



Government of
Saskatchewan

Annual Report 2005-2006

Saskatchewan
Agriculture and Food

Saskatchewan Agri-Food Council

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This annual report is also available in electronic format from the department's website at www.agr.gov.sk.ca.

Letters of Transmittal



To Her Honour
The Honourable Lynda Haverstock
Lieutenant Governor of the Province of Saskatchewan

Madam:

In 2005-06, the Saskatchewan Agri-Food Council, along with the 14 producer-run boards and commissions, continued to build on the development of both strong and competitive agriculture and food industries in the province.

These producer groups are to be commended for their ongoing efforts in positioning their respective sectors for long-term sustainability and growth. Over the past year, they have engaged in important marketing, research and development activities, strengthened the knowledge and skill base of their producers, and worked as a unit to address an array of challenges concerning the orderly marketing of Saskatchewan agriculture and food products.

I also wish to welcome the new producer-directed Saskatchewan Forage Seed Development Commission, Saskatchewan Beekeepers Development Commission and Canaryseed Development Commission of Saskatchewan, which were established in the past year. Saskatchewan forage seed producers, beekeepers and canaryseed producers can look forward to new technologies, products and markets through these new commissions.

The Saskatchewan Agri-Food Council, in its regulatory and advisory role, is also to be acknowledged for responsibility in monitoring the 14 Saskatchewan agencies and providing ongoing leadership in the regulation, promotion and development of agricultural and food product marketing.

I applaud both the Council and the agencies for successfully maintaining their active roles. Their dedication and commitment has assisted our agriculture industry in continuing to prosper, as well as to contribute to this province's economy and the well-being of its people.

As Minister of Agriculture and Food, it is my pleasure to submit the annual report for the Saskatchewan Agri-Food Council for the fiscal year ending March 31, 2006.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mark Wartman".

Mark Wartman
Minister of Agriculture and Food

Letters of Transmittal



Honourable Mark Wartman
Minister of Agriculture and Food
Legislature of Saskatchewan

Dear Minister Wartman:

In accordance with section 20 of *The Agri-Food Act, 2004*, I submit herewith the 2005-06 Annual Report of the Saskatchewan Agri-Food Council.

The Council has witnessed a substantial increase of development commissions over the past year. With the formation of the Saskatchewan Beekeepers Development Commission, the Canaryseed Development Commission of Saskatchewan and the Saskatchewan Forage Seed Development Commission, the Council now supervises and monitors seven development commissions. The Council wishes the new development commissions success as they work to further enhance their respective industries.

The Council would also like to congratulate existing agencies for their successes and thank them for their co-operation. We are pleased to report that all agencies were successful in meeting all reporting requirements for the third consecutive year. It is very important that the highest level of accountability be exercised to ensure that the trust producers have vested with these agencies is maintained.

A decision of the Federal Court on national egg allocation policy was encouraging for Saskatchewan's egg producers and the other supply-managed industries. Although the Judge dismissed the case on a technicality, he did make extremely favourable comments in respect to Saskatchewan's position.

Following the Court's decision, the Canadian Egg Marketing Agency withdrew its proposed quota order and negotiations on a new allocation will continue into the 2006-07 period. The Council is hopeful that a resolution to this matter can be reached by the end of 2006.

The Saskatchewan Agri-Food Council is pleased to monitor and support those Boards and Commissions reporting to us.

Respectfully submitted,

A handwritten signature in cursive script that reads "Garf Stevenson".

Garf Stevenson, Chairperson 2005-06

Saskatchewan Agri-Food Council

Vision Statement

To create an environment for sustained growth where Saskatchewan-based producers and processors can become international leaders.

The Agri-Food Act, 2004 (Act) provides a framework for the promotion, development and regulation of agri-food products. Producer-elected and operated agencies may be established under the authority of the Act, to administer marketing and development plans. Producer operated boards and commissions, which collect either mandatory refundable, or mandatory non-refundable levies used for research, development and marketing initiatives, are governed by this Act.

Established in 1990¹, The Saskatchewan Agri-Food Council is a board appointed by the Lieutenant Governor in Council to monitor the activities of marketing and development agencies in accordance with the Act. The Council plays both a regulatory and advisory role.

The Council supervises compliance of boards and commissions within the terms and conditions of the Act, advises and updates the Minister of Saskatchewan Agriculture and Food on the operations and administration of agencies governed by the Act, and makes recommendations to the Minister.

As part of its regulatory role, the Council reviews proposed marketing and development plans, determines whether public meetings or hearings should be called in respect to the proposed plans, conducts producer votes and makes recommendations to the Lieutenant Governor in Council or the Minister on whether to amend or terminate such plans. The Council also approves all marketing board, development board, and development commission orders to ensure compliance with the Act, consults with agencies on issues relating to federal-provincial marketing agreements, and conducts policy and program

review, report review, and strategic plan review of the agencies it supervises.

The Council also investigates issues related to regulatory policies of boards and commissions. There is a separate appeal body appointed under the Act to hear appeals, the Agri-Food Appeal Committee.

In all its activities, the Council is guided by the following values and principles:

- leadership in developing and supporting competitive agriculture and food industries;
- open, fair and decisive undertakings under the authority of the Act;
- accountability for actions affecting the public interest;
- positive communication and consultation amongst participants;
- compliance with orders and regulations under the Act; and
- active development of opportunities to fulfill Saskatchewan's agricultural and food production and marketing potential.

The Saskatchewan Agri-Food Council was responsible for monitoring 14 Saskatchewan agencies in 2005-06. The three types of agencies that may be established under the Act are:

Development Commissions – A development commission is an organization charged with doing research and development for an industry. Commissions are given the power to charge a refundable levy where producers must pay but can request a refund of levy dollars. The research is used to help producers reduce their input costs, increase productivity and generally make a

1. *The Agri-Food Council replaced the Saskatchewan Natural Products Marketing Council, the supervisory body established under legislation preceding The Agri-Food Act.*

producer's farm more profitable. The research and cost cutting measures developed by commissions usually decrease the producers' costs in multiples of levy paid. The seven* development commissions in Saskatchewan are:

- Saskatchewan Alfalfa Seed Producers Development Commission;
- Saskatchewan Beekeepers Development Commission;
- Canaryseed Development Commission of Saskatchewan;
- Saskatchewan Canola Development Commission;
- Saskatchewan Flax Development Commission;
- Saskatchewan Forage Seed Development Commission; and
- Saskatchewan Mustard Development Commission.

