

103RD ANNUAL REPORT

YEAR ENDED FEBRUARY 28TH 2021



103
YEARS

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CANADIAN CO-OPERATIVE WOOL GROWERS LIMITED
AUDITED FINANCIAL STATEMENTS / ÉTATS FINANCIERS VÉRIFIÉS
FEBRUARY 28, 2021 / LE 28 FÉVRIER 2021
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CATERING TO SHEEP PRODUCERS!
SERVICE AUX PRODUCTEURS DE MOUTONS!

We carry a complete line of supplies
 Nous offrons une gamme complète de fournitures agricole
 Here are just a few: Voici quelques-unes:

- | | | |
|--|---|--|
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Clôture | ☐ RFID Tags & Readers |
| ☐ Handling Equipment
Manutention | ☐ Lambing Supplies
l'agnelage | ☐ Show Supplies
Toilettage |
| ☐ Pharmaceuticals
Santé et médicaments | ☐ Shearing Supplies
Équipement de tonte | ☐ Instruments
Instruments |

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WOOL BOUGHT YEAR-ROUND FOR YOUR CONVENIENCE
LAINE ACHETÉ 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 Superintendent / Directeur de la laine

- Nathan Pappas-Barabe

Apprentice Wool Grader / Classificateur apprenti de la laine

- Alan Davidson-Cummings

Wool Warehouse Staff / Personnel de l'entrepôt de laine

- Ed Banks, Rory Bourne, James Brown, 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, Chiara Geissler, Sienna Geissler,

Lauren Glockling, Marilyn Johnston, Heidi Morden, Jennie

Stratton, 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

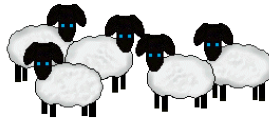
Sales & Purchasing Staff / Personnel des achats et des ventes

- Tori Walker, Val Wyman

Customer Service / Service à la clientèle

- Ethan Anderson, Aidan Clark, Alex Clark, Griffin Dyck,

Sawyer Dyck, Shawn Hurlbut



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, Gail Scott,

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

- Sandrine Beauregard, Satiana Boucher-Bedard,

Eve Brodeur, Mary Love Chagnon



2022-23 DIRECTORS / CONSEIL D'ADMINISTRATION

BRITISH COLUMBIA / COLOMBIE BRITANNIQUE

Term 1 year / mandat de 1 an

Roma H. Tingle

2765 Denicola Cr

Prince George, BC V2K 5C7

250-963-7301

ALBERTA (South/Sud)

Term 1 year / mandat de 1 an

Allison Preston

59 Uplands Blvd N

Lethbridge AB T1H 6J4

403-654-7088

ALBERTA (North/Nord)

Term 2 years / mandat de 2 ans

John D. Woodburn

Box 565, Grimshaw, AB T0H 1W0

780-332-4481 Fax 332-2878

SASKATCHEWAN (North/Nord)

Term 2 years / mandat de 2 ans

Arlette Seib

Box 16 Watrous, SK S0K 4T0

306-419-9051



SASKATCHEWAN (South/Sud)

Term 1 year / mandat de 1 an

Larry Kennedy

Box 31 Shamrock SK S0H 3W0

306-648-7522

MANITOBA

President / Président

Term 2 years / mandat de 2 ans

Morgan A. Moore

RR 2 Site 30 Box 185

Brandon MB R7A 5X2

204-741-0748

ONTARIO (West/Ouest)

1st Vice President /

1e vice president

Term 2 years / mandat de 2 ans

Allan E. Ribbink

2599 Bruce Rd 15

Tiverton ON N0G 2T0

519-368-7691

ONTARIO (East / Est)

2nd Vice President /

2e vice president

Term 1 year / mandat de 1 an

Reggie K. Campbell

630 Glenashton Rd

Ashton ON K0A 1B0

613-257-7524

QUÉBEC (West/Ouest)

Vacant

QUÉBEC (East/Est)

Vacant

ATLANTIC / ATLANTIQUE

Term 2 years / mandat de 2 ans

Ruth Mathewson

989 Upper Brookside Rd

Central North River NS B6L 6W6

902-895-4708

President Report

Throughout 2021 we have turned the pages on a number of chapters on this COVID-19 story and yet still haven't seemed to find the end of the book. The euphoric highs brought by the announcements of widespread vaccination and public re-openings have been repeatedly soured by the lows accompanying news of novel variants with more aggressive transmission rates and corresponding restrictions. Throughout all of this, however, the Canadian Co-operative Wool Growers have maintained operations and posted a very strong year considering the opposing forces.

