

ANNUAL REPORT 2020



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SCIDF Complete and Continuing

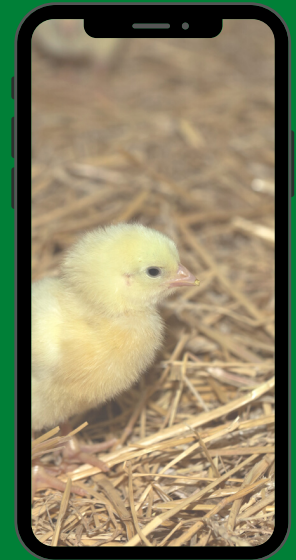
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2020 Audited Financial Reports

(Enclosed)

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ABOUT US



Chicken Farmers of Saskatchewan (CFS) is a farmer-run, non-profit organization representing 68 certified producers who raise broiler chickens in Saskatchewan.

Together, our farmers work to provide fresh, safe, quality chicken for Canadians. CFS works with Chicken Farmers of Canada to ensure that the supply of chicken being produced meets the needs of consumers, and that our chicken farms meet specific national animal care and food safety requirements under the National Raised by a Canadian Farmer Program.

The Chicken Farmers of Saskatchewan Board of Directors seats five producer members who are elected by their peers. It is the responsibility of the Board to set policies, volume, and negotiate a minimum live price with industry partners. Directors are eligible to serve up to nine years consecutively, (three - three year terms) and must stand down for a minimum of one year before they can become eligible for election again. The directors serve various roles on the board including representation at the national agency, Chicken Farmers of Canada (CFC).

The CFS board office has 4 employees and is located in Saskatoon.

Our Desired Future

- *Chicken continues to be the #1 protein of choice by consumers*
- *Consumers continue to have trust and confidence in the chicken we grow*
- *A healthy and competitive processing industry in Saskatchewan*
- *Strong and viable family farms*
- *Provincial legislation that encourages new/expansion of poultry barns/operation*
- *The Raised by a Canadian Farmer brand that is promoted and recognized in Saskatchewan*
- *Effective Supply Management implementation in Canada with full provincial and federal government support*
- *Growth in production of safe, healthy chicken*
- *Grower friendly relationships with the Saskatchewan Chicken board*
- *Farmers readily committed to and implementing science-based Animal Care & OFF SP programs*
- *Strong relationships with stakeholders*



MESSAGE FROM CFS EXECUTIVE DIRECTOR, GRAHAM SNELL

Hello Chicken Growers,

I am extremely pleased to be writing this message to the Chicken Farmers of Saskatchewan, one year away from the time the ongoing worldwide pandemic of Coronavirus hit our Canadian borders. In fact, the very day after our annual general meeting in 2020, both Canada and the province of Saskatchewan made the shutdown official; closing businesses, sending people home and mandating only those deemed essential to continue to work outside the home. A shock and surprise to most people and we have been bombarded 24/7 with news updates and commentary from both experts and armchair critics.

There are many arguments made about who is deemed essential in the workforce. There are obvious public points towards health care workers and first responders and the folks working in the grocery stores and service stations, but what does not get much media attention on this subject is Agriculture. This is most frustrating because other than health and safety, what could be more important than food?! We know how essential the women and men who work on farms, in processing plants and throughout the food supply chain are to our collective well-being. When people go to the grocery store, there must be confidence that there will be food on the shelves. It is all of you that is making that happen and both Canada and the world owes you so much gratitude.

I am pleased to inform you that both Nick Langelaar and George Hofer have been re-elected to the CFS Board of Directors. These two gentlemen, along with Henry, Wally and Ben continue to work behind the scenes to work for the best interests of the growers of our province. Evidence of their efforts is found in the pricing, allocation and the relief cheques sent out in response to what was lost during the initial Covid hit. You can always trust them to work in the best interests of our Producers.

I also want to express that same gratitude towards our Board Office staff. Kim, Jenny, and Frank, continue to do impressive work and they can be counted on for all your needs. Our office is a hard-working, easy-going place to be, and I am proud of everything they do. I am lucky to be on their team.

It has been a year since I first met with the Board and began this journey with the Chicken Farmers of Saskatchewan. I have learned so much and will continue to learn all I can. I have met nothing but hard working, honest people full of integrity and I am proud to brag about you and our industry to anyone who will listen.

I hope you all continue to remain safe, healthy, and magnificently contributing to feeding the world with delicious, protein and vitamin enriched chicken.

Graham Snell





Top row: CFS Board of Directors: L to R : Wally Sloboshan, Ben Middleton (Vice Chair), Henry Van Ee (Chair) , Nick Langelaar (CFC Director), George Hofer (CFC Alternate)

Bottom row: CFS Staff L to R : Frank Cuevas (Producer Programs Manager), Graham Snell (Executive Director), Kim Hill (Operations Manager), Jenny Nolasko (Production Manager).

