

102ND ANNUAL REPORT

YEAR ENDED FEBRUARY 29TH, 2020



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SERVING CANADA'S LIVESTOCK PRODUCERS WITH PRIDE SINCE 1918
FIÈREMENT AU SERVICE DES AGRICULTEURS CANADIENS DEPUIS 1918

CANADIAN CO-OPERATIVE WOOL GROWERS LIMITED
AUDITED FINANCIAL STATEMENTS / ÉTATS FINANCIERS VÉRIFIÉS
FEBRUARY 29, 2020 / LE 29 FÉVRIER 2020
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LAINE ACHETE L'ANNÉE POUR VOTRE CONVENANCE

MANAGERS & STAFF / LES MEMBRES DU PERSONNEL

HEAD OFFICE

CARLETON PLACE, ONTARIO

WWW.WOOL.CA CCWGHQ@WOOL.CA

613-257-2714 1-800-488-2714

General Manager / Directeur général - Eric Bjergso
Office Administrator/Administrateur de bureau - Anita Reid
Wool Grader / Classificateur de la laine
- Nathan Pappas-Barabe

Wool Warehouse Staff / Personnel de l'entrepôt de laine
- James Brown, Alan Davidson-Cummings, Troy Latham
Export Logistics, Wool Accounts / Logistique d'exportation,
Comptes concernant la laine - Carol Berger
Web Manager, Wool Accounts / Webmestre, Comptes
concernant la laine - Cathy Holmes

REAL WOOL SHOP

CARLETON PLACE, ONTARIO

WWW.REALWOOLSHOP.CA WOOLSHOP@WOOL.CA

Manager/Directeur de succursale - Erin Pretty
Customer Service / Service à la clientèle
- Abby Bennett-Ferland, Abigail Cameron, Jenna Cosham,
Kathy Cosham, Marilyn Johnston, Lauren Kerkhoff-Percy,
Linda MacDonald, Joann Thorpe, Jenn Wright

CCWG LIVESTOCK SUPPLIES & EQUESTRIAN CENTRE CARLETON PLACE, ONTARIO

WWW.CCWG.CA CARLETONPLACE@CCWG.CA

National Director / Directeur National
- Lee-Anne Durant-McIntyre
Assistant Manager / Directeur adjoint
- Andrew Brydges
Sales & Purchasing Staff / Personnel des achats et des ventes
- Tori Walker, Val Wyman
Customer Service / Service à la clientèle
- Ethan Anderson, Alex Clark, Griffin Dyck, Braydon Mann,
Jake Mitchell, Caleb Versteeg

CCWG LIVESTOCK SUPPLIES

COOKSTOWN, ONTARIO

WWW.CCWG.CA COOKSTOWN@CCWG.CA

705-458-4800 1-866-458-4800

Branch Manager / Directeur de succursale
- John Cuthbert
Assistant Manager / Directeur adjoint
- Richard Metheral

CCWG LIVESTOCK SUPPLIES

WATERLOO, ONTARIO

WWW.CCWG.CA WATERLOO@CCWG.CA

Phone/Fax 519-888-8299

Sales Staff / Personnel des ventes - Glenn Kelley

CCWG LIVESTOCK SUPPLIES

LETHBRIDGE, ALBERTA

WWW.CCWG.CA LETHBRIDGE@CCWG.CA

403-327-3760 1-800-567-3693

Branch Manager / Directeur de succursale
- Angela Bucklaschuk
Assistant Manager / Directeur adjoint
- Natalie Hanson
Accounting / Comptabilité - Sharon Barrett
Customer Service/Service à la clientèle
- Paul Brundige, Lori Porter, Michelle Preston,
Amelia Wilson

CCWG LIVESTOCK SUPPLIES

SAINT-HYACINTHE, QUÉBEC

WWW.CCWG.CA STHYACINTHE@CCWG.CA

450-796-4242 1-888-796-4242

Branch Manager / Directeur de succursale
- Anne-Marie Auger
Accounting / Comptabilité - Heidi Lancaster
Customer Service / Service à la clientèle
- Eve Brodeur, Mary Love Chagnon

2021-22 DIRECTORS/CONSEIL D'ADMINISTRATION

BRITISH COLUMBIA / COLOMBIE BRITANNIQUE

Term 2 years / mandat de 2 ans
Roma H. Tingle
2765 Denicola Cr
Prince George, BC V2K 5C7
250-963-7301

ALBERTA (South/Sud)

Term 2 years / mandat de 2 ans
Allison Preston
59 Uplands Blvd N
Lethbridge AB T1H 6J4
403-654-7088

ALBERTA (North/Nord)

Term 1 year / mandat de 1 an
John D. Woodburn
Box 565, Grimshaw, AB T0H 1W0
780-332-4481 Fax 332-2878

SASKATCHEWAN (North/Nord)

Term 1 year / mandat de 1 ans
Arlette Seib
Box 16 Watrous, SK S0K 4T0
306-419-9051

SASKATCHEWAN (South/Sud)

Term 2 years / mandat de 2 ans
Larry Kennedy
Box 31 Shamrock
SK S0H 3W0
306-648-7522

MANITOBA

Term 1 year / mandat de 1 an
Morgan A. Moore
RR 2 Site 30 Box 185
Brandon MB R7A 5X2
204-741-0748

ONTARIO (West/Ouest)

**1st Vice President /
1^e vice president**
Term 1 year / mandat de 1 an
Allan E. Ribbink
2599 Bruce Rd 15
Tiverton ON N0G 2T0
519-368-7691

ONTARIO (East / Est)

Term 2 years / mandat de 2 ans
Reggie K. Campbell
630 Glenashton Rd
Ashton ON K0A 1B0
613-257-7524

QUÉBEC (West/Ouest)

President / Président

Term 2 years / mandat de 2 ans
David Mastine
RR 4, 63 - Route 243
St. Felix de Kingsey QC J0B 2T0
Tel/Fax: 819-848-2538

QUÉBEC (East/Est)

Vacant

ATLANTIC / ATLANTIQUE

2nd Vice President / 2^e vice president

Term 1 year / mandat de 1 an
Ruth Mathewson
989 Upper Brookside Rd
Central North River NS B6L 6W6
902-895-4708

CCWG PRESIDENT REPORT

The 2019-2020 fiscal year started out very well but ended with some major challenges. Both the U.S.-China trade war and the coronavirus outbreak that began in China had a serious effect on the worldwide wool market. Thankfully our stockman supply and Real Wool Shop divisions continue to succeed.

As the wool market continues to struggle, CCWG is proud to announce that we are a major partner in a research project taking place in Quebec, and that is being led by Bastien Ouellet, a mechanical engineer from the University of Sherbrooke. This project is made up of 5 main axes, including: (1) enhancing the analysis and characterization of the potential wool quantity/quality; (2) validating both the industrial and artisanal scales of the scouring method, to evaluate which type of installation could better respond to our need and to the Quebec legislation; (3) maximising potential clients (at an international level); (4) developing transformation technology; and (5) evaluating the economical potential that the sector can have. To elaborate more on the 4th axis regarding new technology that more efficiently transforms wool, the project is looking at developing a carding machine that cards the wool to allow for there to be ready-to-use material for further processing (e.g., upholstery, padding). Moreover, creating an All Canadian wool certification could possibly increase wool value and also generate a higher valued end-product in comparison to international competitors. With this, new and more efficient technologies for scouring wool are being developed.

