



**2022**

# Annual Report

November 2022

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A MESSAGE FROM BRENT MOEN

# Chair Report

This year, Alberta producers saw hog prices rise to a five-year high, but this favourable situation was also offset by rapidly increasing input costs. For many producers, this meant profitability after navigating very volatile grain markets, which were complicated by supply chain issues, labour issues and levels of inflation not seen in decades. As your board of directors, we must continue to look forward and identify challenges and opportunities that could have a significant impact on our industry. Earlier this year, a potentially massive disruption to Canadian grain movements occurred with an impending Canadian Pacific (CP) Railway workers' strike. The strike was thankfully avoided due to pressure from industry and government, leading to a last-minute agreement between CP and the Train and Engine Negotiating Committee.

While the strike was avoided, grain and oilseed prices have continued to rise, on account of last year's drought conditions, the war in Ukraine and other factors that limited availability of critical products like wheat, barley and canola, which are staples of western Canadian swine diets.

As we continue to seek financial sustainability in an unpredictable marketplace, producers will continue to need business risk management (BRM) tools to support them in their operations. Last year, Agriculture and Agri-Food Canada (AAFC), working with industry, completed a review of the BRM programming, most notably looking at AgriStability, for which the federal government proposed to increase the compensation rate from 70 to 80 per cent. Although the change came into effect last year, Alberta, Manitoba and Saskatchewan had not accepted it in the first place. This year, Alberta agreed to



the increase, and Alberta producers will now be able to reap the benefits of this increase.

A tool that would provide further leverage for producers – mandatory price reporting – is slowly but surely coming along. For years, packers inspected by the U.S. Department of Agriculture (USDA) have been required to report their settlements every day, which is the foundation of how pigs are priced by Canadian federally inspected packers. While this mechanism is still not in place in Canada, the Canadian Pork Council's (CPC) BRM committee continues to press government to take steps toward implementing price reporting for wholesale pork values, which would be a promising first step toward hog price transparency.

The onset of spring this year also brought about a new case of porcine epidemic diarrhea (PED) in Alberta. Fortunately, due to the efforts of the farm and support from the herd veterinarian,

government officials and Alberta Pork's Production Team, the virus was contained to one site, which has since returned to a presumptive negative status. The disease can spread through feeding different ingredients, and this was a key topic of discussion at our semi-annual meetings earlier this year. Since that one-off case, producers have remained vigilant and have successfully protected their operations. When it comes to African Swine Fever (ASF), prevention and preparedness activities are further protecting the industry from decimating hog production and international pork trade, on which we rely heavily. Canada's ASF Executive Management Board (EMB) includes stakeholders from industry and government, coming together to provide a unified front on ASF. It is no secret that an ASF case would close Canadian pork to international markets. In such a case, it is highly unlikely the domestic market could absorb the surplus, and production would need to be strictly curtailed. As such, zoning agreements with countries like Japan, in addition to existing agreements, remain a high priority.

This year, the board welcomed returning director and past Chair, Dan Majeau. He has joined me and fellow directors Stan Vanessen (Vice Chair), Martin Waldner (Treasurer), Ard Bonthus, Marcel Rupert, Craig Thompson and Andy Walter. We bid farewell to Hendrik Fourie, who served two terms on our board and brought important insights to enhance our collective decision-making. I would like to thank Hendrik for his contributions.

For the future of Alberta Pork, which is now approaching its 54th year, it is incumbent upon producers to take ownership of our organization. While day-to-day life on the farm is busy and stressful enough, strong leadership on the issues that matter for us all is needed, but those of us here today cannot be at the helm indefinitely. I encourage all producers – whether junior or senior in terms of how long you have been involved in your operation – to put your hat in the ring to sit on our board of directors. Our annual nomination process will begin early next year, and I would be delighted to see a few new names and faces stepping up!

## **Last year, Alberta Pork embarked on a process to develop a new business plan, which is beginning to take shape. The business plan focuses on our sector's Revenue, Expenses, and Image.**

At the high level, the plan defines the organization's goals, as approved by the board of directors, which are then aligned with individual staff goals. This new process is helping make the organization more efficient, better focused and more effective when it comes to delivering services for producers, who are the 'customers.' In closing, it is incredibly refreshing to be able to meet with producers and industry partners again! Virtual meetings provided us with option to reach producers from the comfort of their own farms, but there is no doubt that we all prefer to be together in-person.

# Executive Director Report

## FOCUSING ON PORK PRODUCER BUSINESS NEEDS

Halfway through the year, we walked out of a two-year lockdown, optimistic the industry could return to business as usual. Unfortunately, the drought conditions from the previous year, coupled with the war in Ukraine, heightened the pressure on feed costs for producers. In addition, we saw record-breaking inflation driving up all input costs, exacerbated by supply chain and labour shortages at every turn. On a more positive note, pig prices stayed above the five-year average to help alleviate some of the higher expenses.

This year, we continued to build on your business plan goals, focusing activities on three key elements – 'Revenue,' 'Expense,' and 'Image.' While we experienced a 30 per cent reduction in staffing over the latter part of the year, we have targeted our resources to support producers and the industry in more measurable ways. The basic producer services related to quality assurance, biosecurity, swine traceability, as well as disease surveillance, prevention and preparedness are priorities to help safeguard the industry.

**Providing these supports to producers has been a key objective for staff**

and are necessary to garner support from government, other industry stakeholders and trading partners. It is critical we train for and prevent issues related to disease, animal welfare, climate and the environment, labour shortages and other on-farm disasters. Therefore, our ability to prove our words and actions through audited processes helps producers lay

the foundation for business resumption, should a crisis occur.

Alberta Pork staff have conducted nearly 50 virtual, on-farm and group training sessions for Transport Quality Assurance (TQA), Canadian Pork Excellence (CPE), biosecurity, euthanasia and African Swine Fever (ASF) preparedness. The team has also recorded several video interviews with subject-matter experts, which have been published online, touching on key economic issues. Daily, weekly and quarterly communication updates help keep producers and partners informed about our work, along with publicly facing social media content and work in progress to improve the website. The collaborative approach between producers and processors to move forward on the swine traceability e-manifest system is encouraging. Over the next six months, we are hopeful that Maple Leaf Foods Lethbridge will be completed, while Olymel Red Deer will be well on its way to implementation. It should be noted that BC Pork, Alberta Pork, Sask Pork and Éleveurs de porcs du Québec (Quebec Pork) are all working together to have the same electronic manifest system in place.

Over the past year, Alberta Pork has diligently tackled several industry concerns on behalf of producers such as addressing a potential rail strike, negative labelling on meat packaging, climate change challenges, pricing transparency, business risk management and insurance issues.

While we seek the best outcomes in a timely manner for producers, to reduce unwanted barriers, there are issues that we do not fully control and are required to work within the confines of the processes that others control. Some of those areas include regulations to gain national cut-out data reporting, regulations for

producer settlement data reporting, national swine traceability ear tag costs and government decisions on support programs. Although these issues have not been fully resolved, they are a continued priority.

On a positive note, one long-term legislative task that has been finalized is the formation of the Pork Promotion and Research Agency (PPRA) that now collects levy from imported pork products to support domestic pork consumption initiatives, as well as swine industry research needs. A second long-term regulatory task has also gained momentum with the approval of Alberta Pork's request to collect settlement data from federally inspected processors, under our provincial *Marketing of Agricultural Products Act* regulations. More work is needed before this pricing tool will be fully rolled out to producers, but we are looking forward to seeing producers gain more price transparency in 2023.