Chicken Farmers of Saskatchewan Board of Directors and Staff

OUR VISION

*A profitable
and sustainable Saskatchewan chicken industry for our farmers
and stakeholders.*

OUR MISSION

*To grow the
Saskatchewan chicken industry by working with our partners and
providing safe, high quality chicken to Canadians.*

2020

68 licensed producers

74 farms

65,244,970 KGS

28,757,035 BIRDS

STRATEGIC PRIORITIES

01 PRICING

To receive a fair and defensible return on cost of production.

02 CONSUMER TRUST

To continue to build consumer confidence that our chicken is a safe, nutritious food and that chicken farmers raise chickens in a caring and stewardly manner.

03 NATIONAL ALIGNMENT

To recognize CFC/National programs and work to ensure alignment with CFC and other provinces on national issues including OFF SP, Animal Care and RBCF programs.

04 A STRONG, COMPETITIVE VALUE CHAIN

To encourage a healthy, competitive value chain for Saskatchewan Chicken Farmers.

05 FARMER SERVICES

To support farmers to be successful with their farm operations.

06 STAFF AND BOARD DEVELOPMENT

To continue to develop CFS staff and directors.

As CFS continues to move forward, it is important to recognize some of the success and achievements from the past:

- Expansion of quota
- New Entrants
- Healthy industry/organization
- Board office support of growers
- Density on a whole farm basis
- Two SK processors
- Working relationship with SK Agri-Food Council

CHICKEN FARMERS OF SASKATCHEWAN 53RD ANNUAL GENERAL MEETING MINUTES #5126

CFS 53rd Annual General Meeting

Michelangelo B, Delta Downtown, Saskatoon, SK

March 12th, 2020 – 8:30am to 3:00pm

Chair: Henry Van Ee

Recording Secretary: Adam Berenik

Minutes #5126

Call to Order, Welcome and Introductions – Henry Van Ee

Meeting called to order 8:41am. Chair Henry Van Ee welcomed attendees, guests, and delegates attending the conference from other provinces and the executives in attendance from CFC.

#5127 Approval of Agenda

Motion to approve Bonnie Morrison

Seconded by George Hofer

Motion carried

#5128 Approval of 52nd Annual Meeting Minutes

There was brief discussion.

Motion to approve Ken Schwarzle

Second Rudy Martinka

Motion carried

#5129 Election Results

Henry explained the election results, reading the report provided by Agriculture Council of Saskatchewan to the Chicken Farmers of Saskatchewan.

- CFS Board Nominations received – Henry Van Ee, Wally Sloboshan elected
- SCIDF Committee Nominations – Patrick Keet, Tyler Keet - elected

Henry concluded his notes on the Board elections, introduced CFS Board Members

Chatted regarding current events (coronavirus) and gave reassuring message as to the strength of the supply management system for broilers.

Continued to give a positive message regarding the supply management industry.

CHICKEN FARMERS OF SASKATCHEWAN

53RD ANNUAL GENERAL MEETING

MINUTES #5126

#5130 Introduction of Directors – Nick Langelaar

Nick spoke of current world trade events (USMCA, CPTPP) impacting poultry. Talked about the carbon tax. Brief point on animal activism. Spoke on category III antibiotic use. Introduction of Michael Laliberte and Benoit Fontaine and Derek Jansen and Nick DeGraaf.

#5131 Executive Director CFC Michael Laliberte

Michael spoke about pathogen reduction profile, national salmonella surveillance. Spoke on antimicrobial resistance, and how/why it is being considered and what considerations CFC has taken. Spoke on what plans CFC has to compensate farmers for any loss due to CPTPP and USMCA. Spoke on removing the loophole where adding sauce to a chicken product made it not count as a chicken import. Spoke on alternate/plant-based proteins, and what CFC is doing in regards to messaging, marketing, and other.

Question from Charles Goossen – DNA testing of imported chicken? Answer: pressure to have government demand it is hopefully coming this year.

#5132 CFC Chair Benoit Fontaine

Began with a short history lesson on Saskatchewan's Coat of Arms and supply management. Spoke about our industry and the OFFSP/ACP, and why we are doing what we do. Spoke about the Canadian Poultry market. Gave inspiring message regarding the ACP and thanked CFC exec.

#5133 Agrifood Council – Dr. Bob Tyler

Bob Tyler greeted everyone, gave introduction to what the Agrifood Council does.

Break

#5134 2019 Review

Kim Hill thanked people that helped put this meeting together. Spoke of pricing agreements with processors, new grower program, CFS board strategic plan, new website, activism, marketing, advertising.

Jenny Nolasco spoke on 2019 Market Review.

Adam Berenik gave an overview of the SCIDF 2019 activities.

#5135 2019 CFS Financial Statements

Kim Hill presented the Financial Reports.

Kim Hill presented both the CFS and SCIDF financials.

George Hofer asked what the monetary enforcement was. Answer: over production fees

Kim Hill read Precedence Gravitas report as Todd McLay was unable to attend.

Motion to approve financials George D Hofer

Seconded by Ivy Rachkewich

CHICKEN FARMERS OF SASKATCHEWAN

53RD ANNUAL GENERAL MEETING

MINUTES #5126

Motion carried

#5136 Appointment of 2021 auditors

The Board recommended change of auditor to Mclelland Debusschere for 2021.

