



SASKATCHEWAN
CATTLEMEN'S ASSOCIATION

Annual Report 2020

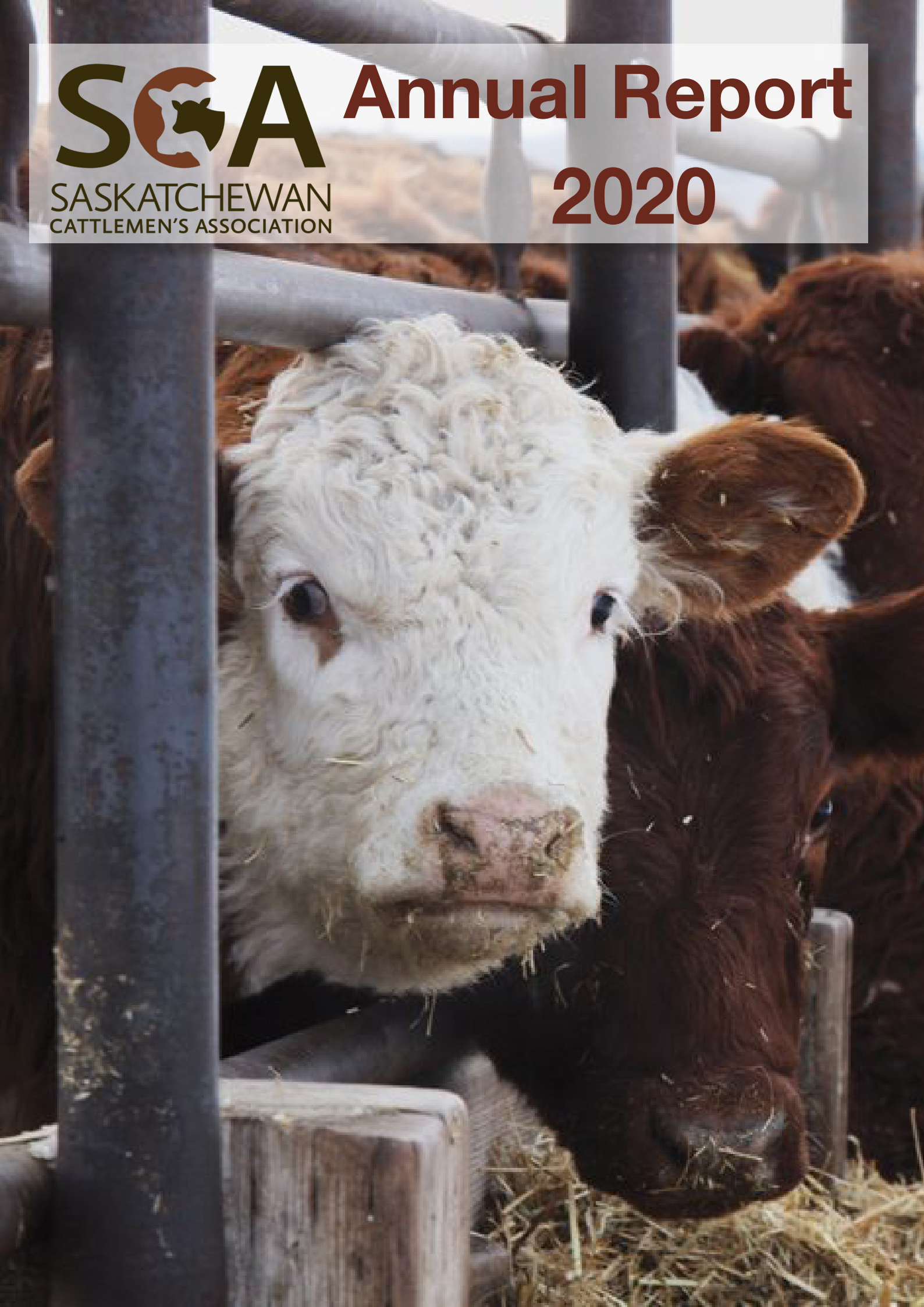


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Mission Statement

To develop and promote the success of all production sectors of the Saskatchewan beef cattle industry through effective representation from all regions of the province.



Corporate Governance

The Saskatchewan Cattlemen's Association is an agency established under the Agri-Food Council, complies with the provisions of the Agri-Food Act 2004, and operates according to the regulations of the Cattle Development Plan

Core Values

Accountable. Committed. Effective.

Core Strategies

We will fund research initiatives and use their results to improve competitiveness and resilience of Saskatchewan cattle production.

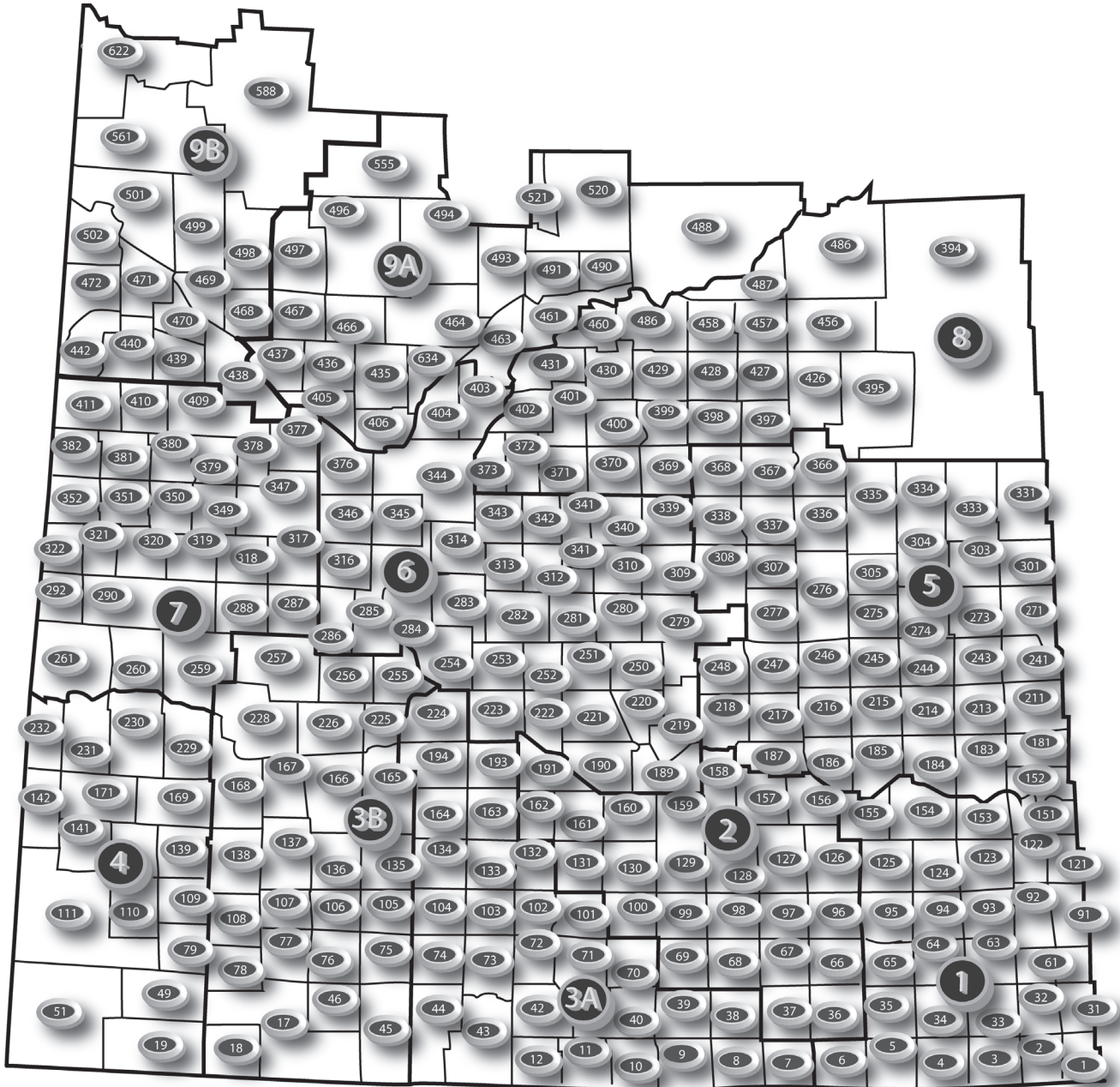
We will advocate and develop policies and programs that improve producer resilience, profitability, skills, and other needs as they arise.

We will target communications to producers that will enhance their operations or the industry and target consumers and the public with messages that support beef consumption and production.

We will develop plans and programs that improve industry resilience.

We will run a professional and transparent organization.

MAP OF DISTRICTS


District 1:

Kyle Hebert
Wawota

District 3B:

Keith Day
Kyle

District 6:

Brent Griffin
Elbow

District 9B:

Dean Moore
Paradise Hill

SCFA

Chad Ross
Brad Welter

District 2:

Leigh Rosengren
Midale

District 4:

Rick Toney
Gull Lake

District 7:

Paula Larson
D'Arcy

District 9A:

Arnold Balicki
Shellbrook

SSGA

Kelcy Elford
Harold Martens

District 3A:

Roger Meyers
Minton

District 5:

Levi Hull
Willowbrook

District 8:

Michael Spratt
Melfort

Past Chair

Ryan Beierbach

COMMITTEE MEMBERS AND REPRESENTATIVES

Audit & Finance

Dean Moore – Chair
Paula Larson
Brad Welter
Harold Martens
*Staff Rep: Ryder/Leann

Communications & Educations

Arnold Balicki – Chair
Kyle Hebert
Levi Hull
Holly Thompson
Sheri Grant
*Staff Rep: Glenn

Executive:

Rick Toney – Chair
Arnold Balicki – Vice Chair
Dean Moore – Finance Chair
Chad Ross – Member at large
Ryan Beierbach – Past Chair
*Staff Rep: Ryder

Governance

Brad Welter-Chair
Roger Meyers
Arnold Balicki
Chad Ross
Kelcy Elford
*Staff Rep: Leann/Ryder

Government Policy & Programs

Harold Martens - Chair
Keith Day
Chad Ross
Paula Larson
Kyle Hebert
*Staff Rep: Christina

Research

Michael Spratt -Co-chair
Ryan Beierbach – Co-chair
Scott Greiner
Roger Meyers
Levi Hull
*Staff Rep: Marianne

CCA Representatives

Pat Hayes
Val Marie
Duane Thompson
Kelliher
Reg Schellenberg
Beechy,
Lynn Grant
Val Marie

SCA Staff

Ryder Lee
CEO

Leann Clifford
Executive Assistant

Christina Patterson-Betker
Policy Manager

Marianne Possberg
Beef Production Specialist

Glenn LaPointe
Communications & Marketing
Lead

Beef Cattle Research Council

Ryan Beierbach
Steve Pylot
Michael Spratt

Canadian Beef Check Off Agency

Chad Ross

YCC

Holly Thompson

Farm & Food Care Sask

Harold Martens

National Cattle Feeders Association

Will Lowe

Livestock Services of Sask

Brad Welter

Prairie Conservation Action Plan

Brent Griffin

Saskatchewan Wildlife Advisory

Keith Day

SODCAP

Keith Day

Verified Beef

Arnold Balicki

Agriculture in the Classroom

Arnold Balicki

Sask Forage Council

Brent Griffin

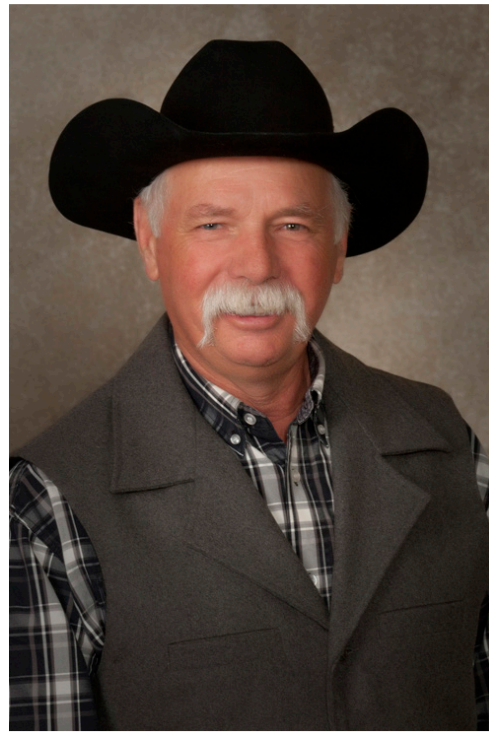
SCA CHAIR'S REPORT

This is my second report like this and it will be my last as chair. I have been involved with SCA since the mid 2000s when the conversation about industry taking on checkoff began. It has been gratifying to see where the industry has come and what SCA has become.

It would be ignoring history to say the formation or early years of SCA were smooth and without acrimony. I think there are still some pockets of discontent with SCA's existence but for the most part one group to manage the checkoff and represent all cattle producers from all over the province is succeeding. When our board meets the diversity of the Saskatchewan cattle industry is reflected and the decisions that group makes serve producers from Meadow Lake to Carievale, from Consul to Hudson Bay.

The SCA is a lean organization from a staff perspective. This allows for funding of external organizations and research at a level that outpaces other organizations like SCA across the country. Details of partnerships, research and sponsorships that SCA is involved in this year and over several years can be found elsewhere in this Annual Report (Pages 38 & 39). I think the board has a good balance of research, public trust, consumer promotion and education and advocacy in the funding decisions it has made over the years. The strategic plan we develop and keep renewing over time has pillars research, advocacy, communication and producer resilience along with running a professional organization. If these priorities don't match up with your expectations, please let me or another board member know.

There are a few specifics that I want to reflect on as I look back on my time with SCA and as chair. The first is Saskatchewan's trespass laws. I can remember bringing this idea up during a meeting at Agribition in 2017. It seemed silly to me and every producer I talked to that the



burden of preventing trespassing rested only on landowners. The amount of signs put up (and removed or ignored) is not something I would want to count. The stories of people damaging fence, crop, grass, even livestock are many and disappointing. The change to requiring permission to be in hand by the people visiting land is a good one. It took a lot of meetings, traveling to other organizations' conferences, discussions and advocating with government to get what we have before the legislature awaiting regulatory finalization. I dearly hope (and expect) that this will be finalized before the election this fall. Many members of the Saskatchewan Party government have put their effort and voiced their support for this change. I don't expect they would let it fall off this close to the finish line.

The three-year timeline of a change like this is instructive. Which brings me to the next thing that I am excited about.

That is the idea of a Saskatchewan science class for our high schools. The SCA board recently

passed policy supporting this idea and we have begun the journey to bringing it to reality. This involves coalition building, fleshing out the idea, development and advocacy. It will take some time to get the support from decision makers and to realize the idea once that support is there. But I believe we have a solid idea that can serve Saskatchewan students, producers, teachers and even the economy. Even with those things going for it I recognize it is making a change. And even positive change has its opponents. Part of the work we have in front of us on this and other files is finding those opponents and seeing what the objection is and how we may be able to address it.