The international wool market has not recovered as of the end of 2021. While there are some markets readily accepting fine wool offerings, there are many less buyers than normal for the coarse wools – especially those with high vegetative matter and soiling. With regards to the potential to sell our members' wool or not, we cannot reiterate enough the importance to taking those few extra steps to turn in a dry, clean and more easily saleable fleece.

With respect to the retail side of the company, we are thrilled with the performance of each and every retail branch location. The staff at each of the branch locations rose to the challenges presented by COVID-19 to register strong sales and contributing to a very positive overall balance sheet for the CCWG. On behalf of the Board of Directors for the CCWG, I would like to thank all staff for their efforts during these difficult times to continue to ensure that a strong level of customer service was maintained. I would also like to thank our producer shareholders across the country for their continued patronage and wish everyone the very best of success in 2022. With a little luck, hopefully we can see many of you at our AGM in Prince George BC next fall if not somewhere sooner!

Respectfully submitted,
Morgan Moore

Rapport du président

Tout au long de 2021, nous avons tourné les pages d'un certain nombre de chapitres sur cette histoire du COVID-19 et pourtant, il semble que nous n'ayons toujours pas trouvé la fin du livre. Les sommets euphoriques provoqués par les annonces de vaccination généralisée et de réouvertures publiques ont été à plusieurs reprises aggravés par les creux accompagnant les annonces de nouveaux variants avec des taux de transmission plus agressifs et les restrictions. Tout au long de cela, cependant, la Canadian Co-operative Wool Growers a maintenu ses opérations et a affichée une très bonne année compte tenu la situation.

Le marché international de la laine ne s'est pas redressé en cette fin de 2021. Bien que certains marchés acceptent les offres de laine fine, il y a beaucoup moins d'acheteurs que la normale pour les laines grossières, en particulier celles à haute teneur en matière végétale et en saleté. En ce qui concerne la possibilité de vendre ou non la laine de nos membres, nous ne saurions trop répéter l'importance de prendre ces quelques mesures supplémentaires pour rendre une toison sèche, propre et plus facilement vendable.

En ce qui concerne le côté vente au détail de l'entreprise, nous sommes ravis de la performance de chaque succursale de vente au détail. Le personnel de chacune des succursales a relevé les défis présentés par COVID-19 pour enregistrer de fortes ventes et contribuer à un bilan global très positif pour la CCWG. Au nom du conseil d'administration du CCWG, je tiens à remercier tout le personnel pour les efforts qu'ils ont déployés en ces temps difficiles pour continuer à garantir le maintien d'un niveau élevé de service client. Je tiens également à remercier nos producteurs actionnaires à travers le pays pour leur appui continu et je souhaite à tous le meilleur des succès en 2022. Avec un peu de chance, j'espère que nous pourrons vous voir nombreux à notre AGA à Prince George en Colombie-Britannique l'automne prochain!

Sincèrement,
Morgan Moore

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 28, 2021, 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 28, 2021, 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' 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 6, 2021

Chartered Professional Accountants
Licensed Public Accountants

Canadian Co-operative Wool Growers Limited
Statement of Financial Position
As at February 28,

	2021 \$	2020 \$
Assets		
Current		
Cash	935,546	-
Accounts receivable	407,850	413,590
Inventory (Note 2)	5,183,163	5,288,425
Prepaid expenses	178,450	26,568
Income taxes recoverable (Note 6)	-	35,160
	6,705,009	5,763,743
Property, Plant and Equipment (Note 3)	2,546,956	2,696,415
	9,251,965	8,460,158
Liabilities		
Current		
Bank overdraft	-	263,876
Bank loans (Note 4)	-	110,826
Accounts payable and accrued liabilities	1,816,365	1,088,712
Income taxes payable (Note 6)	47,139	-
Dividends payable	117,976	114,389
	1,981,480	1,577,803
Shareholders' Equity		
Capital Stock (Note 5)	320,800	322,300
Retained Earnings	6,949,685	6,560,055
	7,270,485	6,882,355
	9,251,965	8,460,158

Approved on Behalf of the Board of Directors:

Reggie K. Campbell Director Morgan A. Moore Director

Canadian Co-operative Wool Growers Limited
Statement of Income
For the Year Ended February 28, 2021

	2021 \$	2020 \$
Gross Sales	10,875,007	10,257,357
Cost of Sales	7,364,976	6,893,498
Gross Profit	3,510,031	3,363,859
Operating Expenses		
General expenses	864,158	1,010,569
Salaries and benefits	1,991,626	1,904,106
Amortization	167,776	181,649
Interest on short and long-term debt	382	2,036
Interest on capital lease obligations	-	298
Directors' fees	14,500	8,100
	3,038,442	3,106,758
Net Operating Income before Income taxes	471,589	257,101
Income taxes (Note 6)	(59,721)	(34,935)
Net Income	411,868	222,166

