

PROVINCE OF SASKATCHEWAN



11-12

ANNUAL REPORT

MINISTRY OF
AGRICULTURE

Agri-Food Council

Table of Contents

Letters of Transmittal	2
Agri-Food Council	4
Roles and Responsibilities	4
Agri-Food Council Members	5
Staff	5
Council Office	5
2011-12 in Review	6
2011-12 Review of Agency Activities	9
Development Commissions	10
Saskatchewan Alfalfa Seed Producers Development Commission	10
Saskatchewan Beekeepers Development Commission	11
Canaryseed Development Commission of Saskatchewan	12
Saskatchewan Canola Development Commission	13
Saskatchewan Cattlemen’s Association	14
Saskatchewan Flax Development Commission	15
Saskatchewan Forage Seed Development Commission	16
Saskatchewan Mustard Development Commission	17
Saskatchewan Oat Development Commission	18
Saskatchewan Winter Cereals Development Commission	19
Development Boards	20
Sask Pork	20
Saskatchewan Pulse Crop Development Board	21
Saskatchewan Sheep Development Board	22
Marketing Boards	24
Saskatchewan Broiler Hatching Egg Producers’ Marketing Board	24
Chicken Farmers of Saskatchewan	26
Saskatchewan Egg Producers	30
Saskatchewan Milk Marketing Board	32
Saskatchewan Turkey Producers’ Marketing Board	34

This annual report is also available in electronic format from the Ministry’s website at www.agriculture.gov.sk.ca.

Letters of Transmittal



June 28, 2012

Her Honour the Honourable Vaughn Solomon Schofield, S.O.M., S.V.M.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

As the Minister of Saskatchewan Agriculture, it is my pleasure to submit the annual report for the Agri-Food Council for the year ending March 31, 2012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. Stewart". The signature is stylized with a large, sweeping initial "L" and a long, horizontal stroke extending to the right.

Lyle Stewart
Minister of Agriculture

Letters of Transmittal



June 15, 2012

His Honour Lyle Stewart
Minister of Agriculture

Sir:

In accordance with section 20 of *The Agri-Food Act, 2004*, I submit herewith the 2011-12 Annual Report of the Agri-Food Council.

Once again, the Council has enjoyed an array of successes and challenges as it works to meet both its legislated responsibilities and proactive goals. In April 2011, the Council's three-year strategic plan took effect. As the '2011-12 In Review' describes, Council has focused its efforts on successfully implementing this plan and has succeeded in many ways, from the review of agency operations and regulations to the approval of board orders.

Key successes include:

1. Hosting the 2012 Governance and Industry Development Conference, which featured a dynamic session on *Robert's Rules of Order* and its use in the modern board room. Also discussed was the importance of succession planning and ways to incorporate such planning into the day-to-day operations of the board.
2. Working with SaskMilk and the province's sole dairy processor to come to an agreement on the transition from a processor levy to a processor add-on. Saskatchewan was the last of the 10 provinces to make this transition.
3. Reintroducing *Council Corner*, a Council newsletter that will foster increased communication with the agencies on matters relating to Council business and agency advancement.

The Council would like to congratulate the agencies on their successes and thank them for their continued co-operation. We are pleased to report that overall compliance in 2011-12 remained excellent. We will continue to ensure that the full reporting requirements are met by all agencies. A high degree of accountability must be maintained to protect the trust producers have invested in these agencies.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R.T. Tyler". The signature is written in a cursive, flowing style.

R.T. Tyler, Chairperson

Agri-Food Council

Roles and Responsibilities

Established in 1990*, the Agri-Food Council (Council) is appointed by the Lieutenant Governor in Council to supervise and monitor the activities of the agri-food agencies established under *The Agri-Food Act, 2004* (Act). Under the authority of the Act, the Council plays a supervisory, advisory, regulatory and investigative role in the agri-food industry, each of which is described below:

(1) The Council ensures that each of its supervised agencies is compliant with the terms and conditions of the Act, its regulations, and agency-specific regulations and orders. In doing so, the Council advises and updates the Saskatchewan Minister of Agriculture on the operation and administration of the agencies under the Act and provides recommendations to the Minister on how to proceed with various agency matters.

(2) As a regulator, 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 Minister on whether or not to amend or terminate such plans. The Council also approves all agency orders to ensure compliance with all applicable legislation and regulations, consults with agencies on issues relating to federal-provincial agreements, and reviews agency policies, programs, meeting minutes, annual reports and strategic plans.

(3) The Council investigates issues related to agency policies. A separate independent appeal body appointed under the Act, the Agri-Food Appeal Committee, hears appeals relating to agency issues which violate the Act, its regulations or the regulations or orders of an agency.

The Agri-Food Act, 2004 provides the framework for the promotion, development, regulation and control of Saskatchewan's agri-food production. To form an agency under the Act, in co-operation with the Council and its staff, producers of one or more agri-food products work together to prepare a development or marketing plan that will guide the operation of the proposed agency. If the proposed agency plan meets all of the requirements set forth in the Act and the Lieutenant Governor in Council has assented,

the agency is established and a producer-elected and operated commission or board is formed to administer the agency's plan.

Under the authority of the Act, producer-operated commissions and boards collect levies (check-offs) that are either mandatory refundable (commissions) or mandatory non-refundable (boards). These levy (check-off) funds are used for research, development and/or marketing initiatives, as well as agency operations.

In 2011-12, the Council was responsible for monitoring 18 agencies. Presented below is a description of the three agency types that may be established under the Act, as well as a listing of each of the agencies currently supervised by the Council.

(1) Development Commissions - The mandate of a development commission is to conduct promotion and development activities associated with the production and/or marketing of the commission's specific agricultural commodity. Refundable levies (check-offs) allow commissions to support research that improves producer productivity and profitability and reduces producer input costs. Research and cost-cutting measures developed by commissions usually provide returns to producers far exceeding the value of their contributed levies.

Saskatchewan's 10 development commissions are:

- Saskatchewan Alfalfa Seed Producers Development Commission;
- Saskatchewan Beekeepers Development Commission;
- Canaryseed Development Commission of Saskatchewan;
- Saskatchewan Canola Development Commission;
- Saskatchewan Cattlemen's Association;
- Saskatchewan Flax Development Commission;
- Saskatchewan Forage Seed Development Commission;
- Saskatchewan Mustard Development Commission;
- Saskatchewan Oat Development Commission; and
- Saskatchewan Winter Cereals Development Commission.

* The Agri-Food Council replaced the Agricultural and Food Products Development and Marketing Council, the supervisory body established under the legislation replaced by *The Agri-Food Act, 2004*.

(2) Development Boards - A development board is very similar to a development commission in that development boards are also mandated to perform promotion and development activities associated with the production and/or marketing of the board's specific agricultural commodity. However, unlike a development commission, a development board is funded by a non-refundable levy (check-off). Consequently, development boards are more difficult to organize since the Lieutenant Governor in Council must be convinced that the levy is supported by the majority of the industry as confirmed by a producer vote before the board is established.

Saskatchewan's three development boards are:

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

(3) Marketing Boards - A marketing board administers its individual supply-managed marketing plans. These plans allow for the regulation and control of the production and marketing of their respective agricultural commodity through the use of quotas. As well, marketing boards are mandated to perform promotion and development activities associated with their specific agricultural commodities. To support their operations, the legislation empowers these boards to charge and collect a non-refundable levy (check-off).