Saskatchewan is home to nearly half the arable farm land in Canada. As such it often gets put forth as a grain province. And no doubt, we grow a lot of crop here. That has meant one of SCA's jobs has been to keep cattle production in focus as important and as an important consideration in program and policy development. I am proud of how Saskatchewan's Ministry of Agriculture and Crop Insurance Corporation have worked with us over the years in developing and improving programs that serve cattle producers. The implementation of the Western Livestock Price Insurance Program is a big deal still. This was an Alberta program that was a competitive issue for Saskatchewan. Its expansion to Manitoba, Saskatchewan and British Columbia helped to keep the impact of the program even across those provinces so producers have the same tools. SCA and others including the Canadian Cattlemen's Association continue to push to make sure this program is here to stay. Saskatchewan has also continually moved forward on programs like predator compensation, forage insurance (including rainfall) and lately coverage for corn. There is still work to be done but SCA's expectation is that programs are not tilted in favour of annual crops, that programs should not decide land use. Progress has been made and I am happy about that. And SCA is taking Saskatchewan's voice beyond our province. I have seen firsthand the value of time spent in Ottawa talking

to MPs and their staff and regulators. The things we take for granted often are not top of mind in Ottawa. We must travel there and get the things we need prioritized recognized and understood. I am also proud to see Saskatchewan producers in leadership positions nationally. Right now board members chair the Beef Cattle Research Council, National Check Off Agency and committees at the Canadian Cattlemen's Association. We have a lot of grain land and we also have about a third of the cow herd in Saskatchewan. It is good that our voice is part of and even leading some of the national conversations.

Finally, it used to be a lot quieter in our industry. Most of our issues we discussed amongst ourselves over the phone or at meetings. Now the discussion is online, rapid fire and it sure seems like a lot of people care about things that affect us. And they have strong opinions about cattle on the land that are not helpful to us or reflective of what we are doing. That is a big chunk of the battle we face going forward. Things like Farm and Food Care, the Canadian Roundtable for Sustainable Beef and Verified Beef Production + all play a part in having a good conversation with the value chain and consumers.

It is a lot of fun and I have learned a lot being involved with SCA. And I will continue as past chair until there is a new past chair. I encourage all producers to be involved in their industry and industry groups. You will help shape the industry and you will bring home learnings that you did not expect. If you have any questions about what is involved, I'd be glad to talk about it or anything else SCA.

Thanks to the board for their support these past couple of years. It is a great group with some promising new members coming on stream. The industry is in good hands.

SCA CEO'S REPORT

Early in 2019 it was dry. Very dry. Cattle were coming to town. There was no feed anywhere. Nobody needs to be reminded about this. Then in mid-June it rained. Just in time for many. Too late for some. And it kept raining. We grew grass, hay and crops. And had a time getting them off. We are in a better moisture position but what a tough harvest of hay and crops. I know there are a lot of tough situations out there for cash flow. There is a lot of variable condition feed. And there is a better moisture situation for much of the province than there was a year ago.

This makes three years of challenging weather. Maybe it just adds three more challenging years to the always challenging weather aspect of our industry.

We have not grown our herd but maybe some people are keeping a few more heifers this winter compared to last. The size of the Saskatchewan herd has for sure been constrained by the lack of May and June rains over the last three years. I hope that pattern can change moving forward.

The moisture situation has made the Forage Rainfall Insurance Program pay out the last couple of years. With increased coverage available this year depending on weighting and coverage purchased there were some significant payouts and record coverage overall. There were some data snags in the program this year that made for some unfortunate situations. That said there is a program there that can help replace feed supplies when the rain does not come. If anyone has questions about the program reach out. SCA's directors and staff and other organizations and I have worked with Saskatchewan Crop Insurance on this program for years and I am always glad to discuss how it works or to hear about experiences with the programs. The same goes for Western Livestock Price Insurance.

The events of the world have a bearing on our industry. We live in a fast news cycle world where anything can become the lead story for



Ryder Lee with John Gormley at Agribition

a long time. This makes things more volatile. Add in a volatile world leader and things get even more interesting. Uncertainty over access to China (had it, lost it, got it back again) was one factor. And this was when China was short a large portion of its hog herd and looking to replace that protein. Uncertainty over trade with the United States (had NAFTA, renegotiated a replacement, uncertain if that would pass or have something like country of origin labeling tacked on at the last minute) may be behind us for a while. Uncertainty over trade with the EU remains. While we have been granted a quota of beef access under our trade agreement, technical barriers to trade exist. Canada needs to get these resolved to see real flows of meat into the EU. Brexit provides some more uncertainty as Great Britain is a big destination for premium Canadian beef. The trade file remains interesting and is a big reason for SCA's support of both the Canadian Cattlemen's Association and National Cattle Feeders. It is also a driving reason to send board members to Ottawa on lobbying fly in days to keep our issues top of mind with decision makers in Ottawa.

African Swine Fever's effects will continue to unfold in 2020. At the same time the demographic realities of an increasing wealth and hunger for protein in very populous parts of the world support protein markets. There are many factors that go into prices here at home but this underlying demand growth is a major reason for my optimism.

Another reason for optimism is the province we live and work in. I believe the trespass law that was proclaimed in early 2019 will come fully into force in 2020. This is a good step to protecting our lands, our animals and the people visiting and those of you taking care of your land. We have a government that is committed to funding agricultural research at a level that is an envy of many other provinces. And SCA puts producer dollars into that mix to show the government that their investment is valued by producers. This is important to keeping government investing in shared priorities such as growing cattle receipts in Saskatchewan.

We have a provincial election coming up this fall. Take the time to talk to candidates in your area. One thing I would like everyone to champion is SCA's idea of a Saskatchewan Science Class in our schools. Agriculture and our other resource based industries (forestry, mining, energy) all rely on amazing science in their production, regulation and delivery. We think this makes a great context for teaching science to today's students.

This kind of class can help build the foundational public trust of our industries. It can also show our teenagers what opportunities there

are for interesting and important STEM (science, technology, engineering and math) based jobs here in Saskatchewan. This kind of class can also help our teachers better understand and convey what goes into the food on our tables and the products that Saskatchewan brings to market every day.

I could go on and on about industry issues and goals. I have a passion for working on these things and whatever the board decides we need to work on for the industry. But a key part of that work needs recognizing and that is the team I work with. I work for a great board. They bring a great variety of knowledge of the different aspects of Saskatchewan cattle production and of their different experiences and challenges. Once they set direction I am lucky to have a strong and dedicated team to work with as we look to achieve outcomes beneficial to all cattle producers in Saskatchewan. If you get a chance to talk to Christina about policy, Marianne about production, Glenn about communications and marketing or Leann about just how she keeps all the mechanics of the association's administration straight it won't take you long to hear the passion. It's a privilege to work with this team and for this board and I look forward to keeping up the fight in all the policy areas that affect Saskatchewan cattle producers.



Ryder Lee at Henry Braun School

RESEARCH REPORT

Each year, the Research Committee and the rest of the SCA Board meet several times to deliver one of the SCA's key strategic plans: to fund research projects that align with research priorities. Over the past three years, 45 projects from 33 different researchers have been funded. The total amount committed by the SCA to support these projects was \$1,663,153, which then generated the leveraged support of \$7,424,557 from groups such as the Saskatchewan Agriculture Development Fund, Agriculture and Agri-Food Canada, and the Natural Sciences and Engineering Research Council of Canada. As a result, for every producer dollar spent on research, funders from all over the country spend approximately four dollars.

As the SCA funds projects, it signals to other funding agencies that these projects are valuable to beef producers. Subsequently, the projects are more likely to be financially supported by funding agencies with greater budgets. Funding agencies such as the Saskatchewan Agriculture Development Fund, which is run through the Saskatchewan Ministry of Agriculture, has also provided a great level of communication with the SCA and other agricultural commodity groups to ensure the views of producers on each project are heard before making a financial decision on all projects related to beef and forage.

In 2018, the SCA Research Committee reviewed 17 projects as part of the fall research proposal intake, then funded 4 projects. Both the Research Committee and the SCA Board evaluated projects based on whether they could fill in knowledge gaps, investigate practical solutions to obstacles common on farms and ranches, provide scientifically accurate results, and include various research backgrounds to truly understand farming and ranching realities, when necessary. All projects were reviewed by

specialists in the industry, and each project was also submitted to several researchers in similar fields to ensure they were not duplicative and had appropriate methodology.

The number of projects funded in the 2018-2019 fiscal year has decreased, as the SCA did not have a research proposal intake in Spring 2019. Instead, the Research Committee has received research proposals through the Agriculture Development Fund intake system. This program allows projects to be viewed not only by the SCA, but other commodity groups which provide funding and insight into research projects. Using this process, the SCA was able to access over 95 research proposals from various researchers throughout Western Canada. More time is also available in this process to deliberate on proposed plans, to ask questions of the researchers, to request these researchers consider changes that will better address the concerns of producers, and to find researchers in the same field to technically evaluate each project. The SCA, in conjunction with the University of Saskatchewan, has also initiated the Beef and Forage Research Forum. The event brings together researchers from various disciplines and backgrounds, and from different institutions across the province. The SCA Research Committee and members of other funding agencies or research groups interested in creating and discussing potential research projects are also invited to the event. The forum was created to ensure that researchers can develop projects that truly benefit producers, while also inviting the ideas and collaboration from other researchers. The Research Committee has intended for it to help them and other funding groups to better understand projects and contribute useful ideas before projects are submitted for funding consideration.

While funding research is important, the outcomes of the research projects are incredibly valuable as well. The results of research funded by the SCA

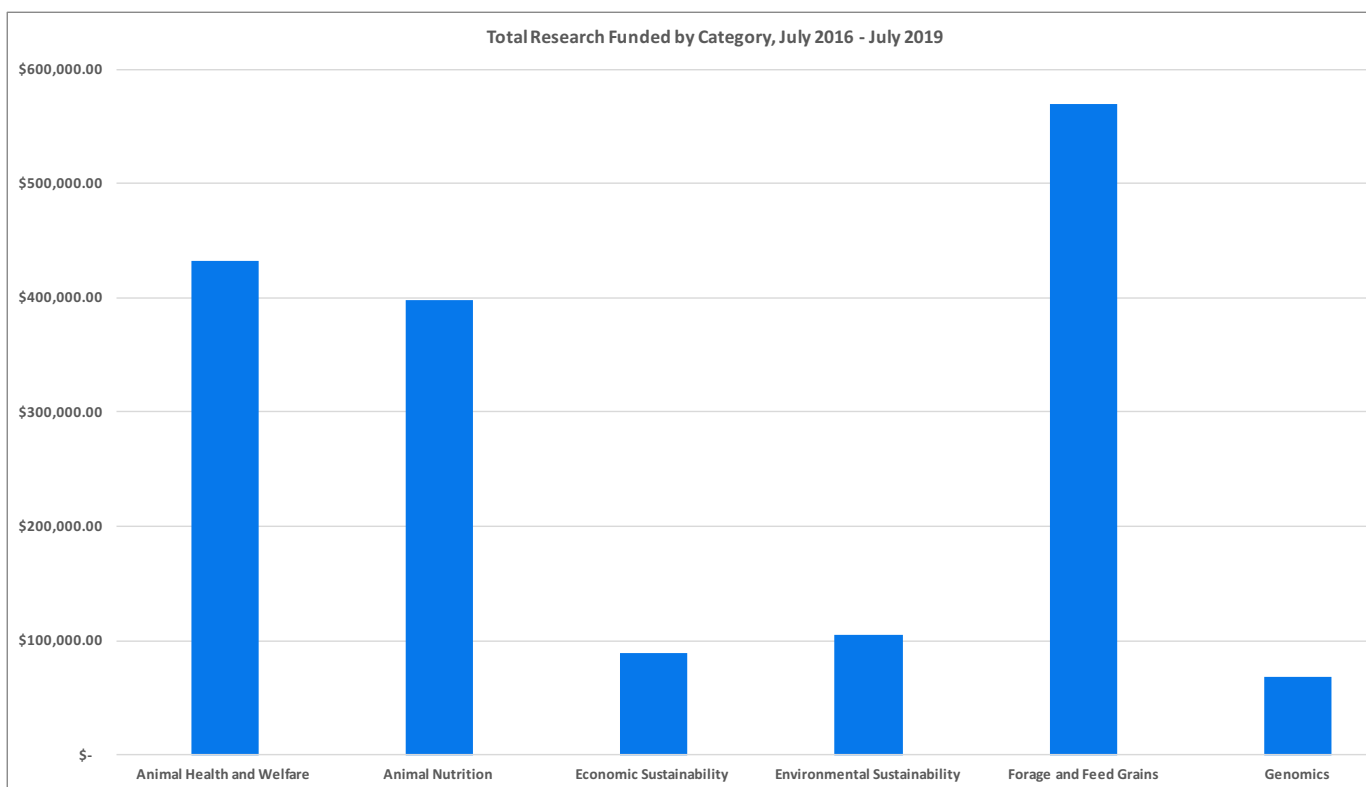
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have been used to create policy, inform researchers, develop and evaluate forage varieties, create vaccinations, understand cattle behavior, mediate manure and other nutrient issues to benefit producers, and ensure high quality feed for cattle producers, among many other topics. The results of these projects have been seen in the Western Producer, Canadian Cattlemen's Magazine, beefresearch.ca, and through the work of Saskatchewan's Regional Specialists, which can be contacted through the Ag Knowledge Centre at 306-694-3727. While the SCA will work to ensure research findings are extended to our producers, we also hope that you use these tools to make the most of your check-off dollars.

Projects Funded in 2018-2019

Total Research Funded by Category, July 2016 – July 2019:

The SCA has six priority research areas. In past years, forage might not have received as much funding. However, as feed and forage is one of the highest costs for producers, this area has received more attention and funding. The SCA hopes that investments in these and other projects can provide more options for producers in future years.

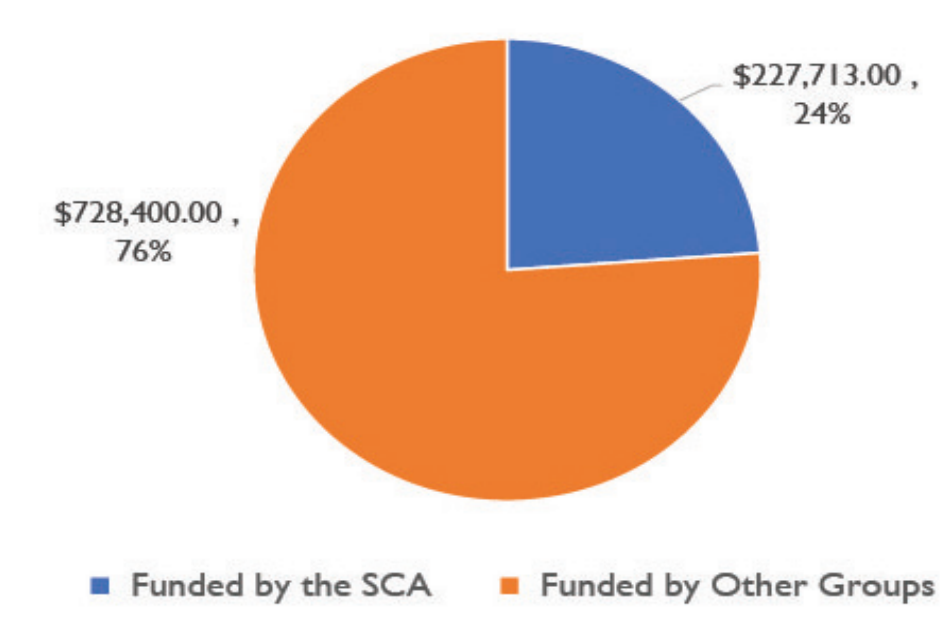


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Leveraging your Check-off:

The SCA does not have enough funding for each project that supports beef and forage producers. By working with other commodity groups and with the provincial and federal government to provide a smaller portion of many projects, the value of producer check-off grows. For each dollar the SCA spent on research in 2018-2019, another funding group will have spent \$3.