Question: why are we switching auditors after 10-12 years. Answer: not cost related, professional relationship, and a firm that is located in saskatoon and time for change.

Motion to approve Ken Schwarzle

Second George Hofer

Motion carried

#5137 Presentation of 2020 budgets (CFS & SCIDF)

Kim presented the CFS and SCIDF 2020 budgets

Question from George Hofer: deficit budgeted; can money be moved around to cover negatives in other areas? Answer: yes.

Question Ken Schwarzle: Does the board feel SCIDF committee should continue to exist? Answer: not talked about specifically but want to keep committee going. It was mentioned that a government representative and board representative is on committee.

Budget is approved by CFS board of directors.

#5138 University of Saskatchewan Poultry Extension Report

Tennille and Tyra discussed Poultry Extension. Tennille discussed activities and what the % of time spent doing work for each board.

Tyra spoke on what the top four diseases of 2019 were. Gave brief info on what can be done to prevent the most common diseases.

Referenced the Saskatchewan Poultry Extension report found at the back of the CFS Annual Report.

Question: eliminating category III. Answer: will take time but producers will adjust.

#5139 STARS Presentation – Tammy Beauregard

Lunch

#5140 Guest Speaker Jim Rover – Animal activist threats and tactics

#5141 Producer Only meeting

CHICKEN FARMERS OF SASKATCHEWAN

53RD ANNUAL GENERAL MEETING

MINUTES #5126

Henry discussed on farm live bird sales or sales from the farm in general. Henry spoke of carbon tax. Opened floor to producer questions. George D Hofer discussed making quota leasing possible past shipping date to better hit 100% allocation.

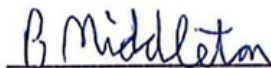
#5142

Motion to adjourn the meeting.

Moved by Rudy Martinka



Henry Van Ee, Chair

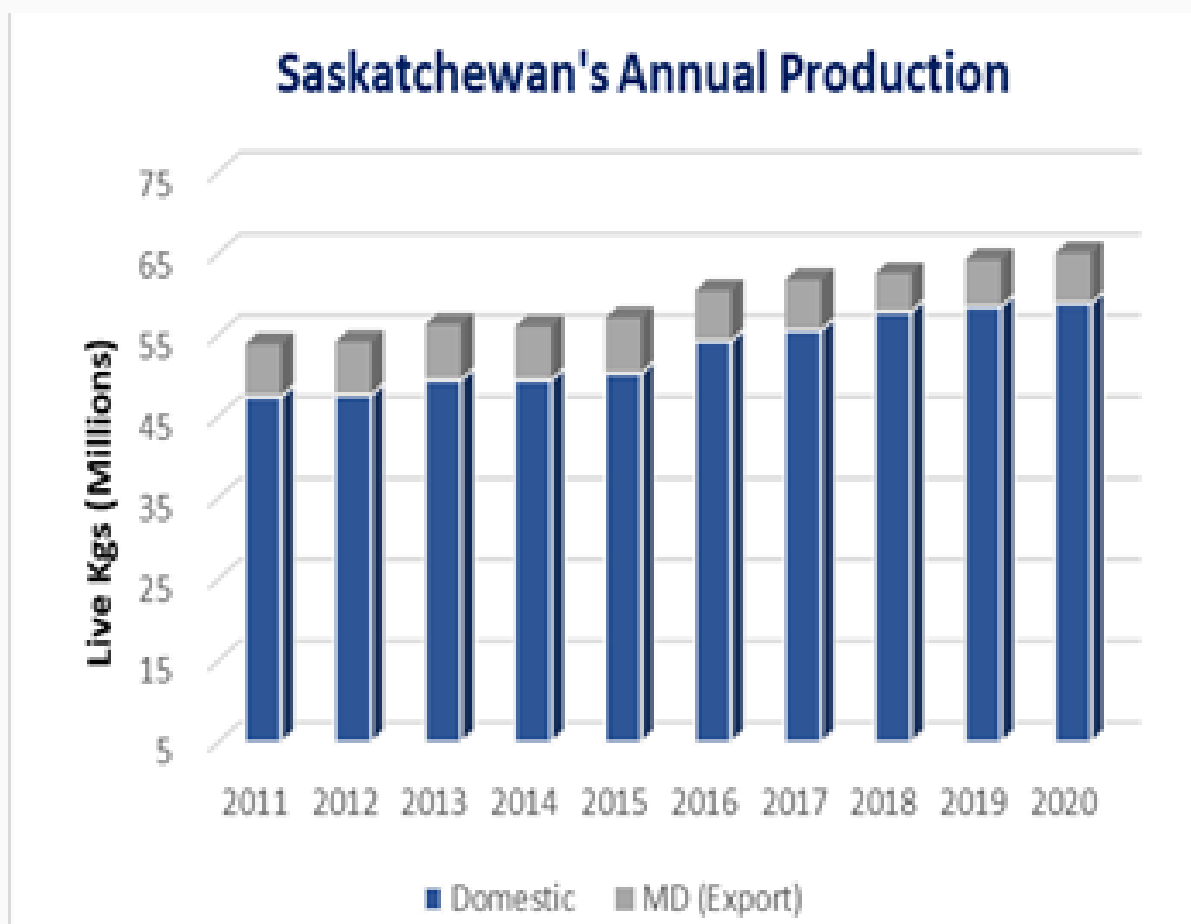


Ben Middleton, Vice Chair



2020 MARKET REVIEW

2020 MARKET REVIEW



Saskatchewan's domestic production in 2020 is estimated 58.9 million live kilograms, an increase of 0.7% or approximately 400 thousand Kgs from last year's (2019) domestic production.