Saskatchewan's five marketing boards are:

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

2011-12 Agri-Food Council Members

Robert (Bob) Tyler, Chairperson	Saskatoon
Murray McGillivray, Vice Chairperson	Radville
Maurice Berry	Carievale
Hubert Esquirol	Meota
Richard (Rick) Lindsay	Arborfield

Staff

Corey Ruud, General Manager	Regina
Lyndi Blakley, Policy and Programs Specialist	Regina
Allison Szeles, Industry Development Specialist	Regina

Council Office

Walter Scott Building
 302 - 3085 Albert Street
 Regina, Saskatchewan
 S4S 0B1

Phone: (306) 787-5978
 Fax: (306) 787-5134
 E-mail: corey.ruud@gov.sk.ca
 Website: www.agriculture.gov.sk.ca/Agri-Food-Council

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

2011-12 In Review

During the 2011-12 fiscal year, the Council continued to carry out its mandate to supervise the activities and administration of the commissions and boards operating under *The Agri-Food Act, 2004*. This was guided by the Council's 2011-14 strategic plan which was crafted with an emphasis on how Council can continue to effectively carry out its legislated mandate while taking proactive steps to encourage and support the development and activities of the supervised agencies as they work to accomplish their legislated mandates.

In reviewing progress made on implementation of the strategic plan, Council has determined that it has succeeded in its mission, specifically in:

- providing effective and appropriate oversight and guidance to agencies,
- creating positive and productive opportunities to liaise with agencies,
- contributing to the growth and development of agencies,
- networking with other supervisory agencies at the provincial and national level, and
- advising and providing recommendations to the Minister of Agriculture, including those stemming from tasks assigned by the Minister on an ad-hoc basis.

This mission is accomplished by leading through the application of sound judgment and the making of transparent, fair and equitable decisions that consider the best interests of the industry and the province as a whole.

The following are Council's six strategic goals with a progress report on the accomplishment of each.

1. Improved Communication with Boards and Commissions

Council's commitment to meeting one-on-one with agencies on a regular basis continued. Seven of the 18 agencies appeared before Council at a formal meeting. Council and its staff also ensured that at least one representative was in attendance at each of the agency annual general meetings. Attendance at various industry producer meetings and conferences was also a priority. Such meetings included the Saskatchewan Cattlemen's Association and Chicken Farmers of Saskatchewan producer meetings. Having

the opportunity to meet with agencies and their producer members provided a valuable avenue to better understanding the needs of industry sectors and the producers' views on an agency's success in meeting its goals.

Council's website has been updated with information on the role of Council and the agencies, the legislation governing each, and the relevant contact and board information. This would not have been possible without the support of the Ministry's Communication Branch.

Lastly, the Council reinstated *Council Corner*, a Council newsletter that had been defunct for many years. The newsletter will allow the Council to communicate with all of the agencies on Council business in a less formal manner and on a regular basis. The newsletter will be published on a quarterly basis with a focus on presenting information that relates to the operation of an agency as specified in the governing legislation and providing relevant information that will aid the agencies in meeting their mandates, specifically with respect to development and promotion. Incorporating articles suggested or prepared by agencies will also be encouraged as an avenue to increasing interagency communication and, hopefully, creating efficiencies in agency operations and research opportunities in the future.

2. Provision of Governance Training to Agencies

Staff facilitated a governance information session for one agency on a one-on-one basis. Two other agencies have expressed interest in this service.

Council's second Governance and Industry Development Conference was held Feb. 16-17, 2012 in Regina. Most agencies had board or staff members in attendance. The governance aspect of this event focused on board meeting procedures and operations and succession planning. Strive! Inc., a governance training organization, provided a highly interactive and dynamic session on the use of *Robert's Rules of Order* in today's board meeting, focusing on the development of effective agendas, the basic principles of a democratically-run meeting, the role of both the chairperson and individual board members, effective decision-making, and the purpose and process of motions.

The agenda also included a session on succession planning led by Council and staff. This session featured a panel of agency representatives discussing their experiences with succession planning, followed by table discussions on the application of succession planning by the agencies and ways to further incorporate this important governance tool into day-to-day operations.

Various information sessions geared toward agency mandates were incorporated, including sessions on the Ministry's crop strategy, on the Regulatory Cooperation Council and the 2012 Pacific NorthWest Economic Region Conference, and why these are important opportunities for agency advancement, and on work carried out by the Ministry's market development unit to expand the Province's international markets and promote Saskatchewan products in those markets.

Council also invited the Farm Products Council of Canada, a national supervisory board counterpart, to attend and present on delegation orders and promotion-research agencies. These legislative tools can expand the levy collection abilities of agencies.

Lastly, the conference featured an opportunity for agencies to hear from the Deputy Minister, the Assistant Deputy Minister, and the Executive Manager of Research and Development with the Saskatchewan Crop Insurance Corporation.

Council was very appreciative of the Ministry for its support of this event.

3. Enhanced Knowledge and Skill of Council Members

Council is committed to effectively executing its role. To do this, Council needs to have up-to-date information on a broad array of industry events, opportunities, challenges, etc., as well as continuous improvement in the skills necessary to perform its administrative role. As such, Council meetings have incorporated various information sessions this past year, including a review of the regulation establishment process, a discussion on the legal protocol for reviewing and amending legislation, and a presentation by the Agriculture Council of Saskatchewan on the purpose of their organization and their role with respect to agri-food agencies.

4. Increased Council Interaction with Provincial and National Supervisory Bodies

Council attended the October 2011 National Association of Agri-Food Supervisory Agencies (NAASA) meeting. NAASA is a forum through which the provincial and national supervisory bodies meet to discuss common issues. The meeting focused on developments in the national chicken industry with respect to differential growth, issues with respect to the Industrial Products Program in the eggs sector, difficulties in establishing a new Federal-Provincial Agreement (FPA) in the broiler hatching eggs sector, and consideration of a new national pullet growers agency and supply management system.

Council representation also attended meetings of the Canadian Milk Supply Management Committee, Fluid Milk Pricing Committee Canadian Hatching Egg Producers (CHEP), Chicken Farmers of Canada, and a joint meeting of the P5 and Western Milk Pool. Furthermore, representation was present at each of the poultry national supply management agency annual general meetings.

Council remains committed to attending various national meetings to maintain and continue to develop its understanding of national issues and their impact on Saskatchewan. This is necessary to foster a dynamic agri-food industry that continues to provide innovative solutions that propel the agriculture sector forward.

Many issues and matters continue to be followed at the national level. For example, since 2007, Saskatchewan has been working to become a full member of CHEP. Through the signing of an addendum to the CHEP proclamation, it is expected that this goal will come to fruition in 2012. This will allow the Saskatchewan Broiler Hatching Egg Producers' Marketing Board (SBHE) to become a full member of CHEP. SBHE has been a member of CHEP through the use of service agreements since 2007. With the signing of this Addendum, Saskatchewan's representation will now have the ability to vote and move motions. This creates a greater opportunity to effect change in the national industry.

In the new year, Council hopes to develop additional opportunities for sharing information amongst its supervisory board counterparts.

5. Updated Act, Regulations and Orders

Reviewing regulations and orders to ensure that agencies have the tools necessary to perform their role is a priority for Council. During the 2011-12 year, new regulations for the Chicken Farmers of Saskatchewan were completed. A driving force in repealing and replacing the previous chicken regulations was the need to make the industry's trust fund more functional and beneficial to the industry while minimizing the associated administrative costs.

Also amended were *The Canola Development Plan Regulations*. It is expected that amendments to the following regulations will be completed in the next fiscal year: *The Agri-Food Regulations, 2004*; *The Pork Industry Development Plan Regulations*; *The Pulse Crop Development Plan Regulations*; *The Saskatchewan Turkey Producers' Marketing Plan, 1975*; *The Saskatchewan Turkey Producers' Marketing Plan, Part II*; *The Oat Development Plan Regulations*; and *The Winter Cereals Development Plan Regulations*.

Council regularly reviews board orders submitted by agencies. Throughout the year, 33 new board orders were approved. Council also passed a new Council Order (No. 02/11) which amended the previous Reporting Requirements Order (No. 01/09) to enhance Council's supervisory abilities by setting a timeframe on the submission of agency meeting minutes and to provide agencies with more flexibility with respect to the appointment of an audit chair.

6. Improved Policies and Procedures Regarding Development Plan Approval and Establishment of New Agencies

Since 2008, the Council has met with a number of producer groups interested in establishing agri-food agencies. During each meeting, deficiencies in the approach to working with these groups became apparent. Consequently, when drafting its strategic plan, Council prioritized the development of a new plan establishment policy that would clearly outline the process and requirements for establishing an agency under the Act.