Leveraging Your Check-off



RECENT PROJECTS

The use of sensory additives to boost feed intake and immune function of newly arrived feedlot cattle

Diego Moya
\$49,777

Cattle arriving in feedlots are less likely to get sick if they have eaten and become comfortable with their surroundings. Dr. Diego Moya has already started a project that assesses the effects of various flavours on the feed of newly arrived calves into a feedlot. He will measure the effects of this feed on each calves' growth and on their stress levels.

Plant-soil interactions and stand decline in alfalfa: Mechanisms and potential mitigation strategies

Jonathan Bennett
\$55,936

Alfalfa plants suffer from multiple root diseases, reducing productivity and longevity. Dr. Bennett, a new researcher at the University of Saskatchewan, will study alfalfa stands of various ages of polycultures and monocultures, while noting the influences of various soil microbes in these conditions.

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Performance, Environmental and Economic Benefits of BioChar Supplementation in Beef Cattle Grazing Systems

Bart Lardner
\$72,000

Biochar is a form of activated charcoal that has potential to reduce methane emissions in ruminants. It has also been shown to improve manure composition. While biochar has shown early promise, the mechanisms involved are not well understood. This project will determine if, and at what level, biochar reduces the greatest amount of emissions in grazing cattle, while also measuring the performance, dry matter intake, and the economic effect of grazing cows while consuming this additive.

Genomic epidemiology and rapid detection of *Mycobacterium paratuberculosis* infections (Johne's disease) in Saskatchewan cattle

Andrew Cameron
\$50,000

The current tests available for Johne's disease provide false positives, and are not able to detect it until the onset of the disease's symptoms. Detecting the specific pathogen is also a challenge. This study will study the DNA of various Johne's disease strains, and then develop a rapid, accurate, and cost effective diagnostic tool.

AUDITORS REPORT ON COMPLIANCE

To Saskatchewan Cattlemen's Association

We have undertaken a reasonable assurance engagement of the accompanying statement of Saskatchewan Cattlemen's Association's compliance during the period August 1, 2018 to July 31, 2019, with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding of assets, spending, revenue raising, borrowing, and investment activities.

- The Cattle Development Plan Regulations
- The Agri-Food Act, 2004
- The Agri-Food Regulations, 2004

Management's Responsibility

Management is responsible for measuring and evaluating Saskatchewan Cattlemen's Association's compliance with the specified requirements of the agreements and for preparing Saskatchewan Cattlemen's Association's statement of compliance. Management is also responsible for such internal control as management determines necessary to enable Saskatchewan Cattlemen's Association's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on management's statement based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3530, Attestation Engagements to Report on Compliance. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether management's statement is fairly stated, in all material respects. Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material instance of non-compliance with specified requirements when it exists. Instances of noncompliance can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about management's statement of the entity's compliance with specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatement of management's statement, whether due to fraud or error, and involves obtaining evidence about management's statement.

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We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion. Information relevant to Saskatchewan Cattlemen's Association's compliance with the specified requirements set out in the agreements is set out in management's statement of compliance.

Our Independence and Quality Control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The firm applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

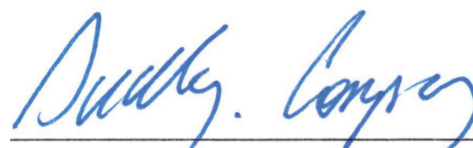
Opinion

In our opinion, management's statement that Saskatchewan Cattlemen's Association's complied with the specified requirements established in The Cattle Development Plan Regulations, The Agri-Food Act, and The Agri-Food Regulations during the period August 1, 2018 to July 31, 2019, is fairly stated, in all material respects. We do not provide a legal opinion on Saskatchewan Cattlemen's Association's compliance with the specified requirements.

Purpose of Statement

Management's statement of compliance has been prepared to report to The Cattle Development Plan Regulations, The Agri-Food Act, and The Agri-Food Regulations on Saskatchewan Cattlemen's Association's compliance with the specified requirements established in the agreements. As a result, management's statement of compliance may not be suitable for another purpose.

Regina, Saskatchewan
December 30, 2019



Dudley & Company LLP
Chartered Professional Accountants

AUDITED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Cattlemen's Association,

Opinion

We have audited the financial statements of Saskatchewan Cattlemen's Association (the Organization), which comprise the statement of financial position as at July 31, 2019, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at July 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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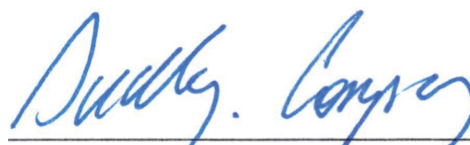
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan
December 30, 2019



Dudley & Company LLP
Chartered Professional Accountants

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Statement of Financial Position

July 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	\$ 2,418,492	\$ 2,336,691
Current investments (Note 4)	4,423,890	4,092,999
Accounts receivable	605,991	624,413
Prepaid expenses	61,704	65,313
	<u>7,510,077</u>	<u>7,119,416</u>
TANGIBLE CAPITAL ASSETS (Note 6)	3,001	3,899
LONG TERM INVESTMENTS (Note 4)	717,411	622,752
	<u>\$ 8,230,489</u>	<u>\$ 7,746,067</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 505,831	\$ 407,905
Goods and services tax payable	27,143	4,250
Payroll deductions payable	14,176	14,596
Accrued SBIDF commitments	46,411	61,156
	<u>593,561</u>	<u>487,907</u>
NET ASSETS	<u>7,636,928</u>	<u>7,258,160</u>
	<u>\$ 8,230,489</u>	<u>\$ 7,746,067</u>

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Statement of Revenues and Expenses

Year Ended July 31, 2019

	2019	2018
Revenues		
Check-off revenue	\$ 5,736,204	\$ 4,050,382
Interest and investment income	239,713	54,064
Communications revenue	12,206	61,359
Federal projects	-	4,018,134
Gains/losses on investments	31,828	386,515
	<u>6,019,951</u>	<u>8,570,454</u>
EXPENSES		
Administration (Schedule 1)	146,760	141,351
Board (Schedule 1)	206,958	221,854
CEO expenses (Schedule 1)	18,069	18,359
Committee expenses (Schedule 1)	3,024	2,109
Communications (Schedule 1)	160,466	183,888
Industry Development fund (Schedule 1)	795,528	4,860,618
National Policy & Trade Advocacy (Schedule 2)	3,788,932	1,961,400
Staff expenses (Schedule 2)	32,189	32,020
Salaries and benefits	489,257	458,281
	<u>5,641,183</u>	<u>7,879,880</u>
Excess of Revenues over Expenses	<u>\$ 378,768</u>	<u>\$ 690,574</u>

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Statement of Changes in Net Assets

Year Ended July 31, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 7,258,160	\$ 6,567,586
EXCESS OF REVENUES OVER EXPENSES	<u>378,768</u>	<u>690,574</u>
NET ASSETS - END OF YEAR	<u>\$ 7,636,928</u>	<u>\$ 7,258,160</u>

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Statement of Cash Flows

Year Ended July 31, 2019

	2019	2018
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Cash receipts from customers	\$ 5,766,832	\$ 8,660,511
Cash paid to suppliers and employees	(5,529,467)	(7,548,407)
Interest and investment income	239,713	54,064
Cash Flows From (For) Operating Activities	<u>477,078</u>	<u>1,166,168</u>
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,554)	(1,256)
Investment cash equivalents	(252,682)	(66,980)
Purchase of investments	(1,227,391)	(1,918,592)
Disposal of investments	1,086,350	1,926,136
Cash Flows From (For) Investing Activities	<u>(395,277)</u>	<u>(60,692)</u>
INCREASE IN CASH FLOWS	81,801	1,105,476
Cash - beginning of year	<u>2,336,691</u>	<u>1,231,215</u>
CASH - END OF YEAR (Note 3)	<u>\$ 2,418,492</u>	<u>\$ 2,336,691</u>

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Notes to Financial Statements
Year Ended July 31, 2019

1. NATURE OF OPERATIONS

Saskatchewan Cattlemen's Association was established under the authority of The Agri-Food Act, 2004 and operates according to The Cattle Development Plan Regulations. The purpose of SCA is to promote the well being of all production sectors of the Saskatchewan beef cattle industry through effective representation from all regions of the province. SCA is exempt from income taxes as a nonprofit entity under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for notfor-profit organizations (ASNFPO).

Revenue recognition

Saskatchewan Cattlemen's Association follows the deferral method of accounting for contributions. Revenue from check-off fees is recognized when received or receivable. Investment income includes interest, realized and unrealized gains and losses on investments. Revenue from investments and other income is recognized on an accrual basis as it is earned.

Financial instruments

a) Measurement of financial instruments - The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, accounts receivable and fixed income investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Financial assets measured at fair value include investments in equity and other securities. The fair values of investments in equity and other securities are determined by reference to the latest closing transactional net asset value of each respective security.

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Notes to Financial Statements

Year Ended July 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Impairment - At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the organization, including but not limited to the following events: significant financial difficulty of the issuer; delinquency in payments; or bankruptcy. When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. If identified, the organization reduces the carrying amount of the asset to the present value of cash flows expected to be received. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as a bad debt in the statement of operations. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statement of operations in the period the reversal occurs.

c) Transaction costs - Investment management fees are expensed as incurred.

Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the capital asset exceeds its fair value.

Capital assets are recorded at cost. Amortization is provided for on the straight-line basis at rates which are estimated to amortize the costs over the useful lives of the assets. The useful lives of the assets are estimated at the following annual rates:

Office furniture and equipment	5 years
Computer equipment	3 years

Management estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Significant estimates include those used when accounting for amortization and the impairment of financial assets, as well as the estimate of accounts receivable. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

(Continued from previous page)

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Notes to Financial Statements
Year Ended July 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash equivalents

Highly liquid investments with maturities of six months or less at end of year are classified as cash equivalents.

Check-off revenue

On August 4, 2010 the Saskatchewan Cattlemen's Association became responsible for the administration of the cattle levy of Saskatchewan. Historically the Saskatchewan Ministry of Agriculture had administered the collection of the levy and the Cattle Marketing Deductions Fund. As of April 1, 2018, a \$4.50 levy on all cattle marketed in Saskatchewan is collected and consists of a \$2 refundable provincial levy and a \$2.50 non-refundable national levy.

3. CASH AND CASH EQUIVALENTS

	2019	2018
Chequing - Affinity	\$ 49,975	\$ 113,858
Credit union membership share	5	5
Chequing - Scotiabank	62,891	
Restricted - Scotiabank	1,072,704	
Restricted - Affinity	691,352	1,436,990
Projects account	16	16
Investment cash equivalents	523,075	775,757
Investment cash account	18,474	10,065
	<u>\$ 2,418,492</u>	<u>\$ 2,336,691</u>

The investment cash equivalents are made up of highly liquid investments and GIC's which are due in the next 6 months.

	2019	2018
4. INVESTMENTS		
Current investments	<u>\$ 4,423,890</u>	<u>\$ 4,092,999</u>
Long term investments	<u>\$ 717,411</u>	<u>\$ 622,752</u>

Investments maturing within 12 months from the year-end date, as well as equities held for trade are classified as current.

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks on an annual basis. The following analysis provides information about the organization's risk exposure and concentration as of July 31, 2019:

(Continued from previous page)

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Notes to Financial Statements

Year Ended July 31, 2019

5. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk arises from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the association could incur a financial loss. The organization is exposed to credit risk from its producers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of producers which minimizes concentration of credit risk.

The maximum exposure of the organization to credit risk is represented by the balance as shown on the balance sheet for cash and cash equivalents and accounts receivable.

Cash and cash equivalents and investments: Credit risk associated with cash and fixed income investments is minimized substantially by ensuring that these assets are invested in major financial institutions.

Accounts receivable: Credit risk associated with trade accounts receivable is minimized by the organization's diverse producer base. The organization monitors the amount of credit extended when deemed necessary. Management assesses annually whether potential credit losses should be recognized based on existing factors.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet a demand for cash or fund its obligations as they come due. The organization is exposed to this risk on its accounts payable and accrued liabilities.

The organization meets its liquidity requirements by monitoring cash flows from operations and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

The organization is exposed to market risk on its cash and cash equivalents and investments.

(Continued from previous page)

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Notes to Financial Statements

Year Ended July 31, 2019

5. FINANCIAL INSTRUMENTS (continued)

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The organization holds a small portfolio of equity investments in foreign currencies and therefore is exposed to this risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities.

The exposure of the organization to interest rate risk arises from its interest bearing assets. Cash and cash equivalents includes amounts on deposit with financial institutions that earn interest at market rates.

The organization manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis.

The primary objective of the organization with respect to its fixed income investments is to ensure the security of principal amounts invested, provide for a high degree of liquidity and achieve a satisfactory investment return.

The organization manages the interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms to maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instruments or its issuer or factors affecting all similar instruments traded in the market.

The organization is exposed to other price risk because of its investment in equity securities. There have been no changes in the organization's risk exposures from the prior year.

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Notes to Financial Statements

Year Ended July 31, 2019

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumilated amortization	2019 Net book value
Computer equipment	\$ 17,926	15,300	\$ 2,626
Office furniture and equipment	12,327	11,952	375
	<u>\$ 30,253</u>	<u>27,252</u>	<u>3,001</u>

	Cost	Accumilated amortization	2018 Net book value
Computer equipment	\$ 16,372	13,098	\$ 3,274
Office furniture and equipment	12,327	11,702	625
	<u>\$ 28,699</u>	<u>24,800</u>	<u>3,899</u>

7. COMMITMENTS

Office lease

A five year, one month lease agreement for the term of June 1, 2015 to June 30, 2020, was entered into for office space in Regina, Saskatchewan. The future minimum lease payments over the next five years including operating cost at \$8 per square foot are as follows:

2020	<u>\$ 43,912</u>
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Funding projects

The Saskatchewan Cattlemen's Association Investment Development Fund funds multiple research projects that take more than one year to complete. See Schedule 3 of these financial statements for a breakdown of the funds committed for future years.

8. BOARD LEVIES

	2019	2018
Check-off revenue	\$ 5,736,206	\$ 4,050,382
National check-off agency	(3,091,336)	(1,357,940)
Levy refund	(44,540)	(58,244)
	<u>\$ 2,600,330</u>	<u>\$ 2,634,198</u>

A \$4.50 levy on all cattle marketed in Saskatchewan is collected and consists of a \$2 refundable provincial levy and a \$2.50 non-refundable national levy. The non-refundable national levy increased from \$1 / head of cattle to \$2.50/head of cattle on April 1, 2018.