Canadian Co-operative Wool Growers Limited
Statement of Changes in Retained Earnings
For the Year Ended February 28, 2021

	2021 \$	2020 \$
Retained Earnings, beginning of year	6,560,055	6,360,447
Net income	411,868	222,166
Dividends declared	(22,238)	(22,558)
Retained Earnings, end of year	6,949,685	6,560,055

Canadian Co-operative Wool Growers Limited
Statement of Cash flows
For the Year Ended February 28, 2021

	2021 \$	2020 \$
Cash Flows from Operating Activities		
Net income	411,868	222,166
s not (producing) requiring a current cash payment		
Amortization	167,776	181,649
Net Changes in non-cash working capital	579,644	403,815
(Increase) decrease in accounts receivable	5,740	446,264
(Increase) decrease in inventories	105,262	(799,773)
(Increase) decrease in deposits	(151,882)	45,932
Increase (decrease) in accounts payable	727,652	(300,324)
Increase (decrease) in income taxes payable	82,299	(39,015)
	1,348,715	(243,101)
Cash Flows from Investing Activities		
Additions to capital assets	(18,316)	(91,663)
Cash Flows from Financing Activities		
Issue (redemption) of shares	(1,500)	3,500
Increase (decrease) in bank overdraft	(263,876)	249,105
Increase (decrease) in bank loan	(110,826)	110,826
Increase (decrease) in long-term debt		(8,300)
	(376,202)	355,131
Dividends paid	(18,651)	(20,367)
Increase (Decrease) in Cash during the year	935,546	-
Cash, beginning of year	-	-
Cash, end of year	935,546	-

Canadian Co-operative Wool Growers Limited
Notes to the financial Statements
For the Year Ended February 28, 2021

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.

Canadian Co-operative Wool Growers Limited
Notes to the Financial Statements
For the Year Ended February 28, 2021

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.

	2021 \$	2020 \$
Raw wool	1,516,530	1,645,027
Stockmen's supplies	3,123,971	3,122,729
Wool Shop	542,662	520,669
	5,183,163	5,288,425

3. Property, Plant and Equipment

	Cost \$	Accumulated Amortization \$	Net 2021 \$	Net 2020 \$
Land	185,740	-	185,740	185,740
Buildings	2,864,245	807,922	2,056,323	2,142,003
Equipment	1,154,707	946,096	208,611	258,250
Equipment – Capital Lease	81,869	65,236	16,633	20,791
Furniture and fixtures	522,755	488,818	33,937	24,329
Vehicles	112,616	66,904	45,712	65,302
	4,921,932	2,374,976	2,546,956	2,696,415

Canadian Co-operative Wool Growers Limited
Notes to the Financial Statements
For the Year Ended February 28, 2021

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.

	2021 \$	2020 \$
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%

	2021 \$	2020 \$
Common shares issued and outstanding:	322,300	318,800
Opening Balance - 32,230 (31,880 prior year)	(2,900)	-
Adjustment to opening balance	4,310	7,160
Issued - 431 (716 prior year)	(2,910)	(3,660)
Redeemed - 291 (366 prior year)		
Closing Balance - 32,080 (32,230 prior year)	320,800	322,300

Canadian Co-operative Wool Growers Limited
Notes to the Financial Statements
For the Year Ended February 28, 2021

6. Income Tax Expense on Accounting Income

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

	2021 \$	2020 \$
Net Income before income taxes	471,589	257,101
Expected income tax expense at the combined basic federal and provincial income tax rate	186,278	101,555
Small business deduction	(129,574)	(69,627)
Tax effect of timing difference between accounting expenses and deductions for income tax purposes	3,017	3,007
Tax expense	59,721	34,935
Tax expense as a percentage of accounting income	12.66 %	13.59 %
Net Income before income taxes	471,589	257,101
Adjustment for differences between accounting income and taxable income	22,482	6,079
Taxable income	494,071	263,180
Tax expense	59,721	34,935
Tax expense as a percentage of taxable income	12.09 %	13.27 %



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**Serving Canada's Livestock Producers with Pride Since 1918
Fièrement au service des agriculteurs Canadiens depuis 1918**

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

The CCWG recently held Management and Board of Director meetings at the 103rd Annual General Meeting held via Zoom video conference on October 16th, 2021.

La CCWG a récemment tenu des réunions avec la direction et le conseil d'administration lors de la 103^e Assemblée générale annuelle tenue par vidéoconférence Zoom le 16 octobre 2021.

