

Manitoba Pork Council
Non-Consolidated Financial Statements
December 31, 2025

Manitoba Pork Council

December 31, 2025

Table of Contents

Independent Auditor's Report	1
Non-Consolidated Statement of Financial Position	3
Non-Consolidated Statement of Operations	5
Non-Consolidated Statement of Changes in Net Assets	6
Non-Consolidated Statement of Cash Flows	7
Notes to the Financial Statements	8

George & Associates Chartered Professional Accountants Inc.
Box 567, 113 2nd Street SW
Carman, Manitoba
R0G 0J0

Independent Auditor's Report

To the Board
Manitoba Pork Council

Opinion

We have audited the financial statements of Manitoba Pork Council, which comprise the non-consolidated statement of financial position as at December 31, 2025, and the Statements of income, retained earnings 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 Manitoba Pork Council as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with the applicable financial reporting framework.

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 council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the council or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the council'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 council'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 council'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 council 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.



George & Associates Chartered Professional Accountants Inc.

Carman, Manitoba
February 26, 2026

Manitoba Pork Council

Non-Consolidated Statement of Financial Position

December 31, 2025

	2025	2024
Assets		
Current Assets		
Cash	\$ 485,692	\$ 468,075
Short term investments (note 3)	4,563,385	4,557,772
Accounts receivable, net of allowances (note 2)	661,700	669,195
Prepaid expenses and deposits	97,338	98,483
	<u>5,808,115</u>	<u>5,793,525</u>
Long-term Assets		
Advances from related parties, net (note 5)	190,704	208,234
Investment in joint venture (note 6)	8,360	41,135
Trademarks and patents	1,964	1,964
Investment in Western Canada Livestock Development Corporation (note 11)	150,000	150,000
	<u>351,028</u>	<u>401,333</u>
Capital assets (note 4)		
Cost	888,076	858,270
Accumulated amortization	(543,910)	(486,610)
	<u>344,166</u>	<u>371,660</u>
Total Assets	<u>\$ 6,503,309</u>	<u>\$ 6,566,518</u>

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Council


Non-Consolidated Statement of Financial Position

December 31, 2025

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 391,505	\$ 857,325
Accrued retirement benefits (note 12)	350,165	331,649
Goods and service tax payable	19,272	9,855
Deferred revenue	-	1,700
	<u>760,942</u>	<u>1,200,529</u>
Total Liabilities	<u>760,942</u>	<u>1,200,529</u>
Net Assets		
Invested in capital assets	344,166	371,660
Crisis management fund	300,000	300,000
Closure fund	900,000	900,000
Potential trade case	1,000,000	1,000,000
Unrestricted	3,198,201	2,794,329
	<u>5,742,367</u>	<u>5,365,989</u>
Net Assets	<u>5,742,367</u>	<u>5,365,989</u>
Total Liabilities and Net Assets	<u>\$ 6,503,309</u>	<u>\$ 6,566,518</u>

Approved on Behalf of the Board:


_____, Director


_____, Director

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Council

Non-Consolidated Statement of Operations

For the Year Ended December 31, 2025

	2025	2024
Revenue		
Market hog levy	\$ 4,475,340	\$ 4,350,968
Weanling levy	424,086	437,417
Government funding	1,229,108	1,007,942
Investments	202,653	281,467
Program	12,419	25,420
Miscellaneous revenue	47,466	45,599
	<u>6,391,072</u>	<u>6,148,813</u>
Operating expenses		
Salaries and benefits	1,509,990	1,601,891
Administration	825,021	845,601
Public relations, communications and learnings	948,915	973,341
Swine health, animal care and quality assurance	959,133	1,154,875
Sustainable development, research and data management	723,997	537,190
Memberships and national programs	1,147,705	1,124,912
	<u>6,114,761</u>	<u>6,237,810</u>
Non operating income and expenses		
Share of gain (loss) of Manitoba Hog Grading Inc (Note 6)	(32,775)	(7,367)
Foreign exchange gain (loss)	(644)	(437)
Unrealized gains (losses)	133,930	179,397
Losses (gains) on disposal of assets	(444)	-
	<u>100,067</u>	<u>171,593</u>
Excess of revenue over expenses	<u>\$ 376,378</u>	<u>\$ 82,596</u>

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Council

Non-Consolidated Statement of Changes in Net Assets

For the Year Ended December 31, 2025

	Invested in capital assets	Crisis management fund	Closure fund	Potential trade case	Unrestricted	2025	2024
Net assets, beginning of year	\$ 371,660	\$ 300,000	\$ 900,000	\$ 1,000,000	\$ 2,794,329	\$ 5,365,989	\$ 5,283,393
Excess of revenue over expenses	(102,951)	-	-	-	479,329	376,378	82,596
Transfer for capital asset purchases	75,457	-	-	-	(75,457)	-	-
Net assets, end of year	<u>\$ 344,166</u>	<u>\$ 300,000</u>	<u>\$ 900,000</u>	<u>\$ 1,000,000</u>	<u>\$ 3,198,201</u>	<u>\$ 5,742,367</u>	<u>\$ 5,365,989</u>