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Expenses by Fund
(Schedule I)
Year Ended July 31, 2019

	2019	2018
Administration		
Amortization	\$ 2,452	\$ 2,213
Accounting services	12,402	7,420
Bank charges and interest	1,981	293
Contract work	1,905	4,604
Insurance	1,660	484
Investment advisory fees	43,103	41,612
IT support	6,771	8,875
Office rent	50,273	55,578
Office supplies	2,976	3,633
Photocopying	4,121	4,623
Postage and courier	10,457	5,310
Professional development	756	-
Telephone	7,903	6,706
Administration total	<u>\$ 146,760</u>	<u>\$ 141,351</u>
Board		
Accommodations	\$ 34,883	\$ 26,122
Conference calls	324	1,885
Facility rental	1,768	960
Meals	10,058	12,442
Business cards	118	245
Registration fees	7,908	4,725
Travel	64,088	67,352
Per diems	87,811	108,123
Board total	<u>\$ 206,958</u>	<u>\$ 221,854</u>
CEO Expenses		
Industry meeting meals	\$ 1,276	\$ 520
Accommodations	4,568	3,966
Meals	1,151	1,094
Registrations	1,670	2,355
Travel	9,404	10,424
CEO Expenses total	<u>\$ 18,069</u>	<u>\$ 18,359</u>
Committee		
Animal health	\$ -	\$ 470
Research	2,882	1,621
Communications	142	18
Committee total	<u>\$ 3,024</u>	<u>\$ 2,109</u>

(Continued from previous page)

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Expenses by Fund

(Schedule I)

Year Ended July 31, 2019

	2019	2018
Communications		
AGM facilities	\$ 5,395	\$ 8,872
Producer meetings	34,941	25,284
Fees, memberships, and subscriptions	1,400	1,536
Publication	25,189	46,106
Promotion and marketing	21,034	18,010
Promotional events	23,930	15,299
Advertising	44,746	62,695
Trade show	3,831	6,086
Communications total	<u>\$ 160,466</u>	<u>\$ 183,888</u>
Industry Development Fund		
External memberships	\$ 122,989	\$ 122,635
Projects	31,648	194,084
Federal projects	-	3,966,908
Levy refund	44,540	58,244
SCAIDF funding	552,088	501,896
Sponsorships	18,003	6,611
Board initiatives	26,260	10,240
Industry Development Fund total	<u>795,528</u>	<u>4,860,618</u>

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Expenses by Fund (Schedule 2) Year Ended July 31, 2019

	2019	2018
National Policy and Trade Advocacy Programs		
Canadian Cattlemen's Association	\$ 630,254	\$ 552,679
National check-off agency	3,091,336	1,357,940
Legal assessments	<u>67,342</u>	<u>50,781</u>
National Policy and Trade Advocacy Programs total	<u>\$ 3,788,932</u>	<u>\$ 1,961,400</u>
Staff expenses		
Accommodations	\$ 7,987	\$ 10,708
Meals	3,177	2,900
Registrations	6,037	4,242
Travel	<u>14,988</u>	<u>14,170</u>
Staff expenses total	<u>\$ 32,189</u>	<u>32,020</u>

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Industry Development Activities Committed for Future Years

Year Ended July 31, 2019

(Schedule 3)

	2020	2021	2022	2023	Total
University of Saskatchewan					
Selection of clonal propagated alfalfa and sainfoin plants under grass or legume competition	\$ 6,900	\$ 6,900	\$ -	\$ -	\$ 13,800
Pen surface soil performance of various soils during the first two cycles of cattle at a feedlot in Saskatchewan	14,374	-	-	-	14,374
Improved manure utilization methods for feedlots in Saskatchewan	5,374	14,220	-	-	19,567
Solute and moisture fluxes below small watersheds amended with feedlot manure	3,833	4,025	4,408	-	12,266
Evaluating long term benefits of genomic selection programs in beef cattle breeding programs	8,000	-	-	-	8,000
Evaluating steam-flaking of barley to improve feed efficiency for finishing beef cattle	55,000	-	-	-	55,000
Fungal Suppression as a means to increase range health following leafy spurge invasion	8,855	-	-	-	8,855
Evaluation of forage Galega as a new forage legume in pure and grass-legume mixed stands in Saskatchewan	11,500	11,500	-	-	23,000
Alternative trace mineral supplementation strategies for improved cow performance	10,000	10,000	10,000	-	30,000
Enhanced vaccine adjuvant platform for nasal administration in livestock	15,000	20,000	-	-	35,000
The forage-efficient beef cow: Investigation into the underlying physiology	15,000	15,000	-	-	30,000
Use of high-moisture corn products for finishing cattle and the corn stover for extensive grazing	51,750	51,750	-	-	103,500

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Industry Development Activities Committed for Future Years

(Continued)

(Schedule 3)

Year Ended July 31, 2019

	2020	2021	2022	2023	Total
University of Saskatchewan (continued)					
Butyrate as a novel functional ingredient for feedlot cattle	22,162	12,338	-	-	34,500
Proof of concept study for the delivery of a respiratory probiotic to feedlot cattle via the feed	36,783	-	-	-	36,783
Enhancing seed and biomass production and drought tolerance of plains fescue using novel seed treatments	11,500	11,500	-	-	23,000
Comparison of immune respiratory disease sparing effect of homologous and heterologous vaccine programs in neonatal calves	17,250	-	-	-	17,250
An interactive tool to inform Johne's disease in beef herds	4,888	-	-	-	4,888
Plant-soil interactions and stand decline alfalfa: Mechanisms and potential mitigation strategies	18,276	5,158	-	-	23,834
The use of sensory additives to boost feed intake and immune function of newly arrived feedlot cattle	49,777	-	-	-	49,777
Performance, environmental and economic benefits of BioChar supplementation in beef cattle	24,000	24,000	24,000	-	72,000
University of Saskatchewan Total:	390,595	186,391	34,408	-	615,394

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Industry Development Activities Committed for Future Years

(Continued)

(Schedule 3)

Year Ended July 31, 2019

	2020	2021	2022	2023	Total
Western Beef Development Centre Total	5,000	-	-	-	5,000
Agriculture & Agri-food					
Development of best management practices for residue and fertility management of annual polycultures	15,000	15,000	-	-	30,000
Improving lipid content in vegetative tissue to increase the nutritive value of herbaceous legume forages	24,900	-	-	-	24,900
Agriculture & Agri-food Total	39,900	15,000	-	-	54,900
Other Organizations					
4-H Saskatchewan - Saskatchewan Beef Symposium	10,000	-	-	-	10,000
Beef Cattle Research Council - Increasing the yield threshold and enhancing the ideotype and nutritive value of barley cultivars for feed and forage in Western Canada	15,000	15,000	15,000	-	45,000
VIDO - Development of a novel vaccine for protection against Mycoplasma bovis infections in feedlot cattle	49,968	49,968	-	-	99,936
Saskatchewan Cattle Feeders Association - 2019 Western Canada Feedlot Management School	20,000	-	-	-	20,000
Canadian Western Agribition	55,000	-	-	-	55,000
Field Crop Development Centre - Barley Forage Coop at Melfort	8,625	8,625	-	-	17,250
Saskatchewan Stock Growers Association - Sponsorsip	37,455	-	-	-	37,455
Alberta Agriculture and Forestry - Simple strategies to reduce impacts of ergot alkaloids on beef cattle	10,823	10,823	2,000	-	23,646
Saskatchewan Forage Council - Saskatchewan forage variety demonstration trials	2,500	2,500	-	-	5,000
Prairie Conservation Action Plan Saskatchewan	22,000	-	-	-	22,000
Verified Beef Production & Delivery	24,000	24,000	24,000	-	72,000
South of Divide Conservation Action Plan	25,000	25,000	25,000	25,000	100,000
Saskatchewan Forage Council	50,000	-	-	-	50,000
Other Organizations Total	330,371	135,916	104,408	25,000	1,232,581

Many of the research projects funded by the SCAIDF fund take more than one year to complete. Funds for the subsequent years of a multiperiod project are not advanced unless satisfactory progress is demonstrated in the prior year. If there is satisfactory progress in all of the projects currently in progress, the SCAIDF is committed to the above future expenditures.

PAYEE REPORT

Personal Services	Per Diem	Expenses	Total
Arnold Balicki	\$10,925	\$12,145.75	\$23,070.75
Brad Welter	\$2,070	\$2,320.61	\$4,391.00
Brent Griffin	\$230	\$768.20	\$998.20
Chad Ross	\$2,194	\$3,031.01	\$5,225.00
Dean Moore	\$2,760	\$4,062.11	\$6,822.00
Duane Thompson	\$3,220	0	\$3,220.00
Garrett Hill	\$2,530	\$1,878.76	\$4,409.00
Harold Martens	\$6,440	\$7,946.22	\$14,386.00
Kelcy Elford	\$1,380	\$799.00	\$2,179.00
Kyle Hebert	\$2,665	\$3,945.91	\$6,611.00
Joe Jackson	\$1,150	\$2,514.12	\$3,664.00
Keith Day	\$4,025	\$4,303.66	\$8,329.00
Levi Hull	\$1,610	\$3,516.17	\$5,126.00
Lloyd Thompson	\$1,610	\$2,849.74	\$4,460.00
Lynn Grant	\$2,300	0	\$2,300.00
Michael Spratt	\$5,865	\$2,775.84	\$8,641.00
Pat Hayes	\$2,070	0	\$2,070.00
Paula Larson	\$2,645	\$5,029.06	\$7,674.00
Reg Schellenberg	\$7,820	0	\$7,820.00
Rick Toney	\$9,000	\$13,905.81	\$22,906.00
Roger Meyers	\$3,910	\$5,137.30	\$9,047.00
Ryan Beierbach	\$11,385	\$10,151.49	\$21,536.00
Total	\$87,804	\$72,641.40	\$144,778.95

External Memberships (Threshold \$10,000)		Industry Development (Threshold \$10,000)	
Ag in the Classroom	\$50,000.00	Agriculture & Agri-Food Canada	\$48,776.00
Farm & Food Care	\$20,000.00	Canadian Western Agribition	\$50,000.00
National Cattle Feeders	\$50,000.00	Farm & Food Care- Outreach	\$30,000.00
Total	120,000.00	Livestock Marketers	\$30,000.00
		Sask Forage	\$50,000.00
		SOD Conservation	\$10,000.00
National Activities (Threshold \$10,000)		U of S - evaluating steam-flaking barley	\$11,000.00
CCA - legal	\$50,000.00	U of S - enhancing seed & biomass prod	\$11,500.00
CCA - operations	\$449,655.00	U of Calgary - Use of bacteriophage	\$45,773.50
National Check Off	\$3,091,335.64	Sask CattleFeeders - Feedlot School	\$15,000.00
Total	\$3,590,991.00	Sask Stock Growers - Education	\$37,455.00
		U of S - enhanced vaccine	\$15,000.00
Vendor Payments (Threshold \$10,000)		U of S - fungal suppression	\$27,708.00
101061888 Saskatchewan - Office Rent	\$50,273.30	U of S - Plant soil interactions	\$32,102.00
National Bank Investment Mgmt fees	\$43,102.82	U of S- the economics of forage	\$27,600.00
Total	\$93,376.12	U of R - Dugout management	\$22,441.00
		Total	\$464,355.50

SCA BUDGET APPROVED JULY 2019

	Actual 18-19	Budget 18-19	Budget 19-20
Ordinary Income/Expense			
Income			
Check-off Revenue	\$5,736,204	\$4,950,000	\$5,400,000
Partnership Revenue	\$12,206	\$40,000	\$25,000
Interest and Investment Income	\$271,541	\$174,500	\$237,000
Total Income:	<u>\$6,019,951</u>	<u>\$5,164,500</u>	<u>\$5,662,000</u>
Expense			
Administration (Levy Collection (refunds) & office)			
Amortization	\$2,452		
Advertising	\$ -	\$ -	\$100
Accounting Services	\$12,402	\$7,500	\$8,000
Bank Charges & Interest	\$1,981	\$300	\$700
Contract Work	\$1,905	\$10,000	\$10,000
Insurance	\$1,660	\$2,000	\$2,000
Investment advisory fees	\$43,103	\$41,600	\$45,000
IT Support	\$6,771	\$5,000	\$5,000
Legal	\$ -	\$6,000	\$6,000
Office Rent	\$50,273	\$52,000	\$55,000
Office Supplies	\$2,976	\$4,000	\$4,000
Photocopying	\$4,121	\$5,000	\$4,000
Levy Refund Expense	\$44,540	\$75,000	\$80,000
Postage & Courier	\$10,457	\$5,000	\$4,000
Professional Development	\$756	\$ -	\$4,000
Telephone	\$7,903	\$7,000	\$7,000
Administration Expenses - Other	\$ -	\$ -	\$100
Total Administration Expenses	<u>\$191,300</u>	<u>\$220,400</u>	<u>\$234,900</u>
Board Expenses - Right people...			
Accommodations	\$34,883	\$30,000	\$31,000
Conference Calls	\$324	\$2,000	\$500
Facility Rental	\$1,768	\$1,000	\$1,400
Meals	\$10,058	\$12,000	\$11,000
Other (Business cards, buckles)	\$118	\$1,000	\$1,000
Registration Fees	\$7,908	\$5,000	\$5,000
Travel	\$64,088	\$65,000	\$60,000
Total Board Expenses	<u>\$119,147</u>	<u>\$116,000</u>	<u>\$109,900</u>
CEO Expenses - Right people...			
Accommodations	\$4,568	\$4,500	\$4,000
Industry meetings	\$1,276	\$1,000	\$1,400
Meals	\$1,151	\$1,100	\$1,100
Other- Registrations etc	\$1,670	\$2,500	\$2,000
Travel	\$9,404	\$10,500	\$10,000
Total CEO Expenses	<u>\$18,069</u>	<u>\$19,600</u>	<u>\$18,500</u>
Committee expenses - Right people...			
Executive	\$ -	\$700	\$500
Animal Health	\$ -	\$700	\$200
Audit and Finance	\$ -	\$700	\$200
Research	\$2,882	\$2,000	\$3,000
Communications	\$142	\$700	\$500
Total Committee expenses	<u>\$3,024</u>	<u>\$4,800</u>	<u>\$4,400</u>

SCA BUDGET APPROVED JULY 2019

(Continued from previous page)

	Actual 18-19	Budget 18-19	Budget 19-20
Communication Expenses			
AGM Facilities	\$5,395	\$9,000	\$7,000
Contracted Services	\$ -	\$ -	\$15,000
Producer Meetings	\$34,941	\$27,500	\$30,000
Fees Memberships Subscriptions	\$1,400	\$1,500	\$1,500
Publication	\$25,189	\$50,000	\$40,000
Promotion and Marketing	\$21,034	\$20,000	\$45,000
Promotional Events	\$23,930	\$14,000	\$25,000
Advertising	\$44,746	\$75,000	\$100,000
Trade Show	\$3,831	\$7,500	\$20,000
Total · Communication Expenses	\$160,466	\$204,500	\$283,500

Industry Development Fund - Research, sponsorships, partnerships, programs

External Memberships	\$70,489	\$87,500	\$87,500
Projects	\$31,648	\$50,000	\$50,000
Levy Remitters Fees	\$56,887	\$50,000	\$60,000
SCAIDF Funding Expense	\$552,088	\$500,000	\$425,000
Verified Beef Production Plus	\$ -	\$ -	\$75,000
Sponsorship	\$18,003	\$16,000	\$20,000
Board Initiatives	\$26,260	\$20,000	\$15,000
Total - Industry Development Fund	\$755,375	\$723,500	\$732,500