I cannot end my report without mentioning how proud the entire board of directors and myself are of the CCWG staff during the stressful time of the COVID-19 pandemic, as they kept up with the ever-changing COVID-19 rules and regulations, the increased workload of packaging and shipping, as well as the major rise in hobby farming during these times. These major changes have generated major challenges, all of which you have all handled fantastically.

Thank you all so much for your adaptations and flexibility during this time.

Stay safe everyone.

Sincerely,
David Mastine

RAPPORT CCWG – PRÉSIDENT

L'année 2019-2020 a bien commencé, mais s'est terminée par des défis majeurs. La guerre commerciale américano-chinoise et l'éclosion de COVID-19 ont eu des effets sérieux sur le marché de laine international. Heureusement notre approvisionnement et nos divisions de Real Wool Shop continuent à réussir.

Malgré que le marché de laine continue à avoir du mal, CCWG est fier d'annoncer que nous sommes un partenaire majeur dans un projet de recherche au Québec, dirigé par Bastien Ouellet, un ingénieur en mécanique de l'Université de Sherbrooke. Ce projet est composé de cinq axes, dont: (1) valoriser l'analyse et la caractérisation de la quantité et la qualité potentielle de la laine; (2) valider les échelles industrielles et artisanales de la méthode de récurage, afin d'évaluer le type d'installation qui pourrait mieux répondre à nos besoins, ainsi qu'à la législation québécoise; (3) maximiser le nombre de clients potentiels (au niveau international); (4) développer de la technologie de transformation; et (5) évaluer le potentiel économique du secteur. Pour élaborer sur le 4ième axe parlant de nouvelles technologies transformatives, le projet cherche à développer une machine de cardage qui, évidemment, carde la laine, afin d'avoir du matériel prêt à être utilisé pour un traitement ultérieur (ex: rembourrage de laine). De plus, la création d'une certification de laine toute canadienne pourrait augmenter la valeur de la laine, ainsi que générer un produit de fin de meilleure valeur par rapport aux concurrents internationaux. Ce projet permettra le développement de nouvelles technologies efficaces pour le récurage de laine.

Je ne peux pas finir ce rapport sans mentionner comment le conseil d'administration et moi-même sont fiers du personnel CCWG pendant cette période stressante de la pandémie COVID-19, comme ils ont suivis les règlements de COVID-19 qui évoluent constamment, la charge de travail accrue d'emballage et d'expédition, ainsi que l'augmentation majeure de petites fermettes pendant ces temps-ci. Ces changements étendus ont créé de grands défis, des défis que vous avez tous gérés de manières exceptionnelles.

Merci à vous tous pour vos adaptations et votre flexibilité pendant ce temps.

Je souhaite que la santé à vous et vos proches.

Salutations,
David Mastine

NEPHIN WINTER BINGLEY

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
Canadian Co-operative Wool Growers Limited

Opinion

We have audited the accompanying financial statements of Canadian Co-operative Wool Growers Limited which comprise the statement of financial position as at February 29, 2020, the statements of income, changes in 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 Canadian Co-operative Wool Growers Limited as at February 29, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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 *Auditors' 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.

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 private enterprises, 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 organizations'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Carleton Place, Ontario
October 5, 2020



Chartered Professional Accountants
Licensed Public Accountants

Canadian Co-operative Wool Growers Limited
Statement of Financial Position
As at February 29, 2020

	2020	2019
	\$	\$
Assets		
Current		
Accounts receivable	413,590	859,836
Inventory (Note 2)	5,288,425	4,488,652
Prepaid expenses	26,568	72,500
Income taxes recoverable (Note 7)	35,160	-
	5,763,743	5,420,988
Property, Plant and Equipment (Note 3)	2,696,415	2,786,420
	8,460,158	8,207,408
Liabilities		
Current		
Bank overdraft	263,876	14,771
Bank loans (Note 4)	110,826	-
Accounts payable and accrued liabilities	1,088,712	1,389,035
Income taxes payable (Note 7)	-	3,855
Dividends payable	114,389	112,198
Current portion - capital lease obligation	-	8,300
	1,577,803	1,528,159
Shareholders' Equity		
Capital Stock (Note 5)	322,300	318,800
Retained Earnings	6,560,055	6,360,449
	6,882,355	6,679,249
	8,460,158	8,207,408

Approved on Behalf of the Board of Directors:

Morgan A. Moore Director

Allan E. Ribbink Director

Canadian Co-operative Wool Growers Limited
Statement of Income
For the Year Ended February 29, 2020

	2020	2019
	\$	\$
Gross Sales	10,257,357	11,543,914
Cost of Sales	6,893,498	7,840,835
Gross Profit	3,363,859	3,703,079
Operating Expenses		
General expenses	1,010,569	1,136,986
Salaries and benefits	1,904,106	1,877,776
Amortization	181,649	181,740
Interest on short and long-term debt	2,036	6,090
Interest on capital lease obligations	298	996
Directors' fees	8,100	16,575
	3,106,758	3,220,163
Net Operating Income before Other Income	257,101	482,916
Gain on sale of asset (Note 6)	-	31,219
Net Operating Income before Income taxes	257,101	514,135
Income taxes (Note 7)	(34,935)	(69,528)
Net Income	222,166	444,607

Canadian Co-operative Wool Growers Limited
Statement of Changes in Retained Earnings
For the Year Ended February 29, 2020

	2020	2019
	\$	\$
Retained Earnings, beginning of year	6,360,447	5,938,128
Net income	222,166	444,607
Dividends declared	(22,558)	(22,286)
Retained Earnings, end of year	6,560,055	6,360,449

Canadian Co-operative Wool Growers Limited
Statement of Cash flows
For the Year Ended February 29, 2020

	2020	2019
	\$	\$
Cash Flows from Operating Activities		
Net income	222,166	444,607
Items not (producing) requiring a current cash payment		
Gain on sale of asset		(31,219)
Amortization	181,649	181,740
	403,815	595,128
Net Changes in non-cash working capital		
(Increase) decrease in accounts receivable	446,246	(255,860)
(Increase) decrease in inventories	(799,773)	3,194
(Increase) decrease in deposits	45,932	(72,500)
Increase (decrease) in accounts payable	(300,324)	55,953
Increase (decrease) in income taxes payable	(39,015)	29,566
	(243,119)	355,481
Cash Flows from Investing Activities		
Additions to capital assets	(91,645)	(124,629)
Net proceeds on disposal of assets	-	48,000
	(91,645)	(76,629)
Cash Flows from Financing Activities		
Issue (redemption) of shares	3,500	6,150
Increase (decrease) in bank overdraft	249,105	(215,892)
Increase (decrease) in bank loan	110,826	(42,835)
Increase (decrease) in long-term debt	(8,300)	(9,960)
	355,131	(262,537)
Dividends paid	(20,367)	(16,315)
Increase (Decrease) in Cash during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	-	-

1. Summary of Significant Accounting Policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises; accordingly, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Measurement uncertainty

Financial statements are based on representations that often require estimates to be made in anticipation of future transactions and events and include measurements that may, by their nature, be approximations.

(c) Capital assets

Capital assets are recorded at acquisition cost. Amortization is provided for at the following rates:

Buildings	5% declining balance
Equipment	20% declining balance
Furniture and Fixtures	20% declining balance
Automobile	30% declining balance

(d) Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at year end exchange rates. Revenue and expenses are translated at the exchange rate on the date cash is received or payment is made. Gains and losses from exchange translations are reflected in the revenue or expense item to which they relate.