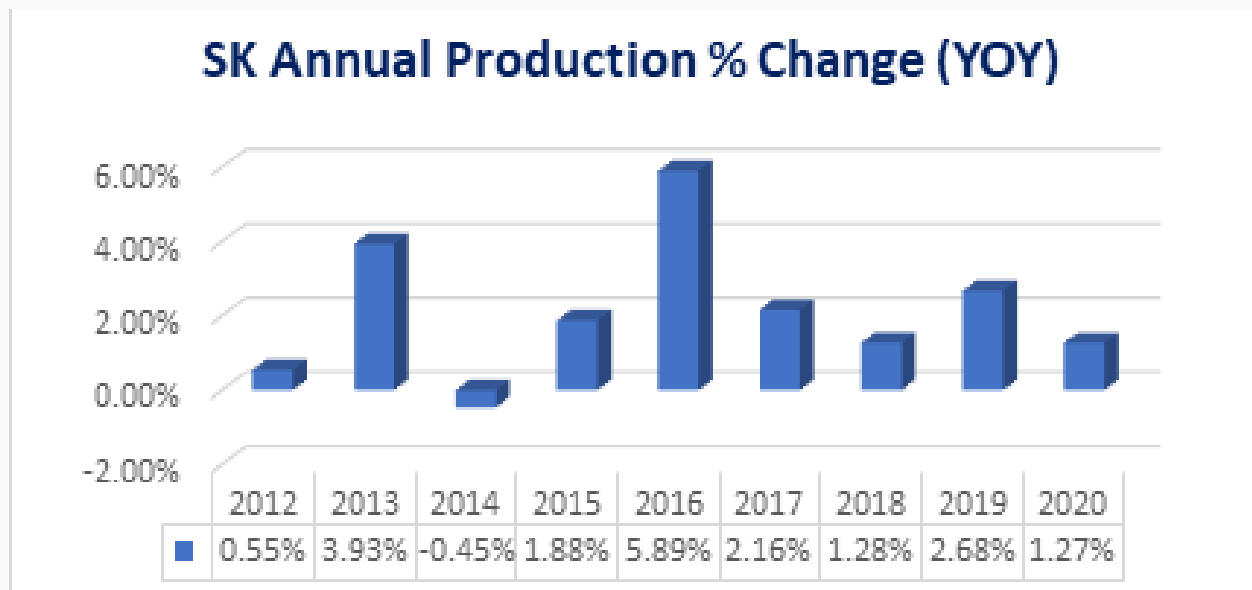
Market Development (Export) production of Saskatchewan in 2020 is estimated 6.2 million live kgs, an increase of 7.2% or approximately 400 thousand Kgs from last year's (2019) export production.

Saskatchewan's total production in 2020, which includes domestic and market development, is estimated 65 million live kilograms, an increase of approximately 800 thousand live kilograms or 1.27% from 2019 production. Market development represented 9.5% of Saskatchewan's total production in 2020 vs 8.10% in 2019.

In 2020, average weight per bird is 2.27 kgs.

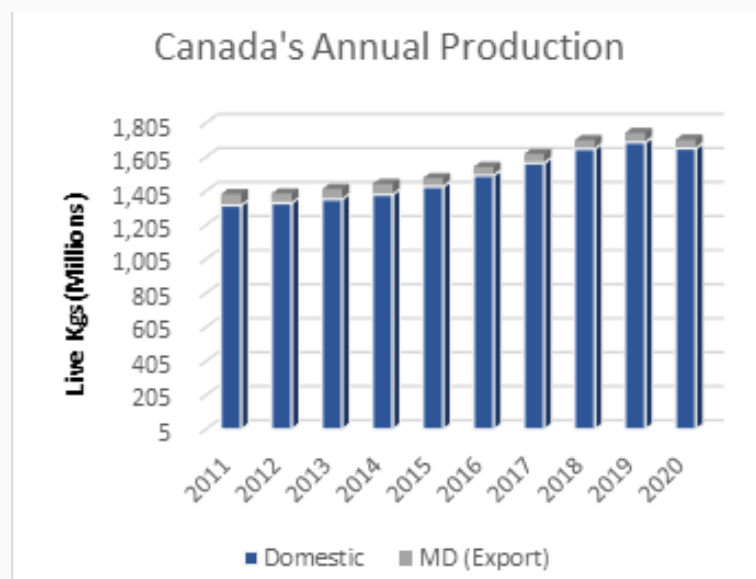
In 2019, Saskatchewan had three (3) new entrants that started production in 2020.