Natl Policy & Trade Advocacy

CCA - Operations	\$630,254	\$599,540	\$722,399
CCA - Legal	\$67,342	\$50,000	\$50,000
National Cattle Feeders	\$52,500	\$52,500	\$52,500
Natl Check-off Agency - Research, Marketing	\$3,091,336	\$2,750,000	\$3,000,000
Total · National Contributions	\$3,841,432	\$3,452,040	\$3,824,899

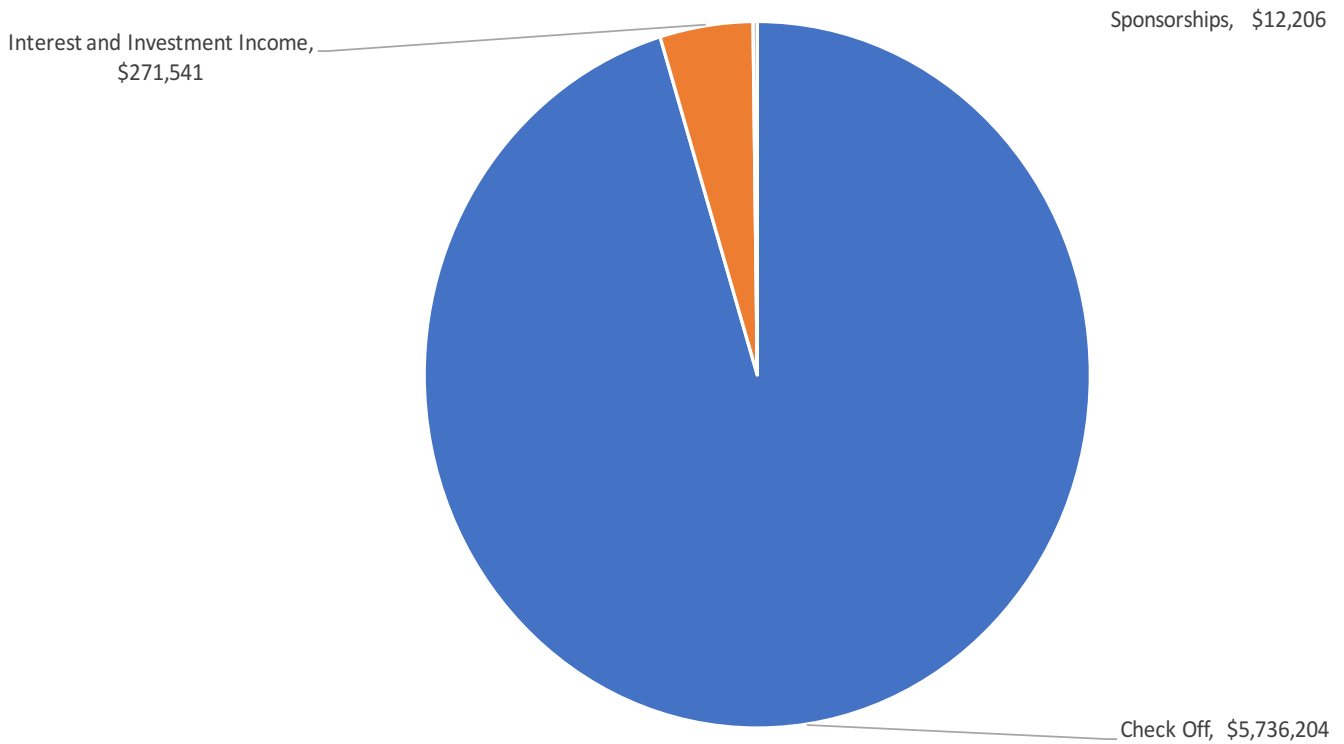
Staff Expenses - Right people...

Accommodations	\$7,987	\$11,000	\$10,000
Meals	\$3,177	\$3,300	\$3,000
Other - Registrations, ect	\$6,037	\$4,000	\$4,000
Travel	\$14,988	\$14,000	\$14,000
Total · Staff Expenses	\$32,189	\$32,300	\$31,000

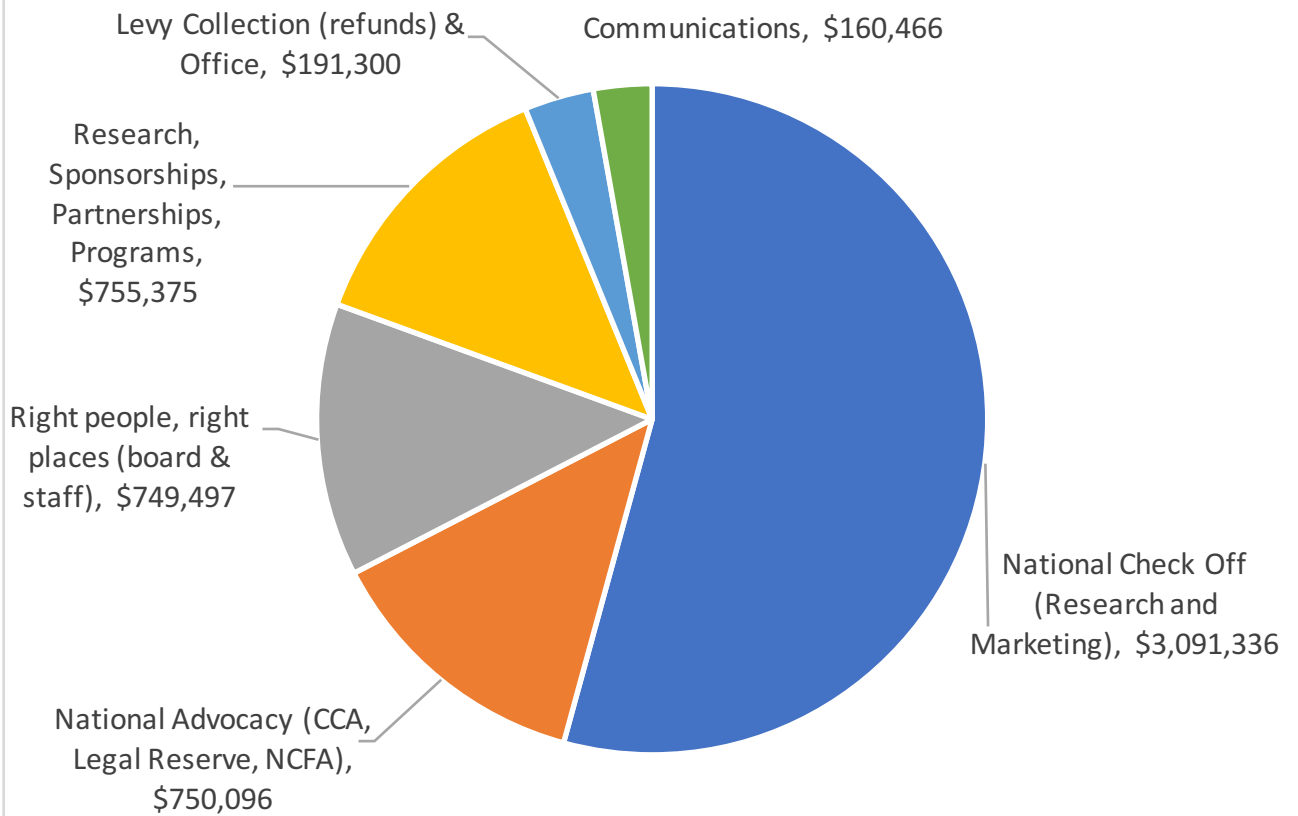
Salaries & Benefit Expenses - Right people...

Per Diems	\$87,811	\$100,000	\$100,000
Salaries & Benefit Expenses	\$489,257	\$467,500	\$483,500
Total · Salaries & Benefit Expenses	\$577,068	\$567,500	\$583,500
Total Expense:	\$5,698,070	\$5,340,640	\$5,823,099
End of Year Balance	\$321,881	\$(176,140)	\$(161,099)

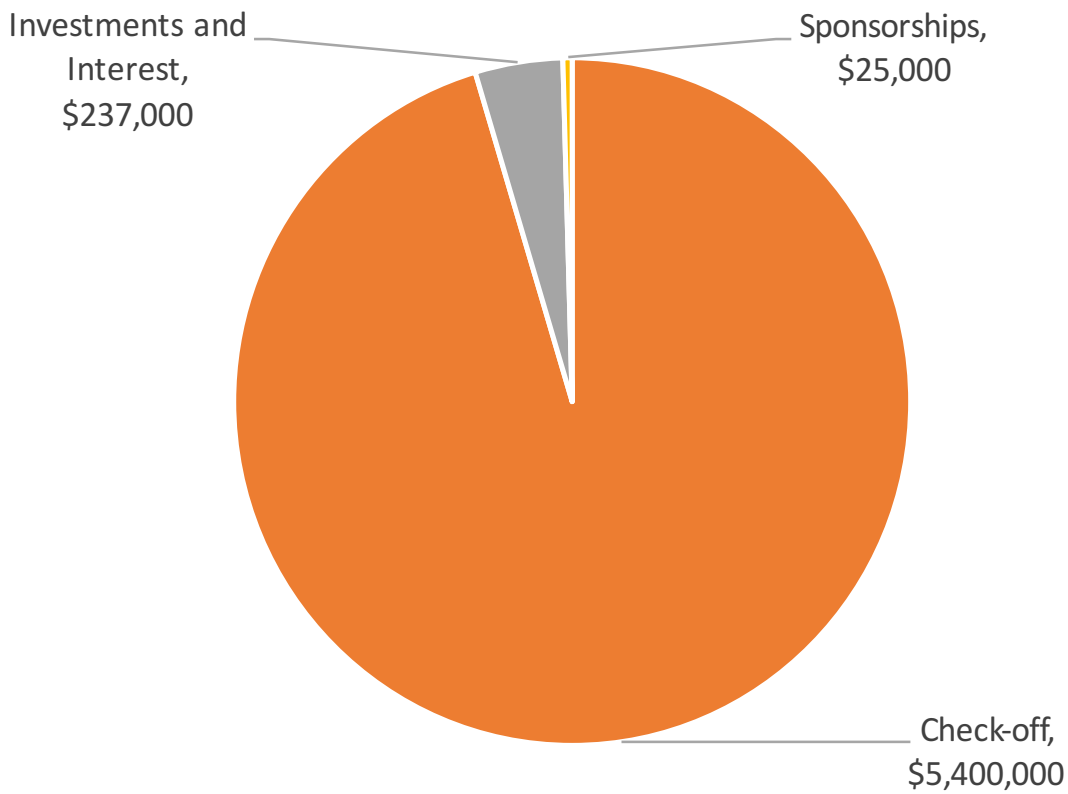
SCA 2018-19 Revenue: \$6,019,951



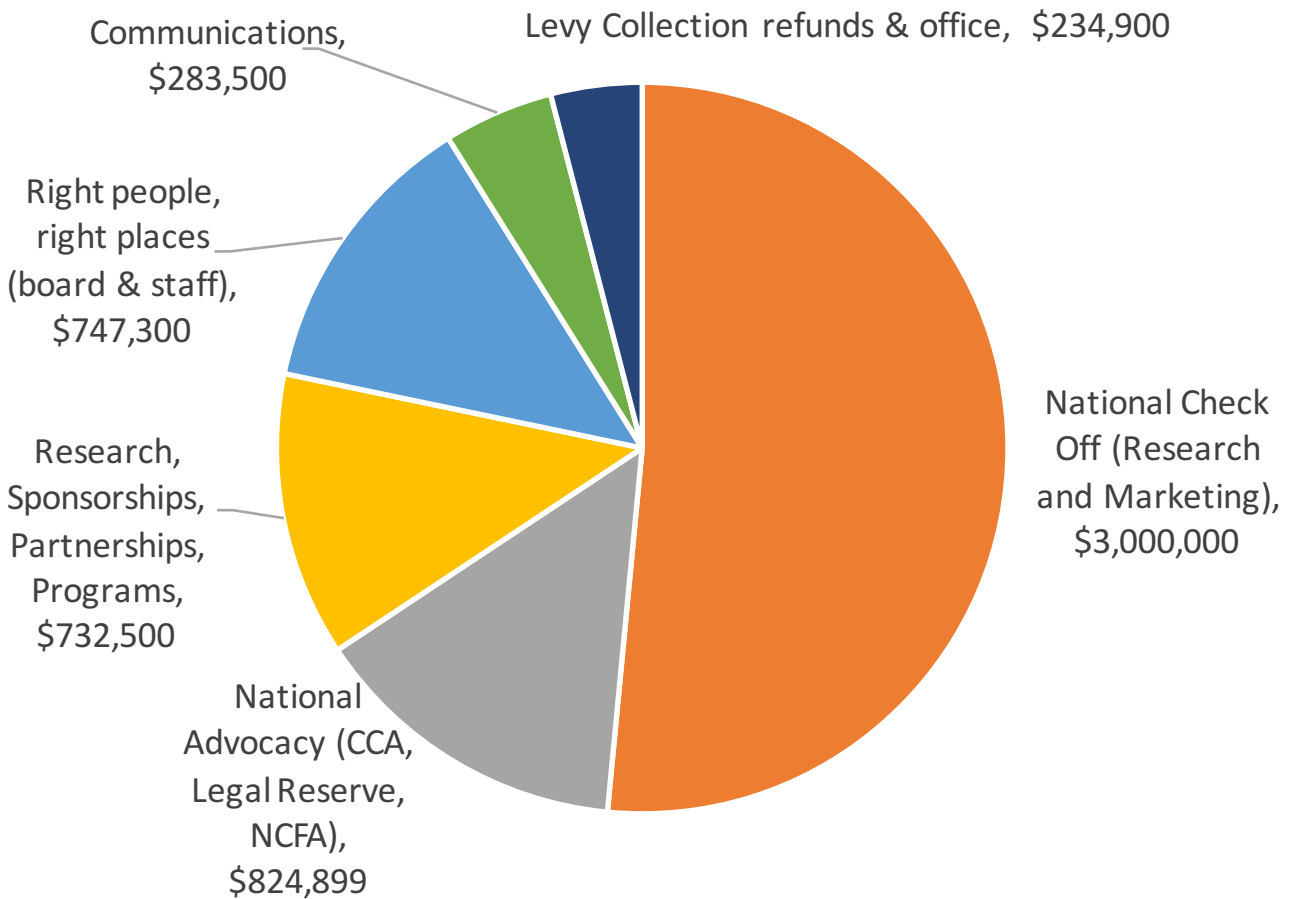
SCA Expenses 2018-19: \$5,698,070



SCA 2019-20 Revenue: \$5,662,000



SCA Expenses 2019-20: \$5,823,099



SCA Year in Review

Recapping the year of activity, sponsorships, partnerships and research investments.