(e) Financial instruments

The company's financial instruments consist of accounts receivable, bank indebtedness, bank loans, accounts payable and accrued liabilities, income taxes payable, long-term debt and capital lease obligations. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The company is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits. In some cases, the company requires bank letters of credit. The company does not have a significant exposure to any individual customer or counterpart.

The company is exposed to currency risk due to changes in foreign exchange rates. To reduce foreign exchange risk on its financial assets, the company enters into currency hedges by purchasing or selling currency futures. The organization's exposure and management of risk has remained consistent from the end of the previous fiscal period due to continuing fluctuations in the United States currency exchange rate. During the fiscal year, the Canadian currency has strengthened relative to the United States currency which is a financial disadvantage to the company as they are an exporter of raw wool valued in United States currency.

1. Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

The company is exposed to interest rate risk on the bank indebtedness and short term bank loans due to interest rates based on prime rate. Increases in market interest rates would increase the rate on these debts. Due to low and stable market interest rates, the organization's exposure and management of risk has not changed materially from the end of the previous fiscal period.

(f) Revenue Recognition

The company recognizes revenue from sale of raw wool at the time the goods are shipped to the customer. Revenue and income from sale of livestock supplies and wool related products are recognized at the point of sale.

2. Inventory

Inventory is recorded at the lower of cost or net realizable value with cost determined on an average cost basis.

	2020 \$	2019 \$
Raw wool	1,645,027	1,283,770
Stockmen's supplies	3,122,729	2,681,467
Wool Shop	520,669	523,415
	<u>5,288,425</u>	<u>4,488,652</u>

3. Property, Plant and Equipment

	Cost \$	Accumulated Amortization \$	Net 2020 \$	Net 2019 \$
Land	185,740	-	185,740	185,740
Buildings	2,864,245	722,242	2,142,003	2,231,258
Equipment	1,152,472	894,222	258,250	219,624
Equipment - Capital Lease	81,869	61,078	20,791	25,988
Furniture and fixtures	506,673	482,344	24,329	30,412
Vehicles	112,616	47,314	65,302	93,398
	<u>4,903,615</u>	<u>2,207,200</u>	<u>2,696,415</u>	<u>2,786,420</u>

4. Bank Loans

Bank loans represents the balance owing to Bank of Nova Scotia under an operating loan credit facility agreement renegotiated December 2017. The credit facilities and authorized maximum thresholds available include; an operating loan at a maximum of \$1,235,000 in Canadian currency including a maximum of \$100,000 in United States currency, standby letters of credit at a maximum of \$50,000, and foreign exchange contracts at a maximum term of one year. The operating loans bear interest at prime rate payable monthly and are due on demand. The loans are secured by a general security agreement, assignment of book debts, accounts receivable, inventory and collateral mortgage on the company's real properties.

	2020	2019
	\$	\$
Operating Line of Credit		
bearing interest at prime rate, due on demand.	110,826	-

5. Capital Stock

Authorized: 50,000 common shares, redeemable at \$10 each, cumulative dividends at 7%

	2020	2019
	\$	\$
Common shares issued and outstanding:		
Opening Balance - 31,880 (31,265 prior year)	318,800	312,650
Issued - 716 (849 prior year)	7,160	8,490
Redeemed - 366 (234 prior year)	(3,660)	(2,340)
Closing Balance - 32,230 (31,880 prior year)	322,300	318,800

6. Gain on Sale of Asset

For the comparative fiscal period, the company disposed of depreciated vehicle assets at a carrying value of \$15,741, for proceeds on trade in of \$48,000. The company disposed of an investment at a carrying value of \$1,040 for proceeds of nil. The combined gain on sale of asset represents the proceeds of \$48,000 less the carrying value of \$16,781 for a total gain on sale of asset of \$31,219.

7. **Income Tax Expense on Accounting Income**

The company's income tax rate is made up of:

	2020 \$	2019 \$
Net Income before income taxes	257,101	514,135
Expected income tax expense at the combined basic federal and provincial income tax rate	101,555	200,513
Small business deduction	(69,627)	(129,895)
Tax effect of timing difference between accounting expenses and deductions for income tax purposes	3,007	(1,090)
Tax expense	34,935	69,528
Tax expense as a percentage of accounting income	13.59 %	13.52 %
<hr/>		
Net Income before income taxes	257,101	514,135
Adjustment for differences between accounting income and taxable income	6,079	(4,737)
Taxable income	263,180	509,398
Tax expense	34,935	69,528
Tax expense as a percentage of taxable income	13.27 %	13.65 %

8. Subsequent Events

The COVID-19 pandemic has developed rapidly in 2020. Measures taken by various governments to contain the virus have affected economic activity and the company's business operations in significant ways:

- Disruption of the international wool market supply chain
- Increased demand for retail farm supplies

As a supplier of wool in the international wool market, the company has experienced a significant decrease in sales of raw wool inventory subsequent to year end due to supply chain disruption. As of the audit report issue date the supply chain has not fully recovered. In response to decreased wool sales and cash inflows, management addressed potential liquidity issues by reducing cash outflows in the wool operations by accepting raw wool on a consignment basis only.

As a supplier in the retail and e-commerce farm supplies market, the company has experienced increased demand for our products and expect this to continue. The increased sales and cash inflows from the company's retail operations has sustained operational cashflow subsequent to year end.

As a result of these effects our cumulative revenue in the first 6 months of 2020 was comparative to 2019 revenues in the same period. Subsequent to year end, the company has maintained positive cash flow from operations and is not experiencing liquidity issues. Should there be continued long-term disruption in the wool market supply chain, the company has unused debt facilities available (Note 4) to fulfill obligations and finance ongoing operations.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the company may experience negative results, liquidity restraints and the potential impairment of raw wool inventory assets should the wool market not rebound. The exact impact on our activities in the remainder of 2020 and thereafter cannot be predicted.



CCWG Wool Industry News / *Nouvelles de l'industrie de la laine*

The CCWG recently held Management and Board of Director meetings at the 102nd Annual General Meeting held via Zoom video conference on October 17th, 2020.

La CCWG a récemment tenu des réunions avec la direction et le conseil d'administration lors de la 102e Assemblée générale annuelle tenue par vidéoconférence Zoom le 17 octobre 2020.

The 2020 elected Board of Directors are as follows:
Le conseil d'administration a été élu comme suit:

Executive Committee/Comité exécutif:

President / *Président*

- David Mastine, St. Felix de Kingsey, QC

1st Vice President / *1er vice-président*

- Allan E. Ribbink, Tiverton, ON

2nd Vice President / *2e vice-président*

- Ruth Mathewson, Central North River, NS

- Morgan A. Moore, Brandon, MB

Additional Directors on the Board are as follows/Autres directeurs sur le comité:

Audit Committee (3) / *comité de vérification des comptes (3):*

- Arlette Seib, Watrous, SK

- Roma H. Tingle, Prince George, BC

- Allison Preston, Lethbridge, AB

- Reggie K. Campbell, Ashton, ON

- Larry Kennedy, Shamrock, SK

- John D. Woodburn, Grimshaw, AB

Ruth Mathewson will continue to serve as the CCWG representative on the Canadian Sheep Federation in 2021. Sincere appreciation is extended to Warren L. Moore, Ward Harden and Gary J. Fox who are leaving the board in 2020. We thank them for their many years of excellent service.