In addition, the Swine Innovation Porc (SIP) national research program will be entering into its fourth five-year funding cycle, with support from the federal government, to address priority research needs for the industry. The federal government has also announced more than \$45 million in ASF prevention funding, up to \$23.4 of which will go towards the pork industry's ASF mitigation efforts. This is in addition to the significant support already provided to Alberta Pork by the provincial government to tackle ASF and other swine health issues.

Over the coming year, Alberta Pork, with other provincial pork organizations, the Canadian Pork Council (CPC) and government, will be focusing efforts to address ASF liabilities and the needed framework for support programs in the event of an outbreak. As the new Canadian Agricultural Partnership (CAP) program funding comes into place in 2023, we will be looking for opportunities that can support needed producer changes on-farm. We are also hopeful that the development of a new disease insurance



program may become available.

Finally, I would like to thank the Alberta Pork Board of Directors and the Alberta Pork staff for their continuous dedication and hard work in serving producer needs. As well, we could not accomplish as much if not for the generous support and collaboration of our industry partners and government over the last year. As noted, in the past, when we work together to overcome common obstacles, we most often find the needed solutions as well as opportunities to improve.

# Industry Facts & Figures

## Hog Production

REGISTERED ALBERTA PORK PRODUCERS BY YEAR & TYPE			
	2020	2021	2022
Small-scale	567 (65%)	630 (68%)	719 (72%)
Hutterite colonies	121 (14%)	121 (13%)	121 (12%)
Producer groups	96 (11%)	90 (10%)	85 (8%)
Independents	91 (10%)	79 (9%)	80 (8%)
<b>Total:</b>	875	920	1,005

99 new registrations in 2022

SOWS ON ALBERTA FARMS BY YEAR AND PRODUCER TYPE			
	2020	2021	2022
Small-scale	1,269 (1%)	1,359 (1%)	1,601 (1%)
Hutterite colonies	50,748 (40%)	49,811 (40%)	48,454 (39%)
Producer groups	58,630 (42%)	57,813 (46%)	57,889 (47%)
Independents	16,515 (17%)	15,753 (13%)	15,635 (13%)
<b>Total:</b>	127,162	124,736	123,579



# Business Planning

## OUR BUSINESS PLAN PRIORITIES

Alberta Pork is guided by the goals of providing services that give the best value to producers, improving relationships and trust, and being proactive in our focus on the three main business areas for producers:



### Revenue

Identify and promote opportunities to make more money



### Expense

Identify and promote opportunities to save money

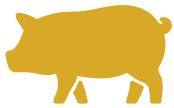


### Image

Strengthen our sustainability by providing high-quality information & training

## OUR SUSTAINABILITY PRIORITIES

The Alberta pork industry is measured on how we address the **4-Ps of sustainability**:



### Pigs



### People



### Planet



### Progress

As the advocate for producers, and often for the industry at large, we will spend more effort on encouraging improvements, supports to achieve change and messaging to show that the hog industry is a trusted component of the agri-food business.

Alberta Pork will be accountable for its actions in responding to and addressing producer needs; seek ways to improve and innovate our communications, interactions and engagement with producers and other stakeholders; and proactively targeting priority needs while using available resources efficiently and effectively.

Serving producers with a professional business mindset and building trusted relationships with all stakeholders, will help to ensure the best return on investment for our customer – the producer.

## MISSION

Deliver Services so our Producers and Partners Receive the Best Possible Value

# Revenue & Expense

Revenue & Expense are at the heart of how producers do business. Looking at Alberta Pork's activities through the same lens, we are positioning our organization to best serve producers' businesses.

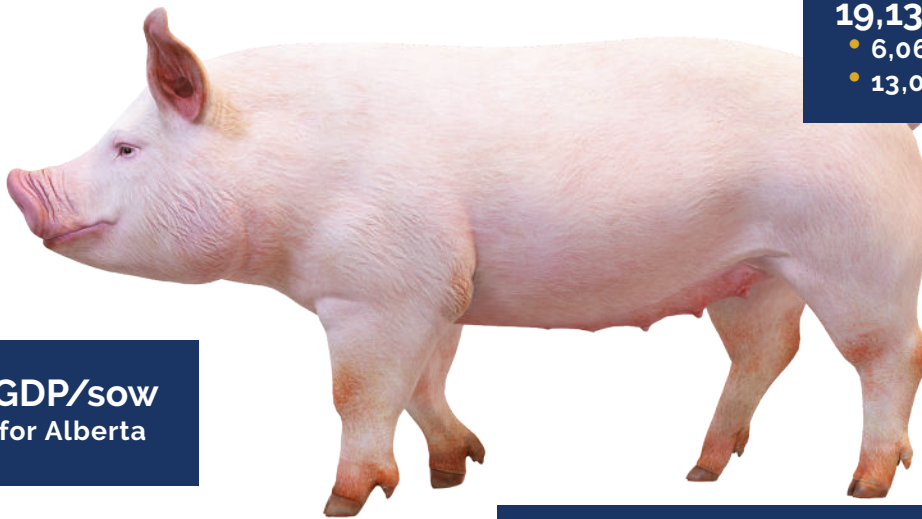
## Alberta Pork Industry Economic Impact

### \$12,540 Economic Output/Sow

- \$1.62B for Alberta
- ~1M Tonnes of feed consumed
  - » Western Canadian Grains, Pulses, Canola

### 19,131 jobs in Alberta

- 6,062 - on-farm
- 13,069 - Processing



### \$3,569 GDP/sow

- \$462M for Alberta

### \$1,700 labour income/sow

- \$220M for Alberta

## Market Trends

Western Canadian Hog Pricing (Commodity Professionals Inc.)		
2021 average (to end of Q3)	2022 average (to end of Q3)	Difference
\$246.43	\$266.36	+8%

Alberta Feed Costs (Gowans Feed Consulting)		
2021 average (May. to Dec.)	2022 average (Jan. to Sep.)	Difference
\$167.65	\$191.31	+14%

Economic issues, driven by trends in the free market and other factors mostly beyond producers' control, have continued to be a high priority for Alberta Pork and our producers alike.

Alberta Pork's cost of production (COP) initiative provides a personalized, accurate benchmark of on-farm Revenue versus Expense. Information gathered by Alberta Pork for 2021 and adjusted for 2022 (based on increased input costs) places COP at ~\$240 per market hog. For the first nine months of 2022, Gowans Feed Consulting's average feed cost was \$191.31 per market hog.

## Market Influences

- Drought in the 2021 growing season reduced crop yields and strained feedgrain supplies.
- The war in Ukraine created a great deal of uncertainty in global agricultural markets.
- For the first time in almost a decade, crude oil prices pushed upwards of \$100 per barrel.
- The Bank of Canada raised interest rates several times throughout 2022.
- Reduced global hog supply was seen on account of African Swine Fever (ASF), labour shortages and supply chain disruptions.





## Highlights of our work

Over the course of the year, Alberta Pork, through our representation on the CPC BRM committee, engaged with the provincial and federal governments to advocate for an increase to the AgriStability compensation rate. At the federal-provincial-territorial ministers' meeting earlier this year, this change was agreed upon. The compensation rate has now increased from 70% to 80%.

Alberta Pork worked with other provincial pork boards and the CPC BRM committee to develop a formal report on the need for transparent national price reporting to obtain Canadian cut-out data similar to what is published by the U.S. Department of Agriculture (USDA).