2020 MARKET REVIEW



From 2012 – 2020 Saskatchewan's average growth per year was 2.13%.

Last year's increase (2019 to 2020) was 1.27% vs (2018 to 2019) is 2.68%.



Canada's total production in 2020, which includes domestic, market development and specialty, estimated 1.72 billion Kgs, a decrease of approximate 39 million live kilograms or 2.21% from 2019 production.

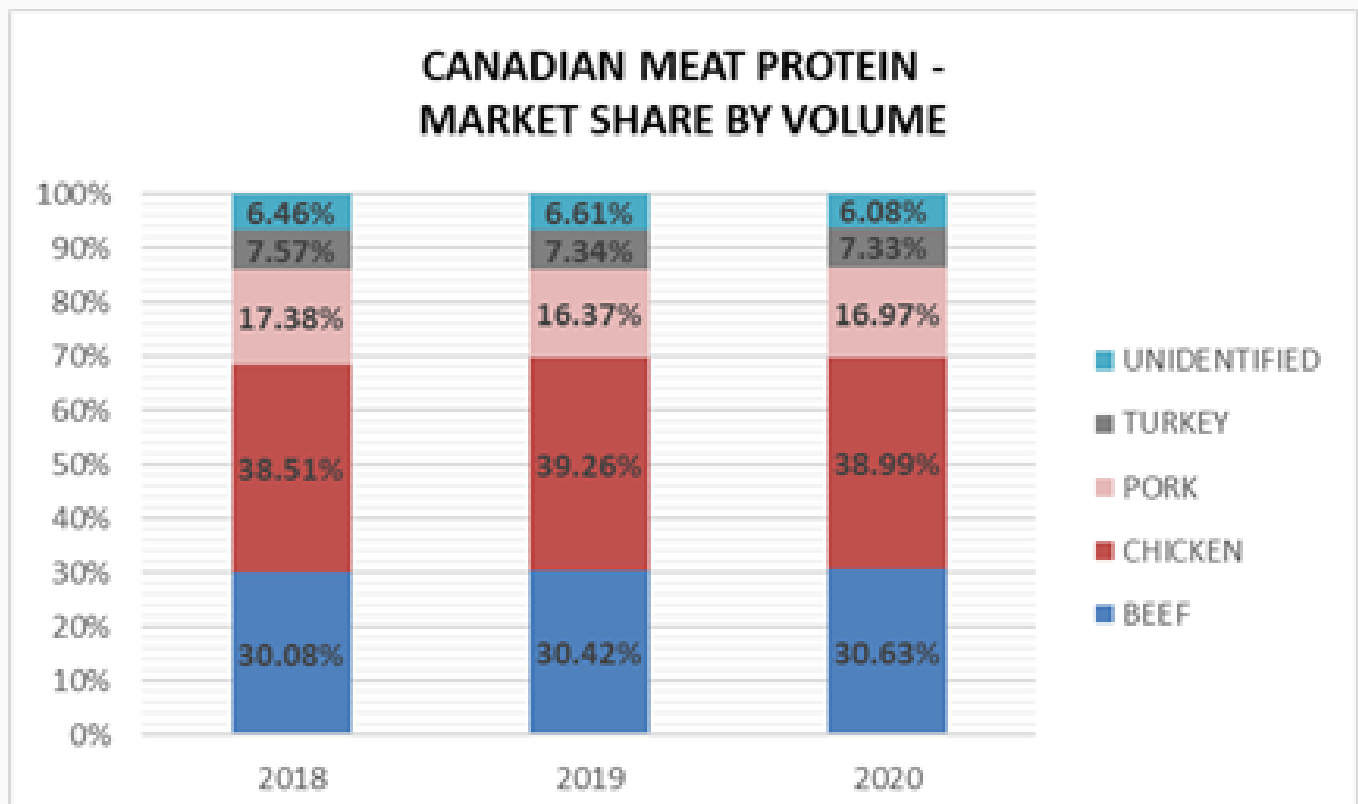
2020 MARKET REVIEW

Saskatchewan Quota Utilization			
Cycle	Allocation (kgs live)	Production (kgs live)	Utilization
A-161	9,918,076	10,221,141	103.1%
A-162	10,136,010	10,274,461	101.4%
A-163	9,499,132	9,811,021	103.3%
A-164	9,523,145	9,526,859	100.0%
A-165	9,872,749	10,145,321	102.8%
A-166	10,063,235	10,151,309	100.9%
Canada Quota Utilization			
Cycle	Allocation (kgs live)	Production (kgs live)	Utilization
A-161	271,121,201	274,944,233	101.4%
A-162	274,808,729	276,489,037	100.6%
A-163	246,539,799	251,439,934	102.0%
A-164	248,469,421	249,452,681	100.4%
A-165	265,798,397	265,716,336	100.0%
A-166	270,496,199	275,587,662	101.9%

In 2020, Saskatchewan's average utilization rate was at 101.9%, an increase from 2019 utilization average of 99.9%. Canada's 2020 average utilization rate was at 101.2%, an increase from 2019 utilization average of 100.5%.

