

CEO Report – Terry Wensley

2023 was a year of improvement and yet challenging. Returns on livestock were at record levels but while the drought abated in 2022, in 2023, it returned to many areas that were still suffering from low moisture levels. Coupled with higher feed costs, there continued to be significant challenges.

We are pleased to report a strong and profitable year which included additional rainy-day funds set aside!

The following are some of the highlights from last year:

- Processed 3,840 transactions
- 882 new schedules
- Over \$44.5 million of new disbursements; \$14.4 million increase from 2022
- Average schedule amount \$50,475 (\$40,000 Breeder & \$59,000 Feeder)
- Portfolio high of over \$49 million
- Increased member limits
- Sheep Program Pilot proceeding
- Implementation of the Feeder Readvance Program

Feeder readvance program was implemented and available to qualifying members. Sheep pilot program was implemented and continues. A joint membership option for couples is available and helps to streamline the process. The Young Producers program is also available to youth enrolled in the livestock 4-H program. Increased member limits enabled member's to grow their herds and further take advantage of the current market conditions.

We continue to focus on improving our operations and service and have implemented service standards. This includes a process to track each invoice and payment received. Our goal is to have completed transactions processed within 3 business days; over 90% of our transactions processed were within this timeframe. Standard transactions are emailed out within days of their conclusion in normal operating conditions. For those who prefer to receive a physical copy, we mail out their transactions on a quarterly basis. This helps reduce the cost.

While there was a strong sales market, there were some continuing challenges and we were also dealing with challenged account situations. We worked tirelessly and with the member wherever possible, to overcome these matters! When these situations occur, the inventory count and branded animals are often an issue. Thorough and accurate inventory with branded animals was a requirement under the previous program and continues to be an imperative. You may notice our continued stressing of good quality brands and accurate information as this protects all the members of our co-op.

We are also focused on tomorrow too and are pleased the following additional services/work are under way:

- Banking/loan system identification is underway with implementation in 2024/25
- Creditor Insurance – available to all qualifying members with no health questionnaire (except where Critical Illness purchased) and may be financed.

I would like to take this opportunity to acknowledge some key individuals and our partners.

- You, our membership, for your support
- Your SKLF staff for their many late nights, extra efforts, demanding work and dedication
- Our Livestock Supervisors for their dedication and ensuring compliance with our programs
- Virtus Group LLP, our auditors particularly Sheila Filion, Neal Fense and their team
- Our financing partner, the Bank of Montreal, Charles Wilson and his team for their consistent strong support!

I would also like to express my deep appreciation for our Chairperson, Kris Webb and all the Board for their dedication, and support.

Improving our efficiency and member service are key elements that we are focusing and have made significant strides, stay tuned for more!

To you our members, thank you for your support, and guidance!

A handwritten signature in blue ink, appearing to read "T.J. Wensley", with a large, stylized flourish at the end.

T.J. (Terry) Wensley, BAC, FCUIC