packers and transporters amounting to \$0 (2017 - \$9,132) is recorded as minority interest on the consolidated statement of financial position of the general account. The In-Transit Loss Account was suspended as of May 4, 2007.

A separate set of unaudited financial statements for the In-Transit Loss Account has been prepared for the year ended December 1, 2018.

An Industry Betterment Committee was assembled in November 2011, made up of producers, transporters and packers. The committee determines eligible expenses to utilize the remaining funds for betterment activities.

9. Internally restricted fund for research

	2018	2017
Balance, beginning of year	\$ 357,259	\$ 412,370
Amounts assessed in service fees transferred into the fund during the year	569,510	552,093
Grant amounts transferred into fund during the year (Note 13)	4,240	59,899
Rescinded research projects	-	69,000
Research expended (Note 13)	(339,469)	(505,014)
Research other expense	(251,026)	(231,089)
Balance, end of year	\$ 340,514	\$ 357,259

Industry research expense recorded in Schedule D is comprised of :

Rescinded research projects	\$ -	\$ 69,000
Research expended (Note 13)	(339,469)	(505,014)
Research other expense	(251,026)	(231,089)
Total research expense	\$ (590,495)	\$ (667,103)

10. Internally restricted fund for special projects

	2018	2017
Balance, beginning of year	\$ 1,933,047	\$ 1,899,201
Expended	-	-
Amounts transferred into the fund during the year (interest)	36,527	33,846
Balance, end of year	\$ 1,969,574	\$ 1,933,047

11. Toronto Stockyards Land Development Fund

	2018	2017
Balance, beginning of year	\$ -	\$ -
Amounts transferred into fund during the year	217,087	212,991
Funds expended	(217,087)	(212,991)
Balance, end of year	\$ -	\$ -

The amount received during the fiscal year is included in sundry revenue 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 2018 for industry outreach events, swine research and health issues.

12. 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 (2017 - \$Nil) and there were no draws on the facility during the year.

13. Government grants and research expenditures

	Government grants	Research expenditures
	2018	
Economics	\$ –	\$ 79,175
Innovation	–	45,000
Production	–	187,294
Social trends and perception	4,240	28,000
Other	–	–
	\$ 4,240	\$ 339,469

	Government grants	Research expenditures
	2017	
Economics	\$ –	\$ –
Innovation	–	45,000
Production	–	290,115
Social trends and perception	59,899	169,899
Other	–	–
	\$ 59,899	\$ 505,014

Government grants in 2018 were funded through, in part, the Canadian Agricultural Partnership, a federal-provincial-territorial initiative. These amounts are included in government grants in the consolidated statement of operations.

14. Grants

a) Included in animal care expenses reported in Schedule D is a membership fee of \$35,000 (2017 - \$35,000) to Farm and Food Care.

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

	2018	2017
Kees de Lange Scholarship Fund	\$ -	\$ 50,000
OAC Awards Committee	500	500
Ontario Agri-Commodity Council	1,000	1,000
OAC Swine Club	3,000	—
Ontario Agricultural Hall of Fame	1,000	1,000
Ontario Federation of Agriculture	3,500	5,500
Ontario Junior Barrow Show	3,000	3,000
Ontario Independent Meat Processors	1,750	1,650
Presidents' Council	300	300
Sundry	7,400	7,400
	\$ 21,450	\$ 70,350

15. Canadian Pork Council

	2018	2017
General fees	\$ 882,397	\$ 854,242

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 2018, the CPC funding was \$0.155 for market hogs and \$0.033 for weanling and feeder pigs exported (2017 - \$0.155 and \$0.033 respectively).

16. 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:

	2018	2017
Defined contribution pension plan	\$ 104,990	\$ 93,554

17. Commitments

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

2019	\$ 22,303
2020	22,303
2021	17,894
2022	11,356
2023	617
Total	\$ 74,473

18. 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 the Ontario Independent Meat Processors (OIMP) 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, 2018.

	2018	2017
Assets	\$ 345,331	\$ 310,530
Liabilities	52,741	29,403
Net assets	292,590	281,127
Revenues	642,552	468,864
Expenses	631,089	481,260
Excess/(Shortfall) of revenues over expenses	11,463	(12,396)

Supplemental cash flow information

Cash flows derived from/(used by):

Operating activities	24,385	35,519
Investing activities	-	(87,295)
Financing activities	(1,869)	4,295
Increase/(Decrease) in cash	22,516	(47,481)
Cash, beginning of year	44,666	92,147
Cash, end of year	\$ 67,182	\$ 44,666

19. 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 their financial instruments.