A new policy was approved by Council at its November 2011 meeting. The new plan establishment form identifies nine key areas of consideration including the purpose of the agency, the levy structure, the forecasted budget for the first three years of operations, the levy refund process (in the case of a development commission), and the level of support from producers.

Also included in the policy is an information package that will be provided to any interested producer group. This package includes a summary document identifying the process forward and the plan establishment form.

As demonstrated above, the implementation of the strategic plan has propelled the Council's activities in a proactive, positive and concentrated manner, working not only to ensure that the agri-food agencies are fulfilling their mandate and are accountable to their producers, but also to provide these agencies with the tools to ensure the long-term success of their industries and the producers they represent.

2011-12 Review of Agency Activities

Each agency is required to submit annually to the Council the following five reports:

- an audit report on the financial statements (Financial Statements Audit Report);
- an audit report on the rules and procedures to safeguard and control agency assets (Internal Control Opinion Audit Report);
- an audit report on compliance with authorities (Legislative Compliance Audit Report);
- a statement comparing actual results to budgeted results in the audited financial statements (Budget to Actual Comparison); and
- a Payee List with board of director approved thresholds disclosed (Payee List).

Each agency'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 agency's system of internal control, legislative compliance and financial statements are audited annually.

The following information provides a summary of each agency.

Development Commissions

Saskatchewan Alfalfa Seed Producers Development Commission

127 E - 116 Research Drive
Saskatoon, SK S7N 3R3
Phone: (306) 651-7275
Fax: (306) 651-7270
Email: goerzenw@innovationplace.com

Board of Directors - 2010-11

Randy Toman, Chairperson	Guernsey
Rob Cay, Vice Chairperson	Tisdale
Andrew Lindsay-Hawkins	Saskatoon
Dan Marchildon	Zenon Park
Bob Mennie	Parkside
Miles Wendell	Yorkton
Wayne Goerzen, Executive Director	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2011

The Saskatchewan Alfalfa Seed Producers Development Commission (SASPDC) was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levy refunded was conducted. Also reviewed were SASPDC's research priorities, the payee list and the 2011/12 budget.

Overall, SASPDC met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SASPDC's system of internal control, legislative compliance and financial statements are 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.

Summary of Financial Activities

In accordance with its regulations and orders, SASPDC is funded by a levy 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 levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$81,073	\$41,125
Levy Refunded	0	(612)
Refund Rate	0.0%	1.5%
Other Revenue	<u>26,198</u>	<u>35,349</u>
Total Revenue	107,271	75,862
Total Expenses	<u>107,501</u>	<u>105,815</u>
Operating Surplus (Deficit) for the Year	<u>\$(230)</u>	<u>\$(29,953)</u>
Total Assets	<u>\$326,111</u>	<u>\$296,158</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SASPDC at the above address.

Saskatchewan Beekeepers Development Commission

4018 Goldfinch Way
Regina, SK SHV 1M8
Phone: (306) 535-9520
Email: info@saskbeekeepers.com
Website : www.saskbeekeepers.com/devcomm

Board of Directors - 2011

Barry F. Brown, Chairperson	Saskatoon
Joe Edwards, Vice Chairperson	Ridgedale
Corey Bacon	Kinistino
Calvin Parsons	Mesanaw
Danny Valteau	Aylsham
Danny Wasylenchuk	Canora
Wink Howland, Secretary/Treasurer (to Oct. 2010)	Yorkton
Conrad Schultz, Secretary/Treasurer (Oct. to Dec. 2010)	Regina

Annual Report Review Fiscal Year End - Dec. 31, 2011

The Saskatchewan Beekeepers Development Commission (SBDC) was successful in completing and submitting the required five reports to the Council for the agency's 2011 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levies refunded was also conducted. Also reviewed was the payee list and the 2012 budget.

Overall, SBDC met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SBDC's system of internal control, legislative compliance and financial statements are audited annually by ParkerQuine 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 its regulations and orders, SBDC is funded by a levy of \$1.00 per producing colony by beekeepers that annually produce 100 or more colonies. Beekeepers producing fewer than 100 colonies annually can voluntarily submit \$1 per producing colony levy. Beekeepers may request a refund of any or all of the levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$70,069	\$65,501
Levy Refunded	(8,575)	(8,425)
Refund Rate	12.2%	12.9%
Other Revenue	<u>8,688</u>	<u>7,729</u>
Total Revenue	70,182	64,805
Total Expenses	<u>37,294</u>	<u>44,908</u>
Operating Surplus (Deficit) for the Year	<u>\$32,888</u>	<u>\$19,897</u>
Total Assets	<u>\$106,626</u>	<u>\$127,813</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SBDC at the above address.

Canaryseed Development Commission of Saskatchewan

Bay 6A, 3602 Taylor Street East
Saskatoon, SK S7H 5H9
Phone: (306) 975-6624
Fax: (306) 244-4497
Email: office@agribiz.ca
Website: www.canaryseed.ca

Board of Directors - 2010-11

Andrew Schaefer, Chairperson	Riceton
Glenn Byrnes, Vice Chairperson	Eston
Larry Frisky	Arborfield
Kurtis Nunweiler	Rosetown
Barbara Podhorodeski	Shipman
Vince Walker	Melfort
Kevin Hursh, Executive Director	Saskatoon
Adele Buettner, General Manager	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2011

The Canaryseed Development Commission of Saskatchewan (CDCS) was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levies refunded, as well as a review of the state of the industry and management reports, was conducted. Also reviewed was a report on CDCS' new uses project, the payee list and the 2011/12 budget.

Overall, CDCS met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The CDCS system of internal control, legislative compliance and financial statements are audited annually by Twigg & Company. 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 its regulations and orders, CDCS is funded by a levy of \$1.75 per net tonne of canary seed marketed at the first point of sale. Producers may request a refund of any or all of the levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$293,811	\$299,072
Levy Refunded	(13,100)	(13,294)
Refund Rate	4.5%	4.4%
Other Revenue	<u>231,578</u>	<u>326,289</u>
Total Revenue	512,289	612,067
Total Expenses	<u>507,495</u>	<u>728,576</u>
Operating Surplus (Deficit) for the Year	<u>\$4,794</u>	<u>\$(116,509)</u>
Total Assets	<u>\$589,198</u>	<u>\$513,610</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the CDCS at the above address.

Saskatchewan Canola Development Commission

212 - 111 Research Drive
Saskatoon, SK S7N 3R2
Phone: (306) 975-0262 or
(877) 241-7044
Fax: (306) 975-0136
Email: info@saskcanola.com
Website: www.saskcanola.com

Board of Directors - 2010-11

Brett Halstead, Chairperson	Nokomis
Joan Heath, Vice Chairperson	Radisson
Tim Wiens, Treasurer	Hershel
Frank Groeneweg	Edgeley
Stan Jeeves	Wolseley
Dale Leftwich	Esterhazy
Tyler Markusson	Foam Lake
Terry Youzwa	Nipawin

Catherine Folkersen, Executive Director Saskatoon

Annual Report Review

Fiscal Year End - July 31, 2011

The Saskatchewan Canola Development Commission (SaskCanola) was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levies refunded was conducted, as well as a review of the payee list. The state of the industry, management, research, market development and communications, policy and Canola Council of Canada reports were also reviewed.

Overall, SaskCanola met all reporting requirements and the Council had no significant concerns.

Administration and Finance

SaskCanola's system of internal control, legislative compliance and financial statements are audited annually by Pricewaterhouse Coopers 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.