The Covid-19 pandemic contributed to over production this year. Aiming for 100% utilization will remain a significant priority of Chicken Farmers of Saskatchewan.

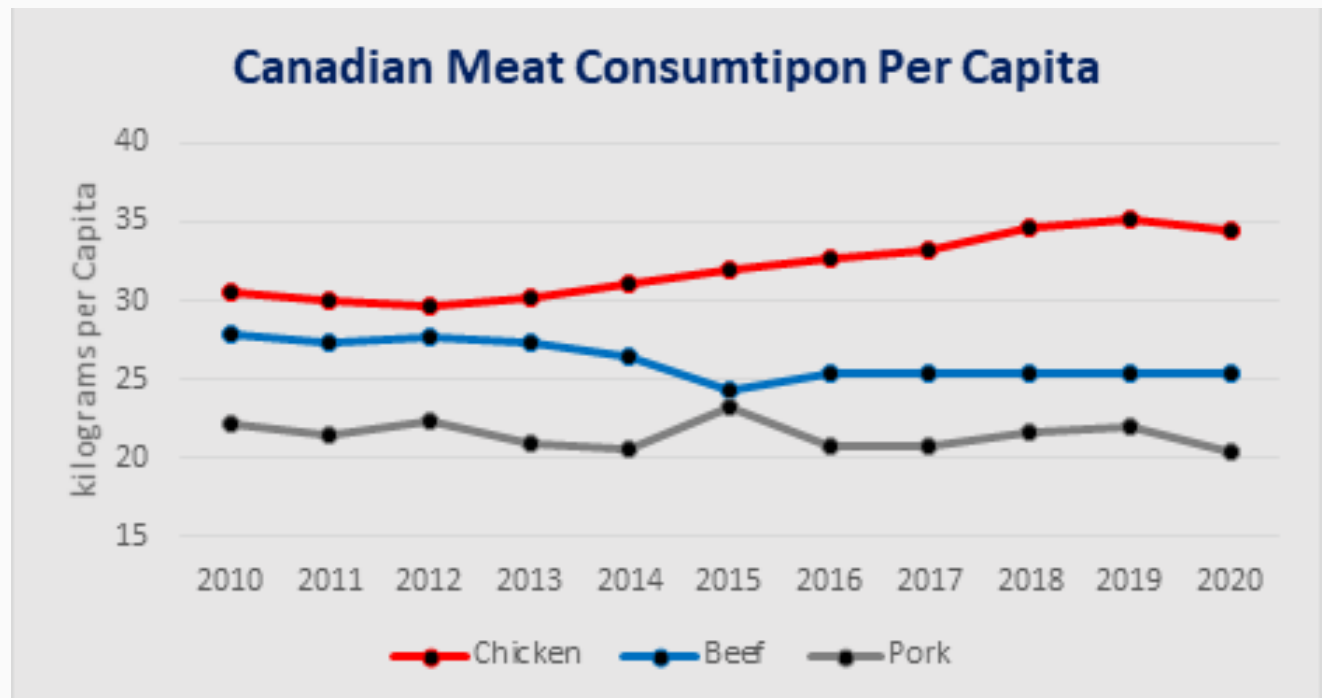
2020 MARKET REVIEW



(Source: Nielsen Retail Scan Sales – Fresh track data)

In 2020, chicken slightly decreased market share by volume compared to 2019 but remained highest market share and most in demand protein in Canada compared to other meats.

2020 MARKET REVIEW



(Source: AAFC)

2020 Data Estimates:
Chicken - CFC estimates
Beef and Pork - AAFC estimates

Estimated chicken consumption in 2020 is 34.4 kgs per capita, a decrease of 0.6 kg from 2019, Pork also declined in per capita consumption in 2020 an estimate of 20.5 kgs, a decrease of 1.5 kgs from 2019, while beef remained the same at 25.4 kgs per capita.

Covid-19 pandemic challenges; consumers became more price conscious, other meats continue with significant competitive prices, increased sales at retail have not made up for the losses in the food service industry. Despite the decrease in market share and consumption, chicken has stayed the highest consumed protein in Canada.

SCIDF

2020 ANNUAL REPORT





THE FUND

Saskatchewan Chicken Industry Development Fund (SCIDF) was created in 1999. The purpose of the fund is to develop the chicken industry through research and development and promotion. SCIDF is run by a separate committee of Chicken Farmers of Saskatchewan (CFS) members who determine where and to whom the funds should be allocated. To date the SCIDF committee has helped fund over 30 research projects, many of which are housed at the University of Saskatchewan, it's also donated to various non-profit organizations throughout our province.

