

CANADA PORK INTERNATIONAL

2016–2017 ANNUAL REPORT



CANADA PORK INTERNATIONAL

Established in 1991, Canada Pork International (CPI) is the export and domestic market development and promotion agency for the Canadian pork industry. CPI is a joint initiative of the Canadian Pork Council (representing Canada's 7,000 commercial hog producers) and the Canadian Meat Council (representing Canada's pork processing industry and meat trading companies). CPI is supported by a dynamic team of professional staff. The CPI head office is located in Ottawa, Ontario, with Canadian field offices in Toronto, Ontario, and Victoria, British Columbia. International field offices include Tokyo, Japan, and Shanghai, China.



WWW.VERIFIEDCANADIANPORK.COM



VISION

Canada is the preferred supplier of pork worldwide.

MISSION

Committed to improving the competitiveness and prosperity of the Canadian Pork Industry through exports.



MESSAGE FROM THE CHAIRMAN

On behalf of the Board of Directors, I am pleased to present the 2016–2017 CPI annual report. This report includes highlights from activities conducted from April 1, 2016, to March 31, 2017.

In 2016, CPI celebrated its 25th anniversary serving the industry. Since opening in 1991, Canadian pork exports have increased from \$595 million (with 80 percent market dependence on the U.S.) to over \$3.8 billion in pork and pork products exported to more than 100 countries around the globe in 2016.

This past year saw the signing of two free trade agreements including the Canada-Ukraine Free Trade Agreement and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). Other trade agreements such as the North American Free Trade Agreement (NAFTA), the Trans-Pacific Partnership (TPP) and a possible Canada-China Free Trade Agreement are works-in-progress and offer significant opportunities for growth for Canadian pork. CPI in collaboration with the Canadian Pork Council and the Canadian Meat Council are committed to achieving equal or superior market access to our competitors in the export marketplace.

Other highlights include the opening of CPI’s office in Shanghai, China, and the recruitment of a Marketing Director who will seek new opportunities for Canadian pork in this marketplace. China is now Canada’s second largest export market by volume, exceeding 312,000 tonnes and a total value of almost \$581 million in 2016.

Japan continues to be a top priority market representing the most demanding and lucrative market for chilled pork exports in the world. CPI Japan conducted over 950 promotions to support the marketing efforts of our member companies in the Japanese marketplace. Export value for Canadian pork imports to Japan exceeded \$1 billion for the first time.

Canada Pork, the domestic marketing division of CPI, has completed its third year of successful operations. The Verified Canadian Pork™ value proposition is resonating with end-user customers and consumers in both the domestic and export marketplace.

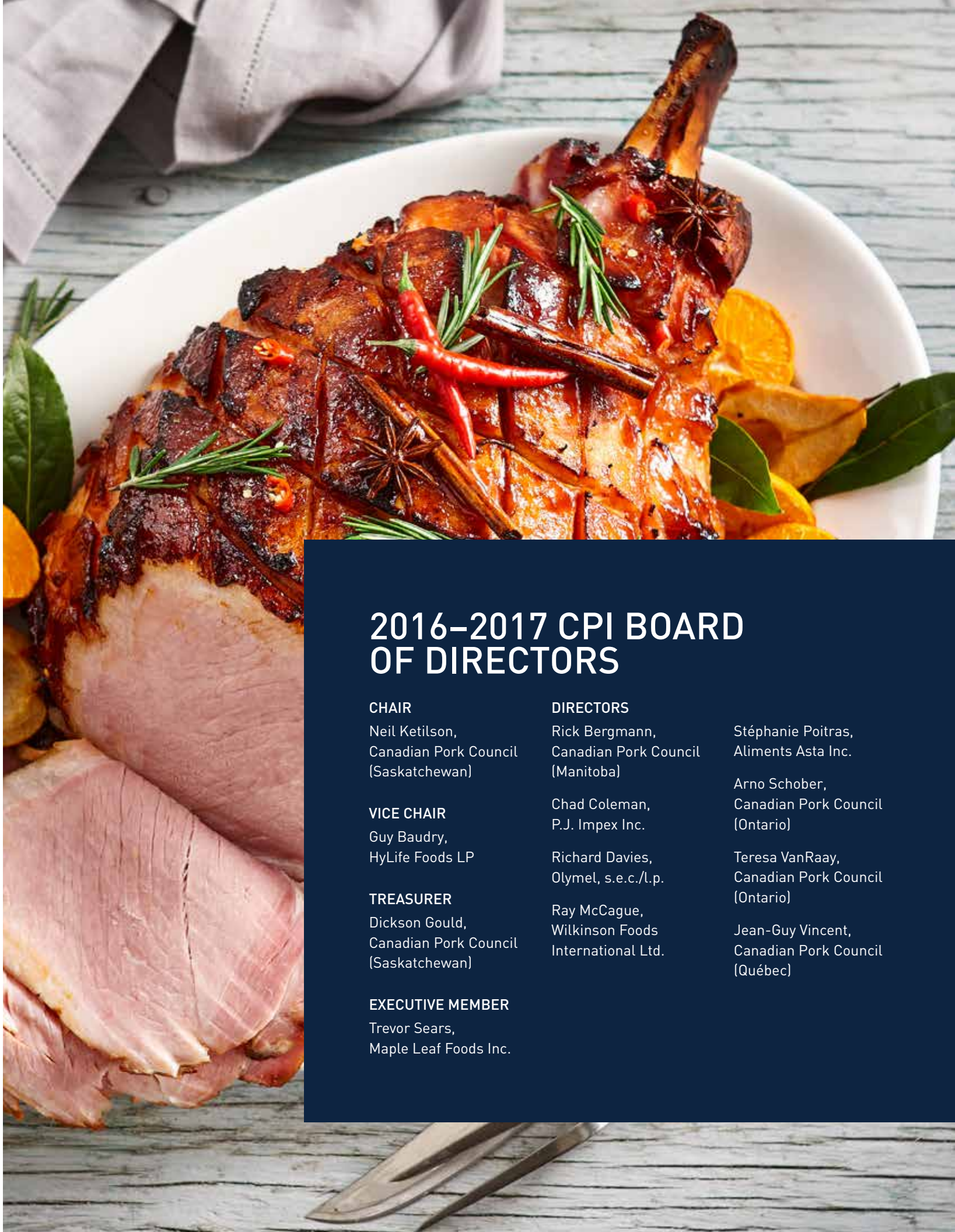
The Verified Canadian Pork™ brand was launched in Japan, China and Mexico and has become a global branding initiative.