The extent of the organization's exposure to these risks did not change in 2018 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 \$595,623 (2017 – USD \$376,126). All balances are recorded in Canadian dollars at year-end at an exchange rate of 1.3292.

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.

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 December 1, 2018 and December 2, 2017	2018	2017
Amortization – capital assets	\$ 111,068	\$ 106,253
Audit fees	52,895	54,970
Bank charges	18,085	16,623
Cleaning	27,487	24,451
Computer software, supplies and internet	59,403	46,962
Consulting – information systems	23,457	45,188
Consulting – other	244,786	305,942
Courier	24,371	20,646
Dues and subscriptions	11,259	10,195
Exchange loss/(gain)	(35)	728
Forward pricing costs	11,133	18,388
General office and other	51,282	20,123
Insurance	47,096	47,083
Legal fees	86,695	92,117
Light, heat and water	26,516	31,753
Machine and systems rental	13,487	13,460
Postage	31,556	23,864
Realty taxes	57,176	54,555
Repairs and maintenance	65,719	114,767
Salaries and employee benefits (Note 16)	2,457,105	2,338,048
Stationery and supplies	31,273	22,332
Telephone	42,725	43,610
Training and professional development	21,946	36,750
Travel	134,945	123,705
	\$ 3,651,430	\$ 3,612,513

Consolidated schedule of consumer marketing expenses – Schedule B

year ended December 1, 2018 and December 2, 2017	2018	2017
Advertising/other	\$ 406,510	\$ 463,957
Consumers' events	48,416	33,880
Education	39,543	48,784
Promotion – retail trade	31,195	34,145
Public relations	130,671	56,355
Retail and nutrition promotion	42,834	89,391
	\$ 699,169	\$ 726,512

Consolidated schedule of board secretariat expenses – Schedule C

year ended December 1, 2018 and December 2, 2017	2018	2017
Delegates' remuneration	\$ 124,748	\$ 145,562
Directors' expenses	111,581	103,162
Directors' remuneration	219,943	234,189
General office and other	430	2,457
Grants – counties	89,934	73,185
Liability insurance	8,100	8,100
Meetings – annual and other	119,197	151,716
Salaries and employee benefits	53,945	52,031
	\$ 727,878	\$ 770,402

Consolidated schedule of industry support expenses – Schedule D

year ended December 1, 2018 and December 2, 2017	2018	2017
Animal care (Note 14)	\$ 49,063	\$ 63,826
Canadian Pork Council (Note 15)	882,397	854,242
Food bank	22,970	50,057
Grants and memberships (Note 14)	21,450	70,350
Ontario Pork Congress	19,166	28,066
Research (Note 9)	590,495	667,103
Swine Health Ontario	80,050	62,895
	\$ 1,665,591	\$ 1,796,539

DISTRIBUTION OF REVENUES



9.8% Research	14.9% Member Services
16.2% CPC/CPI	0.6% Government Relations
11.5% Board/Association	7.5% Information Systems
13.6% Communications	16.1% Admin/Finance
9.8% Consumer	

The Pig Mobile

BRINGING THE FARM TO THE CITY

Ron and Sharon Douglas, along with many Ontario producers, introduce thousands of consumers to the wonders of pig farming by taking our Pig Mobile travelling to roughly 10 high-traffic urban and educational events.

This glassed-in travelling display lets consumers who may never have the chance to visit a farm see a sow and piglets, as well as other pigs at various stages, up close and personal.

Ontario Pork has a great story to tell. Producer volunteers, who not only join Ron and Sharon but also attend many other events throughout the province, are essential to making sure consumers are familiar with that story, ensuring a healthy, sustainable future for our industry.

Updated educational material is available (for free!) to all producers. Each year, we look to expand our library of items that enhance the already amazing experience the Pig Mobile provides.



To volunteer with the Pig Mobile or request educational material, contact Ontario Pork Communications at communications@ontariopork.on.ca





ONTARIO PORK

Ontario Pork Producers' Marketing Board
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