* An 8th development commission, the Saskatchewan Oat Development Commission, was established after the year end of the Council.

Development Boards - A development board is very similar to a commission with one important difference: a development board charges a levy that is non-refundable. Producers must pay the levy, and cannot apply for a refund. Development boards are more difficult to organize as those wishing to start the board must convince the Lieutenant Governor in Council that the majority of the industry supports the check-off, as demonstrated through a producer plebiscite. The three development boards in Saskatchewan are:

- Sask Pork;
- Saskatchewan Pulse Growers; and
- Saskatchewan Sheep Development Board.

Marketing Boards - A marketing board administers a supply-managed marketing plan. Supply-management regulates and limits the production

of a specific commodity. The original marketing boards were created in the 1970s with the intention of stabilizing supplies and ensuring that producers could be profitable. Marketing boards are also empowered to charge a non-refundable levy to support a variety of functions. The four marketing boards in Saskatchewan are:

- Chicken Farmers of Saskatchewan;
- Saskatchewan Broiler Hatching Egg Producers' Marketing Board;
- Saskatchewan Egg Producers; and
- Saskatchewan Turkey Producers Marketing Board.

2005-06 Saskatchewan Agri-Food Council Members

Garf Stevenson, Chairperson, Regina
Ken Rasmussen, Vice-Chairperson, Regina
Audrey Hinz, Saskatoon
Don Tait, Elrose
Corey Senft (effective November 1, 2005), Lipton
Ken Bender (effective November 1, 2005), Melville

Staff

Joy A. Smith, Regina
Ryan J. A. Boughen, Regina

Agri-Food Council Office

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The fiscal year of the Council is from April 1 to March 31.

2005-06 In Review

Highlights

In 2005-06, the Agri-Food Council continued to carry out its mandate to supervise the activities and administration of boards and commissions operating under *The Agri-Food Act, 2004*. In the spring of 1998, the Provincial Auditor made recommendations to improve the standards of financial reporting of agencies. Each agency's board of directors is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Council is pleased to report that overall compliance in 2005-06 is 100 per cent for the third consecutive year. The Council will continue to work closely with all agencies to ensure that all reporting requirements are met in a timely fashion.

Three producer groups were successful in establishing a development commission in 2005-06. The Saskatchewan Forage Seed Development Commission (SFSDC) was established on June 29, 2005. The SFSDC will focus on assisting forage seed producers in their effort to increase profitability through the introduction of new varieties, conduct agronomic research, and develop new market opportunities. The Canaryseed Development Commission of Saskatchewan (CDCS) was established on February 23, 2006. The CDCS will focus on market development and research activities in an effort to increase the demand for canaryseed. The Saskatchewan Beekeepers Development Commission (SBDC) was established on March 15, 2006. The SBDC will focus on research and market development activities, including the promotion of Canadian honey.

A number of producer groups indicated their interest in establishing development commissions funded by a check-off. Representatives from the winter cereal, organic crop and horticulture industries met with Council and/or its staff over the course of the year to discuss the procedures that are necessary when proposing a new check-off.

The Council and its staff act as a resource to these producer groups by attending meetings, giving

presentations, monitoring votes and providing other guidance as producer groups explore the concept of a check-off for their respective industries.

The Agri-Food Act was repealed and replaced by *The Agri-Food Act, 2004* in October 2004. The transition to the new Act was smooth, and work continues to update the pre-existing regulations to ensure that they conform to the new Act. As at March 31, 2006, *The Commercial Egg Marketing Plan Regulations* and *The Sheep Development Plan Regulations, 1996* were updated to conform to the new Act.

Work continues on reaching an agreement on an updated Federal-Provincial Agreement (FPA) for egg marketing in Canada. Saskatchewan is dedicated to working with the industry on a system under the FPA that ensures growth for Saskatchewan, especially one that incorporates the consideration of Saskatchewan's comparative advantage of production.

The Agri-Food Council, in conjunction with the Saskatchewan Egg Producers (SEP) and Saskatchewan Agriculture and Food (the signatories), was involved in a court challenge against the Canadian Egg Marketing Agency's (CEMA) summer 2004 and annual 2005 quota orders. A hearing on this matter was held on February 28 and March 1 in Vancouver, BC. This action was taken by the three Saskatchewan signatories to the Federal-Provincial Agreement (FPA) as a means to force CEMA to allocate table egg quota in accordance with federal legislation and the FPA. The Judge's decision of March 22, 2006, dismissed Saskatchewan's case on a technicality. The Judge ruled that Saskatchewan should have exercised the options of alternative remedies before going through the courts for the summer 2004 and annual 2005 quota orders; that is, Saskatchewan should have gone through further appeals to the National Farm Products Council (NFPC) for every quota order that was appealed.

Saskatchewan did go to an appeal for the winter 2004 quota allocation with no positive results. Saskatchewan also submitted letters of objection to NFPC for the summer 2004 and annual 2005 quota orders, but the Judge ruled that these did not constitute formal appeal requests.

Although the Judge refused to hear the case, he did make several comments that dealt with the issues in dispute. The Judge's Decision read:

"This Court will make these comments, however, on the issue of the criteria to be considered by CEMA when making quota allocation decisions. The Act and the Proclamation are quite clear that comparative advantage, variation in the size of the market for eggs, failure to market the number of dozens of eggs authorized to be marketed, the feasibility of increased production in each province and comparative transportation costs are the five criteria to be considered by CEMA. The QAC factors are not mentioned in the Act or Proclamation, therefore they cannot replace the five factors enumerated above. Until such time as the FPA, the Act and the Proclamation are amended, the five criteria must be considered in every quota allocation decision.