On behalf of the Board of Directors, we would like to recognize Jacques Pomerleau, past President of CPI, who retired in 2016 after 26 years of service. We thank him for his outstanding contributions to the organization’s growth and expansion of Canadian pork exports.

We would also like to congratulate the CPI team for another successful and productive year of achievements toward our vision and mission and thank them for their dedication and enthusiasm.

Best regards,

Neil Ketilson
Chair



2016–2017 CPI BOARD OF DIRECTORS

CHAIR

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Canadian Pork Council
(Saskatchewan)

VICE CHAIR

Guy Baudry,
HyLife Foods LP

TREASURER

Dickson Gould,
Canadian Pork Council
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Trevor Sears,
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Rick Bergmann,
Canadian Pork Council
(Manitoba)

Chad Coleman,
P.J. Impex Inc.

Richard Davies,
Olymel, s.e.c./l.p.

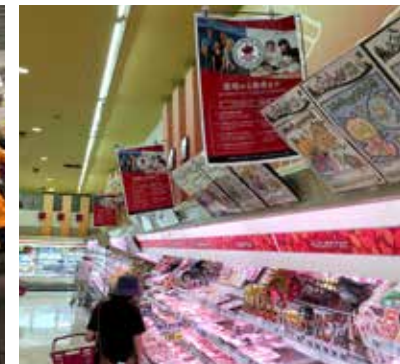
Ray McCague,
Wilkinson Foods
International Ltd.

Stéphanie Poitras,
Aliments Asta Inc.

Arno Schober,
Canadian Pork Council
(Ontario)

Teresa VanRaay,
Canadian Pork Council
(Ontario)

Jean-Guy Vincent,
Canadian Pork Council
(Québec)



CPI IN CHINA

China and Hong Kong are Canada's second largest export market by volume accounting for 312,494 tonnes in 2016 +144% vs. 2015. Chinese imports of Canadian pork represented Canada's third largest market by value accounting for over \$580 million +157% vs. 2015. CPI is committed to serving the Greater Chinese market and opened a field office in Shanghai in 2016. Negotiations are underway to gain access for chilled pork into China and the CPI team is working to pave the way to support new and exciting marketing opportunities for Canadian supply partners to expand market share.

HIGHLIGHTS AND ACTIVITY 2016–2017

- Supported the "Eat Drink Canada China" event organized by the Embassy of Canada to China (May 2016);
- Exhibited with CPI members at SIAL China 2016 (May 5–7, 2016);
- Opened the CPI representative trade office in Shanghai with newly appointed Marketing Director Jason Li (September 2016);
- Registered the Verified Canadian Pork™ (VCP) and CPI brand in China;
- Completed four distributor education training seminars in Beijing;
- Launched the VCP brand in Beijing and Hong Kong and supported member programs in both the retail and food service sectors;
- Exhibited with CPI members at FHC China 2016 (November 7–9, 2016);
- Hosted a cocktail reception and networking event for the opening of CPI's representative office in Shanghai, November 7, 2016;
- Presented a Canadian Pork Cutting Performance demonstration in partnership with the Beijing Hualian Hypermarket Inc. (BHG) China at five premium outlet locations (November 25–27, 2016);
- Participated in the Western Canada Fine Food Lunch with the Canadian Trade Office Wuhan (March 2017) / 40 participants;
- Produced VCP promotional material in Simplified Chinese (VCP advantage banner and stickers).