The 2021 elected Board of Directors are as follows:

Le conseil d'administration a été élu comme suit:

Executive Committee / Comité exécutif:

President / *Président*

- Morgan A. Moore, Brandon, MB

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

- Allan E. Ribbink, Tiverton, ON

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

- Reggie K. Campbell, Ashton, ON

- Arlette Seib, Watrous, SK

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

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

- Roma H. Tingle, Prince George, BC

- Allison Preston, Lethbridge, AB

- Larry Kennedy, Shamrock, SK

- Ruth Mathewson, Central North River, NS

- John D. Woodburn, Grimshaw, AB

Ruth Mathewson will continue to serve as the CCWG representative on the Canadian Sheep Federation in 2021/22. David Mastine, CCWG Director representing Québec West since 1999 and President since 2015 has resigned from the board. On behalf of the Board of Directors, staff and shareholders, sincere appreciation is extended to him for many years of dedicated and loyal service to the company.

For the fiscal year ending February 28, 2021 the co-operative recorded gross sales of \$10,875,007 which represents an increase of 6% from the previous year. Net income of \$471,589 from all business operations was achieved. Despite extremely challenging circumstances related to the Covid-19 pandemic, the companies retail business has again excelled and recorded positive growth in sales and profitability. The raw wool division of the company continued to offer wool collection, grading and marketing services during the past fiscal year. The global wool market has been severely impacted by the Covid-19 pandemic which has made it difficult to conclude new business. As a result, CCWG is holding larger than usual stocks of unsold wool.

The Board of Directors have authorized a dividend payment of 7% to the shareholders of record date December 31, 2020. 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 2020 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>.

2021 recorded our 103rd year in business. In 2022 the Annual General Meeting will be held in Prince George, British Columbia from October 13th – 15th.

Ruth Mathewson continuera de représenter le CCWG au sein de la Fédération canadienne du mouton en 2021/22. David Mastine, directeur du CCWG représentant Québec Ouest depuis 1999 et président depuis 2015 a démissionné du conseil d'administration. Au nom du conseil d'administration, du personnel et des actionnaires, sincères remerciements pour ses nombreuses années de dévouement et de loyaux services à l'entreprise.

Pour l'exercice financier se terminant le 28 février 2021, la coopérative a enregistré des ventes brutes de 10 875 007 \$, ce qui représente une augmentation de 6 % par rapport à l'année précédente. Un bénéfice net de 471 589 \$ provenant de toutes les opérations commerciales a été réalisé. Malgré des circonstances extrêmement difficiles liées à la pandémie de Covid-19, le commerce de détail de l'entreprise a de nouveau excellé et enregistré une croissance positive des ventes et de la rentabilité. La division de la laine brute de l'entreprise a continué d'offrir des services de collecte, de classement et de commercialisation de la laine au cours du dernier exercice. Le marché mondial de la laine a été gravement touché par la pandémie de Covid-19 qui a rendu difficile la conclusion de nouvelles affaires. En conséquence, le CCWG détient des stocks de laine invendus plus importants que d'habitude.

Le conseil d'administration a autorisé le paiement d'un dividende de 7 % aux actionnaires inscrits à la date d'enregistrement le 31 décembre 2020. La société a toujours versé un dividende et il est de 7 % par an depuis 1999. Le programme de récompense de fidélité des expéditeurs de laine pour les actionnaires (SWSLRP) restera au taux de 7 cents la livre sur le clip de laine 2020. Tous les détails de ces programmes sont disponibles 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>.

2021 a enregistré notre 103e année d'activité. En 2022, l'assemblée générale annuelle se tiendra à Prince George, en Colombie-Britannique, du 13 au 15 octobre.

2020 Certificate of Merit / Certificat de mérite 2020

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

Quebec

Ferme Josef Durrer Inc
1085 Rang St-Pierre Est
Notre-Dame-de-Lourdes, QC
G0S 1T0

Dean Pickell
Box 175
Laurier, MB R0J 1A0

Mannville Colony
Box 268
Mannville, AB T0B 2W0

Ontario

Gina Anghelescu
3578 Hwy 38
Odessa, ON K0H 2H0

Saskatchewan

Peter & Pam Gonnet
Box 503
Outlook SK S0L 2N0

Ken & Treena Adair
Box 5
Brownfield, AB T0C 0R0

S & D Frankland
Wigmana Farms Ltd
225786 Southgate Rd 22
Dundalk, ON N0C 1B0

S Maclachla
Aussie Mac Farms
Box 58
Eyebrow, SK S0H 1L0

British Columbia

Dennis Gellings
Box 931
Dawson Creek, BC V1G 4H9

Manitoba

Ralph & Karen Keller
Box 247
Miniota, MB R0M 1M0

Alberta

Brown Creek Ranch
Box 2203
Claresholm AB T0L 0T0

Kyrstyna Warren
25-350 Pearkes Dr
Williams Lake, BC V2G 4T2

Nancy Mallinson from Abbotsford, BC was announced as the recipient of the CCWG 2021 National Sheep Industry Award. This award recognizes excellence for achievements, contributions and service to the sheep and wool industry in Canada.