It is not clear from the transcripts of the meetings when the quota allocations were discussed and that the criteria were, in fact, properly considered. It would appear that the criteria seemed to be discussed as an afterthought in order to ensure that the decisions could not be contested, which was not the intention of the Act. Council sent representatives to the meetings of CEMA and determined that CEMA had properly considered the relevant criteria and approved the decision. This is Council's role. How both CEMA and Council acted, respectively, and what each did, respectively, may be in question, if put forward, at the right time, subsequent to certain prescribed proceedings. It is not the role of this Court, a priori, to put itself in the place of CEMA or the Council in order to determine the quota allocations or to approve these decisions. The Court's role is, in such matters, as discussed above, with respect to judicial review, if, and when that is warranted."

The Judge's comments are a good indication of what a Decision would have been had the Judge felt he was able to make a ruling. The Judge's comments are extremely favourable to Saskatchewan's position, as it is essentially what was asked of the courts, with the exception that these are made in the form of comments rather than a Court Order.

On the day that the decision was released, Saskatchewan filed a formal appeal with NFPC regarding CEMA's annual 2006 quota allocation order, which NFPC had not yet approved. Two days later, CEMA withdrew its 2006 quota order from NFPC's consideration. After the withdrawal of this order, CEMA indicated that they were hoping to develop an interim quota order to maintain stability in the industry while discussions on quota allocation were taking place. By the end of Council's fiscal year, the Saskatchewan signatories and CEMA were determining the time period that this interim quota order would be in effect. The Council is hopeful that a resolution to this matter can be reached in 2006.

The Agri-Food Council continued to monitor Saskatchewan's poultry industry performance under national marketing systems. As national marketing agencies adjust operations to better serve the marketplace, the Council will continue to participate with other provinces to ensure revisions to each of the FPAs. Progress has continued on developing a draft Turkey FPA. The scheduled review of the Chicken Federal-Provincial Operating Agreement continues to progress.

The Council's Strategic Plan was in its third year of implementation in 2005-06. The Council values the strategic planning process and recognizes the Strategic Plan's importance as a tool to ensure an effective and proactive approach to monitoring and supervising the agencies under its jurisdiction.

During 2005-06, the Agri-Food Council held two board meetings and conducted four teleconference meetings.

Report of Activities

Supervision of Boards and Commissions

As part of its responsibility to supervise boards and commissions under *The Agri-Food Act, 2004*, the Agri-Food Council reviewed the minutes of regular and annual meetings of all boards and commissions, as well as all annual reports and the financial statements with accompanying reports.

In addition, Council members and staff attended various meetings of boards and commissions

and reported back to the Agri-Food Council. The Council was represented at annual meetings of the 12 agencies which held these meetings over the course of the year. Agri-Food Council staff attended a meeting of the National Association of Agri-Food Supervisory Agencies (NAASA) in Guelph, Ontario and participated in numerous NAASA teleconferences.

Marketing Plan Reviews

No new marketing plans were submitted to the Agri-Food Council for its review during 2005-06. However, the *Saskatchewan Commercial Egg Producers' Marketing Plan* was amended to repeal the requirement for egg producers to purchase birds to maintain their flock size whenever a rate-of-lay (ROL) adjustment is made by the Canadian Egg Marketing Agency (CEMA). *The Saskatchewan Chicken Marketing Plan Regulations, 1978* were also amended to extend the number of consecutive three-year terms a director may serve before standing down for one year, from two to three consecutive terms.

The Council continued to assess the remaining three marketing plans to ensure they accurately reflected the needs, operations and activities of the marketing boards and to update these regulations to conform to the new Act. This process will continue into 2006.

Development Plan Reviews

Three new development plans were established during 2005-06. *The Forage Seed Development Plan Regulations, The Canaryseed Development Plan Regulations* and *The Beekeepers Development Plan Regulations* were established during 2005-06. The Council looks forward to working with the newly established commissions as they work to further develop their respective industries.

A review of the seven "pre-existing" development plans began after the new Act was enacted in October 2004. Council staff has held separate meetings with these seven development agencies to ensure that all development plans accurately reflect the needs, operations and activities of their respective agencies, and to conform to the new Act. *The Sheep Development Plan Regulations,*

1996 were updated on March 17, 2006. Work will continue on updating the remaining plans into 2006.

National Activities

National Marketing Agencies

The Saskatchewan Agri-Food Council is a signatory to three federal-provincial agreements (FPAs). These agreements provide the basis for operation of national marketing agencies for chicken, turkey and eggs. National agencies are essentially producer driven supply management organizations with representation from downstream sectors. The primary mandate of the national agencies is to manage the supply of primary poultry products across Canada according to the terms of the FPAs. Saskatchewan is a member of the Chicken Farmers of Canada (CFC), the Canadian Egg Marketing Agency (CEMA) and the Canadian Turkey Marketing Agency (CTMA). Saskatchewan is not a member or signatory to the Canadian Broiler Hatching Egg Marketing Agency, although membership is being considered.

Each national agency allocates a Canadian quota among participating provincial commodity boards, which in turn allocate their provincial allotments to individual producers within provincial boundaries. The national agencies target production to meet market demand at a price that covers the average producer's cost of production plus a reasonable return on investment.

As a signatory to each of the FPAs, the Agri-Food Council is responsible for participating in matters relating to monitoring the operation of national marketing systems and participating in activities to improve their performance. The Saskatchewan Agri-Food Council co-operates with other supervisory agencies as a member of the National Association of Agri-Food Supervisory Agencies (NAASA) to ensure steady progress is made in updating regulatory frameworks. The Agri-Food Council also co-operates with the National Farm Products Council (its counterpart at the national level) in its primary role as supervisor of the national marketing agencies.

In 2005-06, the Agri-Food Council continued to participate in a process initiated by Provincial

and Territorial Ministers of Agriculture in 1998 to renew the three FPAs, of which Saskatchewan is a signatory.

The Ministers directed NAASA to lead the renewal process to update and modernize the four poultry FPAs. The individual agencies have taken the role of drafting new operating agreements under the FPA structure. The Chicken Farmers of Canada successfully updated their EPA in 2001. While some progress was made in 2005-06, there remains a great deal of work to be completed before an agreement can be reached on a renewed FPA in the other industries.

The National Association of Agri-Food Supervisory Agencies

Saskatchewan continued to actively participate in 2005-06 as a member of the National Association of Agri-Food Supervisory Agencies (NAASA) whose mandate is as follows:

“To assist the agri-food industry by sharing information, providing direction and supporting an environment that promotes its development and prosperity.”