CPI IN JAPAN

Japan represents Canada's third largest market by volume accounting for 220,771 tonnes and a record-breaking value of over \$1 billion in 2016. Japan export sales represented over 28% of total export value for Canadian pork that year. Canadian chilled pork volumes continue to grow as new supply partners enter the marketplace with premium quality brands. The Japanese chilled pork market is highly lucrative and has doubled over the past 14 years, rising every year except one. CPI is committed to serving this market and supporting the marketing efforts of member companies expanding their business.

HIGHLIGHTS AND ACTIVITY 2016–2017

- Launched the Verified Canadian Pork™ and Canadian Pork Excellence brands in Japan;
- Participated in the Cooking Grand Prix Competition in Osaka, Japan (August 2016);
- Presented a chef and media event with seminar in Osaka (July 2016) / 60 guests;
- Partnered with foodservice company M'Grant to promote the VCP brand on the menu of their Steak Ken Restaurant (92 locations) (July 2016);
- Partnered with M'Grant on a second promotion featuring Canadian pork at Steak Ken Restaurant (90 locations) (October 2016);
- Partnered with Belc Supermarkets to feature Canadian pork POS and demos (October 2016);
- Presented at the Canada Alberta Foods Master Class Seminar at the Osaka Gas Cooking School Yodoyabashi (October 14, 2016) / 30 participants;
- Presented at the Canada Alberta Foods Cooking Lesson across Kansai (October 15–31, 2016) / 10 sessions, 240 consumers;
- Partnered with Costco Japan to test chilled Canadian pork in 6 of 25 locations, replacing US pork (February 2017);
- Partnered with supermarket chain UNY to test Canadian pork (215 locations) (March 2017);
- Produced 951 in-store promotions;
- Presented 14 Distributor Education Program (DEP) Sessions for local importers and users of pork meat;
- Initiated Japanese website updates;
- Produced consumer marketing materials promoting the VCP brand: website campaign, tray pack stickers, posters for retailers, consumer brochures;
- Created an advertising campaign consisting of 15 insertions across the following publications: Nihon Syokuryou, Petit Four cooking magazine Vol 47, Syokunikutsushinshuya/Syokuhin-shinbun and Shokuhinsangyo newspapers;
- Supported Export Market Access program.





CPI IN CANADA

The domestic market represents Canada's largest single destination for Canadian pork, accounting for over 820,000 tonnes in 2016. Increasing imports, decreasing consumption vs. other proteins and changing socio-economic trends present major challenges to defend and expand market share. Canada Pork is a national alliance of innovative pork producers and meat processors committed to supporting end-user customers in the Canadian marketplace. The Verified Canadian Pork™ value proposition is having a positive impact on the marketplace and surpassing expectations in all sectors.

HIGHLIGHTS AND ACTIVITY 2016–2017

- Created, developed and launched a VCP website (French and English) to support the program and its supply partners: www.verifiedcanadianpork.com;
- Produced an advertising campaign with two insertions in each of two industry magazines (Foodservice & Hospitality Magazine and Canadian Grocer);
- Filmed a series of “Home Chef” style videos promoting the VCP brand with six recipe videos;
- Produced a VCP brand overview video with professional chef Jonathan Collins;
- Partnered with eight organizations to co-brand VCP recipe videos;
- Produced Canadian Pork “Foolproof Cooking Techniques” video;
- Supported the upgrade of the current “CPMCA Manual of Meat Cutting and Processing,” which is a professional reference manual for the Canadian meat industry;
- Presented two cutting demonstrations for large national retail end-user customers;
- Facilitated one cutting session to the customer of a National Pork Marketing (NPM) primary supply member;
- Presented two Distributor Education Program (DEP) sessions to support NPM producer organizations;
- Presented a joint DEP session, themed the “Cutting Edge” with Canada Beef for retail and foodservice customers in Western Canada and created generic promotional material;
- Produced Verified Canadian Pork™ Point-of-Sale (POS) materials;
- Added 10 new Verified Canadian Pork™ licensed users increasing the VCP base to 39 licensed end user partners;
- Expanded VCP co-branded products in the marketplace to a total of 60+ branded VCP products.

CPI TECHNICAL MARKETING TOOLS AND RESOURCES

Each year the CPI team creates, develops and produces a wide variety of technical marketing resources and tools to support the needs of member companies and end-user customers.