Alberta Pork also submitted a formal request to the Alberta Agricultural Products Marketing Council to amend the *Marketing of Agricultural Products Act* to require federally inspected packers to report aggregated settlement statements on pigs purchased from Alberta. This pricing transparency initiative, along with the CPC's national move for mandatory cut-out value reporting, will improve market information for the whole industry, if approved by government.

When it comes to compensation for welfare culls, in the event of an ASF outbreak, discussion is underway on the provincial and national levels.

To further support price transparency Alberta Pork launched an online economics dashboard to provide spot and futures market data that can help guide decision-making on-farm. The dashboard can be found on Alberta Pork's website, updated weekly.

In addition to the economics dashboard, Alberta Pork launched a series of recorded interviews starting late last year, Alberta Pork spoke with six market information specialists, with videos published on our YouTube channel, including:

- » **Brett Stuart**, *Founding Partner, Global AgriTrends*
- » **Steve Dziver**, *Owner, Commodity Professionals Inc.*
- » **Shane Dziad**, *Commodity Merchant, Providence Grain Solutions*
- » **Trevor Wallace**, *Nutrient Management Specialist, Alberta Agriculture and Irrigation*
- » **Chase Segboer**, *Relationship Manager, Farm Credit Canada (FCC)*
- » **Makenzie Bennett**, *Product Coordinator, AFSC*



# Image

Our Image and accomplishments will mostly be measured on how we address the values represented by **Alberta Pork's 4-Ps: Pigs, Planet, People and Progress**. As the advocate for producers, and often for the industry at large, we will spend more effort on encouraging improvements, supports to achieve change and messaging to show that the hog industry is a trusted component of the agri-food business.



## Environment and climate impacts

Starting in 2022, Alberta Pork began working with Katerina Kolemishvska, Director, Policy Development, Canadian Pork Council (CPC) to address the Government of Canada's climate plans and targets, and how these affect hog producers.

### Key areas include:

- Advocating for federal Bill C-234, an Act to amend the *Greenhouse Gas Pollution Pricing Act* used to heat barns and dry grains. The goal of the bill is to create a carbon tax exemption on fuels.
- Better understanding the Government of Canada's fertilizer emissions (nitrous oxide) reduction strategy, which remains a concern for the entire sector, with few viable alternatives in place.
- Better understanding the Government of Canada's methane reduction strategy, which targets livestock.

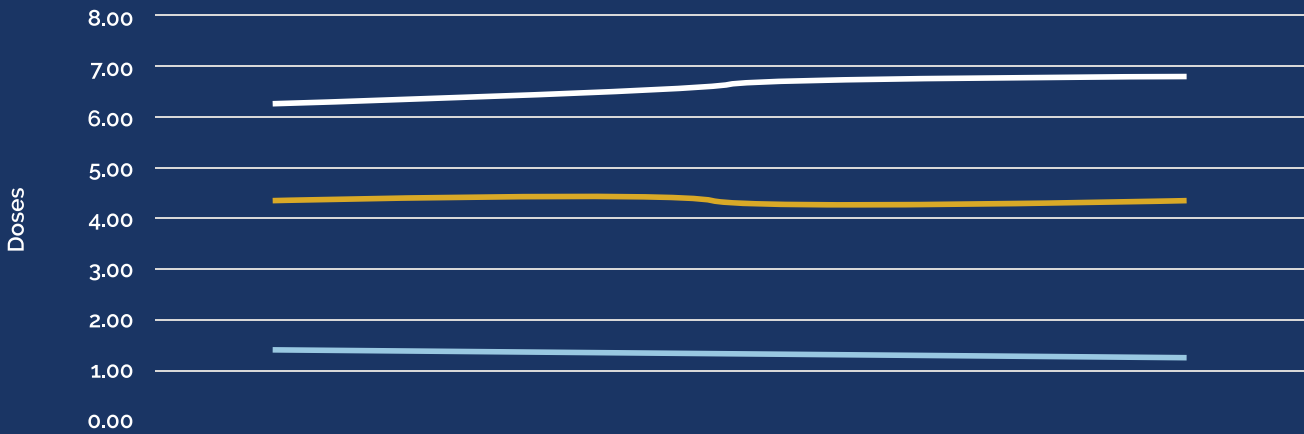
Alberta Pork will be working with CPC to develop an Environmental Sustainability Platform. One key element of this project will be to take an in-depth look at the industry's environmental impact and effective management practices.

# Antimicrobial use benchmarking

While the positive effects of responsible antimicrobial use (AMU) are known, the potentially harmful impacts to human health and the environment are being more closely monitored by global authorities and stakeholders within the Canadian livestock industry.

Alberta Pork built a representative sample of 20 premises, 7,500 sows that participated in AMU benchmarking between 2018 and 2022. Premises were selected from across the province. The results of this project were presented at our semi-meetings this year, with a **great deal of interest from producers.**

Doses By Route Per Year



	2016	2017	2018	2019	2020
Feed	6.26	6.39	6.69	6.72	6.81
Injectable	4.40	4.47	4.44	4.41	4.37
Water	1.43	1.40	1.34	1.32	1.31



**ANTIMICROBIAL USE COST PER PIG ON ALBERTA FARMS**

<b>Year</b>	<b>High-AMU</b>	<b>Low-AMU</b>	<b>Difference</b>
2016	\$9.46	\$2.73	\$6.73
2017	\$8.44	\$1.15	\$7.29
2018	\$8.85	\$3.31	\$5.54
2019	\$8.66	\$2.25	\$6.41
2020	\$7.54	\$1.72	\$5.82
<b>Average</b>	<b>\$8.59</b>	<b>\$2.23</b>	<b>\$6.36</b>

**Results**

- There was a mild increase in the in-feed AMU (+11%). This requires further investigation to understand this practice.
- There was a mild to moderate decrease of water-soluble AMU (-18%).
- There was a significant decrease in injectable AMU (-43%).
- Overall, there was a mild decrease in AMU (-13%).
- Preliminary data showed considerable savings for farms with low AMU, but further investigation is needed to better understand the impact of antimicrobial use on barn performance.
  - » *As an example, a high-use, 500-sow, farrow-to-finish operation could end up paying \$80,000 more than a low-use farm of comparable size.*
- Alberta Pork is pursuing new funding to further investigate and validate these findings with a larger number of producers.

**Supporting disease preparedness**

Herd health is a constant priority for producers and the entire sector. In the past year, Alberta experienced only one new case of porcine epidemic diarrhea (PED), which has since achieved 'presumptive negative' status.

PED and other diseases like Porcine Reproductive and Respiratory Syndrome (PRRS) continue to spread and create challenges for the industry in other parts of Canada and the U.S., while diseases like African Swine Fever (ASF) and Foot and Mouth Disease (FMD) also remain top-of-mind to prevent.

Incident command training (ICS) is the standardized system used by provincial and federal governments to manage emergency responses in Alberta or elsewhere in Canada, whether animal-related, human-related or environmental. This year Alberta Pork staff took ICS 200 training to better prepare us in the event of a crisis, such as a disease outbreak.

Alberta Pork staff met with officials from Alberta Chicken and Hatching Egg Farmers of Alberta involved with the avian influenza response, to explore lessons learned and how this knowledge could be applied in a swine disease outbreak.

Provincially allocated premise identifications (PIDs) were determined to be a critical piece of avian influenza investigations. Likewise, accurate PID information would be important in a large-scale swine disease outbreak.