Sponsorships:

4-H Saskatchewan - Beef Symposium, Scholarship
 Advisory Council on Forage Crops
 Ag in Motion
 Agribition Platinum Sponsor
 Agribition Ya Gotta Beef With Me? Cookoff
 Beef Expo - Saskatoon
 Cattlewomen's Golf
 Celebrating Rural Ranch Women
 Foraging into the Future
 International Livestock Identification Association conference
 Livestock and Forage Centre of Excellence Field Day
 Livestock Marketing Education Day
 Ministry of Agriculture Ranch Management Forum
 No Sugar Tonight Supper - Diabetes
 Outstanding Young Farmer
 Saskatchewan Cattle Feeders Feedlot School
 Saskatchewan Pasture Tour
 Saskatchewan Student Leadership Conference
 Saskatchewan Young Ag
 Saskatchewan Stock Growers AGM
 Star City Producer Day
 Steaks and Stems
 SVMA Preceptorship 3rd Year Vet Program
 U of S Range Management Team
 Vetavision at the U of S
 War of the West Powerlifting
 Yorkton Harvest Showdown King of the Ring
 Young Ranchman's Education and Show Day

Consumer Outreach:

Ag in the City in Saskatoon
 Beef Month in YQR - June
 Canadian Ag Literacy Month Classroom visits
 Farm & Food Care Taste of Saskatchewan
 Grand Slam of Curling Partnership Events (2)
 Harvest Festival in Lloydminster
 Kindersley Burgers and Fries Farm
 Regina Catholic Schools Cooking Competition
 Regina Public Schools Cooking Competition

Rosetown Swim Team
 Save-On-Foods Producer in Store Days
 Saskatoon Home Show

Other Media & Public Outreach:

CJME Advertising on Gormley show
 CJME Green Zone Post Game show advertising
 Farm & Food Care Influence Tour
 Farm & Food Care Nutrition and Dietician and Culinary students tour
 Home Ec Teachers Conference - Lloydminster
 Interviews on China meat ban and many other breaking stories
 Lipton School Ag Day
 Sunwest Schools Farm to Fork

Consultations:

2019 Federal Budget
 Animal Welfare in Saskatchewan
 Business Risk Management program review
 Environmental Farm Plans
 Food Labelling
 Forage insurance working group
 Humane Predator Control - PMRA
 Livestock development committee
 RMA Proposal
 Saskatchewan Plan for Growth
 SGI - Driver training requirements
 Statements of Provincial Interest
 Water Management and Drainage
 Western Diversification Water Summit

Advocacy Events and Industry Leadership:

Alberta Beef Industry Conference
 Alberta Beef Producers Semi AGM
 America's Grasslands Conference
 Andrew Scheer, Luc Berthold, Warren Steinley meeting
 BC TB Case (reaches into Saskatchewan)
 Beef and Forage Research Forum
 Beef Cattle Surveillance Network
 Beef Value Chain Roundtable
 Canadian Animal Health Surveillance Network
 Canadian Beef Industry Conference
 Indigenous Ag Summit



Chris Lane at Agribition

Internet of Things at the U of S
 Interprovincial Beef Specialist Coordinated efforts
 Interprovincial Forage Conference Calls
 Media Training with National Public and Stakeholder Engagement
 Minister Champagne meeting
 Minister Freeland meeting
 MLA reception at the Legislature
 MP and MLA summer visits
 Multimin Emergency Registration
 Ottawa Fly In Days (2)
 Pacific Northwest Economic Region conference
 Prairie Conservation & Endangered Species Conference
 Public Trust Summit
 Regenerative Ag Conference
 Saskatchewan Indian Equity Foundation
 Saskatchewan Irrigation Development meetings
 Saskatchewan Regional Livestock Specialist meetings
 Saskatchewan Party Premier's Dinner
 State Meetings and U.S. advocacy at National Cattlemen's Beef Association meetings
 Trespass legislative and regulatory changes
 U of S Planet Health and the Beef Industry

Partnerships:

Agriculture in the Classroom - Funding and Arnold Balicki chair

AgWest Bio - member

Beef Cattle Research Council - National levy funding and three council members: Chair Ryan Beierbach, Steve Pylot and Mike Spratt

Canada Beef - National levy funding.

Canadian Cattlemen's Association - Funding and board members Lynn Grant, Pat Hayes, Reg Schellenberg, Duane Thompson

Canadian Roundtable For Sustainable Beef - Funding, Harold Martens on committee, Ryan Beierbach on council.

Farm & Food Care - Funding and Harold Martens on board

Forage Council - Funding and Brent Griffin on board

Hiring Committee for Beef Industry Chair at the U of S

Livestock Marketers of Saskatchewan - Funding

Livestock Services of Saskatchewan - Brad Welter on board

National Check Off Agency - National levy funding. Chad Ross Chair

National Cattle Feeders Association - funding and Will Lowe on board

Prairie Conservation Action Plan - Funding and Brent Griffin on board

Saskatchewan Chamber of Commerce - membership

South of the Divide Conservation Action Program - Funding and Keith Day on board

Verified Beef Production+ - Funding and Arnold Balicki on board

Wildlife Advisory Committee – Keith Day, Alternate Levi Hull

Young Cattlemen's Council - Funding and Holly Thompson on council



Kim Keller-Celebrating Rural Ranching Women

Research Meetings:

AgWest Bio meeting of the Minds

Beef and Forage Research Forum

Canadian Integrated Program for Antimicrobial Resistance Surveillance

Saskatchewan Agriculture Development Fund

Saskatchewan Forage Advisory Council

Research Projects:

- Barley Forage Co-op at Melfort
- Butyrate as a novel functional ingredient for feedlot cattle.
- Comparison of immune response & respiratory disease sparing effect of homologous & heterologous vaccine programs in neonatal calves
- Enhancing seed and biomass production and drought tolerance of plains rough fescue using novel seed treatments
- Effects of annual and perennial forage systems on plant, water, soil and economic parameters, grazing animal performance, health and preference dynamic
- Forage & grazing potential of hybrid fall rye
- Genomic epidemiology and rapid detection of *Mycobacterium paratuberculosis* infections (Johne's disease) in Saskatchewan cattle
- Improving lipid content in vegetative tissue to increase the nutritive value of herbaceous legume forages
- Managing calves before arrival at the feedlot to reduce infectious disease, antimicrobial use & resistance: What is it worth & An Interactive Tool to Inform Johne's Disease Control in Beef Herds: What Test, When and How Often
- Monitoring of forage recovery following the October 2017 Burstall fires
- Performance, Environmental and Economic Benefits of BioChar Supplementation in Beef Cattle Grazing Systems
- Plant-soil interactions and stand decline in alfalfa: Mechanisms and potential mitigation strategies
- Proof of concept study for the delivery of a respiratory probiotic to feedlot cattle via the feed.
- Simple strategies to reduce impacts of ergot alkaloids on beef cattle
- Treatment guidance for Bovine respiratory disease: Optimizing prudent and economical antimicrobial decision making.
- Use of bacteriophage-derived lysins in combatting multi-drug resistant (MDR) pathogens that cause bovine respiratory disease (BRD)
- Use of high - moisture corn products for finishing cattle and the corn stover for extensive grazing,
- Use of sensory additives to boost feed intake and immune function of newly arrived feedlot cattle.



Rick Toney at a meeting with Andrew Scheer

SASKATCHEWAN CATTLEMEN'S ASSOCIATION

12TH ANNUAL GENERAL MEETING

THURSDAY JAN 30TH, 1:30 PM
SASKATOON INN & CONFERENCE CENTRE

SCA AGM Agenda – 1:30 pm – January 30, 2020 – Saskatoon Inn

- Call to order
- Approve agenda and officials
- Board Introductions
- 1st call for nominations and resolutions - (2 CCA representatives)
- Minutes of 2019 AGM
- Finance Report and Appointment of Auditor
- Chair's Report on Year Past
- CEO's Look Ahead
- 2nd call for nominations and resolutions
- Coffee Break
- Final call for nominations and resolutions
- Guardians of the Grasslands Screening
- Young Producers Forum
- Policy Session
- Elections
- Other Discussion
- Adjourn

In an effort to promote a respectful, healthy, and helpful discussion, the meeting will be fairly informal. If at anytime the discussion becomes unprofessional or at the discretion of the moderator or parliamentarian the meeting will refer to more formal procedures. Resolutions will be discussed and voted on, Resolutions from the floor will also be accepted. Producers who have not requested a refund on their check-off are eligible to vote, run for election and make resolutions.

Motions from SCA Fall Meetings 2019

Meadow Lake

That WLPPI enhance the calf program by adding settlement periods into March.

Maple Creek

That SCA petition the Alberta and Canadian governments to reduce the number of elk from the Suffield block.

Swift Current

That SCA petition the Government of Saskatchewan and relevant Crown corporations to acknowledge and credit Class IA driving trainees (in time and cost) for skills and competencies existing prior to entering the training process.

Mossbank

That SCA lobby to increase the Canadian Agricultural Loans Act loan limit from \$500K to \$2 million.

Foam Lake

That SCA lobby the provincial government to allow producers the first right of refusal for the sale of crown lease land.

Carlyle

SCA lobby the government to add additional WLPPI premium table for 650 weight calved that is open all year.

General Rules of Debate - Adapted from Roberts Rules of Order

- To move a resolution or speak to a motion, go to a microphone; state your name and district.
- Debate will be limited to two minutes per speaker.
- The mover of a resolution has the right to speak first and may speak again to close the debate.
- Amendments or substitute motions must be moved and seconded before being spoken to.
- Some resolutions are combined into one main resolution. In that case the main resolution will be read, moved and seconded. If the movers of the combined resolutions feel strongly that their specific need will not be debated by the main motion, they may ask to deal with it separately before debate on the main motion begins, or they may amend specifics into the main motion.

The vote will be called when:

1. All who wish to speak have done so.
2. When the 'previous question' to close debate has been moved, seconded and passed by a majority
3. When several speakers have spoken on the same side of an issue and no one is wanting to speak in opposition.
4. Voting cards will be used for all votes.
5. Independent scrutineers will be appointed and accepted by the meeting. They will count the votes on specific or close issues and also count the ballots.
6. Anyone in attendance may speak to a resolution, but only official voters may move or second resolutions, amendments etc.

Resolutions & Nominations

- Main motion - Must be moved and seconded.
- Amendments - Cannot change the subject but can add to, delete from, or reword.
- Motion to table - Mover, seconder, non-debatable, majority vote.
- Motion to refer or defer - Mover, seconder, debatable only to where referred or how long deferred; majority but where deferral is changing the agenda, then needs a two-thirds majority.
- Previous question to close debate - Mover, seconder, non-debatable, majority; if passed, then vote on amendment or main motion (not necessarily both) is taken immediately without further debate. If lost, debate continues.

Other Considerations

- A motion to reconsider a resolution may be made by one who voted on the prevailing side. Needs majority vote to reconsider. If passed, opens the main question for additional debate.
- A motion to suspend or change the rules of debate that have been accepted by the assembly, needs a majority vote.

Saskatchewan Cattlemen's Association

Board Meeting

Friday, January 18, 2019

Delta Inn, Regina - 1:30 pm

1.0 Call to Order

The meeting was called to order at 1:48 p.m. by Rick Toney.

Introduction of Guests

2.0 Approval of the Agenda

MOTION AGM 19-01: Levi Hull / Michael Spratt

“To approve the Agenda.”

Motion

Carried

Appointment of Officers:

Ryan Thompson as Resolution Chair

Murray McGillivray as Election Chair

Rich Smith as Scrutineer

Kim McLean as Scrutineer

Brad Wildeman as Parliamentarian

Murray MacGillivray as Returning Officer

MOTION AGM 19-02: Paula Larson/ Brad Welter

“To accept the following people as stated:

Ryan Thompson as Resolution Chair

Murray McGillivray as Election Chair

Rich Smith as Scrutineer

Kim McLean as Scrutineer

Brad Wildeman as Parliamentarian

Murray MacGillivray as Returning Officer.”

Motion

Carried

Introductions:

The board in attendance was introduced to the assembly.

New Board Members:

District 2- Scott Greiner – replacing outgoing Joe Jackson

Ryan Thompson made
1st call for CCA nominations
1st call for Resolutions

3.0 Review of 2018 AGM Minutes

Review of the 2018 AGM minutes.
No errors or omissions were brought forward.

There was no business arising from the minutes.

MOTION – AGM 2019- 03: Brent Johnson / Ryan Thompson

“That the 2018 AGM minutes be approved as circulated.”

Motion Carried

4.0 Finance Report

Arnold Balicki, SCA Finance Chair presented the financial report.

- Will table the vote on the financials until after the nominations to allow for arising questions.

5.0 Appointment of Auditor

MOTION – AGM 2019-04: Michael Spratt / Dean Moore

“To appoint Dudley & Company as auditor for the upcoming year.”

Motion Carried

6.0 Chair Report – A Year in Review

Rick Toney, SCA Chair, presented his report.

MOTION – AGM 2019-05: Rick Toney / Pat Hayes
 “To accept the Chair report as presented.”

Motion Carried

Presentation of Buckles to the outgoing Directors:

District 2 – Joe Jackson
 District 6 – Garret Hill
 SSGA Representative – Bill Huber

7.0 CEO’s Look Ahead

Ryder Lee, SCA CEO, presented his report.

Question and Answer period

2nd Call for CCA nominations
 2nd Call for Resolutions

8.0 Resolution Session

Ryan Thompson, Policy Session Chair, discussed the process that would be employed to deal with the resolutions. Two resolutions from the 2018 Fall District Meetings listed in the annual report, plus three resolutions from the floor, were debated and voted on.

2019 SCA AGM – Resolution 1
 SCA District 1

Be it resolved that SCA lobby SCIC to improve forage insurance to reflect current yields.

MOTION AGM 2019-06: Jack Hextall / Ryan Beierbach
 “That SCA lobby SCIC to improve forage insurance to reflect current yields.”

Motion Carried

2019 SCA AGM – Resolution 2
 SCA District 2

Be it resolved that SCA lobbies SCIC to provide compensation for the loss or injury of guard dogs sustained while killed/ injured doing their jobs.

MOTION AGM 2019-07: Arnold Balicki / Kyle Hebert

“That SCA lobby SCIC to provide compensation for the loss or injury of guard dogs sustained while in the line of duty.”

Motion Defeated

2019 SCA AGM – Resolution 3
 From the Floor

MOTION 2019-08: Jack Hextall / Kyle Hebert

“That SCA lobby SCIC to vastly increase reporting stations for rainfall insurance. That may include working with private stations, satellites, or with producer partnerships on a pilot basis to properly and fairly deliver the rainfall insurance program.”

Motion Carried

MOTION 2019-09: Tamara Carter / Pat Hayes

“To amend by removing vastly and adding “by 25% over the next 24 months” after insurance.”

Motion Defeated

2019 SCA AGM – Resolution 4
 From the Floor

MOTION 2019-010; Joe Jackson / Ryan Beierbach

“That the SCA lobby the government of Saskatchewan to ensure Section 20.2 Reg 9 of the Livestock Dealer Act regarding advertising be enforced. This

would ensure that it would be a violation of the Act to resell any cattle at public auction that were previously purchased at public auction within 30 days without announcing at time of resale, where and when said cattle were previously sold/purchased (if within 24 hour time frame stated in hours, if over 24 hours, stated in number of days since sold), and the circumstances that merit the resale of said cattle.”

Motion Carried

2019 SCA AGM – Resolution 5

From the Floor

MOTION 2019-011: Pat Hayes / Chad Ross

“That SCA lobby the provincial and federal government to ensure WLPIP becomes a permanent program in the BRM suite with dedicated funding similar to crop insurance.”