DEVELOPMENT AND PRODUCTION ACTIVITY 2016–2017

- Lymph Node Location Chart on Intact Carcass (English and French);
- The Hog Carcass Lymph Node System Handbook (English and French);
- Verified Canadian Pork™ Farm to Table Quality Assurance Video (English, subtitled in French, Spanish, Simplified Chinese, Vietnamese & Korean);
- 2016–2017 CPI Directory;
- Canada Pork foodservice program brochure (English and French);
- Verified Canadian Pork Stars brochure (English only);
- VCP posters for retailers & VCP consumer leaflets (Japanese);
- CPI in Action monthly newsletter / 12 months / 104 articles / 301 active subscribers (English and French);
- Create Pork Samples Photo Shoot – 14 new generic images for CPI Photo Library;
- Reprint of the Canadian Pork Handbook in Spanish & Korean;
- Reprint of the Canadian Pork Buyers' chart in Korean;
- Reprint of the Farm to Table leaflet in Korean;
- Reprint of the Pork grading ruler.





EXPORT MARKET DEVELOPMENT PROGRAM

The export market development program provides CPI member funding based on eligible cost-shared activities that have a direct impact on CPI member initiatives to expand the market share of Canadian pork in the export marketplace. Funding support is available for activities and initiatives that range in the following categories.

**EMD:
EXPORT
MARKET
DIVERSIFICATION**
(trade shows)

**EMA:
EXPORT
MARKET
ADAPTATION**
(incoming missions)

**EMI:
EXPORT
MARKET
INVESTIGATION**
(outgoing missions)

**GENERIC
PROMOTION**
(product sampling
sales programs)

EMD PROGRAM ACTIVITY 2016–2017
—96 EMD projects approved and funded
—22 EMA projects approved and funded
—138 EMI projects approved and funded
—11 generic initiatives in Mexico, Japan and South Korea approved and funded

COMPETITIVE BENCHMARKING PROGRAM

Benchmarking projects measure and analyze a comprehensive set of metrics including yield, financial performance and meat quality attributes important to end-user customers and consumers. Benchmarking data can also be used to compare specifications, workmanship, packaging and culinary attributes to improve the competitive advantage for Canadian pork in the marketplace. CPI has been conducting benchmarking projects in Japan since 2007 in cooperation with the Japanese Meat Academy in Gunma Prefecture.

- BENCHMARKING PROJECT ACTIVITY**
- CPI has completed or supported over 20 projects in Japan and South Korea since 2007.
 - Over 450 samples have been studied, analyzed and benchmarked.
 - 2 benchmark projects were completed in 2016–2017





INTERNATIONAL TRADE SHOWS

International trade shows provide a cost-effective marketing environment on a global stage for member companies to reach international buyers. CPI custom booth designs feature an open concept to showcase the Canadian pork industry and participating CPI member companies.

CPI participates in several international trade shows annually representing a significant portion of the annual budget. The selection of the shows, size and design of each booth is based on CPI member company participation, projected traffic volumes and profile of attendees. CPI also participates in regional trade shows in specialty markets like Japan.

CPI uses international trade show events as an opportunity to present technical or marketing seminars in conjunction with these trade shows to maximize attendance or to support government of Canada or provincial government marketing activities. Participation in international trade shows continues to be one of the CPI's highest rated activities for its member companies according to member satisfaction surveys.

INTERNATIONAL TRADE SHOW ACTIVITY 2016-2017

- Food & Hotel Asia 2016 (April 12-15, 2016) Singapore / 8 CPI members, 72,000 attendees
- SIAL China 2016 (May 5-7, 2016) Shanghai, China / 18 CPI members, 77,000 attendees
- Seoul Food & Hotel 2016 (May 10-13, 2016) Seoul, South Korea / 8 CPI members, 53,000 attendees
- SIAL Paris 2016 (October 16-20, 2016) Paris, France / 15 CPI members, 155,000 attendees
- FHC China 2016 (November 7-9, 2016) Shanghai, China / 20 CPI members, 72,000 attendees
- Expo Carnes 2017 (March 1-3, 2017) Monterrey, Mexico / 16 CPI members, 6,500 attendees

EDUCATION, TRAINING AND PRODUCT KNOWLEDGE

Product knowledge is a fundamental requirement in any meaningful value proposition. Many new, as well as experienced, food professionals coming through the ranks have little knowledge or experience with the pork category. Very few have been exposed to education or training programs about the Canadian pork delivery system. The CPI team offers five specialized categories of distributor education programs (DEP) to increase the awareness and understanding of the pork product category and specifically the advantages of Canadian pork.