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Council

Non-Consolidated Statement of Cash Flows

For the Year Ended December 31, 2025

	2025	2024
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ 376,378	\$ 82,596
Increase (decrease) in working capital		
Amortization	101,565	101,579
(Gain) loss on disposal of assets	444	-
Share of (gain) loss of Manitoba Hog Grading Inc	32,775	7,367
Unrealized (gain) loss on short-term investments	(133,930)	(179,397)
Accounts receivable, net	7,495	(126,835)
Prepaid expenses and deposits	1,145	(28,527)
Accounts payable and accruals	(465,820)	217,001
Accrued retirement benefit	18,516	59,888
Goods and service tax payable	9,417	(411)
Deferred revenue	(1,700)	1,700
TOTAL CASH FLOWS FROM (TO) OPERATING ACTIVITIES	(53,715)	134,961
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(75,457)	(107,842)
Proceeds from disposal of property, plant and equipment	941	-
Change in short-term investments, net	128,318	(50,802)
Advances from (to) related parties	17,530	46,284
TOTAL CASH FLOW FROM (TO) INVESTING ACTIVITIES	71,332	(112,360)
Net increase (decrease) in cash and cash equivalents	17,617	22,601
Cash and cash equivalents at beginning of year	468,075	445,474
Cash and cash equivalents at end of year	\$ 485,692	\$ 468,075

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

1 Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

a. Operations of Manitoba Pork Council

Manitoba Pork Council (the "Council") is the producer organization of the Province of Manitoba's hog producers. The mission of the Council is to foster the sustainability and prosperity of the pork industry for the good of all hog farmers and all Manitobans.

The Council collects a \$0.80 (2024 - \$0.80) levy on market hogs produced and processed in Manitoba, including sows and boards. In addition, a levy is collected on hogs involved in inter-provincial and export trade at \$0.80 (2024 - \$0.80) on market hogs, sows and boars, and \$0.19 (2024 - \$0.19) on weanlings (hogs under 30 kgs). The levy is subject to periodic review and approval by the Manitoba Farm Products Marketing Council. The levy is primary revenue source for the Council's operation.

The Council is a not-for-profit organization and is not subject to tax under the provisions of the Income Tax Act (Canada).

b. Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

c. Revenue Recognition

The Council follows the deferral method of accounting for revenue and its net assets. Restricted contributions, AgRisk Insurance revenue, and Canadian Agriculture Partnership revenue 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.

Levy revenue is recognized in the year that hogs are processed or exported, provided collection of the levies is reasonably assured.

Program revenue, interest, and investment revenue are recognized as earned.

Deferred revenue is comprised of advance requested on AgRisk and Canadian Agriculture Partnership revenue.

d. Net Assets

Net assets are accounted for in the categories described below to recognize various restrictions imposed on the use of the Council's funds:

[i] Invested in capital assets - These net assets consist of the Council's investment in its capital assets.

[ii] Crisis Management Fund - The Crisis Management Fund was established to offset the unforeseen irregularity of levy

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

1 Significant Accounting Policies continued

d. Net Assets continued

revenue and address unforeseen emergencies.

[iii] Closure Fund - The Closure Fund was established to allow the Council to meet all outstanding obligations in the event of a wind-up of operations.

[iv] Potential Trade Case - The Potential Trade Case Fund was established to offset potential legal fees incurred in the event of a trade challenge case.

[v] Unrestricted - Unrestricted net assets are comprised of the net accumulated revenue and expenses of the general operations of the Council, less amounts transferred to the Crisis Management Fund, Closure Fund, Potential Trade Case and amounts invested in capital assets..

e. Short-term investments and investment income

Publicly-traded securities are valued based on the latest bid prices and money market funds are valued based on reported unit values. Corporate and government fixed income bonds are valued based on reported unit values plus accrued income, which approximates fair value. Transactions are recorded on a settlement date basis and transaction costs are expensed as incurred.

Investment income, which consists of interest, dividends and realized gains and losses, is included in investment revenue in the statement of operations.

f. Investments

Joint Venture

The investments in Manitoba Hog Grading Inc. is a non-share joint venture interest. The investment is accounted for using the equity method. Under this method, the Council includes in income its share of the excess or deficiency of revenue over expenses of Manitoba Hog Grading Inc.

Controlled organizations

The results of the controlled not-for-profit organizations are not consolidated and are disclosed in the notes to the financial statements. Controlled organizations include Manitoba Pork Credit Corporation included in Note 9, Swine Infrastructure Development (Manitoba) Corporation, and Western Canada Livestock Development Corporation.