THE COMMITTEE

The SCIDF fund is managed and operated by a jointly elected and appointed sub-committee under CFS, the following were it's 2020 Committee members: **Patrick Keet (Chair), Rudy Martinka (Vice-Chair), Nelson Keet, Henry Van Ee (CFS Board Representative), and Glenn O'Hara (AAFC representative).**

This past year SCIDF provided total funding in the amount of \$1,434,789. This amount included \$400,303 towards research projects and poultry extension. \$801,496 was paid to the producers in the form of relief due to loss of production because of Covid-19. The remainder went towards promotional projects, scholarships, expenses and admin. The Chicken Farmers of Saskatchewan continues to be a national leader in advancing poultry research and development in Canada.



LEADERS IN RESEARCH

SCIDF plays an important role in poultry research.

The following projects were finalized in 2020:

DR. GOMIS

“Control of “variant” Infectious Bursal Disease Virus (IBDV) in the broiler chicken industry in Canada.

- \$120,000 total funding

DR. WANG

On-farm trials to validate encapsulated essential oils to control necrotic enteritis in broilers

- \$25,400 total funding

REVIEW OF SCIDF RESEARCH PROJECTS 2020

Research Projects Continuing in 2020*

Dr. White - Use of emerging technology to detect and predict antimicrobial resistance in the Saskatchewan food supply.

\$36,000.00 over 3 years.

Dr. Gomis - Control of Necrotic Enteritis in the broiler chicken industry in Saskatchewan, \$120,000 over 4 years.

Dr. Gomis - Development of vaccine against Avian Reovirus infection in broiler chickens.

\$120,000 over 3 years.

Dr. Koester - Glowing bacteria to monitor and control salmonella in poultry.

\$20,000 over 3 years.

*See financial report for payment commitments for future years.

REVIEW OF SCIDF PROMOTIONAL PROJECTS 2020

Promotional Activities

Farm and Food Care SK - \$21,000

Ag in the Classroom - \$25,000

U of S AgBio Scholarships - \$4,000

U of S WCVN Scholarships - \$2,000

Food Bank Regina - \$5000

Food Bank Saskatoon - \$10,00

USask Researchers to World Poultry Conference - \$7,500

Agriculture Awareness Program - \$5,000

Radio Promotions - \$4,500

Jim Pattison Children's Hospital Foundation - \$16,500

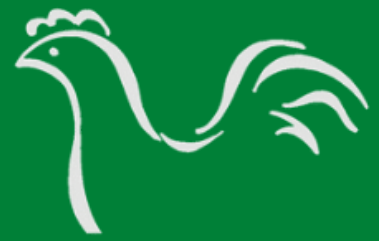
Radiothon Children's Hospital - \$5,000

STARS - Sponsorship for Cardiac Monitor - \$20,000

St. John School Sponsorship for Guided Reading- \$1,000



Our farmers
care about
what you eat...

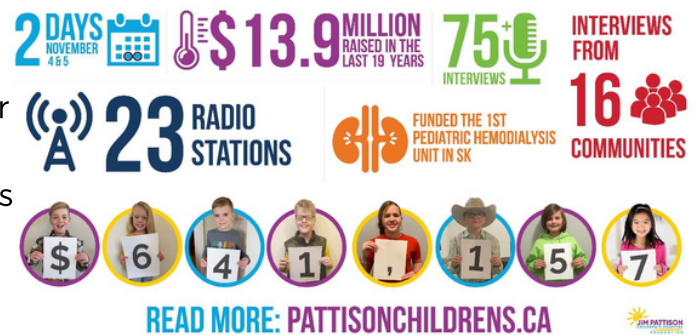


Jim Pattison Children's Hospital

The Chicken Farmers of Saskatchewan's donated a total of \$65,000 over 3 years in support of the Nourishment Room #2017, Pediatric Inpatients within Jim Pattison Children's Hospital and Radiothon.

Jim Pattison Children's Hospital Radiothon

The Chicken Farmers of Saskatchewan's Power Hour was from 8-9am on the first day of Radiothon. During this hour the announcers on all radio stations mentioned that all donations during that hour would be matched by the Chicken Farmers of Saskatchewan up to \$5,000.



STARS Air Ambulance

The Chicken Farmers of Saskatchewan believes in how important STARS service is to the people of our province and that is why we are pleased to sponsor the purchase of a cardiac monitor at a cost of \$20,000.

BUILDING TRUST IN AGRICULTURE

2020 was busy year for our communications team. Although we were forced to change a lot of our communication plans due to the pandemic, the adjustments allowed us to look forward and focus on expanding virtual communications with our audience. There is no question that our farmers and partners played a big part in our initiatives and we thank you for being so accommodating.

Our 2020 program involved a partnership with Chicken Farmers of Canada, The Great Food Grown Here Project was funded in part by Saskatchewan's AAIP program and involved participation from our farmers, industry experts and stakeholders.

THIS PROJECT INCLUDED:

Presentation to the Dieticians of Canada at their annual Conference (virtually) in June 2020. Tiffany Martinka joined the conference and presented to dieticians, answering their questions about farming, the animal care program, and the chicken industry.

5 Facebook Live barn tours with Tiffany Martinka, hosted by CFC and Farm and Food Care Saskatchewan.

Ask a Farmer/Expert

Videos submitted by our farmers Tyler Keet, Tiffany Martinka and Vet industry expert Tyra Dickson. These are featured on Canadian Food Focus and the CFS website and have been posted across social media channels.