MEMBER COMPANIES	MEMBER CUSTOMER DISTRIBUTOR/ PURVEYOR	RETAIL END-USER CUSTOMER	FOODSERVICE END-USER CUSTOMER	PRIMARY AND FURTHER PROCESSING
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EDUCATION, TRAINING AND PRODUCT KNOWLEDGE EVENT ACTIVITIES 2016–2017

- CPI seminars in Hanoi and Ho Chi Minh City, Vietnam (April 6 and 8, 2016) / 13 member companies, 50 local guests
- CPI technical seminars in Kiev and Odessa, Ukraine (May 24 and 25, 2016) / 5 trading companies, 50 participants
- CPI seminar in Tokyo, Japan (June 28, 2016) / 270 guests
- B2B meetings in Santiago, Chile, and Lima, Peru (September 28 and 29, 2016) / 8 member companies, 184 meetings with local importers and representatives
- Official opening of CPI Shanghai Representative Office in China (November 7, 2016) / 200 industry representatives from China and Canada attended
- Canadian food promotion in Vietnam with gala reception and B2B meetings organized by the Embassy of Canada in Hanoi, Vietnam (November 10–11, 2016) / 6 CPI members, 190 attendees
- CPI seminar in Taipei, Taiwan (November 14, 2016) / 11 CPI member companies / 165 meetings
- CPI seminar in Manila, Philippines (November 16, 2016) / 11 CPI members, 180 one-on-one business meetings
- B2B meeting sessions in Guadalajara and Monterrey, Mexico (February 27 and March 1–2, 2017) / 8 CPI members, 210 meetings





TRADE MISSIONS

The CPI team works with federal and provincial governments to support trade missions. Market access is a top priority for CPI given the complexities of international markets. Multilateral and bilateral trade negotiations remain the industry's top priority for long-term market access solutions. CPI strongly supports working with government to effect favourable market access conditions for Canadian pork in all priority and emerging markets.

TRADE MISSION ACTIVITY 2016–2017

- Ministerial mission to Qingdao, Beijing, Shanghai, China (October 29–November 9, 2016)
- Agricultural trade mission to New Delhi and Mumbai, India (March 4–8, 2017)

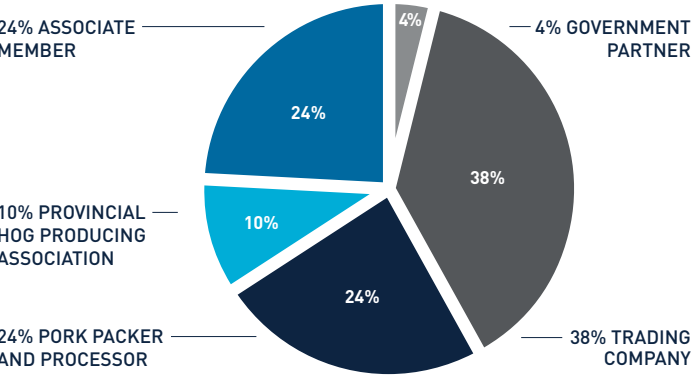
OTHER EVENTS

From April 2016 to March 2017, CPI also supported events organized by the Embassy of Canada abroad, conducted DEP sessions, and supported retail promotions to promote Canadian pork and increase exports in key markets. Here are some highlights of the additional trade and promotional events carried out over the last year:

- “Eat Drink Canada China” event organized by the Embassy of Canada to China and supported by CPI;
- Canada Day celebration in Vietnam organized by the Embassy of Canada to Vietnam, sponsored by CPI;
- One of the sponsors of the Canada pavilion at the AAHAR Food and Hospitality Fair in India organized by the Embassy of Canada;
- Meat samples sponsorship for generic promotion in partnership with the High Commission of Canada to Singapore;
- Participated in the 9th IMS Marketing Workshop in Colonia and attended the 21st World Meat Congress in Punta del Este, Uruguay (November 2016);
- Organized 2017 CPI Annual Meeting (February 2017) with over 140 participants;
- Supported 1 retail sales promotion in 35 locations in Seoul, South Korea;
- Conducted 2 Distributors Education Programs in Mexico City and Monterrey (February 2017).

PERFORMANCE MEASURES: CPI MEMBER SATISFACTION SURVEY 2016

Each year CPI conducts an online satisfaction survey with member companies and stakeholders to evaluate the programs and services offered by CPI. The survey consists of 10 key questions representing a cross section of strategic priorities and volume-building initiatives important to the success of the Canadian pork industry.



RESPONSE BY SEGMENT

69 stakeholders across 5 industry segments were sent the online survey. 29 stakeholders responded, a 42% response rate.



CPI COMMUNICATION

Responding to questions/assistance	82%	Timely response	76%
Follow-up on requests	79%	Timely management of funding programs	72%
Professionalism in communication	83%	Annual general meeting presentations	82%

OVERALL RATING: AN AGGREGATE SCORE OF THE 29 RESPONDENTS GAVE CPI AN OVERALL RATING OF 7.8 OUT OF 10.