Late last year, Alberta Pork hired an additional staff member, Sarah Masters, to update PID information, on behalf of the Government of Alberta, for all registered producers, whether commercial or small-scale premises declaring swine.

## Supporting biosecurity

This year, Alberta Pork worked with the Canadian Pork Council (CPC) to launch a new biosecurity benchmarking tool. The tool is designed to identify potential on-farm biosecurity improvements.

### BIOSECURITY AUDITS PERFORMED IN 2022

**294**

Total commercial farms

**25**

Total number audited



This program is voluntary, and each producer is encouraged to take advantage of it. Alberta Pork has secured government funding to support this initiative, as it has been identified as a critical area in disease management.

- \$600 per farm premise is available to have the audit performed. The program is open until the end of February 2022.
- Biosecurity audits continued throughout the year. Alberta Pork offers biosecurity audits free-of-charge and encourages all producers to consider their biosecurity protocols at all times.

## Supporting disease surveillance

ALBERTA ENVIRONMENTAL DISEASE SURVEILLANCE 2022 SUMMARY			
Type of site	Negative tests	Positive tests	Total tested
Assembly yard	606	0	606
Processing facility	1,816	0	1816
Truck wash	908	0	908
<b>Total</b>	<b>3,330</b>	<b>0</b>	<b>3,330</b>

Disease surveillance plays an essential role in protecting the health and welfare of Alberta's swine herd. Alberta Pork, working with partners in government and industry, performs routine swine disease monitoring across the province through an environmental surveillance program. The goal of the program is to help protect the Alberta pork industry by identifying and mitigating swine disease risks.

Through our environmental disease surveillance program, Alberta Pork monitors high-traffic sites across the province for several diseases of concern. Using this data, in combination with movement data collected as part of the Alberta Swine Traceability System, we are helping protect the industry from the spread of disease.

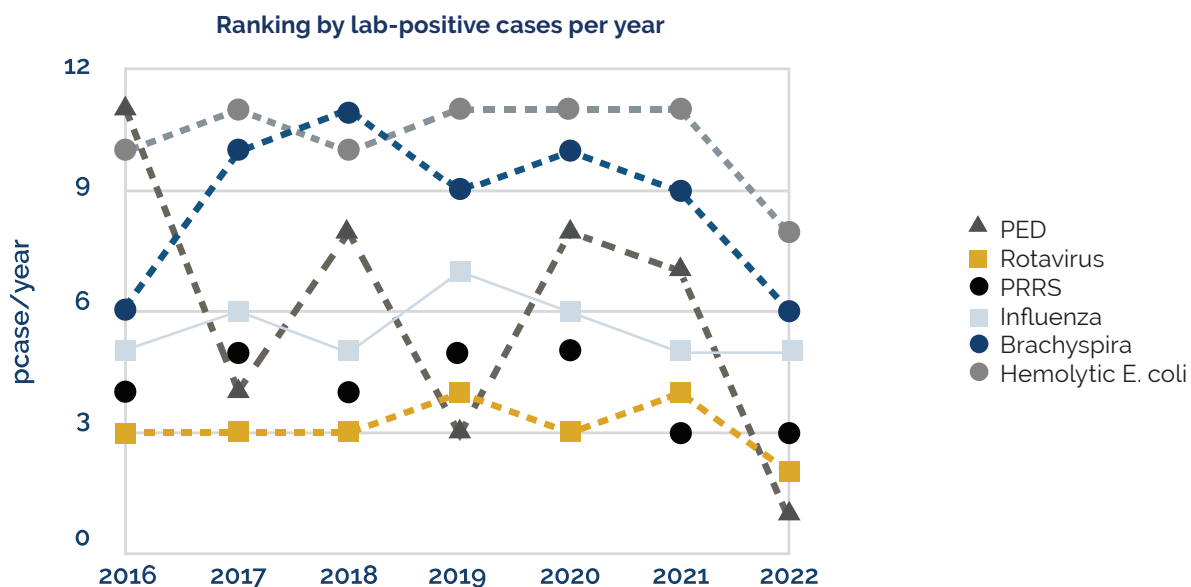
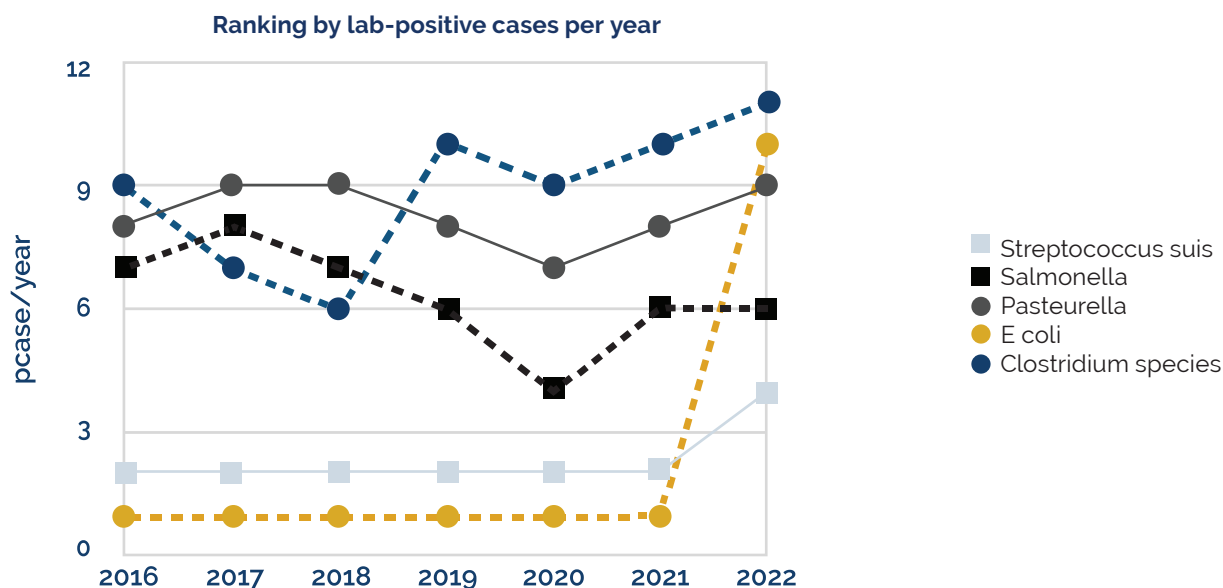
In addition to Alberta's own surveillance, we participate in the Canada West Swine Health Intelligence Network (CWSHIN), which is funded by all western Canadian pork producer organizations and provincial governments. Alberta Pork shares CWSHIN's quarterly report with all Alberta producers to make them aware of the latest disease-related news, including biosecurity advice to keep herds healthy.



## CWSHIN's functions include:

- Surveillance: monitoring results
- Intelligence network: knowledge transfer
- Targeted Emerging Health Issue Investigations: New knowledge"

Results of CWSHIN's quarterly report demonstrate that PED and PPRS continue to create challenges for producers. These results highlight the importance of continued vigilance on biosecurity and the need for industry collaboration.