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

1 Significant Accounting Policies continued

g. Capital assets

Capital assets are stated at cost less accumulated amortization. Normal maintenance and repairs are expensed as incurred. Amortization is provided over the estimated useful lives of the assets as follows:

	Method	Rate
Vehicle and other	declining balance	20-30%
Computer equipment	straight-line	10 years
Furniture and equipment	declining balance	20-30%
Leasehold improvements	straight-line	term of lease

h. Trademarks

The Council's trademark represents an intangible asset not subject to amortization. Intangible assets not subject to amortization are recorded at cost, less and provision for permanent impairment. Impairment is tested if events or changes in circumstances indicate that the asset may be impaired. The impairment test consists of a comparison of the carrying value of the Council's intangible asset with its fair value, and any excess is recorded as a charge to net earnings. Fair value of the Council's intangible assets is determined through a discounted cash flow analysis.

i. Retirement allowances and pension costs and obligations

The Council provides retirement allowances and pension benefits to its employees.

Retirement allowances are provided to certain qualifying employees and are based on the Manitoba Government Employees' Union guidelines. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management's best estimates of the length of service, salary increases and ages at which employees will retire. In addition, adjustments are arising from plan amendments, changes in assumptions, and the actuarial present value of the accrued entitlement are amortized and expenses on a straight line basis over the expected average remaining service life of the employee group. Actuarial gain and losses are recognized in the statement of operations immediately.

Employees of the Council are provided pension benefits by the Civil Service Superannuation Fund (the "Fund"). Under paragraph 6 of the Civil Service Superannuation Act, the Council is described as a "matching employer" and its contribution toward the pension benefits is limited to matching the employees contributions to the Fund. The Council's contribution for the year was \$95,313 (2024 - \$172,083) and is included in employee benefits expense.

In addition, employees of the Council are entitled to enhanced pension benefits. A pension liability has been established for those employees whose annual earnings exceed the limit under the Civil Service Superannuation Fund Plan. The Council's contribution for the year was \$10,221 (2024 - \$10,104) and is included in employee benefits expense. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which employees will retire.

j. Program expenses

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

1 Significant Accounting Policies continued

j. Program expenses continued

Program expenses are reported separately from program revenue. Some programs have related income from grants or industry contributions, which are recorded as revenue.

k. Financial instruments

The council recognizes its financial instruments when the Council becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA 3840 Related Party Transactions.

At initial recognition, the Council may irrevocably elect to subsequently measure any financial instrument at fair value. The Council has elected to measure its short-term investments in government and corporate fixed income bonds at fair value. Fair value is determined by reported unit values.

The Council subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published prices. This includes Canadian equities and money market funds included in short-term investments.

All other financial assets and liabilities are subsequently measured at amortized cost, using the effective interest rate method. This includes cash, accounts receivable, and accounts payable and accruals.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

l. Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable, including related party accounts receivable, are stated after evaluation as to their collectability and an appropriate allowance of doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Pension and severance obligations are valued based on estimates of appropriate discount rates and rates of compensation increases.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

2 Receivables

Accounts receivable consist of the following:

	2025	2024
Accounts receivable	\$ 660,180	\$ 669,195
GST receivable	1,520	-
Total	\$ 661,700	\$ 669,195

3 Short-term investments

Short-term investments consist of the following:

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Money Market Fund	\$ 25,512	\$ 25,512	\$ 86,886	\$ 86,886
Government fixed income bonds bearing interest of 1.75% to 5.77% (2024 - 1.21% to 7.00%) maturing April 2026 to June 2033	2,371,774	2,323,463	1,901,834	1,863,377
Equities, Canadian	2,166,099	1,812,868	2,569,052	2,219,684
	\$ 4,563,385	\$ 4,161,843	\$ 4,557,772	\$ 4,169,947

4 Capital assets

	2025			2024		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Vehicle and other	\$ 245,672	\$ (120,434)	\$ 125,238	\$ 232,956	\$ (118,456)	\$ 114,500
Computer equipment	205,345	(110,999)	94,346	212,842	(106,717)	106,125
Furniture and equipment	282,677	(177,706)	104,971	258,088	(155,447)	102,641
Leasehold improvements	154,382	(134,771)	19,611	154,384	(105,990)	48,394
	\$ 888,076	\$ (543,910)	\$ 344,166	\$ 858,270	\$ (486,610)	\$ 371,660

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

5 Advances to related parties

	2025	2024
Swine Infrastructure Development (Manitoba) Corporation	\$ 91,207	\$ 93,323
Western Canada Livestock Development Corporation	80,473	80,473
Manitoba Pork Credit Corporation, net of allowances	19,024	34,438
	<u>\$ 190,704</u>	<u>\$ 208,234</u>

The advances are unsecured, bear no interest, and have no fixed terms of repayment.