In 2005-06 the Agri-Food Council continued to participate in NAASA's most recent objective, that is, to oversee the completion of renewal of FPAs by each of the national marketing agencies.

2005-06 Council Review Of Commission And Board Activities

Development Commissions

Saskatchewan Alfalfa Seed Producers Development Commission

127 E – 116 Research Drive
Saskatoon, SK S7N 3R3
Phone: (306) 651-7275
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E-mail: goerzenw@innovationplace.com

Board of Directors

Sheldon Dowling, Chairperson, Prince Albert
Andrew Lindsay-Hawkins, Vice-Chairperson, Saskatoon
Joel Ewert, Drake
Craig Newton, Atwater
Harry Nikonetz, Hudson Bay
Sheldon Wolf, Carrot River

Wayne Goerzen, Executive Director, Saskatoon

Annual Report Review - Fiscal year end - July 31

The Saskatchewan Alfalfa Seed Producers Development Commission (SASPDC) is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Alfalfa Seed Producers Development Commission was successful in completing and submitting these five reports to the Council for its 2004-05 fiscal year.

In addition to the five reports listed above, several other aspects of the Saskatchewan Alfalfa Seed Producers Development Commission Annual Report were reviewed. This included an analysis of dollars spent on programs and administration, the percentage of check-off that was refunded, a review of the SASPDC's meeting minutes, a review of the report on the activities of the SASPDC, as well as ensuring that a list of directors is included in the annual report.

Overall, the Saskatchewan Alfalfa Seed Producers Development Commission met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The Commission's system of internal control, legislative compliance and financial statements is audited annually by Merv Culham, C.A. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The levy is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

Summary of Financial Activities

In accordance with the Commission's regulations and orders, the Commission is funded by a check-off of \$0.0075 per pound of alfalfa seed marketed at the first point of sale. Producers may request a refund of any or all of the check-off paid. During the 2004-05 fiscal year, the Commission collected \$51,215 in check-off and refunded \$3,795, or 7.4 per cent.

	<u>2005</u>	<u>2004</u>
Check-off Revenue	\$ 51,215	\$ 169,019
Check-off Refunds	(3,795)	(8,596)
Refunds (%)	7.4%	5.1%
Other Income	2,836	3,303
Total Income	50,256	163,726
Program Expenditures	98,388	146,477
Administrative Expenditures	18,323	16,077

Saskatchewan Beekeepers Development Commission

P.O. Box 55, R.R. 3
Yorkton, SK S3N 2X5
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Neil Carter, Saskatoon
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Trevor Rehaluk, Nipawin

Wink Howland, Secretary/Treasurer, Yorkton

Annual Report Review Fiscal year end - December 31

The Saskatchewan Beekeepers Development Commission will publish its first annual report in the upcoming year.

The Saskatchewan Beekeepers Development Commission (SBDC) was established by regulation on March 15, 2006. The establishment of the SBDC followed an extensive review of the check-off proposal submitted by beekeepers in Saskatchewan. The Agri-Food Council reviewed the proposal based on the merit of the plan and the demonstrated support for the plan from Saskatchewan beekeepers. After this review, the Council recommended to the Minister of Agriculture and Food that the proposed check-off be established.

Canaryseed Development Commission of Saskatchewan

212 – 111 Research Drive
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Fax: (306) 975-0136

Interim Board of Directors

Ken Schikowski, Chairperson, Regina
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Jack Carlson, Kyle
Kevin Hursh, Saskatoon
Kurtis Nunweiler, Elrose
Andrew Schaefer, Riceton
Vince Walker, Star City

Roy Button, Executive Director, Saskatoon

Annual Report Review - Fiscal year end - July 31

The Canaryseed Development Commission of Saskatchewan (CDCS) will publish its first annual report in the upcoming year.

The Canaryseed Development Commission of Saskatchewan was established by regulation on February 23, 2006. The establishment of the CDCS followed an extensive review of the check-off proposal submitted by canaryseed producers. The Agri-Food Council reviewed the proposal based on the merit of the plan and the demonstrated support for the plan from Saskatchewan canaryseed producers. After this review, the Council recommended to the Minister of Agriculture and Food that the proposed check-off be established.

Orders

The Canaryseed Development Commission of Saskatchewan exercises certain powers granted by its development plan through Orders. These Orders require Council approval prior to coming into effect. The Council reviewed and approved the following Orders of the Canaryseed Development Commission of Saskatchewan in 2005-06:

Order No. 01/06: Buyer Registration (effective May 1, 2006)

Purpose: This order determines the manner in which buyers of canaryseed will register with the Commission. Buyers are required to register with the Commission prior to August 1st of each year.

Order No. 02/06: Canaryseed Producer Registration (effective May 1, 2006)

Purpose: This order determines the manner in which canaryseed producers are to register with the Commission. Each canaryseed producer will be considered registered with the Commission upon the deduction of check-off fees. A canaryseed producer's registration will remain in effect for three fiscal years unless a refund has been issued to that producer in the last two years.

Order No. 03/06: Exemptions (effective May 1, 2006)

Purpose: This order exempts canaryseed produced and marketed for the purpose of planting seed and canaryseed straw and residue from the check-off.

Order No. 04/06: Reporting (effective May 1, 2006)

Purpose: This order determines the manner in which buyers are to report the volume of canaryseed purchased from canaryseed producers. Buyers are to report to the Commission by the 20th of each month with the previous month's volume.

Order No. 05/06: Check-off Collection (effective May 1, 2006)

Purpose: This order establishes the check-off rate at \$1.75 per net tonne of canaryseed marketed at the first point of sale. It also determines the manner in which the check-off is to be remitted to the Commission.

Order No. 06/06: Refund of Check-off (effective May 1, 2006)

Purpose: This order determines the manner in which refunds of check-off are to be requested by and paid to canaryseed producers.