For the fiscal year ending February 29, 2020 the co-operative recorded gross sales of just under 10.3 million which represents a decrease of 11.1% from the previous year. Net income of \$257,101 from all business operations was achieved. Most of the decline can be attributed to lower wool sales and carry over of unsold graded wool inventory to the next fiscal year. In 2019 everyone in the wool business operated under very difficult conditions due to the China / USA trade conflict, Brexit and tensions in the Middle East. In 2020 the effects of Covid-19 is still having a widespread negative effect on the global wool market and the entire supply chain.

The Board of Directors have authorized a dividend payment of 7% to the shareholders of record date December 31, 2019. The company has always paid a dividend and it has been 7% annually since 1999. The Shareholder Wool Shipper Loyalty Reward Program (SWSLRP) will remain at the rate of 7 cents per pound on the 2019 wool clip. Full details of these programs can be found on the company website www.wool.ca. For a report on the current wool market and our business update – <https://wool.ca/page/wool-market-reports>.

2020 recorded our 102nd year in business. In 2021 the Annual General Meeting will be held in Prince George, British Columbia from October 14th – 16th.

Ruth Mathewson continuera à être la représentante du CCWG auprès de la Fédération canadienne du mouton en 2021. Nous remercions sincèrement Warren L. Moore, Ward Harden et Gary J. Fox qui quittent le conseil d'administration en 2020. Nous les remercions pour leurs nombreuses années d'excellent service.

Pour l'exercice financier se terminant le 29 février 2020, la coopérative a enregistré des ventes brutes d'un peu moins de 10,3 millions, ce qui représente une diminution de 11,1% par rapport à l'année précédente. Un bénéfice net de 257 101 \$ provenant de toutes les activités commerciales a été réalisé. La majeure partie de la baisse peut être attribuée à la baisse des ventes de laine et au report des stocks de laine classée invendus à l'exercice suivant. En 2019, tout le monde dans le secteur de la laine a opéré dans des conditions très difficiles en raison du conflit commercial Chine / États-Unis, du Brexit et des tensions au Moyen-Orient. En 2020, les effets du Covid-19 continuent d'avoir un effet négatif généralisé sur le marché mondial de la laine et sur l'ensemble de la chaîne d'approvisionnement.

Le conseil d'administration a autorisé le versement d'un dividende de 7% aux actionnaires inscrits au 31 décembre 2019. La société a toujours versé un dividende, qui est de 7% par an depuis 1999. Le programme de fidélisation des actionnaires pour les expéditeurs de laine (SWSLRP) restera au taux de 7 cents la livre sur les toisons de laine de 2019. Tous les détails de ces programmes peuvent être trouvés sur le site Web de l'entreprise www.wool.ca. Pour un rapport sur le marché actuel de la laine et notre mise à jour commerciale - <https://wool.ca/page/wool-market-reports>.

2020 a marqué notre 102e année d'activité. En 2021, l'assemblée générale annuelle se tiendra à Prince George, en Colombie-Britannique, du 14 au 16 octobre.

2019 Certificate of Merit / Certificat de mérite 2019

For excellence in commercial wool production / pour l'excellence de la production commerciale de laine

Québec

Renald Gagnon
144 Rg Choigniere,
ST-Alphonse de Granby QC J0E 2A0
Shearer/Tondeur:

Ontario

Gary Lapier
10261 Hwy 43, Mountain ON K0E 1S0
Shearer/Tondeur:

Elwood Palmateer
165 Mud Cat Rd, Foxboro ON K0K 2B0
Shearer/Tondeur:

Manitoba

Nathaniel Skinner
Box 402, Cartwright MB R0K 0L0
Shearer/Tondeur:

Green Pastures Farm, Guy Bouchard
Box 1, Gardenton MB R0A 0M0
Shearer/Tondeur: Pauline Bolay

Saskatchewan

Spring Water Colony
Box 38, Ruthilda SK S0K 3S0
Shearers/Tondeurs:
Colony Shearers

Tim & Erika James
Box 522, Asquith SK S0K 0J0
Shearer/Tondeur:

Pituley Livestock Inc., E Pituley
Box 65 Killdeer Site, Rockglen SK S0H 3R0
Shearers/Tondeurs: Jeremy Pituley,
Matt Knelsen & Ward Harden

Alberta

JK Ranch, Gloria Kimber-Jacklin
Box 188, Abbey SK S0N 0A0
Shearer/Tondeur:

Spring Point Colony
Box 249, Pincher Creek AB T0K 2W0
Shearers/Tondeurs:
Colony Shearers & Dave Carlson

Delwyn Weaver
RR 2, Wetaskiwin AB T9A 1W9
Shearer/Tondeur: Duane O'Brien

British Columbia

Theresa & Hani Gasser
Box 801 McBride BC V0J 2E0
Shearers/Tondeurs:
Isa & Hani Gasser

John & Lorraine Buchanan
4335 Lindhilm Rd., Victoria BC V9C 3Y7
Shearer/Tondeur:

Certificate of Merit

Due to organized marketing and the emphasis being placed on producing a quality product by members of the Co-op, a great interest is being shown in Canadian Wool by both commercial and individual buyers. Now there is recognition paid to wool growers who take extra pride in their wool, and through extra efforts offer a much improved product for market.

These growers also exemplify the co-operative spirit and contribute by making their system of marketing operate more efficiently, to the benefit of all wool growers across Canada.

In order that these men and women be known for their efforts and so some standard will exist in commercial wool production, as it does in so many ways with lamb production a Certificate of Merit is awarded to the top wool shippers of Canada for the current wool season. These growers will also be recognized at our annual general meeting as well as in the next issue of the Canadian Wool Growers Magazine.

These awards will be made to those growers who best support the co-operative method of marketing wool through their knowledge and efforts at producing wool which goes far to promote Canadian wool to buyers. The selection will be made by a panel of judges representing the shearing, warehousing, grading, selling and buying aspects of wool. Consideration will be given to volume, breeding, care of the fleece, proper preparation and shipment to the Co-op. Factors such as geographic location will be considered as well to allow for unavoidable variations in such things as climate.

No grower will be penalized for offsorts that have been separated, identified and shipped to the Co-op as such.

It is our intention that this award will grow in prestige and stature as the symbol of excellence in commercial wool production.

Le certificat de mérite

En raison de la commercialisation organisée et l'accent mis sur la production d'un produit de qualité par les membres de la Co-op, un grand intérêt a été démontré envers la laine canadienne par les acheteurs commerciaux et individuels. Maintenant qu'il y a une reconnaissance discernée aux producteurs qui démontrent une fierté envers leur laine, et grâce à certains efforts supplémentaires, nous pouvons offrir un produit nettement amélioré sur le marché.

Ces producteurs illustrent également l'esprit de coopération et contribuent en rendant leur système de commercialisation plus efficace, ce qui est dans l'intérêt de tous les producteurs de laine à travers le Canada.

Afin que ces hommes et ces femmes soient reconnus pour leurs efforts et qu'une certaine norme existe dans la production de laine commerciale - comme à bien des égards dans la production d'agneau - un certificat de mérite est décerné aux meilleurs expéditeurs de laine du Canada pour la saison en cours. Ces producteurs seront également reconnus à notre assemblée annuelle, ainsi que dans la prochaine édition de la revue Canadian Wool Growers.

La sélection sera faite par un comité de juges représentant la tonte, l'entreposage, le classement, la vente et les aspects d'achats de la laine. De plus, les juges tiendront compte du volume, de l'élevage, des soins de la toison, de la préparation et de l'expédition à la Co-op. D'autres facteurs seront également pris en considération, tels que l'emplacement géographique et les variations inévitables de climat.