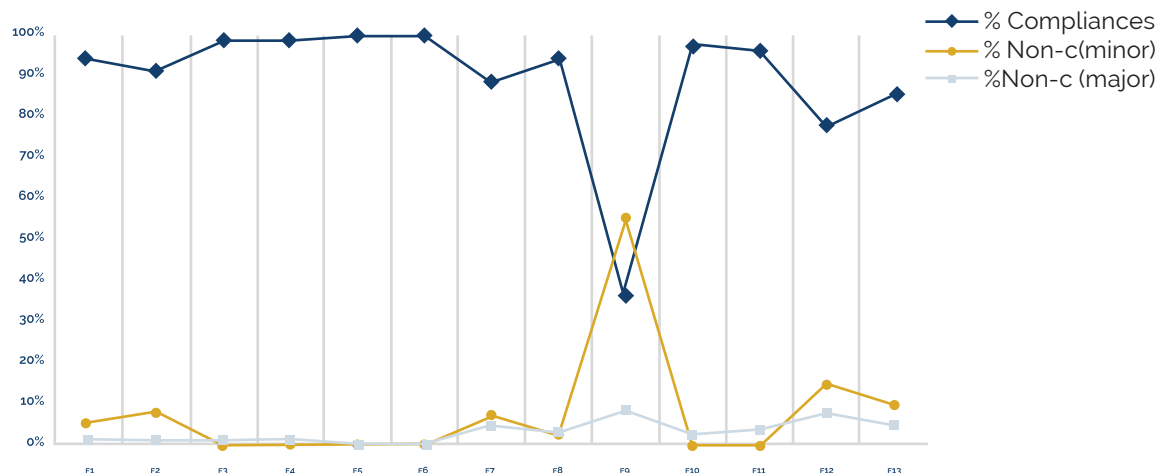
This year, the importance of disease monitoring was highlighted when Seneca Valley Virus (SVA) was detected in cull sows being shipped into the U.S. this year. Clinical symptoms of SVA appear very similar to FMD, which is a cause for concern for U.S. importing officials. Manitoba Pork Council took the lead on this issue, working with officials from the Canadian Food Inspection Agency (CFIA) and U.S. Department of Agriculture (USDA). Alberta producers were advised to be diligent when shipping pigs, careful not to include individuals that may be ill, potentially closing the border.



## Supporting quality assurance

- On-farm food safety and animal welfare are paramount for all animal agriculture sectors. Alberta Pork strongly believes in the well-being of our animals. To ensure that on-farm quality assurance programs continue to reflect producers' great work, in an effort to meeting domestic and global demand for pigs and pork, internal audits have taken place since 2014.
- Overall, 12 of 13 barns achieved a level of compliance higher than last year at 94%. However, one farm that did not achieve the minimum level of 75% to pass the audit. Because the producer chose not to resolve the necessary corrective actions, this farm lost its certification under the CQA/ACA programs.

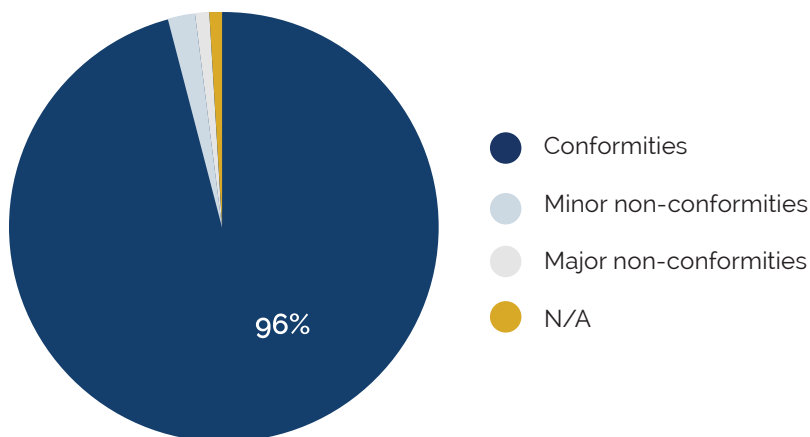
% of Conformities and Non Conformities by farm Internal Audits 2022





- In addition to Alberta Pork’s internal farm audits, a third-party auditor, the internationally recognized company NSF, has been hired to assess overall Alberta quality assurance system compliance. In 2022, there was a 96% compliance rate for all farms audited by NSF.
- Alberta Pork’s internal scorecard shows an 83% compliance, on average, as a result of the failure of one of the 13 farms internally audited. NSF findings showed 96% compliance among the four farms they audited. Therefore, we can say with confidence that Alberta producers are raising healthy animals under strict welfare guidelines, which contributes to food safety under the quality assurance system.

## PERCENTAGE OF ON-FARM CONFORMITIES & NON-CONFORMITIES BASED ON 2022 THIRD PARTY AUDITS



### CPE PROGRAM TRAINING TO DATE

**88**

Farms trained

**13**

Farms certified

**281**

Farms remaining to be certified before Dec. 31, 2023

Most of Alberta's commercial farms today are certified under the Canadian Quality Assurance (CQA) and Animal Care Assessment (ACA) programs, with a steadily increasing number of premises looking to be trained on the Canadian Pork Excellence (CPE) program.

**The deadline for all producers to transition to from CQA/ACA to CPE is December 31, 2023.**

### TQA PROGRAM TRAINING IN 2022

**30**

Number of sessions

**204**

People trained

Alberta Pork also supported Transport Quality Assurance (TQA) training for producers. This training provides the newest version of the TQA program on handling, stock density and other techniques for properly handling and transporting hogs.

## Supporting research

Through Swine Innovation Porc (SIP), Results Driven Agriculture Research (RDAR), in collaboration with provincial producer organizations across Canada and CPC, Alberta Pork directs funding to support research projects that are intended to benefit the producer's bottom line and industry sustainability.

Much of the research Alberta Pork supports takes place at Prairie Swine Centre, which receives funding from the Government of Saskatchewan's Agriculture Development Fund (ADF). This year, ongoing projects include:

- "The role of dietary nitrogen on essential amino acid requirements"
- "Impact of dietary protein source and functional amino acid supplementation on pig response to disease challenge"
- "Feed processing to reduce ergot toxicity"
- "The implications of feed outages in Saskatchewan pork production facilities"
- "Effectiveness of functional amino acid supplementation in low and normal birth weight piglets during subsequent disease challenge"
- "Effect of processing methods on nutrient content of Canadian pulses"