Saskatchewan Canola Development Commission

212 – 111 Research Drive
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Board of Directors

Jim Caughlin, Chairperson, Tisdale
Kelvin Meadows, Vice-Chairperson, Moose Jaw
Wayne Bacon, Kinistino
John Serhienko, Blaine Lake
Tim Wiens, Herschel
Fred Meister, Radisson

Roy Button, Executive Director, Saskatoon

Annual Report Review - Fiscal year end - July 31

The Saskatchewan Canola Development Commission (SCDC) is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Canola Development Commission was successful in completing and submitting these five reports to the Council for its 2004-05 fiscal year.

In addition to the five reports listed above, several other aspects of the Saskatchewan Canola Development Commission Annual Report were reviewed. This included an analysis of dollars spent on programs and administration, the percentage of check-off that was refunded, a review of the SCDC's meeting minutes, a review of the report on the activities of the SCDC, a review of the report on the state of the canola industry, and ensuring that a list of directors is included in the annual report.

Overall, the Saskatchewan Canola Development Commission met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The Commission's system of internal control, legislative compliance and financial statements are audited annually by the Provincial Auditor. The Commission's board of directors and management is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

The Commission is also contracted to collect the levies of the Saskatchewan Pulse Growers, the Saskatchewan Flax Development Commission, and the Saskatchewan Mustard Development Commission.

Summary of Financial Activities

In accordance with the Commission's regulations and orders, the Commission is funded by a check-off of \$0.75 per tonne of canola and canola-quality *Brassica juncea* marketed at the first point of sale. Producers may request a refund of any or all of the check-off paid. During the 2004-05 fiscal year, the Commission collected \$1,716,254 in check-off and refunded \$106,054 or 6.2 per cent.

	2005	2004
Check-off Revenue	\$ 1,716,254	\$ 1,360,248
Check-off Refunds	(106,054)	(79,045)
Refunds (%)	6.2%	5.8%
Other Income	259,572	420,744
Total Income	1,869,772	1,701,947
Program Expenditures	1,323,435	1,044,480
Administrative Expenditures	432,737	393,904

Saskatchewan Flax Development Commission

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Website: www.saskflax.com

Board of Directors

Gordon Cresswell, Chairperson, Tisdale
Allen Kuhlmann, Vice-Chairperson, Rouleau
Edmond Aime, Redvers
Chris Hale, Rouleau
David Sefton, Broadview
Lyle Simonson, Swift Current

Linda Braun, Executive Director, Saskatoon

Annual Report Review - Fiscal year end - July 31

The Saskatchewan Flax Development Commission (SaskFlax) is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Flax Development Commission was successful in completing and submitting these five reports to the Council for its 2004-05 fiscal year.

In addition to the five reports listed above, several other aspects of the Saskatchewan Flax Development Commission Annual Report were reviewed. This included an analysis of dollars spent on programs and administration, the percentage of check-off that was refunded, a review of SaskFlax's meeting minutes, a review of the report on the activities of SaskFlax, and ensuring that a list of directors is included in the annual report.

Overall, the Saskatchewan Flax Development Commission met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The Commission's system of internal control, legislative compliance and financial statements is audited annually by Merv Culham, CA. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The levy is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

Summary of Financial Activities

In accordance with the Commission's regulations and orders, the Commission is funded by a check-off of \$1.18 per tonne of flaxseed marketed and \$0.50 per tonne of flax straw marketed at the first point of sale. Producers may request a refund of any or all of the check-off paid. During the 2004-05 fiscal year, the Commission collected \$376,137 in check-off and refunded \$23,839, or 6.3 per cent.

	<u>2005</u>	<u>2004</u>
Check-off Revenue	\$ 376,137	\$ 540,661
Check-off Refunds	(23,839)	(29,833)
Refunds (%)	6.3%	5.5%
Other Income	101,178	151,894
Total Income	453,476	662,722
Program Expenditures	447,814	592,727
Administrative Expenditures	130,149	129,602

Saskatchewan Forage Seed Development Commission

P.O. Box 4665
Melfort, SK S0E 1A0
Phone: (306) 752-2533
E-mail: sfsdc@sasktel.net

Interim Board of Directors

Kirk Riglin, Chairperson, Elrose
Bruce Coulman, Saskatoon
Kelvin Grisdale, Weekes
Ernest Horudko, Nipawin
Roger Kirk, Nipawin
Clayton Myhre, Nipawin
Randy Tulloch, Broadview
Garth Lyons (resigned), Nipawin

Phil Curry, Executive Director, Melfort

Annual Report Review - Fiscal year end - June 30

The Saskatchewan Forage Seed Development Commission (SFSDC) will publish its first annual report in the upcoming year.

Orders

The Saskatchewan Forage Seed Development Commission (SFSDC) exercises certain powers granted by its development plan through Orders. These Orders require Council approval prior to coming into effect. The Council reviewed and approved the following Orders of the SFSDC in 2005-06:

Order No. 01/05: Forage Seed Species Inclusion (effective July 1, 2005)

Purpose: This order defines the forage seed species that are subject to the check-off. There are 34 species included in this list.

Order No. 02/05: Buyer Registration (effective July 1, 2005)

Purpose: This order determines the manner in which buyers of forage seed register with the Commission. Buyers are required to register with the Commission prior to August 1 of each year.

Order No. 03/05: Producer Registration (effective July 1, 2005)

Purpose: This order determines the manner in which forage seed producers are to register with the Commission. Each forage seed producer will be considered registered with the Commission upon the deduction of check-off fees, and that registration will remain in effect for a period of two years.

Order No. 04/05: Exemptions (effective July 1, 2005)

Purpose: This order exempts forage seed produced and marketed by plant breeding institutions, and sealed and graded as Breeder Seed from the check-off.

Order No. 05/05: Reporting (effective July 1, 2005)

Purpose: This order determines the manner in which buyers are to report the volume of forage seed purchased from forage seed producers. Buyers are to report to the Commission by January 30 and July 30, the amount of forage seed determined for the previous six months.

Order No. 06/05: Check-off Collection (effective July 1, 2005)

Purpose: This order establishes the check-off rate at 0.75 per cent of the gross value of forage seed marketed at the first point of sale. It also determines the manner in which the check-off is to be remitted to the Commission.

Order No. 07/05: Refund of Check-off (effective July 1, 2005)

Purpose: This order determines the manner in which refunds of check-off are to be requested by forage seed producers and paid to forage seed producers.