Aucun producteur ne sera pénalisé pour la laine inférieure qui a été séparée, identifiée et livrée à la coopérative.

Il est de notre intention que ce prix augmentera en prestige et en stature, tel le symbole de l'excellence dans la production de la laine commerciale.

CANADIAN CO-OPERATIVE WOOL GROWERS LIMITED NATIONAL SHEEP INDUSTRY AWARD

The Canadian Co-operative Wool Growers Limited is accepting nominations for an annual National Sheep Industry Award. CCWG wishes to recognize a Canadian who exhibits excellence in contributing to the sheep industry in Canada.

The award is not restricted to sheep producers. Special consideration may be given to persons promoting wool production. The award shall not be given posthumously. Current and past CCWG board members are eligible.

Criteria for identifying potential nominees can include the following:

1. Volunteer or professional work in supporting and enhancing the sheep industry, which may include research, participation on boards, producer associations, and other activities for the benefit of the industry.
2. Support and mentoring of new producers and youth, including involvement in the 4-H program.
3. Demonstration of leadership and involvement in educational activities such as workshops, demonstrations and on-farm events.
4. Serves as an ambassador for the sheep industry at the local, provincial, national and international levels.
5. Works with government and non- government organizations to enhance visibility and raise awareness of the sheep industry.
6. Excels in creating consumer awareness of the sheep industry including involvement in animal welfare issues, food safety and marketing of sheep related products such as wool, hides, meat and dairy.
7. Demonstrates a commitment to sustainable sheep and wool production including embracing new technology to further the industry.

Please forward nominations by September 1 to Canadian Co-operative Wool Growers Limited, Box 130, Carleton Place, ON K7C 3P3 or email to: ccwghq@wool.ca.

LA COOPÉRATIVE CANADIENNE WOOL GROWERS LIMITED PRIX NATIONAL DE L'INDUSTRIE DU MOUTON

La Coopérative Canadienne Wool Growers Limited accepte les candidatures au Prix national annuel de l'industrie ovine. Le CCWG souhaite rendre hommage à un Canadien qui fait preuve d'excellence en contribuant à l'industrie du mouton au Canada.

Le prix ne se limite pas aux producteurs de moutons. Une attention particulière peut être accordée aux personnes promouvant la production de laine. Le prix ne doit pas être attribué à titre posthume. Les membres actuels et passés du conseil d'administration du CCWG sont éligibles.

Les critères d'identification des candidats potentiels peuvent inclure:

1. Bénévolat ou activité professionnelle visant à soutenir et à améliorer l'industrie ovine, pouvant inclure la recherche, la participation à des conseils d'administration, des associations de producteurs et d'autres activités dans l'intérêt de l'industrie.
2. Soutien et mentorat des nouveaux producteurs et des jeunes, y compris la participation au programme des 4-H.
3. Manifestation du leadership et participation à des activités éducatives telles que des ateliers, des démonstrations et des événements à la ferme.
4. Sert d'ambassadeur de l'industrie ovine aux niveaux local, provincial, national et international.
5. Travaille avec les organisations gouvernementales et non gouvernementales pour améliorer la visibilité et sensibiliser à l'industrie du mouton.
6. Excelle à sensibiliser les consommateurs à l'industrie ovine, notamment en ce qui concerne le bien-être des animaux, la sécurité alimentaire et la commercialisation de produits apparentés aux ovins tels que la laine, les peaux, la viande et les produits laitiers.
7. Démontre son engagement envers la production durable de moutons et de laine, y compris l'adoption de nouvelles technologies pour faire progresser l'industrie.

Veillez faire parvenir vos candidatures avant le 1er septembre à Canadian Co-operative Wool Growers Limited, Case 130, Carleton Place, ON K7C 3P3 ou par courriel à ccwghq@wool.ca.

Head Office



Carleton Place, Ontario

WWW.REALWOOLSHOP.CA WWW.CCWG.CA
Serving Canada's Sheep Producers with Pride Since 1918
Fièrement au service des producteurs ovins Canadiens depuis 1918

CANADIAN CO-OPERATIVE WOOL GROWERS ~ LIMITED ~

BRANCHES AND ASSOCIATIONS
ACROSS CANADA

Box 130
CARLETON PLACE, ONTARIO
K7C 3P3

TEL: 613-257-2714
FAX: 613-257-8896
E-MAIL: ccwghq@wool.ca
WEB: www.wool.ca
www.ccwg.ca
www.realwoolshop.ca

CCWG Wool Market and Business Update – Fall 2020

2019 / 20 Wool Market Update

In 2019 we reported that the global wool market was under extreme pressure due to the ongoing China / USA trade conflict. This created widespread uncertainty and indecision throughout the entire global wool supply chain and value chain partners. The end result was that new business was very difficult to conclude and many countries carried significant stock of greasy wool, processed wool and unsold textiles into the 2020 wool marketing season. The consensus at the time was that better marketing conditions would prevail, there was optimism of better days ahead with continued progress being made on a new China / USA trade agreement.

When the news broke in January 2020 just prior to the Chinese New Year that a highly contagious virus had been identified in Wuhan City, China it became a game changer. Little did we know of the significant ramifications that it would have on our everyday life as it quickly spread around the globe. By mid-March most countries were implementing some form of lock down policy along with strict health and safety protocols to try and control the Covid-19 pandemic.

Non-essential business which included retail clothing shops faced closure and employees were furloughed, or laid off in vast numbers. In an unprecedented situation, the global wool market came to a virtual standstill as auctions in most countries and other wool services were cancelled or suspended. In the textile industry it meant widespread mill closures with many more operating at significantly reduced capacity. Even today it is far from business as usual with many mills struggling to survive. In addition, mills were faced with high inventories due to widespread cancellation of orders and a lack of new business. The consequences of this resulted in a complete back up of the entire wool supply chain. It is not surprising when you consider that clothing does not become a high priority during a pandemic situation.

Further compounding this problem was the cancellation or restriction of travel and most business / social events throughout the year worldwide. It cannot be underestimated how the significance of Covid-19 control measures has eroded consumer demand and disrupted the entire textile industry. An exception to this in some cases appears to be better marketing opportunities for handknitting yarns and wool handicrafts, no doubt due to people looking for more at home activities. Although consumer confidence had been at an all-time low there are signs that this is slowly starting to improve which is encouraging.

At the present time we are now facing the inevitable second wave of Covid and a return to some of the restrictions that had been previously lifted. The unknown factor is when can we reasonably expect a return to our previous normal way of life. As a guide we can look at the progress that China has made. In China everyday life seems to be very much back to normal now and has been for quite some time. This was very evident during their recent Mid Moon Festival which is a national holiday in China from October 1st – 8th. On the other hand business in China is still facing very difficult conditions, especially for export opportunities as the rest of the world continues to battle Covid.

CCWG Business Update

Covid-19 has had a negative impact on CCWG but fortunately we have been able to mitigate our risk due to the diversification of our business.

Our wool business has been most affected but we continue to receive wool at all locations and to grade wool at Carleton Place so that we have the product ready when there is a marketing opportunity. Until there is evidence of more improvement and stability in the marketplace our policy will still be to accept wool on a consignment basis only until further notice. We regret the necessity of this decision but it is the only realistic option at this time based on present conditions. There is a cost effective plan in place to increase our temporary wool storage capacity at Carleton Place if it becomes necessary. The company is well positioned to participate in a wool market recovery when it occurs, having long term business relationships with our valued customers in Canada and a network of international buyers in seven other countries. We will have to be patient, there are no predictions at this time of a quick rebound in the market. It goes without saying that wool market improvement will be contingent on demand from China.