Nancy Mallinson d'Abbotsford, en Colombie-Britannique, a été annoncée comme récipiendaire du Prix national de l'industrie ovine du CCWG 2021. Ce prix reconnaît l'excellence pour les réalisations, les contributions et les services rendus à l'industrie du mouton et de la laine au Canada.

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 1st 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.

Veuillez 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 Livestock Producers with Pride Since 1918
Fièrement au service des producteurs éleveurs 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 2021

2020 / 21 Wool Market Update

Wool marketing in 2020/21 has been very challenging to say the least and without a doubt the most difficult conditions that I have experienced in my career with CCWG. The start of our new wool season in March 2020 coincided with a global shutdown as most countries implemented lockdown policies, restricted travel and personal contact along with initiating other strict health and safety measures to control the spread of the highly contagious

Covid-19 pandemic. Most retail clothing stores were classified as non-essential service and were required to close several times throughout the year. This resulted in the widespread cancellation of contracts and negatively impacted the entire textile supply chain. All of these factors have contributed to the current depressed state of the wool market. More than 18 months later a great deal of progress has been made with wide spread international immunization, but the problem has not disappeared as we continue to battle the 4th wave Delta variant in Canada.

We had previously reported that global trade has suffered high losses due to Covid-19 and the textile industry has been no exception. Although there has been a modest recovery in fine wool prices since the low point of September 2020, the broader types continue to struggle to find an equitable balance between supply and demand. There are a number of initiatives under research worldwide for new product innovation which is encouraging but this will take time to bring these products to the marketplace. The trade recognizes that as an industry more needs to be done in educating today's consumer on the many benefits of wool, a natural and renewable resource. This will be critical in order to compete with current fast fashion trends that are made almost exclusively from synthetic fibers. Our situation in Canada is not unique with significant unsold wool inventory in every sheep and wool producing country of the world. Although there are reasonable marketing opportunities for best quality and well prepared wool types, the market is fairly saturated with the available supply of other wool types of lesser quality. These wools tend to be more difficult to sell in a down market because they pose a higher risk to the buyer and the financial incentive to buy is not significant enough to entice them under the current market conditions. As global business slowly returns to more normal trading conditions it is somewhat difficult to be optimistic for the short term. Post Covid the wool trade is encountering new hurdles that will take time to resolve.

There seems to be a shortage of qualified labour in numerous industries including textiles. Hopefully this scenario will improve as generous unemployment benefits expire. There are also gaps in the supply chain along with unprecedented challenges in transportation logistics. This translates into higher costs and tighter available supplies for container and trucking options. As an example, Trans-Pacific shipments are up 30% this year which explains part of the reason for the current container shortage. Even more significant is the incredible fact that ocean freight for a 40' container from China port to North America has increased to nearly \$20,000 USD from only \$2,000 USD a year ago!

This situation is a direct result of the global economy playing catch up by ramping up manufacturing production in numerous sectors. Unfortunately, the wool market has not yet been able to capitalize on this global phenomena.

The recent news of an energy crisis in China and India is also very concerning and won't be helpful towards a wool market recovery. Reports indicate that a wide range of industries in China will be mandated by government to reduce production by as much as 30% to conserve electricity and reduce greenhouse gas emissions. All of these factors point toward a continued challenging wool market for the foreseeable future.

Despite the unforeseen wool market conditions that Covid-19 has created, at CCWG we have continued with an uninterrupted wool collection, wool grading and marketing service for Canadian sheep producers. Wool consignments were down approximately 17% with some producers opting to store wool on farm until improved wool market conditions prevail. The company is fortunate to have developed excellent markets over many years for Canadian wool in Canada, China, USA, Czech Republic, and Egypt. Sales have also been concluded in Bulgaria, India, and Uruguay. Canadian wool is known for its soft handle and has earned an excellent reputation in these markets for the consistent quality of our deliveries. All of our Canadian wool is now tested by New Zealand Wool Testing Authority to produce objective measurement reports. This became necessary when the American lab, Yocom McColl Wool Testing Lab Inc was closed in early 2020. It is important to consider that the present dilemma of the wool market is a global situation and a direct result of Covid which we cannot control. It is not isolated to Canadian wool and has had a detrimental effect on the market for wool from many origins. CCWG is well positioned to participate in a wool market recovery that will eventually come to pass as our everyday lifestyles and business trade gradually return to more normal.