Saskatchewan Mustard Development Commission

212 – 111 Research Drive
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Phone: (306) 975-6629
Fax: (306) 975-0136
E-mail: info@saskmustard.com
Website: www.saskmustard.com

Board of Directors

Erroll Simington, Chairperson, Kincaid
Tom Burwell, Vice-Chairperson, Asquith
Rene de Moissac, Biggar
Brett Meinert, Shaunavon
David Pederson, Hawarden
Baine Fritzier, Govan

Roy Button, Executive Director, Saskatoon

Annual Report Review - Fiscal year end - July 31

The Saskatchewan Mustard Development Commission (SMDC) is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Mustard Development Commission was successful in completing and submitting these five reports to the Council for its 2004-05 fiscal year.

In addition to the five reports listed above, several other aspects of the Saskatchewan Mustard

Development Commission Annual Report were reviewed. This included an analysis of dollars spent on programs and administration, the percentage of check-off that was refunded, a review of the SMDC's meeting minutes, a review of the report on the activities of the SMDC, a review of the report on the state of the mustard industry and ensuring that a list of directors is included in the annual report.

Overall, the Saskatchewan Mustard Development Commission met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The Commission's system of internal control, legislative compliance and financial statements is audited annually by the Provincial Auditor. The Commission's board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The levy is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

Summary of Financial Activities

In accordance with the Commission's regulations and orders, the Commission is funded by a check-off of 0.50 per cent of the gross value of mustard marketed at the first point of sale. Producers may request a refund of any or all check-off paid. During the 2004-05 fiscal year, the Commission collected \$178,805 in check-off and refunded \$5,441, or 3.0 per cent.

	2005	2004*
Check-off Revenue	\$ 178,805	\$ 124,161
Check-off Refunds	(5,441)	(2,837)
Refunds (%)	3.0%	2.3%
Other Income	20,446	2,700
Total Income	193,810	124,024
Program Expenditures	39,458	458
Administrative Expenditures	51,468	15,084

* The Saskatchewan Mustard Development Commission's first year of operation was in 2004.

Development Boards

Sask Pork

Bay 2, Main Floor
502 – 45th Street West
Saskatoon, SK S7L 6H2
Phone: (306) 244-7752
Fax: (306) 244-1712
E-mail: info@saskpork.com
Website: www.saskpork.com

Board of Directors

Shirley Voldeng, Chairperson, Naicam
Ross Johnson, First Vice-Chairperson, Outlook
Florian Possberg, Second Vice-Chairperson, Humboldt
Judy Ulrich, Spalding
Joe Kleinsasser, Rosetown
Jerry Pfeil, Humboldt

Neil Ketilson, General Manager, Saskatoon

Annual Report Review - Fiscal year end - July 31

Sask Pork is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

Sask Pork was successful in completing and submitting these five reports to the Council for its 2004-05 fiscal year.

In addition to the five reports listed above, several other aspects of the Sask Pork Annual Report were reviewed. This included an analysis of dollars spent on programs and administration, a review of Sask Pork's meeting minutes, a review of the report on the activities of Sask Pork, and ensuring that a list of directors is included in the annual report.

Overall, Sask Pork met all reporting requirements, and the Agri-Food Council did not have any significant concerns.

Administration and Finance

Sask Pork's system of internal control, legislative compliance and financial statements is audited annually by Meyers Norris Penny LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with Sask Pork's regulations and orders, Sask Pork is funded by a check-off of \$0.75 per slaughter hog and sow marketed to a Saskatchewan slaughter plant. Sask Pork also collects a service charge of \$0.75 per slaughter hog, slaughter sow and breeding hog, and \$0.20 per early weaned and feeder hog, exported live from Canada. During the 2004-05 fiscal year, Sask Pork collected \$1,557,772 in non-refundable check-off.

	<u>2005</u>	<u>2004</u>
Check-off Revenue	\$ 1,557,772	\$ 1,543,824
Other Income	217,651	342,450
Total Income	1,775,423	1,886,274
Program Expenditures	1,272,719	1,330,220
Administrative Expenditures	617,213	548,183

Saskatchewan Pulse Crop Development Board

104 – 411 Downey Road
Saskatoon, SK S7N 4L8
Phone: (306) 668-5556
Fax: (306) 668-5557
E-mail: pulse@saskpulse.com
Website: www.saskpulse.com

Board of Directors

Dean Corbett, Chairperson, Macrorie
Ron Hundebly, Vice-Chairperson, Elbow
Lloyd Affleck, Beechy
Maurice Berry, Carievale
Jim Moen, Biggar
Barbara Podhorodeski, Shipman
John Bennett, Biggar

Garth Patterson, Executive Director, Saskatoon

Annual Report Review Fiscal year end - August 31

The Saskatchewan Pulse Crop Development Board, also known as the Saskatchewan Pulse Growers (SPG), is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Pulse Growers was successful in completing and submitting these five reports to the Council for its 2004-05 fiscal year.

In addition to the five reports listed above, several other aspects of the Saskatchewan Pulse Growers Annual Report were reviewed. This included an analysis of dollars spent on programs and administration, a review of the Saskatchewan Pulse Growers meeting minutes, a review of the report on the activities of the Saskatchewan Pulse Growers and ensuring that a list of directors is included in the annual report.

Overall, the Saskatchewan Pulse Growers met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The SPG's system of internal control, legislative compliance and financial statements is audited annually by Hergott Duval Stack & Partners LLP. The SPG's board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The levy is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

Summary of Financial Activities

In accordance with the SPG's regulations and orders, the SPG is funded by a check-off of one per cent plus GST of the gross value of all pulses marketed at the first point of sale. During the 2004-05 fiscal year, the SPG collected \$5,184,037 of non-refundable check-off.