Our retail business comprised of CCWG Livestock Supplies, Premier Choix Agricole and Real Wool Shop continue to achieve positive financial results for the company with good growth in sales and profitability. Work continues on updating our ecommerce as we develop efficient and user friendly platforms for marketing our wide range of products. Staff have implemented a number of recommendations from the marketing study that was completed last year. In particular there has been a focus on strategies to maximize social media marketing opportunities.

Covid-19 has been an extraordinary experience for everyone that we will not soon forget. You do what you have to in order to survive. CCWG staff have done an outstanding job of coping and adapting our business under these difficult conditions. It has not been easy to comply with all the health and safety requirements for sanitizing, social distancing, masks etc. Sincere appreciation is extended to all staff including grading, administration and retail for the excellent co-operation and effort that has been made at all CCWG locations to ensure customer and staff safety. We are also pleased to report that there has been minimal disruption in the employment of the companies fifty staff members across the country.

Heading for 2021 we look forward to better times and new opportunities. It will require carefully calculated and planned business decisions with minimal risk exposure for the foreseeable future. We would be remiss if we did not also thank our loyal customers for their continued patronage.

Respectfully submitted,

Eric Bjergso
General Manager

Mise à jour d'affaires et du marché de la laine de la CCWG

- automne 2020

Mise à jour du marché de la laine 2019-20

En 2019, nous avons signalé que le marché mondial de la laine était soumis à une pression extrême en raison du conflit commercial entre la Chine et les États-Unis. Cela a créé de l'incertitude et de l'indécision généralisée dans toute la chaîne d'approvisionnement mondiale de la laine ainsi que la chaîne des partenaires. Le résultat final a été que les nouvelles affaires ont été très difficiles à conclure et de nombreux pays ont entreposé un stock important de laine brute, de laine traitée et de textiles invendus jusqu'à la saison de commercialisation de 2020. Le compte rendu à l'époque était que de meilleures conditions de commercialisation prévaudraient, et il y avait de l'optimisme quant à des jours meilleurs à venir avec des progrès continus sur un nouvel accord commercial entre la Chine et les États-Unis.

Lorsque la nouvelle a été annoncée en janvier 2020, juste avant le Nouvel An chinois, qu'un virus hautement contagieux avait été identifié à Wuhan en Chine, ça a changé la donne. Nous ne savions pas grand chose des répercussions importantes qu'elle aurait sur notre vie quotidienne à mesure qu'elle se propageait rapidement autour du monde entier. À la mi-mars, la plupart des pays mettaient en œuvre une certaine forme de politique de confinement ainsi que des protocoles de santé et de sécurité stricts pour tenter de contrôler la pandémie de la COVID-19.

Les entreprises non essentielles, y compris les magasins de vêtements au détail, ont dû fermer leurs portes et les employés ont été mis à pieds en grand nombre. Dans une situation sans précédent, le marché mondial de la laine a été pratiquement paralysé par l'annulation ou la suspension des enchères de laine dans la plupart des pays. Dans l'industrie du textile, cela signifiait des fermetures généralisées d'usines et beaucoup d'entre eux, opéraient à une capacité considérablement réduite. Même aujourd'hui, de nombreuses usines sont loin de fonctionner comme d'habitude et ont du mal à survivre. De plus, les usines étaient confrontées à des stocks élevés en raison de l'annulation généralisée des commandes et du manque de nouveaux contrats. Les conséquences ont été un engorgement complet de toute la chaîne d'approvisionnement de la laine. Il n'est pas surprenant de constater que les vêtements ne deviennent pas une priorité absolue en situation de pandémie.

Ce problème s'est encore aggravé par l'annulation ou la restriction des voyages et de la plupart des événements d'affaires et sociaux tout au long de l'année dans le monde entier. Il ne faut pas sous-estimer la façon dont les mesures de lutte contre la COVID-19 ont érodé la demande des consommateurs et perturbé l'ensemble de l'industrie du textile. Une exception à cela, dans certains cas, semble être de meilleures possibilités de commercialisation pour les fils de laine pour l'artisanat et pour le tricot à la main, sans doute en raison des personnes qui recherchent plus d'activités à la maison. Bien que la confiance des consommateurs n'ait jamais été aussi faible, certains signes indiquent que cette tendance commence lentement à s'améliorer, ce qui est encourageant.

À l'heure actuelle, nous faisons face à la deuxième vague inévitable de la COVID-19 et à un retour à certaines des restrictions qui avaient été levées auparavant. Le facteur inconnu est de savoir quand pouvons-nous raisonnablement nous attendre à un retour à notre mode de vie normal que nous avons auparavant. Nous pouvons nous inspirer des progrès réalisés par la Chine. En Chine, la vie de tous les jours semble être revenue à la normale depuis un

certain temps. Cela a été très évident lors de leur récente fête nationale en Chine du 1^{er} au 8 octobre. D'autre part, les affaires en Chine sont toujours confrontées à des conditions très difficiles, surtout en ce qui concerne les possibilités d'exportation, alors que le reste du monde continue de lutter contre la COVID-19.

Mise à jour d'affaires de la CCWG

La COVID-19 a eu une incidence négative sur notre entreprise, mais nous avons heureusement réussi à atténuer notre risque en raison de la diversification de nos activités.

Notre secteur de la laine a été le plus touché, mais nous continuons à recevoir de la laine à tous les points de dépôts et de classer la laine à Carleton Place pour que le produit soit prêt lorsqu'il y aura une occasion de commercialisation. Tant qu'il n'y aura pas de preuves d'amélioration et de stabilité accrues du marché, notre politique sera toujours d'accepter la laine en consignation jusqu'à nouvel ordre. Nous regrettons la nécessité de cette décision, mais c'est la seule option réaliste à l'heure actuelle, compte tenu des conditions actuelles. Un plan a été mis en place pour accroître notre capacité d'entreposage temporaire de laine à Carleton Place, si cela devient nécessaire. L'entreprise est bien placée pour participer à une reprise du marché de la laine lorsqu'elle se produit, ayant des relations d'affaires à long terme avec nos clients au Canada et un réseau d'acheteurs internationaux dans sept autres pays. Il faudra être patient, il n'y a pas de prédictions pour le moment d'un rebond rapide du marché. Il va sans dire que l'amélioration du marché de la laine dépendra de la demande de la Chine.

Nos activités de vente au détail, qui comprennent la CCWG Livestock Supplies, Premier Choix Agricole et Real Wool Shop, continuent d'obtenir des résultats financiers positifs pour l'entreprise grâce à une bonne croissance des ventes et de la rentabilité. Le travail se poursuit pour mettre à jour notre cybercommerce alors que nous développons des plateformes efficaces et conviviales pour la commercialisation de notre vaste gamme de produits. Le personnel a mis en œuvre un certain nombre de recommandations découlant de l'étude de marketing réalisée l'an dernier. En particulier, on a mis l'accent sur des stratégies visant à maximiser les occasions de marketing dans les médias sociaux.