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 its regulations and orders, SaskCanola is funded by a levy of \$0.75 per metric tonne of all canola and canola-quality Brassica juncea marketed at the first point of sale. Producers may request a refund of any or all of the levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$4,284,098	\$4,266,280
Levy Refunded	(356,718)	(316,571)
Refund Rate	8.3%	7.4%
Other Revenue	<u>185,597</u>	<u>209,535</u>
Total Revenue	4,112,977	4,159,244
Total Expenses	<u>3,457,391</u>	<u>4,254,080</u>
Operating Surplus (Deficit) for the Year	<u>\$655,586</u>	<u>\$(94,836)</u>
Total Assets	<u>\$4,525,085</u>	<u>\$4,757,035</u>

Registered producers and buyers may request a complete copy of the annual report by contacting SaskCanola at the above address.

Saskatchewan Cattlemen's Association

310-820 51st Street East
 Saskatoon, SK S7K 0X8
 Phone: (306) 655-2333 or (877) 908-2333
 Fax: (306) 665-2336
 Email: info@saskbeef.com
 Website: www.saskbeef.com

Board of Directors - 2010-11

Jack Hextall, Chairperson	Grenfell
Bruce Holmquist, Vice Chairperson	Kinistino
Larry Grant, Finance Chairperson	Val Marie
Bob Ivey, Past Chairperson	Ituna
Ryan Beierbach	Whitewood
Doug Gillespie	Neville
Bill Jameson	Moose Jaw
Fred Lansdall	Leross
Paula Larson	D'Arcy
Philip Lynn	Viscount
Ryan Sommerfeld	Medstead
David Stuart	Edam
Ryan Thompson	Ceylon
Howard Toews	Watrous
Rick Toney	Gull Lake
Brad Welter	Viscount
Keith Robertson, Chief Executive Officer	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2011

The Saskatchewan Cattlemen's Association (SCA) was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levies refunded was conducted. The chairperson, CEO and various committee and national cattle agency reports, as well as the payee lists and 2011/12 budget, were also reviewed.

Overall, SCA met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SCA's financial reports were audited by Marcia Herback, 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.

Summary of Financial Activities

In accordance with its regulations and orders, SCA is funded by a mandatory refundable levy of \$1, which remains in the province, and collects a mandatory non-refundable levy of \$1 which is transferred to the Canadian Beef Research, Market Development and Promotion Agency, the national beef cattle check-off agency. The federal levies are not part of the SCA's operating funds for administration, research and development initiatives in Saskatchewan.

With the SCA being granted full authority over the collection of the cattle check-off in August 2010, the remainder of the funds held in the Cattle Marketing Deductions Fund (CMDf) were transferred to the SCA. The SCA must use these funds to honour the commitments of the CMDf, with the remaining funds to be devoted to meeting the mandate of the agency.

	<u>2010</u>	<u>2011</u>
CMDf Grant	\$846,348	\$0
Transfer of Remaining CMDf Funds	-	4,939,903
Provincial Levy Revenue	-	1,291,091
Federal Levy Collected	-	1,291,091
Levy Refunded	-	(66,458)
Refund Rate	-	5.2%
Other Revenue	<u>138</u>	<u>91,377</u>
Total Revenue	846,486	7,547,005
Total Expenses	<u>632,076</u>	<u>3,212,620</u>
Operating Surplus (Deficit) for the Year	<u>\$214,410</u>	<u>\$4,334,385</u>
Total Assets	<u>\$241,354</u>	<u>\$5,068,568</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SCA at the above address.

Orders

Certain powers granted to the SCA require a Council-approved board order to be effective. During the Council's 2011-12 fiscal year, the following SCA board order was reviewed and approved:

Order No. 05/12: Levy Collection

Effective: March 13, 2012

Following a favourable producer vote at their 2012 annual general meeting, the provincial levy was increased from \$1 per head to \$2 per head. Consequently Order No. 03/10, the SCA's original levy collection order, was amended to increase the provincial levy amount, with all other levy collection requirements remaining unchanged. The levy rate increase became effective April 1, 2012.

Saskatchewan Flax Development Commission

A5A-116 - 103rd Street East
 Saskatoon, SK S7N 1Y7
 Phone: (306) 664-1901
 Fax: (306) 664-4404
 Email: saskflax@saskflax.com
 Website: www.saskflax.com

Board of Directors - 2010-11

Lyle Simonson, Chairperson	Swift Current
Allen Kuhlmann, Vice Chairperson	Rouleau
Gregor Beck	Rouleau
Erwin Hanley	Regina
David Sefton	Broadview
Shane Stokke	Watrous
Linda Braun, Executive Director	Saskatoon
Dr. Helen Booker, Board Advisor	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2011

The Saskatchewan Flax Development Commission (SaskFlax) was successful in completing and submitting the five required reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of dollars spent on programs and administration and the percentage of refunded levies was conducted. The state of the industry report and payee list were also reviewed, as well as a verification of the list of directors included in the annual report.

Overall, SaskFlax met all reporting requirements and the Council had no significant concerns.

Administration and Finance

SaskFlax's system of internal control, legislative compliance and financial statements are 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 its regulations and orders, SaskFlax is funded by a levy of \$0.03 per bushel (\$1.18 per tonne) of flaxseed and \$0.50 per tonne on flax straw marketed. Producers may request a refund of any or all of the levy paid.

	2010	2011
Levy Revenue	\$683,721	\$339,882
Levy Refunded	(27,699)	(13,182)
Refund Rate	4.1%	3.9%
Other Revenue	72,211	955,583
Total Revenue	728,233	1,282,283
Total Expenses	577,816	1,440,525
Operating Surplus (Deficit) for the Year	\$150,417	\$(158,242)

Total Assets \$1,172,741 \$1,065,319

Registered producers and buyers may request a complete copy of the annual report by contacting the SaskFlax at the above address.

Orders

Certain powers granted to the SaskFlax require a Council-approved board order to be effective. During the Council's 2011-12 fiscal year, the following SaskFlax board orders were reviewed and approved:

Order No. 16/11: Exemptions

Effective: Dec.20, 2011

This Order exempts from the purview of the Commission producers of flax grown and marketed for the purpose of planting seed. This exemption is also applied by five other development commissions.

Order No. 17/12: Reporting

Effective: Feb.15, 2012

The previous Reporting Order (No. 13/09) did not specify the date by which a report on the amounts of flax acquired from each producer was to be submitted to SaskFlax. Order No. 17/12 incorporates the requirement that such reporting must be submitted by the 20th of each month for the sales of the previous month.

Order No. 18/12: Producer Registration

Effective: Feb.15, 2012

This Order amended the previous Producer Registration Order (No. 14/09) by incorporating the requirement that e-mail addresses be collected by SaskFlax as part of the registration process. As well, the requirement for producers to submit their Canadian Wheat Board identification number (when applicable) was removed.

Order No. 19/12: Levy Collection

Signed: March 13, 2012

Effective: Aug. 1, 2012

This Order, with a favourable vote of producers, doubled SaskFlax's levy on flax seed, with the levy on flax straw remaining unchanged. The flax seed levy rate had remained unchanged since 1997.

Saskatchewan Forage Seed Development Commission

P.O. Box 1361
Watrous, SK S0K 4T0
Phone: (306) 946-3135
Email: sfsdc@sasktel.net

Board of Directors - 2010-11

David Maxwell, Chairperson	Nipawin
Randy Tulloch, Vice Chairperson	Broadview
Marcel Enns, Treasurer	Carrot River
Janice Brynooghe (ex officio)	Outlook
Bruce Coulman	Saskatoon
Clayton Myhre	Nipawin
Roger Kirk	Nipawin
Perry Thesen	Carrot River
Michel Tremblay (ex officio)	Regina
Nancy Johns, Executive Director	Watrous

Annual Report Review Fiscal Year End - June 30, 2011

The Saskatchewan Forage Seed Development Commission (SFSDC) was successful in completing and submitting all required reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of dollars spent on programs and administration and the percentage of levies refunded was performed. Also reviewed were the chairman, executive director and research reports and the 2011-12 budget.

Overall, SFSDC met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SFSDC's system of internal control, legislative compliance and financial statements are 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.