	<u>2005</u>	<u>2004</u>
Check-off Revenue	\$ 5,184,037	\$ 4,369,329
Other Income	649,515	613,466
Total Income	5,833,552	4,982,795
Program Expenditures	4,432,660	3,420,731
Administrative Expenditures	898,338	871,821

Orders

The Saskatchewan Pulse Growers exercise certain powers granted by their development plan through Orders. These Orders require Council approval prior to coming into effect. The Council reviewed and approved the following Orders of the Saskatchewan Pulse Growers in 2005-06:

Order No. 12/05: Check-off Collection (effective August 1, 2005)

Purpose: This order continues the current level of the check-off, one per cent of gross sales, confirms the requirement of buyers, processors, brokers, assemblers, exporters and marketers to collect GST on the check-off, and outlines responsibilities and the process for remittance of the check-off to the SPG. This Order is a virtual renewal of Order No. 11/03: Check-off Collection, which expired on August 1, 2005.

Saskatchewan Sheep Development Board

2213C Hanselman Court
Saskatoon, SK S7L 6A8
Phone: (306) 933-5200
Fax: (306) 933-7182
E-mail: sheepdb@sasktel.net
Website: www.sksheep.com

Board of Directors

Niall Campbell, Chairperson, Bjorkdale
Dirk Van Kuik, Hepburn
Dwayne Morvik, Eastend
Randy Jordon, Raymore
Marvin Dales, Coleville

Gord Schroeder, Executive Director, Saskatoon

Annual Report Review Fiscal year end - September 30

The Saskatchewan Sheep Development Board (SSDB) is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Sheep Development Board was successful in completing and submitting these five reports to the Council for its 2004-05 fiscal year.

In addition to the five reports listed above, several other aspects of the Saskatchewan Sheep Development Board Annual Report were reviewed.

This included an analysis of dollars spent on programs and administration, a review of the SSDB's meeting minutes, a review of the report on the activities of the SSDB, a review of the report on the state of the sheep industry and ensuring that a list of directors is included in the annual report.

Overall, the SSDB met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The SSDB's system of internal control, legislative compliance and financial statements is audited annually by HVB Chartered Accountants Professional Corporation. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SSDB's regulations and orders, the SSDB is funded by a check-off of \$1.00 per sheep marketed. The check-off is applied at the time of purchase of Canadian Sheep Identification Program (CSIP) ear tags. During the 2004-05 fiscal year, the SSDB collected \$92,034 in non-refundable check-off.

	<u>2005</u>	<u>2004</u>
Check-off Revenue	\$ 92,034	\$ 138,798
Other Income*	206,485	205,997
Total Income	298,519	344,795
Program Expenditures	151,288	131,614
Administrative/Service Expenditures	152,228	163,389

*Includes items such as supply sales, handling fees, pasture operations, project administration revenues, and interest.

Marketing Boards

Saskatchewan Broiler Hatching Egg Producers Marketing Board

c/o P.O. Box 1637
Regina, SK S4P 3C4
Phone: (306) 775-1583

Board of Directors

James Glen, Regina Beach
Dewayne Unruh, Saskatoon
Gord Nystuen, Administrator, Regina (effective April 1, 2005)
Oswald L. Henry, Administrator, Regina (until March 31, 2005)

Annual Report Review Fiscal year end - December 31

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board (SBHEPMB) is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The SBHEPMB was successful in completing and submitting these five reports to the Council for its 2005 fiscal year.

In addition to the five reports listed above, the minutes of the Board were also reviewed.

Overall, the Saskatchewan Broiler Hatching Egg Producers' Marketing Board met all reporting requirements. However, the Agri-Food Council has observed that the SBHEPMB has had ongoing internal control reservations reported by its auditor. The Council has expressed its concern to the SBHEPMB and expects that progress will be made to address these concerns in 2006.

Administration and Finance

The Board's system of internal control, legislative compliance and financial statements is audited annually by Meyers Norris Penny LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

During the 2005 fiscal year, the Board collected \$87,493 in levies. In accordance with the Board's regulations, the levy is set at \$0.0032 per quota unit, per year. The levy is mandatory and non-refundable.

	<u>2005</u>	<u>2004</u>
Board Levies	\$ 87,493	\$ 103,568
Other Income	2,236	638
Total Income	89,729	104,206
Expenditures	67,098	123,752

Administrator

Through Lieutenant Governor Order in Council 283/2000, dated May 30, 2000, the Minister of Agriculture and Food assumed many of the powers of the SBHEPMB, and then delegated those powers to an independent administrator.

The Administrator was charged with the following tasks:

- carry out quota allocation, pricing and levy collection duties and procedures;
- implement the Memorandum of Understanding between the Chicken Farmers of Saskatchewan and the Council and resolve industry disputes; and
- explore with industry new decision-making structures that would reduce the conflict currently holding back industry progress.

Chicken Farmers of Saskatchewan

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Fax: (306) 949-1353
E-mail: cfos@sasktel.net
Website: www.saskatchewanchicken.ca

Board of Directors

Nick Langelaar, Chairperson, Hague
Terry Knippel, Vice-Chairperson, Hepburn
Diane Pastoor, Dalmeny
Eugene Zagrodney, Rose Valley
Roger Regehr, Delisle

Van Stewart, General Manager, Regina
Gord Nystuen, Administrator, Regina (effective April 1, 2005)
Oswald L. Henry, Administrator, Regina (until March 31, 2005)

Annual Report Review

Fiscal year end - December 31

The Chicken Farmers of Saskatchewan are required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Chicken Farmers of Saskatchewan were successful in completing and submitting these five reports to the Council for its 2005 fiscal year.

In addition to the five reports listed above, the minutes of the Board were also reviewed.

Overall, the Chicken Farmers of Saskatchewan met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The Board's system of internal control, legislative compliance and financial statements is audited annually by Meyers Norris Penny LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

During the 2005 fiscal year, the CFS collected \$500,653 in levies. In accordance with the Board's regulations and orders, the levy is \$0.016 per kilogram (live) of chicken marketed. The levy is mandatory and non-refundable.

	<u>2005</u>	<u>2004</u>
Board Levies	\$ 500,653	\$ 427,492
Other Income*	57,416	56,312
Total Income	558,069	483,804
Expenditures	398,344	428,523

*Includes producer penalties, quota transfer fees and interest.

Production

There were 96 licensed producers in 2005. The 2005 broiler base production for Saskatchewan was 45,880,416 kilograms (live), an increase of 2.18 per cent over 2004.