La COVID-19 a été une expérience extraordinaire pour tous, elle nous marquera pour toujours. Vous faites ce qu'il faut pour survivre. Face à cette situation, le personnel a fait un travail remarquable et a adapté nos activités dans ces conditions difficiles. Il n'a pas été facile de se conformer à toutes les exigences en matière de santé et de sécurité pour le nettoyage, la distanciation sociale, les masques, etc. Une sincère appréciation aux membres du personnel, y compris le classement, l'administration et la vente au détail pour l'excellente collaboration et les efforts qui ont été déployés à tous les emplacements de la CCWG pour assurer la sécurité des clients et du personnel. Nous sommes également heureux de signaler qu'il y a eu très peu de perturbations dans l'emploi des cinquante membres du personnel de l'entreprise à travers le pays.

Pour 2021, nous souhaitons de meilleurs jours avec de nouvelles opportunités. Il faudra prendre des décisions d'affaires soigneusement planifiées et calculées pour minimiser les risques. Nous manquerions à notre devoir si nous ne remercions pas également nos clients fidèles pour leur soutien continu.

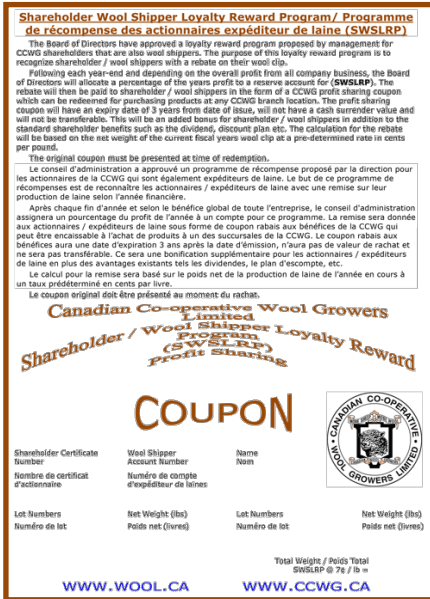
Respectueusement soumis,

Eric Bjergso
Directeur Général

Shareholder Wool Shipper Loyalty Reward Program (SWSLRP)

The Board of Directors have approved a loyalty reward program proposed by management for CCWG shareholders that are also wool shippers. The purpose of this loyalty reward program is to recognize shareholder / wool shippers with a rebate on their wool clip.

Following each year-end and depending on the overall profit from all company business, the Board of Directors will allocate a percentage of the year's profit to a reserve account for (SWSLRP). The rebate will then be paid to shareholder / wool shippers in the form of a CCWG profit sharing coupon which can be redeemed for purchasing products at any CCWG branch location. The profit sharing coupon will have an expiry date of 3 years from date of issue, will not have a cash surrender value and will not be transferable. This will be an added bonus for shareholder / wool shippers in addition to the standard shareholder benefits such as the dividend, discount plan etc. The calculation for the rebate will be based on the net weight of the current fiscal years wool clip at a pre-determined rate in cents per pound.



This coupon must be presented at time of redemption.

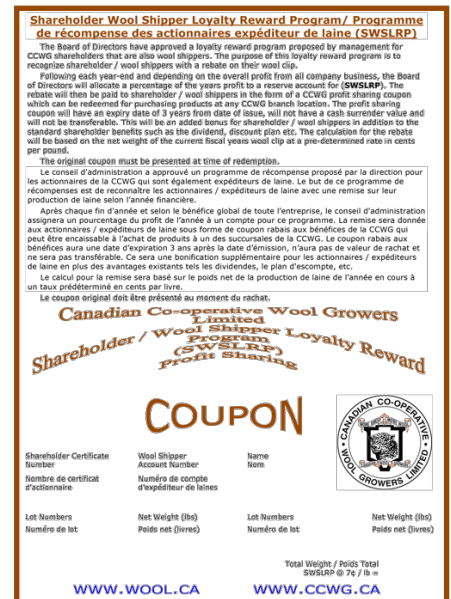
Programme de récompense des actionnaires expéditeur de laine (SWSLRP)

Le conseil d'administration a approuvé un programme de récompense proposé par la direction pour les actionnaires de la CCWG qui sont également expéditeurs de laine. Le but de ce programme de récompenses est de reconnaître les actionnaires / expéditeurs de laine avec une remise sur leur production de laine selon l'année financière.

Après chaque fin d'année et selon le bénéfice global de toute l'entreprise, le conseil d'administration assignera un pourcentage du profit de l'année à un compte pour ce programme. La remise sera donnée aux actionnaires / expéditeurs de laine sous forme de coupon rabais aux bénéficiaires de la CCWG qui peut être encaissable à l'achat de produits à un des succursales de la CCWG. Le coupon rabais aux bénéficiaires aura une date d'expiration 3 ans après la date d'émission, n'aura pas de valeur de rachat et ne sera pas transférable. Ce sera une bonification supplémentaire pour les actionnaires / expéditeurs de laine en plus des avantages existants tels les dividendes, le plan d'escompte, etc.

Le calcul pour la remise sera basé sur le poids net de la production de laine de l'année en cours à un taux prédéterminé en cents par livre.

Ce coupon doit être présenté au moment du rachat.



Wool Preparation Incentive / Rebate (WPIR)

- 1) Currently a bonus of up to 8¢ per pound is paid on the total net weight of the wool clip (all grades including offsorts)
- 2) Eligibility is based on bright high yielding wool clips that have been well prepared and skirted with offsorts separated from main fleeces by a newspaper divider or packaged in a separate bag.
- 3) Shipped in well packed sacks.

Explanation: The objective of the wool preparation incentive is to reward producers with a bonus for those that have taken the time and effort to present a clean, well prepared and packaged wool clip for grading and marketing. At the time of wool grading, our wool grader assesses if the producers clip qualifies for the bonus which will range from 2¢ - 8¢ per pound, depending on the quality and presentation of the wool clip. Offsorts are defined as the bellies, stained wool and tags.

Politique de motivation à la préparation de la laine / Rabais (WPIR)

- 1) Présentement, une prime pouvant aller jusqu'à 8 ¢ par livre est versée sur le poids net total de la toison (tous les grades, y compris la laine inférieure)
- 2) L'admissibilité est basée sur les toisons à haut rendement, de couleur clair brillant, qui ont été bien préparés, ainsi que sur la laine inférieure séparée des toisons principaux par un papier journal diviseur ou emballée dans un sac séparé.
- 3) Expédié dans des sacs bien entassés.

Explication: L'objectif de cette politique est de récompenser par le biais d'une prime, les producteurs qui ont pris le temps et l'effort de présenter une toison propre, bien préparée et emballée pour le classement et la commercialisation. Au moment du classement de la laine, notre classeur de laine évalue si la toison des producteurs se qualifie pour une prime, qui varie entre 2 ¢ et 8 ¢ par livre, en fonction de la qualité et de la présentation de la toison. La laine inférieure est celle qui provient des ventres, qui est tachée ou qui est souillée.