QUALITY AND EFFECTIVENESS CPI MATERIALS AND PROGRAMS

International seminars	74%	Canadian pork grading ruler	76%
Trade shows	81%	Lymph node manual	80%
International missions	81%	Printed materials	79%
B2B sessions	71%	E-newsletter	77%
Market access meeting	72%	Trade ads International	64%
CPI promo activities	68%	Consumer ads International	66%
CPI tech programs	76%	Website Canada	76%
Distributor education	75%	Website International	73%
Canadian pork handbook	88%		

AWARENESS OF CPI ACTIVITIES

International seminars	48%	Distributor education	21%
Trade shows	69%	CPI print materials	59%
International missions	34%	CPI e-newsletter	59%
B2B sessions	31%	Trade ads International	14%
Market access meetings	34%	Consumer ads International	10%
CPI promotional activities	21%	Website Canada	59%
CPI technical programs	21%	Website International	34%

Respondents are asked to rank each area based on a scale of 1–10 with 10 being the highest rating. The results provide a satisfaction index percentage for each program and service area. Satisfaction index scores are a key performance measure and provide CPI leadership and the BOD with valuable insights and direct feedback for improvements.



ACHIEVEMENT OF PRIORITIES

Communicating market access priorities to government and trade organizations	76%
Providing current info relating to technical and market access conditions	71%
Increase member understanding of actions taken by competitors in key markets	65%
Support efforts to address quality, safety and access issues related to your company	71%
Develop/produce science-based materials to promote Canadian pork	76%
Providing info about missions to Canadian plants	71%
Providing strategic sales promotion in key markets	69%



WOULD YOU SAY THAT CPI PROGRAMS, SERVICES AND ACTIVITIES HAVE ACHIEVED THE FOLLOWING RESULTS?

ANSWER OPTIONS	YES	NO	DON'T KNOW
Increased your customers' confidence in Canadian pork?	16	2	4
Increased ability to connect with customers or markets?	15	3	4
Increased amount/value of Canadian pork you exported?	15	4	3
Provided important market intelligence?	18	2	1
Assisted in better understanding of export requirements?	19	3	0
Assisted in issue re: inspection troubleshooting?	15	4	3



WOULD YOU AGREE THAT CPI PROGRAMS, SERVICES AND ACTIVITIES HAVE PROVIDED INTERNATIONAL BUYERS WITH A BETTER UNDERSTANDING OF THE FOLLOWING?

ANSWER OPTIONS	YES	NO	DON'T KNOW
Canadian pork quality advantages	20	1	2
Canadian pork specifications and yield advantages	15	4	4
Canadian on-farm food safety systems	18	1	4
Canadian in-plant food safety systems	17	2	4
Foreign access/reg requirements for pork imports	18	3	2
Overall Canadian pork value proposition	20	2	1

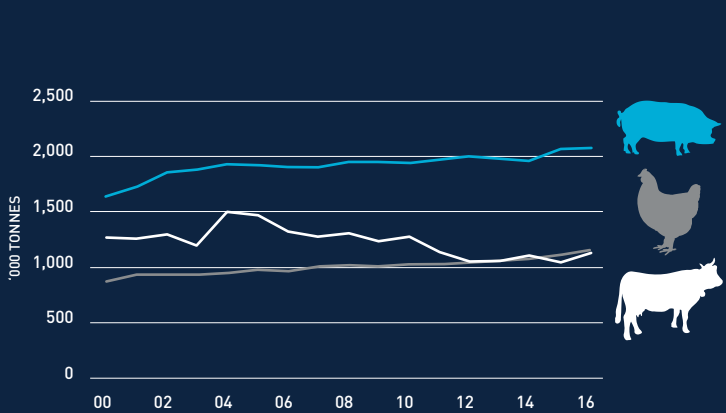


DO YOU THINK CPI SHOULD INCREASE RESOURCES AND ACTIVITIES IN THE FOLLOWING STRATEGIC INITIATIVES TO BETTER SERVE YOUR COMPANY OR ORGANIZATION'S INTERNATIONAL MARKETING STRATEGY?

ANSWER OPTIONS	YES	NO	DON'T KNOW
Sales promotion with end-users	10	7	4
Generic consumer marketing	8	8	5
Branded sales promotion	5	9	7
Additional consumer research	9	3	8
Additional market-based research	10	5	5
Additional trade show involvement	10	4	7
Resources: meat quality attributes	12	3	5
Resources: food safety systems	13	2	7
Resources: carcass utilization/value creation	13	4	5
Develop a national pork quality grading system	7	9	6
Trade advocacy: export certification	18	2	2
Trade advocacy: transportation issues	8	10	4
Trade advocacy: foreign import requirements	18	2	2

MARKET INDICATORS

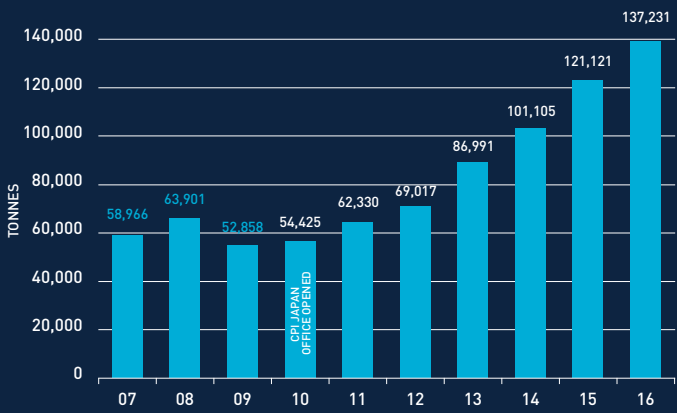
Canadian exports of pork and pork products reached new records in 2016. Pork export volume reached a record of 1,246,276 tonnes in 2016, an increase of 6.1% from 2015. Export value increased 11% from the previous year to \$3.81 billion, a new record for Canadian pork export value.