Year	Number of Birds	Live Weight (kg)	Average Bird Weight (kg)
2005	23,383,724	45,880,416	1.96
2004	25,266,796	44,901,444	1.78
2003	23,004,442	41,371,638	1.80
2002	21,409,775	40,620,973	1.90
2001	19,781,770	37,431,205	1.89
2000	16,937,235	32,414,857	1.91
1999	14,601,629	26,428,949	1.81
1998	12,122,181	21,941,147	1.81
1997	12,049,705	21,809,966	1.81
1996	11,277,863	20,936,536	1.86

Administrator

By Lieutenant Governor Order in Council 282/2000 dated May 30, 2000, the Minister of Agriculture and Food assumed many of the powers of the board of the CFS, and then delegated those powers to an independent administrator.

The Administrator was charged with the following tasks:

- carry out quota allocation, pricing and levy collection duties and procedure;
- implement the Memorandum of Understanding;
- resolve industry disputes; and
- explore with industry new decision-making structures to reduce conflict.

Saskatchewan Egg Producers

P.O. Box 1263, 496 Hoffer Drive
Regina, SK S4P 3B8
Phone: (306) 924-1505
Fax: (306) 924-1515
E-mail: sep@saskegg.ca
Website: www.saskegg.ca

Board of Directors

Bert Harman, Chairperson, Saskatoon
Stan Fehr, Vice-Chairperson, Hague
Cliff Colborn, Delisle
Joseph E. Hofer Jr., Walsh, Alberta
Joseph Mandel, Tompkins
Jim Teichrob, Saskatoon

Michael Katz, General Manager, Regina

Annual Report Review Fiscal year end - December 31

The Saskatchewan Egg Producers are required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Egg Producers was successful in completing and submitting these five reports to the Council for its 2005 fiscal year.

In addition to the five reports listed above, the minutes of the Board were also reviewed.

Overall, the Saskatchewan Egg Producers met all reporting requirements, and the Agri-Food Council had no significant concerns.

Administration and Finance

The SEP's system of internal control, legislative compliance and financial statements is audited annually by KPMG LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

During the 2005 fiscal year, the SEP collected \$1,037,746 in levies. In accordance with the SEP's regulations and orders, the levy was set at \$0.045 per dozen eggs marketed. The levy is mandatory and non-refundable.

	2005	2004
Levies	\$ 7,008,922	\$ 5,842,891
Less: CEMA Levy	(5,971,176)	(4,877,969)
Other Revenue	130,428	17,011
Total Revenue	1,168,174	981,933
Expenditures	1,500,092	1,048,609

Orders

The Saskatchewan Egg Producers exercises certain powers granted by its marketing plan through Orders. These Orders require Council approval prior to coming into effect. The Council reviewed and approved the following Orders of the Saskatchewan Egg Producers in 2005-06:

Order No. 38/05: Eggs for Processing Order (effective June 21, 2005)

Purpose: This order defines Eggs for Processing (EFP) terms, defines who is permitted to produce EFP eggs and how EFP producers are to be licensed, including amendments to existing EFP licenses. This order provides a distinction between EFP eggs and commercial eggs, thereby

ensuring that the Saskatchewan EFP egg system is recognized and functioning as a stand-alone, independent program.

Order No. 39/05: The Industry Management Order 2005 (effective December 13, 2005)

Purpose: This order, which is a variation of Board Order No. 37/05, eliminates the requirement for an egg quota holder to be a Saskatchewan resident.

Production

There were 66 licensed producers in 2005. The 2005 table egg production for Saskatchewan was 22.68 million dozen eggs produced by 858,809 layers.

Year	Number of Layers	Production (million dozen)
2005	858,809	22.68
2004	805,903	19.66
2003	783,935	19.51
2002	781,884	19.75
2001	788,723	19.52
2000	787,668	19.07
1999	773,661	18.64
1998	753,686	18.04
1997	747,607	17.79
1996	737,913	17.50

Saskatchewan Turkey Producers Marketing Board

2nd Floor, 502 – 45th Street West
 Saskatoon, SK S7L 6H2
 Phone: (306) 931-1050
 Fax: (306) 931-2825
 E-mail: saskaturkey@sasktel.net

Board of Directors

Bev Rosher, Chairperson, Langham
 Jack Rynsburger, Vice-Chairperson, Melville
 Wayne Goodsman, Stalwart
 Herman Warkentin, Drake
 Dennis Billo, Saskatoon

Rose Olsen, Manager, Saskatoon

Annual Report Review Fiscal year end - December 31

The Saskatchewan Turkey Producers Marketing Board is required to submit five reports annually, in addition to audited financial statements, to the Agri-Food Council. The five reports include:

- an audit report on the financial statements;
- an audit report on the rules and procedures to safeguard and control agency assets;
- an audit report on compliance with authorities;
- a comparison of actual results to planned results in each agency's audited financial statements; and
- a payee list with Board of Director approved thresholds disclosed.

The Saskatchewan Turkey Producers Marketing Board (STPMB) was successful in completing and submitting these five reports to the Council for its 2005 fiscal year.

In addition to the five reports listed above, the minutes of the Board were also reviewed.

Overall, the Saskatchewan Turkey Producers Marketing Board met all reporting requirements, and the Agri-Food Council did not have any significant concerns.

Administration and Finance

The Board's system of internal control, legislative compliance and financial statements is audited annually by Hergott Duval Stack & Partners LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

During the 2005 fiscal year, the Board collected \$112,715 in levies. In accordance with the Board's regulations and orders, the levy was set at \$0.02 per kilogram (live) marketed. The levy is mandatory and non-refundable.

	2005	2004
Operating Fees	\$ 112,715	\$ 106,533
Other Revenue	90,437	82,971
CTMA Levy*	92,173	94,696
Total Revenue	295,325	284,200
Expenditures	233,321	289,528

*Levy collected on behalf of the Canadian Turkey Marketing Agency (CTMA)

Production

There were 17 licensed producers in 2005. The 2005 total production for Saskatchewan was 5,760,787 kg (live), an increase of 1.49 per cent over 2004.

Year	Live Weight (kg)
2005	5,760,787
2004	5,676,181
2003	5,870,791
2002	5,649,040
2001	5,876,214
2000	6,113,061
1999	5,407,305
1998	5,837,214
1997	5,726,745
1996	5,679,637