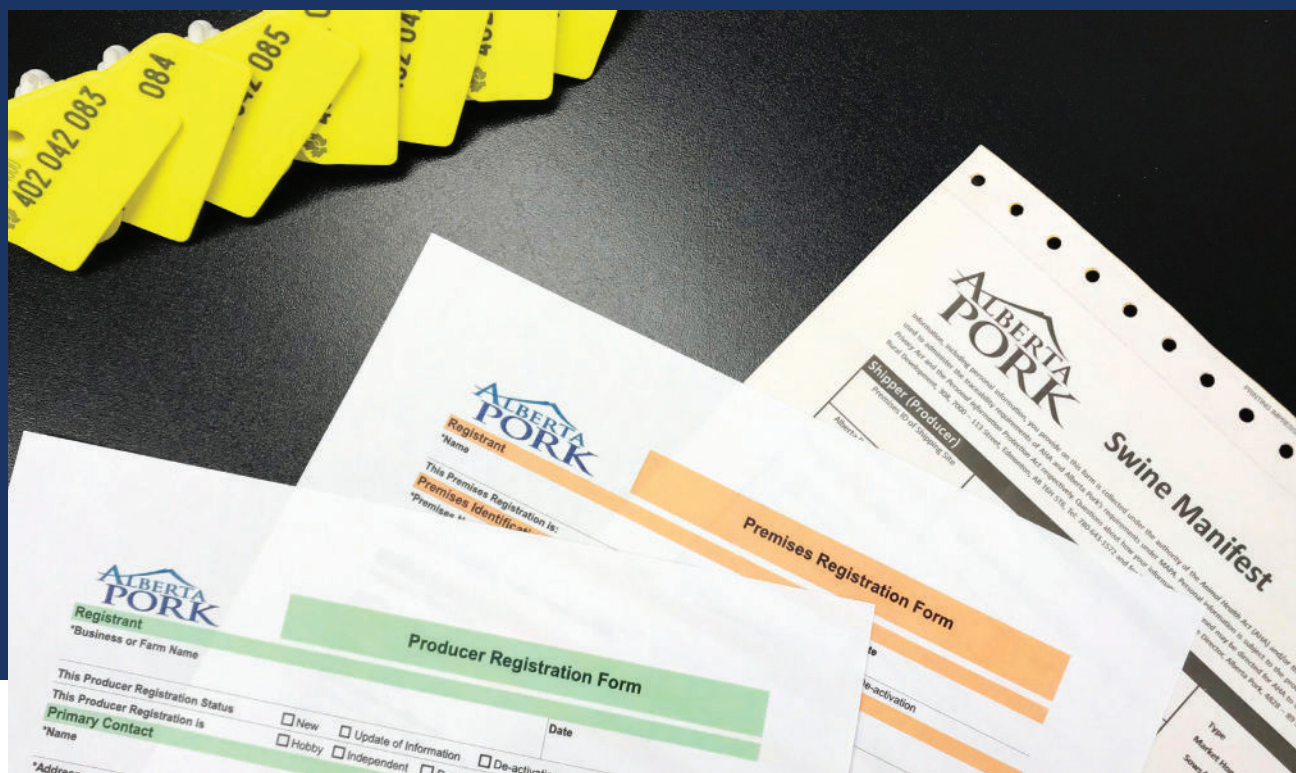
Through various other research organizations, such as the University of Alberta and Agriculture and Agri-Food Canada (AAFC), further work is being done to study feed costs, disease issues, antimicrobial use, environmental impacts of hog production, animal welfare and other areas of focus.



## Supporting traceability

The Canadian pork industry prides itself on pig movement traceability. This is a hallmark of excellence respected by our global pork trading partners.

In Canada, traceability and movement reporting for swine is governed federally under the *Health of Animals Act* and provincially under the *Animal Health Act*. The federal system is called PigTrace Canada and is operated by CPC.



In Alberta, producers must report movement data to Alberta Pork through the Alberta Swine Traceability System, which is then reported to PigTrace to support national traceability. By reporting to the Alberta Swine Traceability System, producers and packers fulfill all traceability reporting requirements both provincially and federally.

PigTrace tags were in short supply for most of the year due to supply chain issues. To help prevent this vulnerability in the future, Alberta Pork encouraged PigTrace to develop a new process for tag suppliers to apply to the program and prove their product can meet CFIA standards. The first request for proposals (RFP) will be opened to all tag suppliers in 2023.

Alberta Pork has recommended to CPC and other provincial pork organizations to look that alternative funding models for traceability be developed to reduce tag costs and ensure a better, long-term way to support the national swine traceability system.

Alberta Pork's electronic swine manifest (e-manifest) has been officially launched for producers shipping to the Maple Leaf Foods plant in Lethbridge. Adoption by additional processors is anticipated.

## Supporting wild boar eradication

Alberta Pork is fully committed to wild boar eradication. Since 2020, with support from the Government of Alberta, Alberta Pork has contracted wild boar eradication specialists to maintain 15 traps that are currently set and actively monitored in five key municipalities where wild boar are known to infest. To date, 269 wild boar captures have been made in Alberta.



To gain a better understanding of the wild boar population in Alberta, \$400,000 from RDAR was invested to increase wild boar surveillance, led by Mathieu Pruvot from the University of Calgary, with strategic input from Alberta Pork.

Working with the Alberta Invasive Species Council (AISC), Alberta Pork supports the 'Squeal on Pigs!' campaign, which is raising public awareness of the issue.



## Supporting industry events

As in-person events have mostly returned, following postponements and cancellations due to COVID-19, our staff and board directors have been busy connecting with producers whenever possible.

Where we were this past year:

- **Banff Pork Seminar** – January
- **Alberta Pork Congress** (Red Deer) – June
- **Alberta Livestock Expo** (Lethbridge) – October
- **Red Deer Swine Technology Workshop** – October



# Supporting industry communication


Alberta Pork staff and board directors were interviewed as part of 44 news media items appearing in print and online articles, on radio or podcasts and on television, representing domestic and foreign mainstream media outlets and domestic agricultural media outlets.

**Alberta Pork**  
June 16 · 🌐

June is Pork Month! Alberta Pork and [Passion for Pork](#) are giving away four amazing prize packages to kick off your summer.

Our final and biggest prize will have you thinking of Naples or perhaps your preferred Alberta pizzeria:


- Ooni Karu Wood & Charcoal-Fired Portable Pizza Oven... [See more](#)



👍❤️ 75      93 Comments

**Alberta Pork**  
@albertapork

#Wildboar eradication is our goal, working with @RDARAlberta, @InspectionCan, @AlbertaAg, @ABInvasives & @albertabeef. 🐷 Using @MatPwild's #research @ucalgaryvetmed, we can protect Alberta's ecology, livestock & #farmers. 🌿🇨🇦 Read more @westernproducer: [producer.com/news/alberta-f...](#)



10:11 AM - Mar 28, 2022 - Twitter Web App

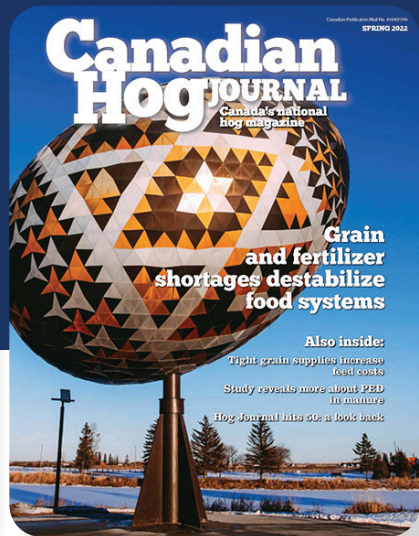
4 Retweets   12 Likes

## Alberta Livestock Expo sheds light on industry innovation, changes

By **Eloise Therien** · Global News  
Posted October 5, 2022 7:25 pm



Over the past year, social media channels for Alberta Pork and the Canadian Hog Journal grew by nearly 700 followers across all platforms. Across those platforms, more than 2,000 posts were made, generating more than 250,000 impressions among social media users.



Since 1970, Alberta Pork has published the Canadian Hog Journal under various titles five times annually, covering the news, events, commentary, research and other information relevant to pork producers, with nearly 4,000 subscribers across the country, and many other readers who access the magazine online.