CANADIAN MEAT PRODUCTION
PORK | CHICKEN | BEEF

Source: Statistics Canada

CHICKEN BEEF & VEAL PORK



CANADIAN CHILLED PORK GROWTH
JAPAN 2007-2016

Source: Trade Statistics of Japan

2010: USA 72%/CANADA 23.5%/ MEXICO 4.2%
2016: USA 58%/CANADA 37.5%/MEXICO 4.3%

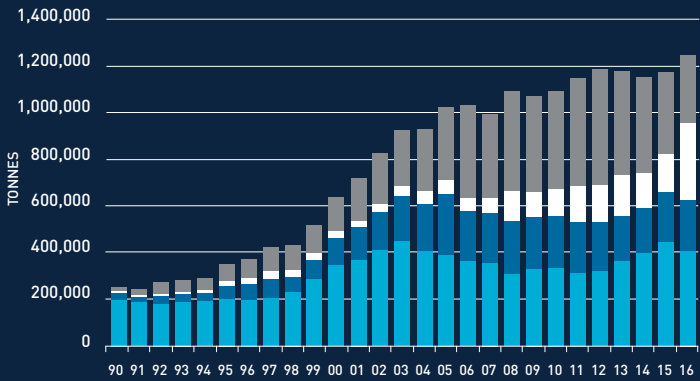
KEY FINDINGS

CANADIAN PORK EXPORTS 2016

- Volume: 1,246,275 tonnes [6.1% chg]
- Value: \$3,812,412,708 [11.0% chg]

MARKET SNAPSHOT

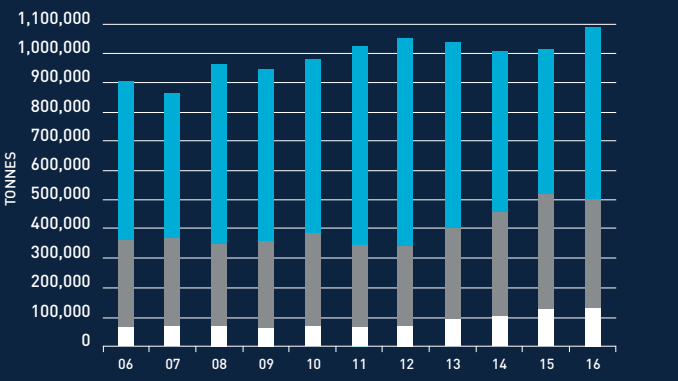
- A new record for Canadian Pork exports in volume with 1,246,275 tonnes.
- China is now Canada's second largest market by volume with +144% growth.
- A new record for Canadian Pork exports in value with \$3,812,412,708.
- Japan market value exceeded \$1 billion for the first time ever, representing over 28% of total export value.



CANADIAN PORK EXPORT VOLUME
1990-2016

Source: Statistics Canada

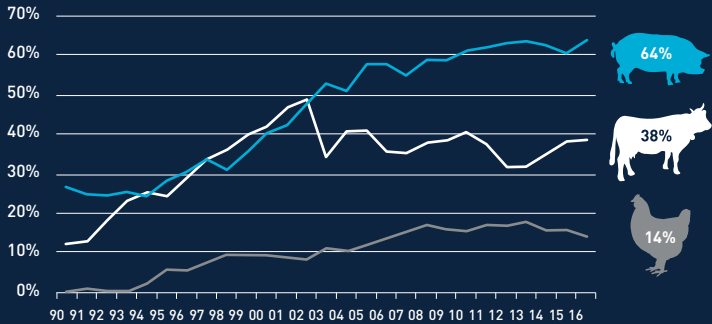
OTHER CHINA/HK JAPAN U.S.