Motion Carried

Final Call for Nominations.

Final call for Resolutions

9.0 Saskatchewan CCA Nominations:

Two positions open for a two-year term.

Lynn Grant – nominated by Bill Huber

Duane Thompson – nominated by Brad Welter

10.0 National Cattle Feeders Nominations:

Will Lowe – nominated by Brad Welter

11.0 Young Cattlemen’s Council
Holly Thompson – nominated by Adri-

enne Ivey

MOTION – AGM 2019-012: Ryan Thompson / Paula Larson

“That nominations cease.”

Motion Carried

12.0 Results from the Elections

Acclamations:

Lynn Grant – CCA Director

Duane Thompson – CCA Director

Will Lowe – National Cattle Feeders Representative

Holly Thompson – YCC Representative

Financial Report carried forward continued..
No business arising.

MOTION – AGM 2019-013: Brad Welter / Joe Jackson

“To accept the 2018 Financial Report as presented.”

Motion Carried

Request was made to split the NCO and Canadian Cattlemen’s Association funding in reporting next year.

Request was made to speak to previous year’s resolutions. Discussion on previous years motions.

13.0 Adjournment

MOTION AGM 2019-14: Michael Spratt
“To adjourn the meeting.”

Motion Carried

Meeting adjourned at 3:42pm

CANADA BEEF ANNUAL REPORT

As the marketing division of the Canadian Beef Cattle Research, Market Development and Promotion Agency, Canada Beef is the cattle producer-funded and run organization responsible for domestic and international beef and veal market development. It has 28 staff in offices in Canada, Mexico, Japan, China, and Taiwan. In addition to National Check-Off and import levy funding, Canada Beef leverages cattle producer dollars with private market partner investments, and government industry development funding to maximize the benefits of producer check-off investment.

Capture High Growth Market Segments

Canada Beef is using market segmentation tools to identify high-growth, high-value consumer groupings by demographics, behavior, ethnicity, geography, etc. By understanding consumer segments' needs and wants, Canada Beef develops marketing and promotional campaigns relevant to each segment resulting in increased awareness, improved perception, heightened product desire and ultimately increased purchase.

Canada Beef completed extensive consumer research in Canada, Mexico, Japan, China and Taiwan looking at consumer and customer attitudes towards our beef products and production systems to better understand our relative strengths and weaknesses specific to those markets. This information is being used to develop promotional and marketing creative concepts to be as effective as possible with our consumer marketing investments.

Domestic Market Development

Preliminary 2019 consumption data shows a slight decrease in per capita beef consumption due to larger net exports of Canadian beef. Eighty-one per cent of beef consumed in Canada was sourced from domestic production, up 3% from 2018. The retail beef demand index was down 3.3% while the wholesale demand index was up 1.3%. (Note: final 2019 consumption data will be available in spring 2020.)

Expand Programs with Retail and Foodservice Partners

By focusing on brand partners with large volumes

and influence (such as Sobeys, Costco, Loblaw, Walmart, Federated Co-op, Tim Hortons, Swiss Chalet, Montana's, Subway, Sysco), Canada Beef can ensure that these partners are well-versed in Canadian beef, and can leverage the value of the Canadian Beef Brand. Moreover, these programs build loyalty and commitment to Canadian beef among trade partners and consumers thus generating sustained demand and increased value for producers.

Consumer Marketing and Public Trust

Canada Beef's social and digital spaces engage and connect with consumers and producers to build brand loyalty. With over 61,000 followers and 7.2 million impressions, Canada Beef continues to successfully build relationships and drive demand. At Canadabeef.ca website consumers and producers can source information regarding recipes, beef know-how, media releases, beef campaigns and events in both English and French. The Make it Beef (MIB) monthly e-newsletter is deployed to almost 40,000 subscribers covering topics that are both culinary and brand focused. The Roundup App is a mobile beef buying and cooking app, designed to help consumers have better success with beef when they cook at home. This resource is offered in English, French and Spanish and was adapted for the Chinese market.

Closely related to consumer marketing are efforts to build the beef industry's social license with the public. Canada Beef continues to partner with the CCA and other beef industry groups to address public and consumer concerns about beef production, while also building/reinforcing the Canadian beef brand.

In response to the launch of Canada's Food Guide in January 2019, a social media campaign around sustainability and beef was developed. The posts highlighted key facts around nutritional benefits of beef and sustainability facts and information. The team prepared responses in advance to provide correct information and answers to consumer questions. The joint issues management team coordinated a response strategy for the launch of the food guide that included responding to over 50 interview requests; resource kits produced and shared with national and provincial organizations

(#Beefbelongs shared previously with the Board); collaboration with other animal protein groups; and media training for key spokesmen.

Generic Beef Marketing Funded by the Import Levy

The Import Levy (collected on beef imports at the equivalent rate of \$1 per head) continues to provide funding for positive beef messaging across Canada. With consumers' diminishing food skills, concerns over healthy diets and public trust issues, Canada Beef developed targeted initiatives to positively influence consumer preference for beef over other proteins. Activities included print advertising, social media (i.e. blogs), television and radio interviews, and generated over 24 million consumer impressions. Visit www.thinkbeef.ca for access to marketing resources generated from import levy funding.

Canada Beef conducted a Canada-wide television campaign for winter 2019. In light of the new Food Guide discussions around the value of plant-based protein foods, the campaign was designed to draw consumer attention to beef's substantial nutrient profile, in conjunction with its amazing taste and versatility as part of a balanced diet. The 3 x 15-second spots stressed the remarkable nutrient density of beef compared to other protein foods, including plant-based burgers. The \$220,000 campaign ran on a variety of prominent television networks such as CTV, CBC, CTV News Channel, CBC News Network, the Food Network, HGTV, Showcase and the National Geographic Channel. The campaign was projected to reach 15,000,000+ Adults 25-54.

Protect and Grow Canadian Beef in Export Markets

Canada Beef's work in export markets is creating opportunities for the Canadian beef industry to realize greater value for the carcass than could be realized in the domestic market alone. As well as offering competitive bids on middle meats, the export markets can deliver better returns for end meats, credit/thin meats and offal than here at home. Canfax Research Services estimates that well over \$600/head in additional value is added to the carcass by export markets.

With heightened competition from other beef exporters, there is a need to intensify our business development programs in export markets where we are currently present. These include: Japan, China, Southeast Asia, Korea, Taiwan, Mexico, European Union and the Middle East. By utilizing integrated marketing programs linking online and live events; culinary seminars and competitions; social media platforms and brand media campaigns; and business development outreach through trade shows and trade missions; Canada Beef is creating brand awareness and positively positioning Canadian beef in the minds of export customers, consumers and key influencers.

Overall Canadian beef exports from January to September 2019 were up 12.3% in volume and 21% in value. These are record high values and near record high volumes. Overall Canadian beef export demand was up 7% from 2018. Japan in particular has been surging due to the tariff rate reduction Canada is enjoying with the implementation of the CPTPP trade agreement. Canada received a tariff reduction of 11% on January 1st while our largest competitor the United States has remained at the previous tariff level. This has contributed to a doubling of typical Canadian beef export volumes to Japan through most of 2019.

Double the Business Generated by the Canadian Beef Centre of Excellence

The Canadian Beef Centre of Excellence (CBCE) is a teaching/training demo theatre featuring: fabrication room, commercial and home kitchen, boardroom and dining room, world-class equipment and HACCP standards. The Centre provides a place where staff can offer solutions to beef category challenges for existing customers, and introduce new customers and markets to Canadian beef for the first time. To date, the CBCE has had visitors from more than 32 countries, hosted over 90 international missions and over 140 domestic missions representing over 450 companies from across the global.

NATIONAL CATTLE FEEDERS REPORT

The National Cattle Feeders' Association (NCFA) represents Canadian cattle feeders on federal policy and regulatory issues, and partners with other national organizations to strengthen the beef industry. Created in 2007, NCFA serves as a unified voice for cattle feeders on the challenges and opportunities facing the fed cattle production chain.

Our membership is comprised of provincial beef organizations, each of which contributes funding based on their province's proportionate share of Canada's total fed cattle production. Each organization appoints Directors to the Board and a provincial staff representative. NCFA maintains a full-time presence in Ottawa with a dedicated team of consultants who lend their expertise and advice on our political, regulatory, and trade priorities. The NCFA team was kept very busy across 2019, and I am pleased to report on our achievements.

Government Relations

Nurturing political champions for the beef industry and advocating with government is a significant part of the NCFA mandate. Each year NCFA builds an Ottawa Engagement Strategy that sets out goals for our most important policy priorities and executes on the three elements of our Strategic Plan—growing and sustaining the industry, boosting international competitiveness, and delivering on NCFA's reputation as a credible and solutions-oriented beef industry leader.

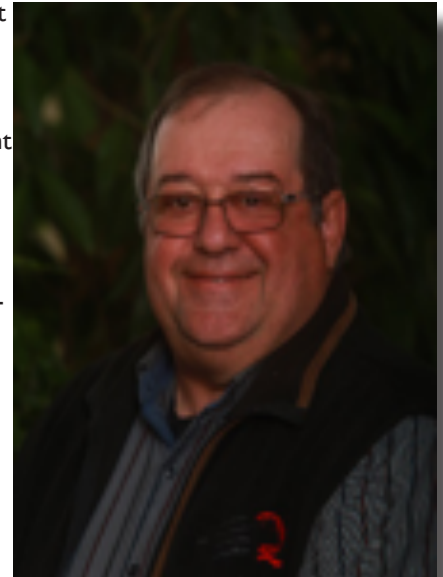
In 2019, NCFA undertook a set of week-long engagements in Ottawa where NCFA representatives met with federal Cabinet Ministers, Parliamentary Secretaries, Members of Parliament, political aides, public servants, and government regulators. Sustaining these relationships is essential to moving forward on our trade, labour, infrastructure, taxation, and regulatory priorities. NCFA also appeared in front of the House Standing Committee on Agriculture and Agri-Food to give testimony

on the urgent need to improve public trust and confidence in Canadian agriculture. The electoral map of Canada has changed dramatically as a result of the October 2019 federal election and the establishment of Canada's 43rd Parliament. The election served as a unique opportunity to engage with political leaders. NCFA developed an Election Priorities White Paper that was sent to all political parties, and we communicated our issues with each party leader both before and after the election. Key messages and action tips were developed for our provincial member organizations to engage local candidates, and NCFA was active on numerous social media channels throughout the campaign.

Regulatory and Policy Submissions

In 2019, NCFA made numerous formal policy and regulatory submissions to various departments and agencies of the federal government on issues of direct impact to producers. These submissions included:

- Improving Access to Generic Veterinary Drugs (Health Canada, Veterinary Drug Directorate)
- Improving the Emergency Drug Release Program (Health Canada, Veterinary Drug Directorate)
- Revised Cost Recovery for Veterinary Drugs (Health Canada, Veterinary Drug Directorate)
- Food Nutrition Trends and Technologies (Health Canada, Food Products Branch)
- Antimicrobial Usage (European Medicines Agency, EU)
- CPTPP Accession (Global Affairs Canada, International Trade)
- Open-Work Permits for Temporary Foreign Workers (Immigration, Refugees, and Citizenship Canada)
- Phase Two of Targeted Regulatory Review (Treasury Board Canada)
- Mandatory Electronic Logging Devices (Transport Canada)
- Proposal to Amend Export Certificates for Fed Cattle (CFIA, Animal Import-Export Division)



Michel Daigle-Chair NCFA

Collaborative Partnerships

The entire beef value chain benefits when multiple organizations work together. To that end, NCFA maintains membership in the Canadian Agri-Food Trade Alliance (CAFTA), the Canadian Beef Advisors (CBA), the Canadian Roundtable for Sustainable Beef (CRSB), and the Canadian Beef Industry Conference (CBIC). NCFA also engages with the Canadian Agricultural Human Resource Council (CAHRC), the Market Access Secretariat (MAS), the Beef Value Chain Roundtable (BVCRT), the Canadian Cattlemen's Association (CCA), and the Canadian Meat Council (CMC). Examples of effective collaboration efforts in 2019 include:

- Establishing a new director position on the NCFA Board for a CCA representative
- Membership in the CFIA-Industry Working Group for application to the OIE for negligible BSE risk status
- Participation on the CFIA-Industry Working Group on the new transport regulations
- Membership on the CFIA Steering Committee for the new Digital

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Services Delivery Platform

- Joint communications with CCA and CMC to Transport Canada and CFIA on transportation regulations
- Hosting a session at the CBIC with Harmony Beef President Rich Vesta and CBGA Director Joe Jackson
- Membership on the new Animal Health Canada Working Group

Pilot Projects

Over the past few years, NCFA has played a critical role in helping establish various pilot projects between the CFIA and USDA to smooth trade at the Canada-US border by testing new regulatory approaches and removing various export impediments:

- Northern Border Ports Pilot (No unloading of Canadian feeder cattle destined to the US)
- Digital Service Delivery Platform Pilot (Beta-testing of new electronic certification system)
- Convoy Pilot (Exporting multiple loads or convoys of feeder cattle via one export certificate)

Industry Development and Outreach

NCFA facilitates various research and development projects as well as outreach activities designed to strengthen the cattle feeding sector and better position it for success. In 2019, NCFA helped secure funding from the Canadian

Agriculture Partnership for continued work on our Canadian Feedlot Animal Care (CFAC) Assessment Program and funding to monitor antimicrobial usage at sentinel feedlot sites in Alberta, Saskatchewan, and Ontario. NCFA also served as the host for a number of feedlot tours including one with 20 producers and livestock professionals from Interbev France (L'Association nationale interprofessionnelle du bétail et des viandes) and another with Mr. Luc Marchand, the new Director of the Animal Industry Division at Agriculture and Agri-Food Canada.

International Trade

Numerous trade developments emerged throughout 2019 including a temporary closure of China to Canadian beef and pork, the continued unfolding of the Brexit drama in the UK, the signing of a new US-Japan bilateral trade agreement, and significant tariff reductions for Canadian beef producers as a result of CPTPP implementation. An amended CUSMA deal was also signed. NCFA continues to advocate strongly for liberalized global trade and a rules-based trading system. To that end, we consult regularly with the Trade Agreements and Negotiations Directorate at Agriculture and Agri-Food Canada and continue to engage the expertise of Mr. John Weekes (Canada's former Ambas-

sador to the WTO and Chief Negotiator for the original NAFTA agreement) on our important trade files.

Labour Shortages

A shortage of over 16,000 workers continues to negatively impact agriculture and agri-food. This shortage is twice that of other Canadian industries and results in almost \$3 billion in lost agriculture and agri-food sales annually. NCFA has continued to lobby for improvements in the Temporary Foreign Worker Program (TFWP) and to develop better pathways to permanent residency for temporary workers. A key accomplishment was the announcement in 2019 of a new federal Immigration Pilot Program set to roll out in 2020 that will attract experience and non-seasonal workers to fill labour needs in agriculture and agri-food. Details are expected to be released in early 2020.

NCFA had a banner year in 2019. This is a direct result of our dedicated Board of Directors, our committed provincial staff representatives, and the expertise of our consultants. I thank you all for working diligently to position our industry for success.