Summary of Financial Activities

In accordance with its regulations and orders, SFSDC is funded by a levy of 0.75 per cent of the gross value of forage seed marketed at the first point of sale. Producers may request a refund of any or all levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$42,543	\$34,854
Levy Refunded	(768)	(356)
Refund Rate	1.8%	1.0%
Other Revenue	<u>7,000</u>	<u>7,067</u>
Total Revenue	48,775	41,556
Total Expenses	<u>10,349</u>	<u>30,206</u>
Operating Surplus (Deficit) for the Year	<u>\$38,426</u>	<u>\$11,350</u>
Total Assets	<u>\$182,421</u>	<u>\$204,433</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SFSDC at the above address.

Saskatchewan Mustard Development Commission

Bay 6A, 3602 Taylor Street East
 Saskatoon, SK S7H 5H9
 Phone: (306) 975-6629
 Fax: (306) 244-4497
 Email: info@saskmustard.com
 Website: www.saskmustard.com

Board of Directors - 2010-11

Patrick Ackerman, Chairperson	Chamberlain
Baine Fritzier, Vice Chairperson	Govan
David Pederson, Treasurer	Hawarden
Tom Burwell	Saskatoon
Rene deMoissac	Biggar
Erroll Simington	Kincaid
Kevin Hursh, Executive Director	Saskatoon
Adele Buettner, General Manager	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2011

The Saskatchewan Mustard Development Commission (SMDC) was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levies refunded was conducted. Also reviewed were the activities and state of the industry reports, a Mustard 21 Canada Inc. update, and the draft budget for the 2012-13 year.

Overall, the SMDC met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SMDC's system of internal control, legislative compliance and financial statements are audited annually by Twigg & Company. 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 its regulations and orders, SMDC is funded by a levy 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 of the levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$284,250	\$278,004
Levy Refunded	(10,569)	(7,139)
Refund Rate	3.7%	2.6%
Other Revenue	<u>318,885</u>	<u>84,340</u>
Total Revenue	592,566	355,205
Total Expenses	<u>477,859</u>	<u>333,024</u>
Operating Surplus (Deficit) for the Year	<u>\$114,707</u>	<u>\$22,181</u>
Total Assets	<u>\$938,576</u>	<u>\$943,157</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SMDC at the above address.

Saskatchewan Oat Development Commission

Box 20106
 Regina, SK S4P 4J7
 Phone: (306) 530-8545
 Fax: (306) 546-2999
 Email: smatheison@poga.ca

Board of Directors - 2010-11

Dwayne Anderson, Chairperson	Fosston
Jim Metherell	Lashburn
Richard Pedde	Indian Head
Jack Shymko	Ituna
Michael Spilchuk	Ituna
Willie Zuchkan	Foam Lake

Jack Dawes, Executive Director (to Apr. 2011) Saltcoats
 Vacant (May to July 2011)

Annual Report Review Fiscal Year End - July 31, 2011

The Saskatchewan Oat Development Commission (SODC) was successful in completing and submitting the five required reports to the Council for the agency's 2010-11 fiscal year. Also submitted was a complete 2009-10 annual report which was reviewed.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levies refunded was conducted. Also reviewed were the reports of the chairman and the executive director, the payee list and the 2011-12 budget.

Overall, the SODC met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SODC's system of internal control, legislative compliance and financial statements are audited annually by ParkerQuine 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.

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 SODC's regulations and orders, the commission is funded by a levy of \$0.50 per net tonne of oats marketed at the first point of sale. Producers may request a refund of any or all of the levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$597,242	\$456,131
Levy Refunded	(34,777)	(21,469)
Refund Rate	5.8%	4.7%
Other Revenue	<u>53,010</u>	<u>25,108</u>
Total Revenue	615,475	459,770
Total Expenses	<u>422,849</u>	<u>534,385</u>
Operating Surplus (Deficit) for the Year	<u>\$192,626</u>	<u>\$(74,615)</u>
Total Assets	<u>\$1,917,820</u>	<u>\$1,755,611</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SODC at the above address.

Saskatchewan Winter Cereals Development Commission

c/o Winter Cereals Canada Inc.
 P.O. Box 689
 Minnedosa, MB R0J 1E0
 Phone: (866) 472-4611 or
 (204) 874-2330
 Fax: (204) 874-2135

Board of Directors - 2010-11

Dale Hicks, Chairperson	Outlook
Mark Akins	Hearne
D. Kirk Elliott	Saskatoon
Rod Fedoruk	Kamsack
Mark Weatherald	Wawota

Jake Davidson, Executive Director Minnedosa, MB

Annual Report Review Fiscal Year End - July 31, 2011

The Saskatchewan Winter Cereals Development Commission (SWCDC) was successful in completing and submitting the five required reports to the Council for its 2010-11 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and the percentage of levies refunded was conducted. Also reviewed were the reports of the chairman and the executive director, the payee list and the 2011-12 budget.

Overall, the SWCDC met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SWCDC's system of internal control, legislative compliance and financial statements are 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 SWCDC regulations and orders, the commission is funded by a levy of \$0.50 per net tonne of winter cereals marketed at the first point of sale. Producers may request a refund of any or all of the levy paid.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$151,863	\$109,862
Levy Refunded	(2,457)	(2,777)
Refund Rate	1.6%	2.5%
Other Revenue	<u>3,152</u>	<u>2,117</u>
Total Revenue	152,558	109,202
Total Expenses	<u>65,727</u>	<u>164,603</u>
Operating Surplus (Deficit) for the Year	<u>\$86,831</u>	<u>\$(55,401)</u>
Total Assets	<u>\$404,498</u>	<u>\$348,413</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SWCDC at the above address.

Development Boards

Sask Pork

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

Board of Directors - 2010-11

Jay McGrath, Chairperson	Leroy
Bevra Fee, Vice Chairperson	Spiritwood
Daryl Possberg, Audit Chairperson	Wainwright, AB
Brad Cramer	Carman, MB
Cliff Ehr	Muenster
David R. Tschetter	Star City
Neil Ketilson, General Manager	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2011

Sask Pork was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the five required financial reports, an analysis of the dollars spent on programs and administration was conducted. Also reviewed were the following reports: state of the industry (both provincially and nationally), producer services, communications and promotion, and a statistics and trend summary for the industry, discussing price, production and export trends.

Overall, Sask Pork met all reporting requirements and the Council had no significant concerns.

Administration and Finance

Sask Pork's system of internal control, legislative compliance and financial statements are audited annually by Twigg & Company. 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 its 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.

	<u>2010</u>	<u>2011</u>
Check-off Revenue	\$1,314,149	\$1,378,394
Other Revenue	<u>150,218</u>	<u>151,039</u>
Total Revenue	1,464,367	1,529,433
Total Expenses	<u>1,500,318</u>	<u>1,343,770</u>
Operating Surplus (Deficit) for the Year	<u>(\$35,951)</u>	<u>\$185,663</u>
Total Assets	<u>\$1,630,512</u>	<u>\$1,844,697</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the Sask Pork at the above address.

Saskatchewan Pulse Crop Development Board

207 – 116 Research Drive
Saskatoon, SK S7N 3R3
Phone: (306) 668-5556
Fax: (306) 668-5557
Email: pulse@saskpulse.com
Website: www.saskpulse.com

Board of Directors - 2010-11

Lee Moats, Chairperson	Riceton
Dwayne Moore, Vice Chairperson	Rosetown
Vicki Dutton	Paynton
Dan Flynn	Beechy
David Nobbs	Kindersley
Morgan Nunweiler	Kindersley

Garth Patterson, Executive Director Saskatoon

Annual Report Review Fiscal Year End - Aug. 31, 2011

The Saskatchewan Pulse Crop Development Board (SPG) was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration was conducted. Also reviewed were reports on the activities throughout the year (year in review), state of the industry, and highlights of the communication, market promotion, research and development, and variety commercialization programs, as well as a review of the activities of Pulse Canada.

Overall, SPG met all reporting requirements and the Council had no significant concerns.