CCWG Business Update

Despite the added pressures of conducting business and the challenges of supply chain management during the Covid-19 pandemic, our retail continues to excel and grow. With foot traffic into our stores restricted at various times throughout the year, it presented a chance for time well spent designing, updating and expanding our ecommerce platforms. A valuable lesson learned during the pandemic has been the great opportunities that exist to increase online sales with effective social media promotions through our existing brick and mortar locations.

In our 103rd year of business, the company continues to operate a national network for wool collection and marketing services. In addition, our retail business which is comprised of a wide range of products including farm, hobbyist and consumer goods is now the backbone of the company in terms of revenue generated. This diversification has served the company well and ensured our continued success. Our motto continues to be the right product at the right price delivered with exceptional customer service. I would be remiss if I did not extend sincere appreciation and thanks to a fantastic CCWG staff, operating right across the country in several locations. They continue to be the companies most valuable asset. Everyone from administration, retail and wool services has delivered their usual stellar performance this past year working under extremely challenging and unusually difficult circumstances. On behalf of management and the Board of Directors we give you our heartfelt thanks for a job well done. We are also very fortunate to have a loyal customer base that play a large role in the success of CCWG and we are truly grateful for your patronage.

Although we are all hopeful that Covid will soon be behind us and life will return to normal, we will still need to use caution and not let our guard down. It is somewhat of a cliché to say that we must continue to be calm and carry on but it is true, that is what we must do. I think it is also reasonable to suggest that in the days and weeks to come we should be prepared to expect the unexpected as we work towards resuming our usual business practice and procedures.

Best wishes to everyone for good health and successful markets in 2022.

Respectfully submitted,

Eric Bjergso
General Manager

Mise à jour d'affaires et du marché de la laine de la CCWG – automne 2021

Mise à jour du marché de la laine 2020-21

Le marketing de la laine en 2020 a été pour le moins très difficile et sans doute les conditions les plus difficiles que j'ai connues au cours de ma carrière à la CCWG. Le début de notre saison en mars 2020 a coïncidé avec un arrêt mondial alors que la plupart des pays ont mis en place des politiques de confinement, des restrictions de voyages et de contacts personnels ainsi que d'autres mesures strictes de santé et de sécurité pour contrôler la propagation de la pandémie hautement contagieuse. La plupart des magasins de vêtements au détail ont été classés dans la catégorie des services non essentiels et ont dû fermer plusieurs fois au cours de l'année. Cela a entraîné l'annulation généralisée des contrats et a eu un impact négatif sur l'ensemble de la chaîne d'approvisionnement du textile. Tous ces facteurs ont contribué à l'état réprimé actuel du marché de la laine. Plus de 18 mois plus tard, de nombreux progrès ont été réalisés dans le domaine de la vaccination internationale à grande échelle, mais le problème n'a pas disparu alors que nous continuons à lutter contre la variante Delta de la 4^e vague au Canada.

Nous avons précédemment signalé que le commerce mondial avait subi de lourdes pertes en raison de la Covid-19 et l'industrie du textile n'a pas fait exception. Bien qu'il n'y ait pas eu une modeste reprise des prix de la laine fine depuis le point le plus bas en septembre 2020, les types de laines plus grossières continuent de tenter de trouver un équilibre équitable entre l'offre et la demande. Il y a un certain nombre d'initiatives de recherches dans le monde entier pour l'innovation de nouveaux produits, ce qui est encourageant, mais cela prendra du temps pour mettre ces produits sur le marché. Le commerce reconnaît qu'en tant qu'industrie, il faut faire davantage pour éduquer les consommateurs sur les nombreux avantages de la laine, une ressource naturelle et renouvelable. Ce sera essentiel pour rivaliser avec les tendances actuelles des vêtements de la mode « rapide » qui sont fabriqués presque exclusivement à partir de fibres synthétiques. Notre situation au Canada n'est pas unique, tous les pays producteurs de moutons et de laine se retrouvent avec un important inventaire de laine non vendue. Bien qu'il existe des possibilités de commercialisation raisonnables pour les laines de meilleure qualité et bien préparées, le marché est assez saturé avec l'offre d'autres types de laine de moindre qualité. Ces laines ont tendance à être plus difficiles à vendre dans un marché faible parce qu'ils posent un risque plus élevé pour l'acheteur et l'incitation financière à acheter n'est pas assez importante pour les attirer dans les conditions actuelles du marché. Comme les affaires mondiales reviennent lentement à des conditions commerciales plus normales, il est difficile d'être optimiste à court terme. Après la pandémie de la Covid-19, le commerce de la laine envisage de nouveaux obstacles qui prendront du temps à surmonter.