6 Investment in joint venture

The Council has entered into a joint venture agreement with two Manitoba pork processors, which established Manitoba Hog Grading Inc. Manitoba Hog Grading Inc. is a not-for-profit entity which has established to perform audits on carcass grading proficiency of federally inspected pork processing plants.

Ceasation of Operations

Effective June 30, 2025, the Board of Directors approved a resolution to cease the active operations of MHGI. While active operations have ended, the Council intends to maintain the corporation in a dormant status. As of the report date, no formal plan for dissolution or a specific future mandate for the corporation has been established. The Council continues to monitor the entity for any future strategic utility.

A financial summary of the Council's 50% interest in this entity as at December 31, 2025 and for the year then ended is as follows:

	2025	2024
Financial Position		
Assets	\$ 8,699	\$ 51,265
Liabilities	(339)	(10,130)
Net assets	8,360	41,135
Results of operations		
Revenues	20,366	38,695
Expenses	(53,141)	(46,061)
Excess (deficiency) of revenues over expenses	(32,775)	(7,366)
Cash Flows		
Cash used by operations	\$ (36,088)	\$ (18,125)

Related Party Balances and Transactions

At December 31, 2025, there was a balance of \$138 (2024 - \$7,946) owing from Manitoba Hog Grading Inc. to the

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

6 Investment in joint venture continued

Council. The amount is included in the Council's accounts receivable.

The Council charged Manitoba Hog Grading Inc. \$945 (2024 - \$1,890) for rent and \$2,400 (2024 - \$4,800) for administration. the rental income is netted against rent/lease expense and the administration income is included in miscellaneous revenue. These charges represent services provided up to the date operations ceased on June 30, 2025. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7 Accounts payable

	2025	2024
Accounts payable	\$ 263,422	\$ 744,505
Credit card payable	23,249	18,876
Wages payable	56,025	48,995
Vacation payable	48,809	44,949
	<u>\$ 391,505</u>	<u>\$ 857,325</u>

8 Board members' remuneration and disbursements

	MPC Days	Km's	Stipend and per diem	Expenses	2025	2024
West District (Chair) - Rick Prejet	32.50	5205	\$ 29,956	\$ 13,219	\$ 43,175	\$ 49,045
East District (Vice Chair) - Rick Bergmann	15	1688	13,833	1,946	15,779	12,451
East District (Executive) - Scott Peters	8	0	10,724	2,813	13,537	11,183
East District (Executive) - Marg Rempel	15.75	2070	10,598	1,774	12,372	14,896
West - John Nickel	12	1280	5,319	2,074	7,393	3,837
Director at Large - Lyle Peters	3.50	624	1,110	3,281	4,391	3,244
Hutter Schwein District - James Hofer	22	1580	6,815	4,732	11,547	12,049
North Star Producer - Gerald Waldner	9.5	1340	3,044	1,649	4,693	5,872
Canada Packers - Jonathan Sawatzky	10	0	-	-	-	-
HyLife - Lyle Loewen	8	0	-	-	-	-
	<u>136.25</u>	<u>13,787</u>	<u>\$ 81,399</u>	<u>\$ 31,488</u>	<u>\$ 112,887</u>	<u>\$ 112,577</u>

The Chairman's remuneration is a combination of a \$17,865 (2024 - \$17,865) annual stipend, in addition to per diems.

The Vice-Chairman receives an annual stipend of \$8,940 (2024 - \$8,940). Executive members receive an annual stipend of \$5,955 (2023 - \$5,955) in addition to per diems.

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

8 Board members' remuneration and disbursements continued

The per diem rates are \$300 (2024 - \$300) for the Chairman and \$275 (2024 - \$275) for Directors.

The Executive Committee is comprised of the Chairman, Vice-Chairman and two Executive members.

The HyLife and Canada Packers board members contribute time gratuitously forgoing standard remuneration claims.

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

9 Controlled Organizations - Manitoba Pork Credit Corporation

Manitoba Pork Credit Corporation ("MPCC") was incorporated on July 24, 2007 and has no authorized share capital.

MPCC's Board of Directors is comprised of four Manitoba Pork Council Directors. MPCC's undertakings are limited to conducting programs to assist hog producers in the production of hogs in Western Canada, the marketing of such hogs, and in stimulating, increasing and improving the economic well-being of the hog industry in Western Canada. In the event of the dissolution or wind-up of MPCC, the remaining property of MPCC, after payment of all debts and liabilities, shall be distributed to the Council or a similar not-for-profit organization in Manitoba.

At December 31, 2025, the Council had a balance of \$183,976 (2024 - \$199,391) owing from MPCC to the Council. Due to the uncertainty surrounding the collectability of these amounts and MPCC's ultimate ability to repay the Council in the foreseeable future an allowance of \$164,953 (2024 - \$164,953) has been recorded against the receivable from MPCC. Council will continue to pursue collection of these amounts.