Administration and Finance

SPG's system of internal control, legislative compliance and financial statements are audited annually by Hergott Duval Stack LLP. 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.

Summary of Financial Activities

In accordance with its regulations and orders, SPG is funded by a non-refundable check-off of one per cent (plus GST) of the gross value of all pulses marketed at the first point of sale.

	<u>2010</u>	<u>2011</u>
Check-off Revenue	\$13,173,212	\$11,670,873
Other Revenue	<u>1,081,288</u>	<u>1,271,079</u>
Total Revenue	14,254,500	12,941,952
Total Expenses	<u>11,042,478</u>	<u>11,756,236</u>
Operating Surplus (Deficit) for the Year	<u>\$3,212,022</u>	<u>\$1,185,716</u>
Total Assets	<u>\$18,204,788</u>	<u>\$21,037,901</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SPG at the above address.

Saskatchewan Sheep Development Board

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

Board of Directors - 2010-11

David Meynberg, Chairperson	Maidstone
Larry Knelson	Hodgeville
Trent Larson	Southey
Clint Wiens	Drake
Richard Zubot	Humboldt

Gordon Schroeder, Executive Director Saskatoon

Annual Report Review Fiscal Year End - September 30, 2011

The Saskatchewan Sheep Development Board (SSDB) was successful in completing and submitting the required five reports to the Council for the agency's 2010-11 fiscal year.

In addition to the five required reports, an analysis of the dollars spent on programs and administration and a review of their activities and state of the industry reports were conducted. Also reviewed was a summary of the board's upcoming projects.

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

Administration and Finance

The SSDB's system of internal control, legislative compliance and financial statements are audited annually by HVB Chartered Accountants Prof. Corp. 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 its regulations and orders, SSDB is funded by a non-refundable service charge of \$1.50 per marketed sheep which is applied at the time of purchase of Canadian Sheep Identification Program ear tags.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$99,614	\$108,646
Other Revenue	<u>442,604</u>	<u>431,530</u>
Total Revenue	542,218	540,176
Total Expenses	<u>518,382</u>	<u>494,742</u>
Operating Surplus (Deficit) for the Year	<u>\$23,836</u>	<u>\$45,434</u>
Total Assets	<u>\$253,675</u>	<u>\$293,063</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SSDB at the above address.



Marketing Boards

Saskatchewan Broiler Hatching Egg Producers' Marketing Board

224 Pacific Avenue, Suite 201
Saskatoon, SK S7K 1N9
Phone: (888) 332-5825 or
(306) 242-3611
Fax: (306) 242-3286
Email: gale@saskatchewanchicken.ca

Board of Directors - 2011

Henk van Steenberg, Chairperson Listowel, ON
David Janzen, Vice Chairperson Abbotsford, BC
James Glen Regina Beach
Jeff Regier Abbotsford, BC
Clinton Monchuk, Chief Executive Officer Saskatoon

Annual Report Review Fiscal Year End - Dec. 31, 2011

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board (SBHE) was successful in completing and submitting the required five reports to the Council for the agency's 2011 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and a review of the activities report included in the SBHE Annual Report were performed. Also reviewed were the chairperson and chief executive officer reports, the Poultry Extension Service Report, the payee list and the 2012 budget.

Overall, SBHE met all reporting requirements and the Council had no significant concerns.

Administration and Finance

The SBHE's system of internal control, legislative compliance and financial statements are audited annually by Dudley & Company 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 2011 fiscal year, SBHE collected \$96,880 in levies. In accordance with the agency's regulations and orders, the levy is \$0.0032 per quota unit. A producer vote increased this levy rate to \$0.0050 per quota unit effective Jan. 1, 2012. This levy is mandatory and non-refundable.

	<u>2010</u>	<u>2011</u>
Levy Revenue	\$96,880	\$96,880
Other Revenue	<u>73,714</u>	<u>80,592</u>
Total Revenue	170,594	177,472
Total Expenses	<u>162,573</u>	<u>192,394</u>
Operating Surplus (Deficit) for the Year	<u>\$8,021</u>	<u>\$(14,922)</u>
Total Assets	<u>\$168,876</u>	<u>\$157,780</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the BHE at the above address.

Production

There were 10 licensed broiler hatching egg producers in 2011. Saskatchewan's 2011 broiler base production was 26,648,175 live kilograms, a decrease of 0.5 per cent compared to 2010.

<u>Year</u>	<u>2011</u>
2011	26,648,175
2010	26,516,851
2009	27,928,995
2008	24,442,283

Orders

Certain powers granted to SBHE require a Council-approved board order to be effective. During the Council's 2011-12 fiscal year, the following SBHE board orders were reviewed and approved:

Order No. 49/11: Orders Rescinded

Effective: Nov. 15, 2011

As per a regulatory requirement, the Board reviewed its orders that were 10 years or older. A total of five orders were deemed unnecessary. These were consequently repealed, with a sixth order being replaced by Order No. 50/11.

Order No. 50/11: Quota Transfer

Effective: Nov. 15, 2011

This Order establishes the conditions that must be met for the Board to approve a quota transfer, specifically the completion of the transfer application by both the transferor and the transferee and the provision of evidence from the transferee that the quota will be placed in a production unit that meets all industry standards as outlined in BHE orders.

Order No. 51/12: Canadian Hatching Egg Producers Levy

Effective: Jan. 20, 2012

An Order establishing the producer operating fee to allow for the collection of funds to pay the Canadian Hatching Egg Producers' levy as per the Service Agreement established between the Saskatchewan agency and the national agency.

Order No. 52/12: Over-Marketing Penalties

Effective: Jan. 20, 2012

Replacing Board Order No. 42/07 (Over-Marketing Penalties), this Order revises the Board's processes and procedures for issuing over-marketing penalties to producers. This new approach was made in an attempt to encourage producers to maximize their quota utilization.

Chicken Farmers of Saskatchewan

224 Pacific Avenue, Suite 201
 Saskatoon, SK S7K 1N9
 Phone: (888) 332-5825 or
 (306) 242-3611
 Fax: (306) 242-3286
 Email: gale@saskatchewanchicken.ca
 Website: www.saskatchewanchicken.ca

Board of Directors - 2011

Diane Pastoor, Chairperson	Dalmeny
Terry Knippel, Vice Chairperson	Hepburn
Tim Keet	Grandora
Rudy Martinka	St. Benedict
Mike Pickard	Saskatoon

Clinton Monchuk, Chief Executive Officer Saskatoon

Annual Report Review

Fiscal Year End - Dec. 31, 2011

The Chicken Farmers of Saskatchewan (CFS) was successful in completing and submitting the five required reports to the Council for the agency's 2011 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration, the activities and state of the industry reports, the payee list and the 2012 budget were reviewed.

Overall, CFS met all reporting requirements and the Council had no significant concerns.

Administration and Finance

Chicken Farmers of Saskatchewan's system of internal control, legislative compliance and financial statements are audited annually by Dudley & Company 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 2011 fiscal year, the CFS collected \$625,393 in levies. In accordance with its regulations and orders, the CFS is funded by a check-off of \$0.0116 per live kilogram of chicken marketed. This check-off is mandatory and non-refundable.

	<u>2010</u>	<u>2011</u>
Check-off Revenue	\$625,603	\$625,393
Other Revenue	<u>278,478</u>	<u>269,410</u>
Total Revenue	904,081	894,803
Total Expenses	<u>850,505</u>	<u>790,155</u>
Operating Surplus (Deficit) for the Year	<u>\$53,576</u>	<u>\$104,648</u>
Total Assets	<u>\$1,065,600</u>	<u>\$1,150,303</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the CFS at the above address.

Production

There were 76 licensed chicken producers in 2011. Saskatchewan's 2011 broiler base production was 53,763,263 live kilograms, a decrease of 0.8 per cent compared to 2010.