# Board of Directors



**Brent Moen**  
*Chair*  
Calgary, Alberta



**Stan Vanessen**  
*Vice-Chair*  
Picture Butte, Alberta



**Martin Waldner**  
*Treasurer*  
Bashaw, Alberta



**Ard Bonthuis**  
*Director*  
Taber, Alberta



**Dan Majeau**  
*Director*  
Rivière Qui Barre,  
Alberta



**Marcel Rupert**  
*Director*  
Three Hills, Alberta



**Craig Thompson**  
*Director*  
Acme, Alberta



**Andy Walter**  
*Director*  
Granum, Alberta

# Our Staff



**Darcy Fitzgerald**  
*Executive Director*



**Javier Bahamon**  
*Quality Assurance and  
Production Manager*



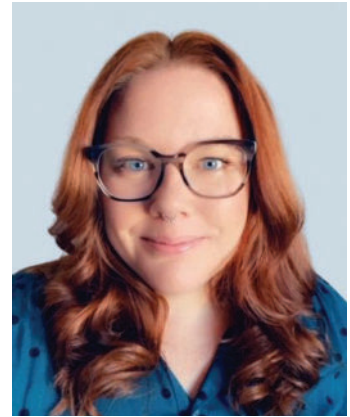
**Charlotte Shipp**  
*Industry Programs  
Manager*



**Marilyn  
Griesheimer**  
*Office and Finance  
Manager*



**Andrew Heck**  
*Communication  
Programs Coordinator*



**Sarah Masters**  
*Administrative  
Assistant – Traceability*



**Cristina Neva**  
*Quality Assurance and  
Production Specialist*



**Christina Quinn**  
*Traceability Coordinator*



**Jose Rivera**  
*Agriculture Intern*



The Canadian pork industry takes pride in its farm-to-table quality assurance systems provided by participating farmers and processors through the Verified Canadian Pork™ program. Consumers can be assured that by purchasing Verified Canadian Pork™ products, they are getting premium quality Canadian pork traditionally raised and minimally processed under the highest food safety standards in the world.



# Financials

## Alberta Pork Producers Development Corporation

FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2022

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## Independent Auditor's Report

To the Members of Alberta Pork Producers Development Corporation

### *Opinion*

We have audited the financial statements of Alberta Pork Producers Development Corporation (the corporation), which comprise the statement of financial position as at August 31, 2022, and the statements of operations, 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 corporation as at August 31, 2022, and the results of its operations and 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 corporation in accordance with 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 these 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 corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

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

## *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 corporation'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 corporation'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 corporation 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.

*King + Company*

**Chartered Professional Accountants**

**Edmonton, AB  
October 25, 2022**

# Statement of Financial Position

AS AT AUGUST 31, 2022

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$706,125	\$1,556,147
Short-term investments (Note 2)	1,837,807	1,451,568
Accounts receivable (Note 3)	244,014	240,526
Prepaid expenses	9,490	12,158
	<b>2,797,436</b>	3,260,399
<b>Portfolio Investments (Note 4)</b>	<b>4,293,199</b>	4,495,989
<b>Property and Equipment (Note 5)</b>	<b>49,658</b>	45,439
	<b>7,140,293</b>	7,801,827
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$158,087	\$165,158
Deferred operating grants (Note 7)	1,407,086	2,002,848
	<b>1,565,173</b>	2,168,006
<b>Net Assets</b>		
Invested in property and equipment	\$49,658	\$45,439
Internally restricted (Notes 7,8)	2,529,994	2,384,036
Unrestricted	2,995,468	3,204,346
	<b>5,575,120</b>	5,633,821
	<b>\$ 7,140,293</b>	\$ 7,801,827

**On behalf of the board**



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Director



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Director

# Statement of Operations

YEAR ENDED AUGUST 31, 2022

	2022	2021
<b>Revenue</b>		
Universal service charges	<b>\$2,377,163</b>	\$2,554,248
Universal service charges refund	<b>(141,897)</b>	(56,436)
	<b>2,235,266</b>	2,497,812
Grant Projects <i>(Note 7)</i>	<b>782,246</b>	1,125,925
Canadian Hog Journal	<b>105,713</b>	138,797
Expense recoveries, rental & other	<b>5,160</b>	3,103
	<b>3,128,385</b>	3,765,637
<b>Expenses</b>		
Salaries and benefits <i>(Note 10)</i>	<b>850,636</b>	850,760
Grant projects	<b>788,682</b>	1,138,467
Canadian Pork Council	<b>476,033</b>	442,589
Administration	<b>329,475</b>	287,689
Producer services	<b>243,617</b>	334,221
Canadian Hog Journal	<b>120,546</b>	119,251
Producer relations	<b>51,912</b>	14,850
Directors <i>(Note 11)</i>	<b>50,919</b>	46,449
Public relations	<b>41,652</b>	14,030
General marketing and public awareness	<b>33,587</b>	51,458
Donations	<b>20,500</b>	-
Professional fees	<b>11,214</b>	27,750
Contracted services	<b>800</b>	8,100
	<b>3,019,573</b>	3,335,614
<b>Excess of revenue over expenses from operations</b>	<b>108,812</b>	430,023
<b>Other revenue (expenses)</b>		
Investment <i>(Note 12)</i>	<b>231,114</b>	101,452
Unrealized increase (decrease) in fair market value of portfolio investments	<b>(384,430)</b>	355,589
	<b>(153,316)</b>	457,041
Gain (loss) on disposal of property and equipment	<b>(1,971)</b>	29,309
Amortization of property and equipment	<b>(12,226)</b>	(7,647)
	<b>(167,513)</b>	478,703
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (58,701)</b>	\$ 908,726

## Statement of Changes in Net Assets

YEAR ENDED AUGUST 31, 2022

	Invested in Property and Equipment	Internally Restricted <i>(Notes 7, 8)</i>	Unrestricted	2022	2021
<b>Net Assets - Beginning of Year</b>	\$45,439	\$2,384,036	\$ 3,204,346	<b>\$5,633,821</b>	\$4,725,095
Excess (deficiency) of revenue over expenses	(14,197)	-	(44,504)	<b>(58,701)</b>	908,726
Purchase of equipment	18,416	-	(18,416)	-	-
Transfers	-	145,958	(145,958)	-	-
<b>Net Assets - End of Year</b>	<b>\$ 49,658</b>	<b>\$ 2,529,994</b>	<b>\$ 2,995,468</b>	<b>\$ 5,575,120</b>	<b>\$ 5,633,821</b>

# Statement of Cash Flows

YEAR ENDED AUGUST 31, 2022

	2022	2021
<b>Operating activities</b>		
Cash receipts from universal service charges, <i>net</i>	<b>\$2,239,716</b>	\$2,442,288
Cash receipts from grants and other, <i>net</i>	<b>297,35</b>	1,585,889
Cash receipts from investment revenue	<b>1,123</b>	104,587
Cash payment to suppliers and for administration costs	<b>(3,023,975)</b>	(3,309,292)
	<hr/>	
Cash flow from (used by) operating activities	<b>(485,780)</b>	823,472
	<hr/>	
<b>Investing activities</b>		
Redemption of short-term investments	<b>1,451,568</b>	1,463,982
Purchase of portfolio investments, <i>net</i>	<b>40,413</b>	(449,479)
Proceeds on disposal of property and equipment	<b>-</b>	47,683
Purchase of equipment	<b>(18,416)</b>	(29,707)
Purchase of short-term investments	<b>(1,837,807)</b>	(1,451,568)
	<hr/>	
Cash flow used by investing activities	<b>(364,242)</b>	(419,089)
	<hr/>	
<b>Increase (decrease) in cash</b>	<b>(850,022)</b>	404,383
<b>Cash - beginning of year</b>	<b>1,556,147</b>	1,151,764
	<hr/>	
<b>Cash - end of year</b>	<b>\$ 706,125</b>	\$ 1,556,147
	<hr/>	

# Notes to Financial Statements

## NATURE OF OPERATIONS

Alberta Pork Producers Development Corporation is empowered by the Alberta Pork Producers Marketing Plan, which is established under the Marketing of Agricultural Products Act in the Province of Alberta. The corporation is subject to supervision by the Alberta Agricultural Products Marketing Council, which is appointed by the government of the Province of Alberta, for supervisory and enforcement purposes in respect of Alberta producers' boards and marketing commissions.