A series of articles/videos on chicken farming in Canada featuring the Patrick/Sonja Keet family, this article and videos are featured on Canadian Food Focus and on the CFS website.

Articles on cooking chicken and food safety featured on Canadian Food Focus and on CFS website and social media.

This project has received positive response from consumers, with videos getting thousands of views and SK classrooms participating in our live barn tours the past summer.



Raised by a
CANADIAN
FARMER | Élevé par un
PRODUCTEUR
CANADIEN



Our farmers have also been great at participating in National campaigns with CFC, advocating for Takeout Day, Women in Agriculture, and various other initiatives.

2020 FINANCIAL REPORTS



2021 BUDGET

	2021		
	CFS	SCIDF	2021 Total
INCOME			
Board Levies Total	\$1,087,570.26	\$0.00	\$1,087,570.26
Less CFC Levies	-362,523.42	0.00	-362,523.42
Net CFS Levies	725,046.84	0.00	725,046.84
Monetary Enforcement	0.00	0.00	0.00
Quota Transfer Fee	3,500.00	0.00	3,500.00
Bank Interest	3,000.00	0.00	3,000.00
Administration Compensation	0.00	0.00	0.00
License Income	19,000.00	0.00	19,000.00
Quota Fees	0.00	0.00	0.00
Other Income	0.00	0.00	0.00
Investment Income	0.00	390,000.00	390,000.00
AAIP Great Food Grown Here Project - Phase II	0.00	15,000.00	15,000.00
Total	750,546.84	405,000.00	1,140,546.84
EXPENSES			
Administration Salary (portion to SCIDF for admin/communications)	241,275.00	45,000.00	286,275.00
Administration Benefits (group ins,pension,cpp,ei,WCB)	44,451.02	8,391.74	52,842.76
Advertising:	10,000.00	0.00	10,000.00
Amortization:	11,500.00	0.00	11,500.00
Audit Fees	6,250.00	5,000.00	11,250.00
Legal Fees	20,000.00	0.00	20,000.00
Bank Charges:	3,500.00	1,500.00	5,000.00
Computer (program & hardware):	80,000.00	0.00	80,000.00
Director Per Diem/Comm & Stipend Expense	75,000.00	0.00	75,000.00
Director Travel & Meals	25,000.00	0.00	25,000.00
Insurance	15,000.00	0.00	15,000.00
Janitor	3,000.00	0.00	3,000.00
Repairs/Maintenance/Security	2,500.00	0.00	2,500.00
OFFSAP:	38,000.00	0.00	38,000.00
Outside Services:	500.00	0.00	500.00
Management Expense	25,000.00	0.00	25,000.00
Meeting Expense	20,000.00	2,000.00	22,000.00
Office Supplies & Equipment	8,000.00	0.00	8,000.00
Postage	1,000.00	0.00	1,000.00
Building Rent/Condo Fees	10,000.00	0.00	10,000.00
Building Property Taxes	6,000.00	0.00	6,000.00
Subscriptions/Memberships	2,500.00	0.00	2,500.00
Miscellaneous:	0.00	0.00	0.00
Telephone/Internet/Utilities:	11,500.00	0.00	11,500.00
Training	10,000.00	0.00	10,000.00
Research Funding Commitments	0.00	135,906.00	135,906.00
Expected New Research Projects	0.00	50,000.00	50,000.00
U of S Poultry Extension	0.00	128,248.00	128,248.00
Farm and Food Care Saskatchewan	0.00	20,000.00	20,000.00
Agriculture in the Classroom	0.00	25,000.00	25,000.00
Community Support Initiatives			
Food Bank - Christmas Food Hamper Program (Fall/winter 2021)	0.00	15,000.00	
JP Childrens Hospital (3 years)	0.00	21,500.00	
Expected New Community Support	0.00	13,500.00	
Total Community Support Initiatives			50,000.00
Scholarships	0.00	6,000.00	6,000.00
Fund Management Fee (Directly from fund - no cash pd)*	0.00	95,000.00	95,000.00
Communication Initiatives			
Ag Month	0.00	2,500.00	
Chicken Month	0.00	5,000.00	
Agribition (includes promo)	0.00	8,000.00	
Community Events (FFCSK)	0.00	15,000.00	
Promotional Material	0.00	5,000.00	
Misc (advertising, comms tools, memberships)	0.00	10,000.00	
Total Communications Initiatives	0.00		45,500.00
Expected New Communication Events/Projects			
Expected AAIP 2021 Project	0.00	15,500.00	
Cooking Series	0.00	8,000.00	
Misc	0.00	1,500.00	
Total New Communications Events/Projects	0.00		25,000.00
Committee Member Per Diems & Stipends	0.00	20,000.00	20,000.00
Committee Member Travel and Meal Expense	0.00	4,000.00	4,000.00
	\$669,976	\$666,546	\$1,336,522
Surplus (Deficit)	\$80,571	-\$261,546	-\$195,975