Year	Number of Birds	Live Weight (kg)	Average Bird Weight (kg)
2011	25,966,767	53,763,263	2.07
2010	26,076,398	54,183,288	2.08
2009	24,543,533	49,627,742	2.02
2008	25,231,200	52,367,480	2.08
2007	24,517,000	52,369,000	2.13
2006	23,792,734	51,544,570	2.20
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

Orders

Certain powers granted to the CFS require a Council-approved board order to be effective. A legislative review of the CFS' governing legislation was completed in August 2011, resulting in the establishment of *The Chicken Marketing Plan Regulations*, a repeal and replacement of the agency's previous regulations. Consequently, all new board orders were required. During the Council's 2011-12 fiscal year, the following CFS board orders were reviewed and approved:

Order No. 49/11: Statistics and Reporting

Effective: Aug. 11, 2011

Describes the specific information required by the Board and the processes through which this information is transferred to the Board from producers, processors, hatcheries, catching crews and any person placing chicks. Also outlined are the penalties for failing to provide the information as prescribed.

Order No. 50/11: Licence Suspension, Cancellation and Reinstatement

Effective: Aug. 11, 2011

The protocol with respect to suspensions, cancellations and reinstatements of producer licences is addressed, including an explanation of when these actions can be taken and the processes to address the implications.

Order No. 51/11: Levies

Effective: Aug. 11, 2011

The levies paid by producers and the method by which the levies are collected is established through this Order.

Order No. 52/11: Minimum Live Price for Chicken

Effective: Aug. 11, 2011

The ability of the Board to set the minimum live price and the requirements for communicating that price to all Saskatchewan licensed producers and processors are established.

Order No. 53/11: Producer Licence

Effective: Aug. 11, 2011

Outlined in this Order is the processes and timelines for obtaining a producer licence, as well as the penalties for not completing licensing requirements on time. Also included are conditions related to the maintenance of a licence.

Order No. 54/11: On-Farm Food Safety Assurance Program

Effective: Aug. 11, 2011

This Order establishes that all licensed producers must be Board-certified under the On-Farm Food Safety Assurance Program and must be annually

recertified by complying with the provisions of annual audits. The process for becoming certified is also outlined for new licensed producers. Penalty options available to the Board with respect to a producer not obtaining their certification, either through an initial or continual certification process, are also presented.

Order No. 55/11: Base Quota Transfers

Effective: Aug. 11, 2011

Order No. 55/11 allows for the transfer of base quota between licensed producers under specific conditions as outlined in the Order and with the approval of the Board. All quota must remain in the province of Saskatchewan.

Order No. 56/11: Processor Registration

Effective: Aug. 11, 2011

Any party that processes in excess of 1.0 million kilograms of live chicken in a calendar year must register with the Board. This Order outlines the registration fee, the timelines and how the Board may deal with late registrations.

Order No. 57/11: Over and Under Production

Effective: Aug. 11, 2011

This Order establishes the production sleeve which allows for a window of over or underproduction within which the producer can operate without the imposition of financial penalties. Outlined are the penalties for producing in excess of or below that production sleeve, the methods for collecting those penalties and the Board's options if those penalties are not paid are outlined.

Order No. 58/11: Base Quota Limits

Effective: Aug. 11, 2011

This Order establishes the maximum quota ownership in the province of Saskatchewan at six per cent of total base quota. Also, the Board conditions under which it may reduce, suspend or cancel a producer's base quota and the options available for dealing with that reduced, suspended or cancelled quota are established.

Order No. 59/11: Base Quota Leasing

Effective: Aug. 11, 2011

Any leasing of base quota between producers requires the approval of the Board. The specifics of the lease application and process are outlined in this Order.

Order No. 60/11: Stand Downs

Effective: Aug. 11, 2011

Producers may request approval to stand down their quota for a period of time which would grant the producer permission to not produce his/her quota for that timeframe. During a stand down period, the requesting producer's base quota would be reallocated to all other licensed producers on a *pro rata* basis for the duration of the stand down.

Order No. 61/11: Communal Group Production Exemption

Effective: Aug. 11, 2011

Through this Order, a communal group (as defined in the Order) is granted the opportunity to produce up to 5,000 chickens during a calendar year without having to purchase quota. Any communal group that produces in excess of the 5,000 chicken limit must pay penalties as outlined in the Order. No communal group can take advantage of this Order in conjunction with the ownership of chicken quota. The annual submission of a complete application to qualify for the exemption must be completed and approved by the Board.

Order No. 62/11: Licence Suspension or Cancellation Criteria with Respect to Animal Cruelty Issues

Effective: Aug. 11, 2011

Taking a stand on animal cruelty, this Order outlines possible acceptable animal cruelty criteria that would allow the Board to suspend or cancel a producer licence. Such criteria include references to the *Criminal Code* and CFIA animal cruelty notifications.

Order No. 63/11: Process for Changing Processors

Effective: Aug. 11, 2011

Any producer wishing to change processors must provide the Board and the involved processors

with a three-production cycle notice before diverting production. This time requirement may be negated if either both processors agree to alternate timelines or the quota being transferred is not produced in the same production unit as the producer's primary production unit. Failing to adhere to this Order may result in the suspension of a producer's licence.

Order No. 64/11: Animal Care Program

Effective: Aug. 11, 2011

This Order requires that prior to Aug. 31, 2013, all licensed producers must be in full compliance with the Chicken Farmers of Canada's Animal Care Program with the exception of the stocking density requirements. On Sept. 1, 2013, all licensed producers must be in full compliance with the program, including the stocking density requirements. This Order goes on to outline penalty options available to the Board. All production units are to be audited for compliance of both the Animal Care Program and the On-Farm Food Safety Assurance Program (Order No. 54/11).

Order No. 65/11: Base Quota Auction Process

Effective: Aug. 11, 2011

All processes required for the auctioning of base quota including the requirement for advertisement, the duration of advertisement, the sale parameters, and the successful bidder selection are outlined in this Order. Net proceeds resulting from the auction of quota resulting from the cancellation of a producer licence shall be transferred to that producer.

Order No. 66/11: Base Quota Allocations

Effective: Aug. 11, 2011

For each production cycle, each licensed producer shall be issued a quota allocation notice identifying the maximum base quota that may be produced by that producer for that specific production period. Temporary production and marketing permits may be issued by the Board in specific quantities for a specific production period for research purposes. Permits do not entitle the permit holders to the allocation of permanent base quota.

Order No. 67/11: Orders Rescinded

Effective: Aug. 11, 2011

All orders established under the repealed regulations (*The Saskatchewan Chicken Marketing Plan, 1978*) are rescinded by this Order.

Order No. 68/11: Quota Reclassification

Effective: Aug. 11, 2011

This Order allows for all shares held in the industry trust funds, the old Saskatchewan Chicken Industry Development Fund (SCIDF) and the Saskatchewan Chicken Industry Investment Fund, to be transferred to the new SCIDF trust fund. New SCIDF was established in the new chicken regulations (*The Chicken Marketing Plan Regulations*) to allow the monies to be more accessible for the current needs of the chicken industry.

Order No. 69/11: Procedures for Electing, Appointing or Removing Members of the Development Fund Committee

Effective: Nov. 15, 2011

The election, appointment and removal procedures for the Development Fund Committee are established in this Order. The procedures followed are identical to those procedures included in *The Chicken Marketing Plan Regulations* for the CFS Board. Also included in this Order is the process by which the current SCIDF members will transition off of the SCIDF Committee as the Development Fund Committee's three producer positions become fully elected by licensed producers.

Saskatchewan Egg Producers

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

Board of Directors - 2011

Bert Harman, Chairperson	Saskatoon
Joseph E. Hofer, Jr., Vice Chairperson	Walsh, AB
Stan Fehr, Appointed Egg Farmers of Canada Director	Hague
Joseph Mandel	Tompkins
Regan Sloboshan	Vanscoy
Ignaz Stadler	Churchbridge
Jim Teichrob	Saskatoon
Joy Smith, General Manager	Regina

Annual Report Review

Fiscal Year End - December 31, 2011

The Saskatchewan Egg Producers (SEP) was successful in completing and submitting the five required reports to the Council for its 2011 fiscal year.