NOTICE OF ANNUAL GENERAL MEETING AVIS DE L'ASSEMBLÉE GÉNÉRALE ANNUELLE

The 103rd Annual General
Meeting of the
*la 103^e l'assemblée générale
annuelle de*

Canadian Co-operative Wool
Growers Limited

**October 16th 2021
le 16 octobre 2021**

Prince George, BC

For further information please
contact: *Pour plus
d'informations se il vous plaît
contacter:*

**Canadian Co-operative
Wool Growers Limited,**
Box 130, Carleton Place,
Ontario K7C 3P3
Tel: 613-257-2714
Fax: 613-257-8896

**WWW.WOOL.CA
CCWGHQ@WOOL.CA**

CCWG DIRECTOR ELECTIONS 2021

The following Canadian Co-operative Wool Growers Limited directors' term of office will expire in 2021. Any shareholder interested in a director position is required to file a nomination ballot supported by three shareholders from the provincial sub district in which they reside, at least 60 days prior to the provincial shareholders meeting. Copies of our corporate bylaws and nomination ballots are available upon request from any branch of the Canadian Co-operative Wool Growers Limited. All nomination ballots must be received at Head Office by **June 30, 2021.**

L'ÉLECTION DES DIRECTEURS POUR 2021

*La durée du mandat des directeurs de la Canadian Co-operative Wool Growers Limited, notée ci-dessous, prendra fin en 2021. Tout actionnaire intéressé par un poste de direction est tenu de déposer un bulletin de mise en candidature soutenu par trois actionnaires du sous-district provincial dans lequel il réside, au moins 60 jours avant l'assemblée générale provinciale. Des copies de nos statuts sociaux et des bulletins de mise en candidature sont disponibles sur demande auprès de n'importe quelle succursale de la Canadian Co-operative Wool Growers Limited. Tous les bulletins de mise en candidature doivent être reçus au siège social pour le **30 juin 2021.***

**Alberta North / Nord
Saskatchewan North / Nord
Manitoba
Ontario West / Ouest
Québec East / Est
Atlantic**

**John D. Woodburn
Arlette Seib
Morgan A. Moore
Allan E. Ribbink
Vacant
Ruth Mathewson**



REAL WOOL SHOP
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CARLETON PLACE, ON
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WOOLSHOP@WOOL.CA

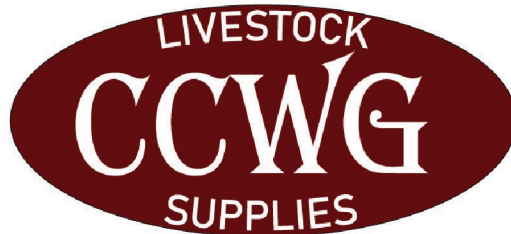
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LETHBRIDGE COUNTY, AB
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the Dumfries House Wool Declaration

The Dumfries House Conference 9
September 2016

The versatility of the Wool fibre has been appreciated by man since the stone ages and to this day keeps the modern consumer cool when they are active and protects the wearer from severe weather elements. Moisture on the skin is wicked away and no man-made fibre has the ability to regulate the body's temperature in all weather conditions like Wool does naturally.

With this Declaration we commit our efforts, time and talents to promote, educate and enforce the wonderful natural attributes of the Wool fibre, listed here below:

1. Wool is 100% natural:

A natural protein fibre that is similar to human hair, Wool grows naturally on sheep.

2. Wool is a renewable resource:

Consuming a simple blend of water, air, sunshine and grass, sheep produce a new fleece every year without depleting finite natural resources.

3. Wool forms part of a natural carbon cycle:

Sheep consume organic carbon by eating plants, and store this in their fleece. Fifty percent of a fleece's weight is pure organic carbon stored in a durable, wearable form.

4. Wool is a natural alternative to wasteful consumer practices:

Research shows that the average life of a Wool garment is 2-10 years, compared to 2-3 years for garments made from other fibres.

5. Wool was made for recycling:

Wool fibres are high quality and durable, capable of re-use and recycling, ultimately reducing landfill disposal. Wool is routinely upcycled into woollen-spun knitwear, insulation and geotextiles – all of which contribute to a circular economy.

6. Wool is biodegradable:

Wool decomposes in a matter of years, releasing valuable nitrogen-based nutrients back into the soil.

7. Wool is naturally odour resistant:

By absorbing moisture vapour, Wool garments leave less perspiration on the skin, reducing odour-causing bacteria. Easily refreshed by airing, Wool garments can be worn longer between washes due to Wool's natural ability to shed dirt and bacteria.

8. Wool is fire resistant & fire retardant:

Naturally high in nitrogen and water content, Wool's unique cell structure requires high levels of oxygen in order to burn, and forms an insulating layer when heated that prevents the spread of flames. Wool does not melt, drip or stick to the skin when subject to extreme heat and produces less smoke and toxic fumes during combustion.

9. Wool improves indoor air quality:

When used in interior textiles such as carpets and upholstery, Wool absorbs and locks away pollutants such as volatile organic carbons (VOCs) from the air more rapidly than other fibres.

10. Wool is welfare assured:

The major woolgrowing countries namely Argentina, Australia, New Zealand, Norway, South Africa, United Kingdom, United States and Uruguay, all support the IWTO and Campaign for Wool and conform to the strictest standards of animal welfare as embodied in the IWTO Specifications for Wool Sheep Welfare. The IWTO Specifications are premised on the Five Freedoms of Animal Welfare as set forth by the World Organisation for Animal Health (OIE): freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, the freedom to express normal behaviour, and freedom from fear and distress. The Five Freedoms also form the basis of strictly enforced national animal welfare legislation in each of these woolgrowing countries.

About The Campaign for Wool

The Campaign for Wool is a global endeavour initiated by its Patron, HRH The Prince of Wales, to raise awareness amongst consumers about the unique benefits offered by Wool and call attention to the ecological advantages it delivers. The campaign was launched by the Patron in January 2010 and has been celebrated in key international markets, such as the United Kingdom, Australia, Spain, Netherlands, Germany, Norway, South Africa, Canada, United States of America, New Zealand, Italy, Japan and China.

About IWTO

With a world-wide membership encompassing the Wool pipeline from sheep to shop, the International Wool Textile Organisation (IWTO) represents the interests of the global Wool trade. By facilitating research and development and maintaining textile industry standards, IWTO ensures a sustainable future for Wool. To learn more about IWTO and its activities, visit www.iwto.org.

About the Dumfries House Wool Declaration

The Wool industry commits to protect the environment, to care about the welfare of the Wool Sheep and to uphold the best possible practices in growing, trading, manufacturing and selling Wool fibre and its relating textiles.



INTERNATIONAL
WOOL TEXTILE
ORGANISATION

IWTO

The Dumfries House Wool Declaration | Dumfries House, Ayrshire, United Kingdom



THE CAMPAIGN FOR WOOL
Patron: HRH The Prince of Wales

FOR NOTABLE SERVICE AND OUTSTANDING CONTRIBUTION
TO CANADIAN CO-OPERATIVE WOOL GROWERS LIMITED
AND TO AGRICULTURE IN CANADA

POUR LE SERVICE REMARQUABLE ET LEUR CONTRIBUTION
EXCEPTIONNELLE À LA CANADIAN CO-OPERATIVE WOOL
GROWERS LIMITED ET À L'AGRICULTURE AU CANADA

HONORARY KNIGHTS OF THE GOLDEN FLEECE
LE CHEVALIER D'HONNEUR DE LA TOISON D'OR.

COL. ROBERT McEWEN, MARCH 25TH, 1937

CHRISTIAN JENSEN, MARCH 30TH, 1950

GEORGE E. O'BRIEN, MARCH 25TH, 1964

W. H. JAFFRAY TISDALE, MARCH 25TH, 1965

JOHN WILSON JR., APRIL 2ND, 1970

JOHN C. ROSS, APRIL 5TH, 1979

LALOVEE R. JENSEN, MARCH 27TH, 1980

ROBERT W. SHOPLAND, APRIL 14TH, 1984

NEWTON G. BENNETT, APRIL 25TH, 1987

LLOYD AYRE, MAY 1ST, 1993

A. RUSSELL SIMPSON, MAY 28TH, 2005

JOHN D. BALDERSON, OCTOBER 19TH, 2014



"ask him to build a galley with fifty oars,
needing fifty strong men to row it."