Il semble y avoir une pénurie de main-d'œuvre qualifiée dans de nombreuses industries, y compris le textile. Espérons que ce scénario s'améliorera à mesure que les généreuses prestations de chômage expireront. Il y a aussi des lacunes dans la chaîne d'approvisionnement et des défis sans précédent dans la logistique du transport. Cela se traduit par des coûts plus élevés, une diminution de la disponibilité des conteneurs, ainsi qu'une altération des options de camionnage. Par exemple, les expéditions Trans-Pacifique ont augmenté leurs prix de 30% cette année, ce qui explique en partie la pénurie actuelle de conteneurs. Ce qui est encore plus important, c'est le fait incroyable que le fret maritime pour un conteneur de 40 pieds entre un port chinois et l'Amérique du Nord est passé de 2 000\$ US il y a un an, à près de 20 000\$ US aujourd'hui!

Cette situation est le résultat direct du rattrapage de l'économie mondiale en augmentant la production manufacturière dans de nombreux secteurs. Malheureusement, le marché de la laine n'a pas encore été en mesure de tirer profit de ce phénomène mondial.

La nouvelle récente d'une crise énergétique en Chine et en Inde est également très préoccupante et n'aidera pas à la reprise du marché de la laine. Des rapports indiquent qu'un large éventail d'industries en Chine seront mandatées par le gouvernement pour réduire la production jusqu'à 30% afin de conserver l'électricité et réduire les émissions de gaz à effet de serre. Tous ces facteurs indiquent un marché de la laine toujours difficile dans un avenir prévisible.

Malgré les conditions imprévues du marché de la laine que la Covid-19 a créées, la CCWG a continué d'offrir un service ininterrompu de collecte, de classement et de commercialisation de la laine aux éleveurs de moutons canadiens. La collecte de la laine a diminué d'environ 17%, certains producteurs ayant choisi d'entreposer la laine à la ferme jusqu'à ce que les conditions du

marché de la laine s'améliorent. L'entreprise a la chance d'avoir développé d'excellents marchés pour la laine canadienne au Canada, en Chine, aux États-Unis, en République Tchèque et en Égypte. Des ventes ont également été conclues en Bulgarie, en Inde et en Uruguay. La laine canadienne est reconnue pour sa souplesse et a acquis une excellente réputation auprès de ces marchés pour la qualité constante de nos livraisons. Toute notre laine canadienne est maintenant évaluée par la « New Zealand Wool Testing Authority » afin de produire des rapports de mesures objectifs. Cela est devenu nécessaire lorsque le laboratoire américain «Yocom McColl Wool Testing Lab Inc » a fermé ses portes au début de 2020. Il faut tout de même tenir compte que le dilemme actuel du marché de la laine est une situation mondiale et un résultat direct de la Covid-19 que nous ne pouvons pas contrôler. Elle n'est pas limitée à la laine canadienne et a eu un effet néfaste sur le marché de la laine de nombreuses origines. La CCWG est bien placée pour participer à une reprise du marché de la laine qui se produira au fur et à mesure que nos styles de vie quotidienne et le commerce d'affaires reviennent progressivement à la normale.

Mise à jour d'affaires de la CCWG

Malgré les pressions supplémentaires liées à faire affaires et les défis liés à la gestion de la chaîne d'approvisionnement pendant la pandémie de la Covid-19, notre clientèle de détail continue d'exceller et de croître. Avec les restrictions de pouvoir se présenter en personne dans nos magasins à divers moments de l'année, nous avons eu la chance de consacrer du temps à la conception, à la mise à jour et à l'expansion de nos plateformes de cybercommerce. Une leçon précieuse apprise pendant la pandémie a été les grandes occasions qui existent d'augmenter les ventes en ligne grâce à des promotions efficaces des médias sociaux dans à nos emplacements existants.

Au cours de notre 103e année d'activité, l'entreprise continue d'exploiter un réseau national de services de collecte et de commercialisation de la laine. De plus, notre commerce de détail, qui comprend une vaste gamme de produits, y compris des produits agricoles, des produits de loisir et des biens de consommation, est maintenant l'ossature de l'entreprise en termes de revenus générés. Cette diversification a bien servi l'entreprise et a assuré notre succès continu. Notre devise continue d'être : le bon produit, au bon prix, livré avec un service client exceptionnel. Je m'en voudrais de ne pas remercier sincèrement le personnel fantastique de la CCWG, qui exerce ses activités à plusieurs endroits partout au pays. Il continu d'être l'actif le plus précieux de l'entreprise. Tous, de l'administration, de la vente au détail, jusqu'aux services de la laine, ont livré une performance sublime au cours de la dernière année, tout en travaillant dans des circonstances extrêmement difficiles et avec plus de défis. Au nom de la direction et du conseil d'administration, nous vous offrons nos plus sincères remerciements pour un travail bien fait. Nous sommes également très chanceux d'avoir une clientèle fidèle qui joue un grand rôle dans le succès de la CCWG et nous sommes vraiment reconnaissants pour votre patronage.