In addition to the required reports of the dollars spent on programs and administration, a review of the chairman and general manager's report, the Egg Farmer's of Canada's Director Report and the payee list was analyzed.

Overall, the SEP met all reporting requirements and the Council had no significant concerns.

Administration and Finance

SEP's system of internal control, legislative compliance and financial statements are 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

In accordance with its regulations and orders, SEP's applied check-off is \$0.075 per dozen eggs marketed. This check-off is mandatory and non-refundable.

	<u>2010</u>	<u>2011</u>
Check-off Revenue	\$8,213,965	\$9,361,613
Less: Egg Farmers of Canada Levy	(6,713,281)	(7,823,018)
Net Check-off	<u>1,500,684</u>	<u>1,538,595</u>
Other Revenue	<u>104,206</u>	<u>64,807</u>
Total Revenue	1,604,890	1,603,402
Total Expenses	<u>1,445,393</u>	<u>1,582,337</u>
Operating Surplus (Deficit) for the Year	<u>\$159,497</u>	<u>\$21,065</u>
Total Assets	<u>\$1,839,738</u>	<u>\$2,626,452</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SEP at the above address.

Production

There were 64 licensed egg producers in 2011. The 2011 table egg production for Saskatchewan was 25.71 million dozen eggs produced by 933,002 layers, an increase of 1.08 per cent.

Year	Number of Layers	Production (million dozen)
2011	933,002	25.71
2010	923,028	24.98
2009	908,812	24.62
2008	901,804	23.67
2007	890,073	23.00
2006	890,960	23.12
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

Orders

Certain powers granted to the SEP require a Council-approved board order to be implemented. During the Council's 2011-12 fiscal year, the following SEP board order was reviewed and approved:

Order No. 55/11: Order Rescinded

Effective: Sept. 27, 2011

This Order rescinds Order No. 43/08 – Animal Care. The rescinding of this Order was precipitated by a potential change in American animal care standards with respect to table egg production. Maintenance of this Order at this time would place undue financial burden on Saskatchewan producers. With the industry's animal care standards in a state of flux, SEP was not comfortable with setting such care standards when changes may require significant financial commitment in the near future.

Saskatchewan Milk Marketing Board

444 McLeod Street
 Regina, SK S4N 4Y1
 Phone: (306) 949-6999
 Fax: (306) 949-2605
 Email: ryan.boughen@saskmilk.ca
 Website: www.saskmilk.ca

Board of Directors - 2010-11

Blaine McLeod, Chairperson	Caronport
Melvin Foth, Vice Chairperson	Hague
David Entz	Pennant
Jack Ford	Wishart
Isaac Klassen	Osler
Juliann Lindenbach	Balgonie
Sheldon Peifer	Nipawin
Jim Ross	Grenfell
Jason Wildeboer	Warman
Ryan Boughen, Chief Executive Officer	Regina

Annual Report Review

Fiscal Year End - July 31, 2011

The Saskatchewan Milk Marketing Board (SaskMilk) was successful in completing and submitting the five required reports to the Council for the agency's 2011 fiscal year.

In addition to the required reports, an analysis of the dollars spent on programs and administration and a review of the chairperson and chief executive officer reports, as well as reports on research, promotion and the Dairy Farmers of Canada, were conducted.

Overall, SaskMilk met all reporting requirements and the Council had no significant concerns.

Administration and Finance

SaskMilk's system of internal control, legislative compliance and financial statements are audited annually by MNP 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 its regulations and orders, SaskMilk collects an administrative levy of \$0.2157 per hectolitre of milk and \$0.0973 per kilogram of butterfat marketed. For SaskMilk's 2010-11 reporting period, the processor was also required to pay the administrative levy as specified above. As of Feb. 1, 2012, the processor is no longer required to submit this levy; this will be reflected in SaskMilk's next annual report submission. Also collected from producers is a promotional levy of \$0.2600 per kilogram of butterfat marketed. These levies are mandatory and non-refundable.

No comparison figures are available since this is SaskMilk's first annual report which summarizes the activities and finances of the operation for its first 10 months of operation.

	<u>2011</u>
Administrative Levy	
Producer Portion	\$407,075
Processor Portion	406,923
Promotional Levy	<u>2,572,516</u>
Total Levies	3,386,514
Milk Sold to Processors	149,295,376
Other Revenue	<u>530,640</u>
Total Revenue	153,212,530
Total Expenses	<u>152,698,605</u>
Operating Surplus (Deficit) for the Year	<u>\$513,925</u>
Total Assets	<u>\$12,507,632</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SaskMilk at the above address.

Production

There were 182 licensed milk producers in 2010-11. Total Saskatchewan milk production was 1,866,876 hectolitres and 7,199,785 kilograms of butterfat.

Year	Milk (hectolitres)	Butterfat (kilograms)
2010-11	1,866,876	7,199,785

Orders

Certain powers granted to the SaskMilk require a Council-approved board order to be effective. During the Council's 2011-12 fiscal year, the following SaskMilk board orders were reviewed and approved:

Order No. 13/12: Levies

Effective: Feb. 15, 2012

With the incorporation of a fluid milk price add-on, the ability to levy the processor is forfeited. Consequently, Order No. 10/10 (Levies) was rewritten to remove the processor levy while retaining the producer levies at the previously agreed-upon amounts. Order No. 10/10 was rescinded and replaced with Order No. 13/12.

Order No. 14/12: Milk Pricing

Effective: Feb. 15, 2012

This Order incorporates into the previous milk pricing order (No. 05/10) a fluid milk price add-on to the processor price of milk. Consequently, Order No. 05/10 has been rescinded.

Saskatchewan Turkey Producers' Marketing Board

1438 Fletcher Road
Saskatoon, SK S7M 5T2
Phone: (306) 931-1050
Fax: (306) 931-2825
Email: saskaturkey@sasktel.net

Board of Directors - 2011

Kevin Pulvermacher, Chairperson	Bruno
Wayne Goodsman, Vice Chairperson	Stalwart
Jelmer Wiersma	Cudworth
Joni Rynsburger	Saskatoon
Todd Clarke	Esterhazy
Rose Olsen, Executive Director	Saskatoon

Annual Report Review Fiscal Year End - Dec. 31, 2011

The Saskatchewan Turkey Producers' Marketing Board (STPMB) was successful in completing and submitting the five required reports to the Council for the agency's 2011 fiscal year.

In addition to the submitted reports, an analysis of the dollars spent on programs and administration and reviews of the marketing and state of the industry reports, payee list and 2012 budget were conducted.

Overall, the STPMB met all reporting requirements and the Council had no significant concerns.

Administration and Finance

STPMB's system of internal control, legislative compliance and financial statements are audited annually by Hergott Duval Stack 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 its regulations and orders, STPMB is funded by a mandatory and non-refundable check-off of \$0.02 per live kilogram marketed. During the 2011 fiscal year, the board collected \$102,875 in check-offs.

	<u>2010</u>	<u>2011</u>
Check-offs	\$120,555	\$122,164
Marketing Fund	31,725	32,148
TFC Levy	101,520	102,875
Other Revenue	<u>14,175</u>	<u>21,133</u>
Total Revenue	267,975	278,320
Total Expenses	<u>264,974</u>	<u>287,455</u>
Operating Surplus (Deficit) for the Year	<u>\$3,001</u>	<u>\$(9,135)</u>
Total Assets	<u>\$353,533</u>	<u>\$348,969</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the STP at the above address.

Production

There were 12 licensed producers in 2011. In 2011, the total production of regulated turkeys in Saskatchewan was 6,431,840 kilograms (live), an increase of 1.38 per cent when compared to 2010 production figures.

Year	Live Weight (kg)
2011	6,431,840
2010	6,344,468
2009	6,360,603
2008	7,483,539
2007	7,023,125
2006	6,405,806
2005	5,760,787
2004	5,676,181
2003	5,870,791
2002	5,649,040
2001	5,876,214