The corporation is a government regulated, self-sustaining, non-profit orientated, producer-managed entity. The corporation collects a hog service charge and uses these funds for development, growth and promotion of the Alberta pork industry. It is exempt from income taxes under the Income Tax Act.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### Future Changes in Significant Accounting Policies

#### Financial Instruments Related Party Transactions

The corporation applied the amendments to Financial Instruments, Section 3856, relating to the recognition of financial instruments originated or exchanged in a related party transaction effective September 1, 2021

Under these new requirements, such a financial instrument is initially measured at cost, which is determined depending on whether the instrument has repayment terms.

Subsequent measurement depends on the initial method used and is usually at cost less any reduction for impairment.

The adoption of these new requirements had no impact on the organization's financial statements

### Revenue Recognition.

The corporation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Universal services charges and other revenue are recognized as revenue when received or receivable.

## Foreign Currency Translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

## Financial Instruments

### Initial Measurement

The corporation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the corporation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the company in the transaction.

### Subsequent Measurement

The corporation subsequently measures all its financial assets and liabilities at cost or 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 earnings in the period incurred.

Financial assets measured at amortized cost using the straightline method include cash, short-term investments and accounts receivable.

### Transaction Costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an

arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in earnings over the life of the instrument using the straightline method.

### **Impairment**

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there are, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a writedown is recognized in earnings.

### **Cash**

Cash is comprised of funds held in financial institutions.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

<b>Vehicles</b>	20%	straightline method
<b>Furniture and fixtures</b>	20%	declining balance method
<b>Equipment</b>	20%	declining balance method
<b>Computers</b>	50%	straightline method
<b>Leasehold improvements</b>	20%	straightline method

The corporation regularly reviews its property and equipment to eliminate obsolete items.

### **Impairment of Long Lived Assets**

The corporation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

## Pension Plan

The corporation maintains a defined contribution pension plan under which amounts are contributed to employees' RRSP accounts. Expense for this plan is equal to the corporation's required contribution for the year.

## Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for notforprofit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. CASH AND SHORT-TERM INVESTMENTS	2022	2021
Cash	<b>\$706,125</b>	\$1,556,147
Short-term investments	<b>1,837,807</b>	1,451,568
Total cash and short-term investments	<b>2,543,932</b>	3,007,715
Internally restricted for deferred operating grants ( <i>Note 7</i> )	<b>(529,994)</b>	(384,036)
Externally restricted for deferred operating grants ( <i>Note 7</i> )	<b>(1,407,086)</b>	(2,002,848)
Unrestricted cash and short-term investments	<b>\$ 606,852</b>	\$ 620,831

Short-term investments are comprised of guaranteed investment certificates with interest rates averaging 2.83% (2021 0.68%) and have maturity dates ranging from November 2022 to June 2023.

3. ACCOUNTS RECEIVABLE	2022	2021
Universal service charges, advertising and other	<b>\$233,875</b>	\$238,323
Interest	<b>10,139</b>	2,203
	<b>\$ 244,014</b>	\$ 240,526

#### 4. PORTFOLIO INVESTMENTS

	2022 Cost	2022 Market Value	2021 Cost	2021 Market Value
Canadian equities	\$4,147,763	<b>\$4,293,199</b>	\$3,966,124	\$4,495,989

#### 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net Book Value	2021 Net Book Value
Vehicles	\$29,707	\$8,912	<b>\$20,795</b>	\$26,736
Furniture and fixtures	213,906	205,041	<b>8,865</b>	11,082
Equipment	55,420	40,904	<b>14,516</b>	7,621
Computers	7,310	1,828	<b>5,482</b>	-
Leasehold improvements	38,394	38,394	-	-
	<b>\$ 344,737</b>	<b>\$ 295,079</b>	<b>\$ 49,658</b>	<b>\$ 45,439</b>

#### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Accrued vacation pay	<b>\$79,260</b>	\$82,393
Suppliers and Canadian Pork Council	<b>70,541</b>	68,567
Goods and services tax payable	<b>8,286</b>	14,198
	<b>\$ 158,087</b>	<b>\$ 165,158</b>

## 7. OPERATING GRANTS

The corporation receives grant funding for various projects which must be expended in accordance with the grant agreement. These funds are recorded as deferred operating grants when received and recorded as grant revenue when expended. Unexpended funds are returned after the grant agreement has ended. For some grants, the corporation will match with corporate funds which are internally restricted. The following is a summary of the outstanding externally restricted deferred operating grants and the internally restricted funds at August 31:

	2022	2021
<b>Deferred Operating Grants</b>		
Balance - beginning of year	\$2,002,848	\$1,718,393
Contributions received or receivable	186,484	2,203
Recognized as revenue	(782,246)	(1,125,925)
Balance end of year ( <i>cash, included in Note 2</i> )	<b>\$1,407,086</b>	\$2,002,848

### Internally Restricted Funds for Deferred Operating Grants

Balance - beginning of year	\$384,036	\$300,000
Net transfer from unrestricted funds	145,958	84,036
Balance - end of year ( <i>cash, included in Note 2</i> )	<b>\$529,994</b>	\$384,036

## 8. INTERNALLY RESTRICTED FUNDS

In addition to the internally restricted funds for deferred operating grants in Note 7, the board of directors has internally restricted additional net assets of \$2,000,000 for the following purposes:

- i) Unforeseen expenditures relating to health, food safety or environmental concerns,
- ii) Unforeseen economic threats or opportunities affecting competitiveness or trade,
- iii) The windup of the corporation should the need occur.

## 9. LEASE COMMITMENTS

The corporation is committed until August 31, 2026 for rent and occupancy costs as defined in the lease as follows:

<b>2023</b>	\$ 77,360
<b>2024</b>	77,360
<b>2025</b>	81,228
<b>2026</b>	81,228
	<hr/>
	\$317,176
	<hr/>

## 10. REGISTERED RETIREMENT SAVINGS PLAN

The corporation's portion of employees' registered retirement savings plan included in these financial statements is \$43,469 (2021 \$46,492).

## 11. RELATED PARTY TRANSACTIONS

### Board Members

The corporation paid honoraria to board members in the amount of \$34,450 (2021 \$33,050).

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 12. INVESTMENT REVENUE (EXPENSES)

	<b>2022</b>	2021
Dividends	<b>\$200,839</b>	\$53,096
Realized gain on portfolio investments	<b>30,456</b>	15,041
Interest and other	<b>21,037</b>	54,831
Foreign	<b>4,353</b>	1,815
Management fees	<b>(25,571)</b>	(23,331)
	<hr/>	
	<b>\$231,114</b>	\$101,452
	<hr/>	

### 13. FINANCIAL INSTRUMENTS

The corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the corporation's risk exposure and concentration as of August 31, 2022.

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The corporation's financial instruments that are exposed to credit risk are primarily cash and accounts receivable. The corporation maintains its cash in a major financial institution. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts.

The corporation's accounts receivable are exposed to credit risk as the majority of receivables are from entities that conduct their business within the same industry.

#### Currency Risk

Currency risk is the risk to the corporation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The corporation is exposed to foreign currency exchange risk on portfolio investments held in U.S. dollars. The corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the corporation manages exposure through its normal operating and financing activities. The corporation is exposed to interest rate risk primarily on its fixed income investments.

#### Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The corporation is exposed to other price risk through its portfolio investments.

### 14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.