MPCC has not been consolidated in the Council's financial statements.

A financial summary of MPCC as as December 31, 2025 and for the year then ended are as follows:

	2025	2024
Financial position		
Assets	\$ 13,900,233	\$ 17,139,962
Liabilities	(14,043,764)	(17,273,921)
Net assets (liabilities)	(143,531)	(133,959)
Results of operations		
Revenues	634,146	1,198,987
Expenses	(643,720)	(1,192,451)
Excess (deficiency) of revenues over expenses	\$ (9,574)	\$ 6,536

MPCC has available overdraft facilities totaling \$15,000,000 for interest free loans and \$5,000,000 for interest bearing loans and \$1,000,000 for default loans with Toronto Dominion Bank ("TD") (2024 - \$21,000,000). As at December 31, 2025, \$11,745,000 and \$2,073,717 was utilized for interest free and interest bearing loans respectively (\$16,910,960) with TD in order to deliver the Advance Payments Program under the Agricultural Marketing Program Act of Canada to hog producers in Manitoba, Saskatchewan, Alberta, and British Columbia. These advance payments are guaranteed in their entirety by the Federal Government of Canada. The facilities bears interest at prime minus 1.25% with TD.

During the year, the Council charged MPCC \$1,890 (2024 - \$2,008) for rent and \$4,800 (2024 - \$5,100) for administration plus applicable sales tax. The rental income is netted against rent / lease expense and the administration income is included in miscellaneous revenue. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

10 Controlled Organizations - Swine Infrastructure Development (Manitoba) Corporation

Swine Infrastructure Development (Manitoba) Corporation ("SIDC") was incorporated on October 20, 2017 and has no authorized share capital.

In the event of the dissolution or wind-up of SIDC, the remaining property of SIDC, after payment of all debts and liabilities, shall be distributed to the Council or a similar no-for-profit organization in Manitoba.

SIDC has not been consolidated in the Council's financial statements.

A financial summary of SIDC as at December 31, 2025 and for the year then ended are as follows:

	<u>2025</u>	<u>2024</u>
Financial position		
Assets	\$ 39,678	\$ 44,352
Liabilities	<u>(111,208)</u>	<u>(113,410)</u>
Net assets	(71,530)	(69,058)
Results of operations		
Revenues	-	-
Expenses	<u>(2,472)</u>	<u>(2,116)</u>
Excess (deficiency) of revenues over expenses	<u>\$ (2,472)</u>	<u>\$ (2,116)</u>

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

11 Controlled Organizations - Western Canada Livestock Development Corporation

Western Canada Livestock Development Corporation ("WCLDC") was incorporated on January 10, 2017 and has no authorized share capital.

In the event of the dissolution or wind-up of WCLDC, the remaining property of WCLDC, after payment of all debts and liabilities, shall be distributed to the Council or a similar not-for-profit organization in Manitoba.

WCLDC has not been consolidated in the Council's financial statements.

A financial summary of WCLDC as at December 31, 2025 and for the year then ended are as follows:

	<u>2025</u>	<u>2024</u>
Financial position		
Assets	\$ 1,595,359	\$ 1,595,407
Liabilities	(80,473)	(80,473)
Net assets	1,514,886	1,514,934
Results of operations		
Revenues	27,320	5,805
Expenses	(27,368)	(8,798)
Excess (deficiency) of revenues over expenses	\$ (48)	\$ (2,993)

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

12 Retirement and pension obligations

a. Information about the Council's retirement allowance plan is as follows:

The Council measures its accrued benefit obligation for the retirement allowances as at December 31, 2025 of each year. The most recent actuarial valuation report was at December 31, 2025.

	2025	2024
Accrued benefit obligation		
Balance, beginning of year	\$ 154,520	\$ 119,616
Current service cost	18,129	11,681
Interest cost	6,953	5,502
Experience (gain) and transitional adjustment	(3,867)	17,721
Balance, end of year	\$ 175,735	\$ 154,520

The Councils retirement allowance expense (income) consists of the following:

	2025	2024
Current service cost	\$ 18,129	\$ 11,681
Interest cost	6,953	5,502
Experience (gain) and transitional adjustment	(3,867)	17,721
	\$ 21,215	\$ 34,904

The significant actuarial assumptions adopted in measuring the Council's retirement allowance obligation are as follows:

	2025	2024
Discount rate	4.60 %	4.50 %
Rate of compensation increase	3.50 %	3.50 %

b. Information about the Council's enhanced pension benefit plan is as follows:

	2025	2024
Accrued benefit obligation		
Balance, beginning of year	\$ 161,933	\$ 159,243
Interest cost	7,100	7,300
Employer benefit payments	(10,221)	(10,062)