CANADIAN BEEF CATTLE CHECK-OFF

It is my privilege to have been elected Chair of the Canadian Beef Check-Off Agency (the Agency) in August 2019 following our AGM. I am honored to lead such a dedicated group of producers and industry stakeholders, and work towards a unified and sustainable national funding strategy for Canadian beef cattle research, market development and promotion.

The Agency manages and administers the Canadian Beef Cattle Check-Off, which is collected on each head of cattle sold in Canada. The Canadian Beef Cattle Check-Off, the \$2.50 portion administered by the Agency, is invested into national research, market development and promotion activities on behalf of all Canadian beef producers, while the provincial check-off is earmarked for provincially-focused advocacy, policy, trade, research, market development and promotion initiatives.

By working with service providers, the Agency ensures that the check-off dollars invested into research, market development and promotion programs deliver measurable value to the Canadian beef industry. We are responsible for governance, communicating the value of the check-off investment, as well as training and education of producers and funding partners, regulatory management, collection and administration of check-off dollars.

I am encouraged by the strengthened relationships between our Agency and our provincial cattle association stakeholders. We have come a long way over the past few years, and it is our key priority to ensure the best use of the check-off dollars that the provincial associations allocate. The Agency continues to work together with the provincial associations in many aspects, and I am confident that a renewed commitment to strong partnerships will help us to deliver measurable value for producers in Canada.

In 2018/19, the Canadian Beef Cattle Check-Off revenue totaled \$18,300,229 on cattle marketed. Revenue was generated at \$2.50 per head on cattle marketed across Canada, with the exception of BC who increased in July 2018, and Ontario, who continues to collect \$1 per head. Of the total net check-off funds collected of cattle marketing, 52 per cent was allocated to market development and promotion, 32 per cent to research, 12 per cent was retained by the provincial cattle organizations for regional marketing and research programs and 4 per cent was allocated to Public and Stakeholder Engagement (previously called issues management).

The Import Levy on beef cattle, beef and beef products imported into Canada was also collected at a rate of \$1 per head equivalent, for a total of \$1,094,435. These funds, net administration, are allocated to unbranded, generic beef marketing such as nutrition marketing, recipe development and culinary skills education.

\$629,683 was retained for the administration of the check-off, the Agency and the Board. Our Board of Directors expenses have been reduced by ten per cent in the last year, and over 40 per cent since 2016. Canada Beef covered

the additional costs for the Marketing Committee.

The Agency Members approved an updated set of bylaws early in the fiscal year, just before our last AGM. The new bylaws set the stage for more independence for the Marketing Committee to oversee Canada Beef's strategic and business operations, and include the election of four additional non-Agency committee members.

The Agency continues to oversee the Marketing Committee from a governance perspective.

The regulatory compliance of both check-off and import levy administration included the updating of all agreements with the nine provincial cattle associations. By modernizing the language and refreshing the details, the Agency strengthened relationships and laid the foundation for most provinces to administer an increased check-off.

As of March 31, 2019, eight of nine provinces have increased the checkoff to \$2.50 per head. The 2018 increases in Alberta, Saskatchewan, Manitoba on April 1, and British Columbia on July 1 were supported by the Agency for a smooth transition. The Agency concentrated on education of proper remittances, mostly on interprovincial trade. The approach will continue going forward with the goal of reducing slippage and incorrectly levied sales.

We continue to support increased communication and education activities around check-off and import levy compliance. Ensuring that all of our producers and beef importers are on equal footing strengthens our industry's competitiveness, and supports the programs that drive value for stakeholders through the investment of those dollars.

Our Agency is strong because of those who come together to guide our organization, and because of the stakeholders who we represent. I am proud to be a voice for Canadian beef producers from coast to coast, and to work with our experienced Agency Members to deliver the measurable value for our industry.

I am excited about the year ahead, and encourage everyone to connect with us any way you can, including through your provincial representative. You can find us online at cdnbeefcheckoff.ca, or on your favorite social media platform @cdnbeefcheckoff.

Regards,

Chad Ross
Chair, Canadian Beef Check-Off Agency



BEEF CATTLE RESEARCH COUNCIL

The Beef Cattle Research Council (BCRC) is Canada's industry-led funding agency for beef, cattle and forage research. Its mandate is to determine research and development priorities for the Canadian beef cattle industry and to administer the Canadian Beef Cattle Check-Off funds allocated to research. The BCRC is led by a committee of beef producers who proportionally represent each province's research allocation of the Canadian Beef Cattle Check-Off.

Following a transition year in terms of both funding and program administration, the Beef Cattle Research Council (BCRC) has expanded and continues to advance its programming.

National Beef Strategy

The BCRC is a key partner in renewing and achieving the goals of the National Beef Strategy. Research and/or technology transfer outcomes in all four pillars of the 2020-2024 Strategy, those being productivity, competitiveness, beef demand, and connectivity, are addressed by the BCRC.

BCRC programs are established to Validate and enhance the Canadian Beef Advantage, to increase, maintain and enhance Consumer Confidence, and support Public Trust and Sustainability. The BCRC works to increase productivity through investments in Genetic Selection, Research, Research Capacity and Technology Adoption, enhance competitiveness through investments in Surveillance and support an Outcome/Science-based regulatory system through targeted research funding.

Canada's Beef Cattle Industry Science Clusters

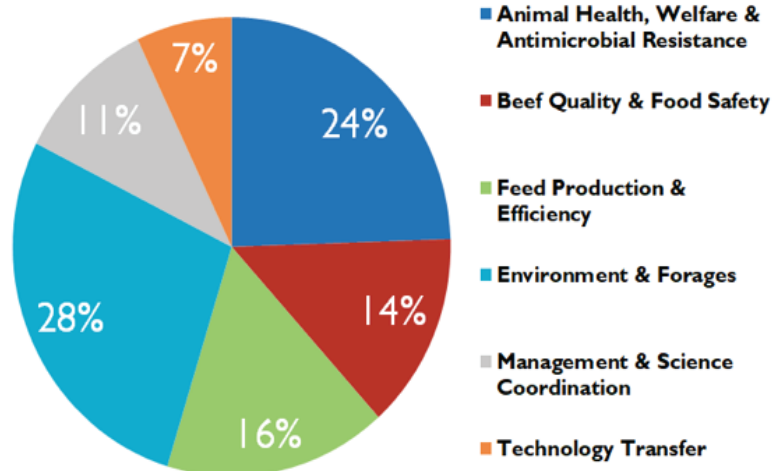
The Science Clusters are a partnership with Agriculture and Agri-Food Canada (AAFC) that combines their strengths with the BCRC's to make joint-investments in a variety of research programs with the greatest potential to advance the industry.

Beef Science Cluster III in Progress

Funding for the current (third) Cluster was announced by AAFC in July 2018. Covering the period to March 31, 2023, \$21 million has been directed to 26 research projects. The funding includes \$14 million from AAFC, \$5 million in funding from the research allocation of the Canadian Beef Cattle Check-Off and \$1.5 million in in-kind contributions from industry in the form of cattle, equipment, and materials.

This Cluster will work to grow beef exports and supply growing global beef demand by supporting research and technology transfer that advances Canadian beef and forage production while enhancing industry competitiveness and the public's trust in responsible production.

Beef Science Cluster III Funding by Research Priority Area



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Details on all 26 Cluster projects are available on BeefResearch.ca.

Priority Research Projects

In addition to the projects within the third Science Cluster, research aimed at achieving specific goals of high priority to the beef industry are sought. Since June 2018, the council has launched an annual targeted call for letters of intent. Applicants are required to source 50% or greater of project funding in order to leverage check-off dollars for a greater return on producer investment. Summaries of these research projects will be available on BeefResearch.ca.

Proof of Concept Projects

Also being funded are short-term (six months to one year) proof of concept-based (POC) research to help inform whether a concept is worth pursuing as a larger, more defined research investment. BCRC approved funding in February 2019 for four POC projects. These POC projects were funded in large part by a private industry partner. A second call for POC projects was launched August 2019.

Research Capacity

The BCRC identified that gaps in research capacity are a high priority and in 2018/19 began the process of developing Research Chairs in partnership with key Research Institutions through a competitive call for proposals. The intent of BCRC investments is to leverage other funding to implement long-term research capacity in areas of priority to industry. From the proposals submitted in 2018/19, two concepts were selected for further development:

- A Beef Production Systems Chair is proposed to be established at the University of Alberta “to increase the competitiveness of those sectors of the Canadian beef industry that rely heavily on grazing-based forage resources, while maintaining a strong focus on beef production and market outcomes”.
- At the Western College of Veterinary

Medicine, University of Saskatchewan, a BCRC Chair in One Health and Production-Limiting Diseases is proposed to be established with the goal “to increase capacity for applied field research and surveillance in specific priority areas outlined by the beef industry including: animal health and welfare, antimicrobial use, resistance and alternatives, and on-farm food safety”.

BCRC has conditionally committed \$150,000/year for five years to each of the Chair positions outlined above, with commitment conditional upon the Institution securing matching funds. Efforts are currently being led by the institutions, supported by the BCRC, to secure matching funds through sources such as the NSERC Industrial Research Chair (IRC) program with the goal of matching funds and the new Chair positions being in place in 2019/20.

Knowledge and Technology Transfer

The BCRC continues to develop and distribute several extension resources for Canadian cattle producers, including interactive decision-making tools, videos, articles, webinars, and infographics. All are available on www.beefresearch.ca, and regularly promoted through various channels, including the BCRC Blog and the BCRC e-newsletter, The Wire.

Advancement of the Verified Beef Production Plus program

In addition to funding research, the BCRC is responsible for the delivery of the Verified Beef Production Plus (VBP+) program, which verifies on-farm practices related to food safety, animal care, biosecurity, and environment. Ongoing national industry investment will ensure the consistent delivery of the VBP+ program as it becomes a core pillar in verifying sustainable beef production in partnership with end-users.

For More Information

To learn more about BCRC initiatives and take advantage of our extension resources, visit our website at www.beefresearch.ca.

CCA REPORT

2019 was an active year for the Canadian Cattlemen's Association (CCA). On the foreign trade front, the CCA was pleased with the resumption of trade with China in late November. Following discovery of fraudulent pork export certificates on June 25th, 2019, Canadian exports of meat were halted. Since June, CCA has been actively engaged in discussions with government officials to help ensure Canadian beef exports to China would be eligible as soon as possible. The Government of Canada completed an investigation and submitted an Action Plan that supported the re-establishment of exports to China; all establishments eligible to export as of June 25, 2019 are once again eligible. CCA wants to thank all those involved in restoring this important trade relationship.

Shipments of Canadian beef to China represented 2.6 per cent of Canada's total beef exports in 2018. In the 1st half of 2019 exports to China were up 271% in value at 11,315 tonnes valued at \$96 million and were on pace to reach 6.1% of total exports. The CCA was recently in China for meetings to further build the Canada-China trade relationship.

In December, Deputy Prime Minister Chrystia Freeland attended the formal signing of successor to the North American Free Trade Agreement, the Canada-U.S.-Mexico Agreement (CUSMA). This long-awaited trade agreement will ensure Canada has access to essential North American markets, particularly the U.S.

The main objectives for CCA in the new NAFTA negotiations included maintaining access and ensuring mandatory Country of Origin Labelling remained out of the agreement. Further regulatory cooperation areas were also sought, however not fully attained in the agreement and remain areas for further improvement.

Back in Canada, CCA representatives met with Beef Farmers of Ontario and the Ontario Cattle Feeders Association in November to discuss challenges in Eastern Canada. Chief among these is the shortage in packing capacity, which has resulted in significant economic impact on both the dairy and beef industries. The extent of the situation is estimated at \$174 million economic impact (if cattle prices were normalized to the five-year fall average price for fed cattle and cows in Ontario and Quebec from the 2018 eastern fall price lows). The problem is being further exacerbated by the closure of an Ontario processing facility.

This cost estimate does not fully capture the extent of the hardship caused by the shortage of slaughter capacity in the East. Lack of processing capabilities increases other costs, for example, if cattle are being kept on feed longer than anticipated and often results in over-weight discounts. Furthermore, the processing shortages have ramifications extending beyond Ontario and Quebec, and into Manitoba and the Maritimes. The economic impact of these ongoing shortages is significant and warrants careful consideration and timely action.

We at CCA foresee a number of solutions that would help alleviate these challenges, including the funding of an export diversification fund, a joint government and industry initiative assessing the need for a short-term assistance program, increasing access to labour through the temporary foreign workers program and recently announced pilot program, and undertaking a study to

assess the regulatory competitiveness of Canada's packing industry. As we head back to Ottawa this fall, this will be top priority for CCA working with the new government.

Further East, the Maritime Beef Strategy covering New Brunswick, Nova Scotia and Prince Edward Island has a goal to expand cattle inventories and beef production. There is ample pasture for the cow-calf sector to expand and feed available with the region being a net exporter of barley. There is also growing demand for locally grown beef through the Atlantic Beef Products Inc plant. These signs all bode well for expansion of the Maritime beef herd, however, a lack of risk management tools available in the region increases the price risk and limits the options for young producers in accessing financial support. CCA met with Maritime beef representatives in the fall to assess some of these challenges.

The Maritime beef and dairy combined cow herd of 100,800 head (as of January 1, 2019) typically ships over 50% of calves to Ontario or Quebec. Some feeders are backgrounded locally before being sold to Ontario or Quebec for finishing. The pinch point is at the finishing stage as packer demand is currently 650 - 1,000 head per week, with the shortfall being purchased in from Quebec. Atlantic Beef Products has plans to expand cooler and shipping space as well as moving to full-day harvest and fabrication. There are currently 26,800 head of cattle on feed in finishing feedlots in the Maritime region that could be interested in price insurance as a risk management tool. With enhanced risk management solutions there is potential to retain more beef calves and dairy steers for finishing in the region, with additional supplies estimated at 70,000 head (depending on beef heifer retention percentages).

Unfortunately, there is currently not enough price data in the Maritime region alone to support a Maritime Settlement Index like those in other provinces. However, there is a high correlation between cattle prices in Ontario and Quebec, as the local prices arbitrage to those larger markets. Maritime producers are willing to accept an out of province settlement index, through the creation of an Eastern Settlement Index, consisting of data from Ontario, Quebec, and the Maritimes. CCA will continue to work with its Eastern members to advance this initiative in the new year.

Changes to livestock transportation regulations brought in by the previous government have raised concerns for Canadian beef producers. The proposed changes would see feed, water and rest intervals for cattle drop from 48 hours to 36 hours and rest stop durations increase from 5 hours to 8 hours. In December 2019, Minister of Agriculture and Agri-Food Marie-Claude Bibeau announced that there would be a 2 year "transition period" for the cattle sector with regards to the regulations. While the Minister indicated regulations will still come into force on February 20th, 2020, the transition period would provide flexibility to the industry and focus on soft enforcement measures such as education and awareness. CCA has heard similar messaging from CFIA and although on initial interpretation we are hopeful there is a willingness on behalf of CFIA to pause and take into account infrastructure needs and ongoing government funded livestock transportation research to ensure we get the regulations right, the CCA is still awaiting the specific details of the proposed transition period for the Canadian beef and dairy sectors.

Looking forward to 2020, the CCA will continue its dedicated work on behalf of Canada's 60,000 beef farms and ranches in order to realize the vision of a profitable Canadian beef industry with high-quality beef products recognized as the most outstanding by customers at home and around the world.