FRESH, CHILLED AND FROZEN PORK EXPORTS
Source: Statistics Canada

TOTAL FROZEN PORK - ALL COUNTRIES
TOTAL FRESH PORK - ALL OTHER COUNTRIES
TOTAL CHILLED PORK - JAPAN ONLY

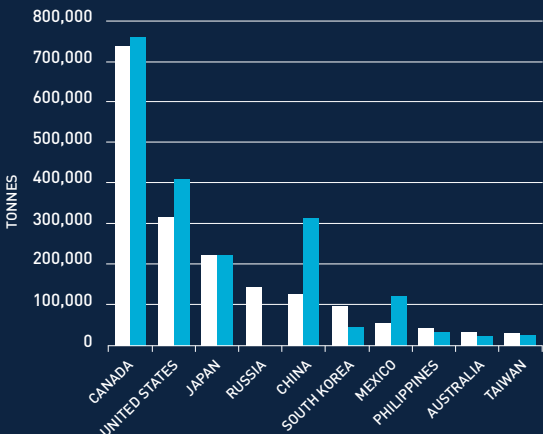
* Including Cuts and Offal
* Excluding Pork Fat and Processed Pork



CANADIAN MEAT EXPORTS % OF PRODUCTION

Source: Statistics Canada

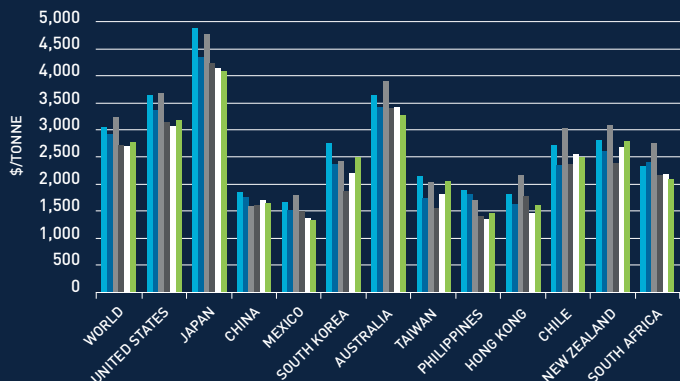
BEEF PORK CHICKEN



CANADA'S TOP TEN MARKETS
2011 vs. 2016

Source: Statistics Canada

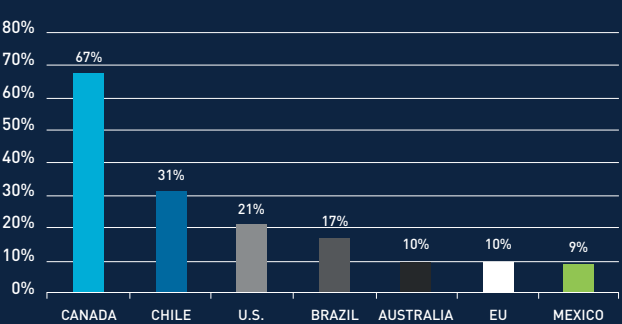
2011 2016



TOP UNIT VALUE MARKETS
CANADIAN PORK EXPORTS | 2011-2016

Source: Statistics Canada

2016 2015 2014 2013 2012 2011



TOP EXPORT DEPENDENT COUNTRIES
% OF PRODUCTION EXPORTED 2016

Source: GTIS, AgriTrends

INDEPENDENT AUDITOR’S REPORT

To the Members of Canada Pork International

We have audited the financial statements of Canada Pork International, which comprise the statement of financial position as at March 31, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canada Pork International as at March 31, 2017, 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.

Marcil Lavallée
Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 24, 2017

FINANCIAL STATEMENTS

	2017	2016
Statement of Financial Position		
March 31, 2017		
ASSETS		
Cash	413,864	360,400
Accounts Receivable	471,366	591,354
Prepaid Expenses	248,369	141,226
Current Assets	1,133,599	1,092,980
Capital Assets	2,669	5,108
TOTAL ASSETS	1,136,268	1,098,088
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Liabilities	657,265	507,746
Deferred Contributions	394,215	319,011
Deferred Revenues	24,000	37,175
Total Liabilities	1,075,480	863,932
Restricted Net Assets	2,669	5,108
Unrestricted Net Assets	58,119	229,048
Total Net Assets	60,788	234,156
TOTAL LIABILITIES AND NET ASSETS	1,136,268	1,098,088
Statement of Operations		
For the year ended March 31, 2017		
REVENUE		
Membership Fees	1,553,558	1,570,325
Industry Member Contributions	541,144	437,846
Government Contributions	2,742,166	2,511,827
Other	57,073	27,145
TOTAL REVENUE	4,893,941	4,547,143
EXPENSES		
Operating Expenses	1,703,532	1,505,189
Government Contribution Agreement Expenses		
Administrative	131,560	52,161
Export & Generic Promotion	1,748,869	1,718,601
Market Information & Intelligence	46,882	48,638
Distribution Education Program	9,118	42,406
Market Access	169,067	153,366
Export Market Development Program	1,023,672	870,989
Branding	144,293	76,956
Performance Measures	46,931	61,033
Technical Marketing Tools	37,506	34,511
End-User Customer Education Expenses	5,879	50,038
Total Government Contribution Agreement Expenses	3,363,777	3,108,699
TOTAL EXPENSES	5,067,309	4,613,888
DEFICIENCY OF REVENUE OVER EXPENSES	-173,368	-66,745

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