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

12 Retirement and pension obligations continued

b. Information about the Council's enhanced pension benefit plan is as follows: continued

	2025	2024
Experience loss and transitional adjustment	(8,112)	5,452
Balance, end of year	\$ 150,700	\$ 161,933
The Council's enhanced pension expense consists of the following:	2025	2024
Accrued benefit obligation		
Interest cost	\$ 7,100	\$ 7,300
Employer benefit payments	(10,221)	(10,062)
Experience loss and transitional adjustment	(8,112)	5,452
Total	\$ (11,233)	\$ 2,690
The Council's enhanced pension expense consists of the following:	2025	2024
Accrued benefit obligation		
Employer benefit payments	4.80 %	4.40 %
Experience loss and transitional adjustment	3.50 %	3.50 %

13 Financial instruments

The Council, as part of its operations, carries a number of financial instruments. It is management's opinion that the Council is not exposed to significant currency or liquidity risks arising from these financial instruments.

Credit concentration

Financial instruments that potentially subject the Council to concentrations of credit risk consist primarily to trade accounts receivable and advances to related parties. Council revenues are concentrated in the hog sector. As at December 31, 2025, three customers accounts for 58% (2024 - three customers for 77%) of total non-related party accounts receivable. In addition, the Council has recorded an allowance of \$164,953 (2024 - \$164,953) against the outstanding balance from Manitoba Pork Credit Corporation although, Council continues to pursue collection.

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

13 Financial instruments continued

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The council is exposed to interest rate cash flow risk with respect to certain short-term investments. The short-term investments are subject to fixed interest rates ranging from 1.75% - 5.77% (2024 - 1.40% - 7.00%) with maturity dates ranging from April 2026 to June 2033 (2024 - April 2024 to September 2033).

Other price risk

Other price risk is the risk that 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 foreign 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 Council enter into transactions to purchase and sell Canadian equity securities for which the market price fluctuates. To manage these risks, the Council has estimated a target mix of investment types designed to achieve the optimal return within reasonable risk tolerances.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Council enters into transactions denominated in United States currency for which the related revenues, expenses, accounts receivable and accounts payable balance are subject to exchange rate fluctuations. As at December 31, 2025, the following items are denominated in United States currency:

	2025 CAD \$	2024 CAD \$
Cash	720	2,083

Manitoba Pork Council

Non-Consolidated Notes to the Financial Statements

For the Year Ended December 31, 2025

14 Commitments

The Council is committed, under operating leases, to future aggregate lease payments estimated to be as follows:

2026	\$ 108,934
2027	108,934
2028	108,934
2029	108,934
	<u>\$ 435,736</u>

Lease commitments include a share of common area costs which approximate \$45,934 per year (2024 - \$47,843)

In addition, the Council has committed to the future project commitments as follows:

2026	\$ 199,500
2027	165,500
2028	145,500
2029	27,500
	<u>\$ 538,000</u>

15 Salaries and benefits

Prior year salaries included non-cash adjustments. In the 2024 year, there was a non-cash adjustment to accrue the prior year pension obligation of \$59,888 and an accrued salary payable of \$49,015. While these amounts are not material, it was above trivial in nature and was setup in the retirement allowance to accurately reflect the total retirement obligation.

16 Subsequent Event

On February 12, 2026, Manitoba's hog farmers voted to approve an increase in the producer levy on market hogs produced and processed in Manitoba, including sows and boars, from \$0.80 to \$0.90. This increase is currently pending final approval from the Province of Manitoba. The financial impact of this increase cannot be precisely estimated at this time as it is dependent on future volumes; however, it is expected to significantly increase levy revenue, approximately \$500,000. This increase would only be fully realized in the 2027 fiscal year.

In addition, Manitoba's hog farmers voted to increase the levy on weanlings has been increased from \$0.19 to \$0.21

Manitoba Pork Credit Corporation

Financial Statements

December 31, 2025

Manitoba Pork Credit Corporation

December 31, 2025

Table of Contents

Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Operations	4
Statement of changes in members' deficiency	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

George & Associates Chartered Professional Accountants Inc.
Box 567, 113 2nd Street SW
Carman, Manitoba
R0G 0J0

Independent Auditor's Report

To the Board
Manitoba Pork Credit Corporation

Opinion

We have audited the financial statements of Manitoba Pork Credit Corporation, which comprise the statement of financial position as at December 31, 2025, and the Statements of income, retained earnings 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 Manitoba Pork Credit Corporation as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with the applicable financial reporting framework.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the organization'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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



George & Associates Chartered Professional Accountants Inc.