Même si nous espérons que la Covid-19 soit bientôt derrière nous et que la vie revienne à la normale, nous devons tout de même faire preuve de prudence et de vigilance. C'est un peu un cliché de dire qu'il faut rester calme et continuer, mais c'est vrai, c'est ce qu'il faut faire. Je pense qu'il est également raisonnable de suggérer que, dans les jours et les semaines à venir, nous devons être prêts et nous attendre à l'imprévu alors que nous nous apprêtons à reprendre nos pratiques et procédures commerciales habituelles.

Meilleurs vœux à tous pour une bonne santé et des marchés fructueux en 2022.

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.

Shareholder Wool Shipper Loyalty Reward Program / Programme de récompense des actionnaires expéditeurs de laine (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.

The original coupon must be presented at time of redemption.

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 bénéfices de la CCWG qui peut être encaissable à l'achat de produits à un des succursales de la CCWG. Le coupon rabais aux bénéfices 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.

Le coupon original doit être présenté au moment du rachat.

Canadian Co-operative Wool Growers Limited
Shareholder / Wool Shipper Loyalty Reward Program (SWSLRP) Profit Sharing

COUPON

Shareholder Certificate Number	Wool Shipper Account Number	Name
Nombre de certificat d'actionnaire	Numéro de compte d'expéditeur de laine	Nom
Lot Numbers Numéro de lot	Net Weight (lbs) Poids net (livres)	Lot Numbers Numéro de lot
Total Weight / Poids Total SWSLRP @ 7¢ / lb =		Net Weight (lbs) Poids net (livres)

WWW.WOOL.CA WWW.CCWG.CA

This coupon must be presented at time of redemption.

Programme de récompense des actionnaires expéditeurs 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 bénéfices de la CCWG qui peut être encaissable à l'achat de produits à un des succursales de la CCWG. Le coupon rabais aux bénéfices 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.

Shareholder Wool Shipper Loyalty Reward Program / Programme de récompense des actionnaires expéditeurs de laine (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.

The original coupon must be presented at time of redemption.

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 bénéfices de la CCWG qui peut être encaissable à l'achat de produits à un des succursales de la CCWG. Le coupon rabais aux bénéfices 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.

Le coupon original doit être présenté au moment du rachat.

Canadian Co-operative Wool Growers Limited
Shareholder / Wool Shipper Loyalty Reward Program (SWSLRP) Profit Sharing

COUPON

Shareholder Certificate Number	Wool Shipper Account Number	Name
Nombre de certificat d'actionnaire	Numéro de compte d'expéditeur de laine	Nom
Lot Numbers Numéro de lot	Net Weight (lbs) Poids net (livres)	Lot Numbers Numéro de lot
Total Weight / Poids Total SWSLRP @ 7¢ / lb =		Net Weight (lbs) Poids net (livres)

WWW.WOOL.CA WWW.CCWG.CA

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 principales 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.

CCWG DIRECTOR ELECTIONS 2022

The following Canadian Co-operative Wool Growers Limited directors' term of office will expire in 2022. 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, 2022**.

L'ÉLECTION DES DIRECTEURS POUR 2022

*La durée du mandat des directeurs de la Canadian Co-operative Wool Growers Limited, notée ci-dessous, prendra fin en 2022. 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 2022**.*

British Columbia Roma H. Tingle
Alberta South / Sud Allison Preston
Saskatchewan South / Sud Larry Kennedy

Ontario East / Est Reggie K. Campbell
Québec West / Ouest Vacant
Québec East / Est Vacant

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

The 104th Annual General Meeting of the / la 104^e l'assemblée générale annuelle de
Canadian Co-operative Wool Growers Limited

OCTOBER 15TH 2022 / LE 15 OCTOBRE 2022 - 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 ext 4 Fax: 613-257-8896

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WOOLSHOP@WOOL.CA

WWW.REALWOOLSHOP.CA

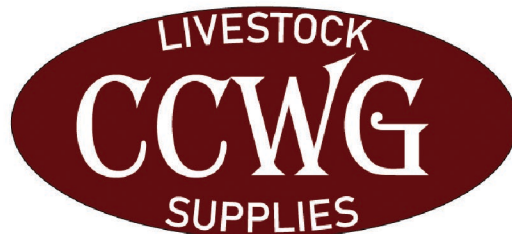
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the Dumfries House Wool Declaration

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.



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."