Carman, Manitoba
March 04, 2026

Manitoba Pork Credit Corporation

Statement of Financial Position

December 31, 2025

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Cash (note 2)	\$ 48,856	\$ 64,631
Producer loans receivable (note 3)	13,850,662	17,075,124
Prepaid expenses	715	207
	<u>13,900,233</u>	<u>17,139,962</u>
	<u>\$ 13,900,233</u>	<u>\$ 17,139,962</u>
Liabilities		
Current Liabilities		
Bank indebtedness (note 5)	\$ 13,841,509	\$ 17,060,321
Accounts payable and accrued liabilities (note 4)	18,279	14,207
Due to related party (note 7)	183,976	199,391
	<u>14,043,764</u>	<u>17,273,919</u>
	<u>14,043,764</u>	<u>17,273,919</u>
Members' Deficiency		
Surplus (Deficit)	(143,531)	(133,957)
	<u>\$ 13,900,233</u>	<u>\$ 17,139,962</u>

Approved on Behalf of the Board:

 _____, Director

_____, Director

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Credit Corporation

Statement of Operations

For the Year Ended December 31, 2025

	2025	2024
Revenue		
Interest (Note 8)	\$ 586,143	\$ 1,140,984
Registration and administration fees	48,003	58,003
	<u>634,146</u>	<u>1,198,987</u>
Expenses		
Interest and bank charges (Note 8)	556,621	1,112,314
Program administration	87,099	80,137
	<u>643,720</u>	<u>1,192,451</u>
Excess (deficiency) of revenues over expenses	<u>\$ (9,574)</u>	<u>\$ 6,536</u>

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Credit Corporation

Statement of changes in Members' Deficiency

For the Year Ended December 31, 2025

	2025	2024
Members' deficiency, beginning of year	\$ (133,957)	\$ (140,493)
Excess (deficiency) of revenues over expenses	(9,574)	6,536
Members' deficiency, end of year	\$ (143,531)	\$ (133,957)

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Credit Corporation

Statement of Cash Flows

For the Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ (9,574)	\$ 6,536
Increase (decrease) in working capital		
Prepaid expenses	(508)	(207)
Accounts payable and accrued liabilities, net	4,072	(2,046)
Due from (to) related party	(15,415)	(48,911)
TOTAL CASH FLOWS FROM (TO) OPERATING ACTIVITIES	<u>(21,425)</u>	<u>(44,628)</u>
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Bank indebtedness, net	(3,218,812)	(3,752,681)
TOTAL CASH FLOW FROM (TO) INVESTING ACTIVITIES	<u>(3,218,812)</u>	<u>(3,752,681)</u>
CASH FLOWS FROM (TO) FINANCING ACTIVITIES:		
Producer loans receivable, net	3,224,462	3,748,325
TOTAL CASH FLOW FROM (TO) FINANCING ACTIVITIES	<u>3,224,462</u>	<u>3,748,325</u>
Net increase (decrease) in cash and cash equivalents	(15,775)	(48,984)
Cash and cash equivalents at beginning of year	64,631	113,615
Cash and cash equivalents at end of year	<u>\$ 48,856</u>	<u>\$ 64,631</u>

The accompanying notes are an integral part of these financial statements.

Manitoba Pork Credit Corporation

Notes to the Financial Statements

For the Year Ended December 31, 2025

1 Incorporation and nature of the organization

Manitoba Pork Credit Corporation ("MPCC" or the "Organization") was incorporated on July 24, 2007. MPCC has no authorized share capital and shall be carried on without pecuniary gain to its members, and any profits or other accretions to MPCC shall be used in furthering its undertaking. MPCC's Board of Directors is the executive board members of Manitoba Pork Council. Manitoba Pork Council (the "Council") is the membership association of the Province of Manitoba's hog producers.

MPCC administers the Advance Payments Program, a Government of Canada program established to provide financing to hog producers in Manitoba, Saskatchewan, Alberta and British Columbia.

The organization's continued operations as a going concern is dependent upon the continued support of the Council including its ongoing extension of credit through the non-demand repayment of amounts owing.

In the event of the dissolution or wind-up of MPCC, the remaining property of MPCC, after payment of all debt and liabilities, shall be distributed to the Council or a similar not-for-profit organization in Manitoba.

2 Significant Accounting Policies

a. Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

b. Cash and cash equivalents

Cash includes balances with banks and short-term investments with maturities of three months or less.

c. Revenue Recognition

Revenue from registration fees is recorded at the time an application is approved. Interest income is recognized on an accrual basis as earned.

d. Financial asset impairment

The organization assesses impairment of all of its financial assets measured at cost or amortized cost. The organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any risks to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

Manitoba Pork Credit Corporation

Notes to the Financial Statements

For the Year Ended December 31, 2025

2 Significant Accounting Policies continued

d. Financial asset impairment continued

The Organization reverses impairment losses of financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess revenues over expenses in the year the reversal occurs.

e. Financial instruments

The organization recognizes its financial instruments when the organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 Related Party Transactions.

Financial instruments include cash, producer loans receivable, bank indebtedness and accounts payable and accrued liabilities.

All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

It is managements opinion that MPCC is not exposed to significant interest, currency, liquidity or other price risks arising from these financial instruments except for credit risk determined by the amount of interest on loan balances which is the difference between the interest paid by the government in the event of default and the interest charged to the producer of the loan.

f. Measurement uncertainty (use of estimates)

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

Manitoba Pork Credit Corporation

Notes to the Financial Statements

For the Year Ended December 31, 2025

3 Producer loans receivable

Under the Advance Payments Program ("APP"), hog producers can qualify for up to a maximum of \$1,000,000 in financing advances, with the interest of the first \$250,000 (2024 - \$250,000) being paid by the Federal Government of Canada.

The interest rate on the advances in excess of \$250,000 is prime (2024 - prime) per annum. In the event of a default on the loan receivable, the producer pays interest at prime plus 1% (2024 - prime plus 1%) per annum on all advances from the date the advance was issued to the date the producer was declared in default; and prime plus 3% (2024 - prime plus 3%) per annum on all advances, interest free and interest bearing, from the date of default to the date the advances are fully repaid.

The advances are repaid at the end of the production period which commences on April 1, 2025 and ends on September 30, 2026. Producers sign a Business Risk Management-Assignment Agreement. The loans are collateralized by the producers' agricultural products. Upon default by producers, MPCC turns the loan over to the Federal Government of Canada who have the risk to seize agricultural products and any subsequent products until the outstanding loan is repaid.

Prime rate at December 31, 2025 was 4.45% (2024 - 5.45%).

4 Accounts payable and accrued expenses

Accounts payable consist of the following:

	2025	2024
Accounts payable	\$ 12,500	\$ 12,500
Accrued salaries and vacation payable	5,779	1,707
Total	\$ 18,279	\$ 14,207

5 Bank indebtedness

The organization has available overdraft facilities totaling \$15,000,000 for interest free loans and \$5,000,000 for interest bearing loans and \$1,000,000 default loans with Toronto Dominion Bank ("TD") (2024 - \$21,000,000).

As as December 31, 2025, \$11,745,000 and \$2,040,000 and \$0 was utilized for interest free and interest bearing loans and default loans respectively (2024 - \$16,910,960) with TD in order to deliver the APP under the Agricultural Marketing Program Act of Canada to hog producers in Manitoba, Saskatchewan, Alberta and British Columbia. These advance payments are guaranteed in their entirety by the Federal Government of Canada. The facilities bears interest at prime minus 1.25% with TD.

Manitoba Pork Credit Corporation

Notes to the Financial Statements

For the Year Ended December 31, 2025

6 Economic dependence

Under the Advance Payments Program, hog producers pay a registration fee of \$1,000 (2024 - \$1,000) per application. MPCC's source of income is dependent upon these registration fees and interest on the loans arising there from to cover its cost of administrating the program.

MPCC requires approval from the Board of Directors to increase the registration fees to cover operating costs or government funding to help offset costs and cover any accumulated deficits. The APP is expected to continue into the future based on similar programs run by the Government of Canada for other commodities.

At December 31, 2025, 100% (2024 - 100%) of total revenue was generated from the Advance Payments Program.

7 Related party transactions

During the year, MPCC paid the Council \$1,890 (2024 - \$1,890) for rent and \$4,800 (2024 - \$4,800) for administration, plus GST. These transactions were recorded at the exchange amount, which is the amount agreed to by the related parties.

At December 31, 2025, there was a balance of \$183,976 (2024 - \$199,391) owing to the Council.

Manitoba Pork Credit Corporation

Notes to the Financial Statements

For the Year Ended December 31, 2025

8 Interest revenue and interest expense

MPCC earns revenue on loans given out to producers. MPCC records interest revenue on two types of loans, being interest free and interest bearing.

Interest free loans are free of charge to the producer, however the government reimburses MPCC the interest paid to the bank. Interest bearing loans charge the producer the prime rate of interest.

MPCC pays interest to a financial institution on monies received in order to fund loans that it issues to producers. MPCC records interest expense on two types of loans to producers, being interest free and interest bearing. MPCC is charged the prime rate of interest less 1.25% by the financial institution in funding producer loans.

The following is a breakdown of APP interest income and expenses per program year for the fiscal year ended 2025.

	Interest Income	Interest Expense
Interest Bearing 2025	\$ 33,717	\$ 24,567
Interest Free 2025	128,950	128,950
Default 2025	-	-
Interest bearing 2024	84,707	63,152
Interest free 2024	338,572	338,572
Default 2024	-	-
General	197	810
Vendor	-	570
	\$ 586,143	\$ 556,621