



2025/26 ANNUAL REPORT

A trusted partner in
Manitoba's agriculture industry.



Vision

A trusted partner in Manitoba's agriculture industry.

Mission

To support Manitoba farmers by providing unique insurance, targeted lending, and access to agricultural services.

Values

Excellence

We strive for accuracy, efficiency, and continuous improvement.

Integrity

We build trust by cultivating relationships. We are respectful, responsive, and fair.

Accountability

We manage our resources responsibly and fulfill our commitments.

Strategies

Goal

Accelerate the implementation of innovative solutions to enhance client experience.

Desired Outcomes

- Improve our responsiveness to industry changes.
- Support diverse farming practices.
- Align resources, products, and services to clients' needs.

Goal

Create an environment to empower employees to thrive in the future.

Desired Outcomes

- Foster a future-ready workforce.
- Build capacity for growth and innovation.
- Elevate and empower staff.

Goal

Modernize our business with technology to unlock new opportunities.

Desired Outcomes

- Modernize underwriting systems.
- Build adaptable and responsive systems.
- Enhance data utilization.

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This annual report can be found online at masc.mb.ca and is available in alternate formats upon request.

La version française de ce rapport annuel se trouve sur le site Internet masc.mb.ca et est disponible en formats alternatifs sur demande.

Indigenous Land Acknowledgement

We recognize that Manitoba is on the treaty territories and ancestral lands of the Anishinaabe, Anishinewuk, Dakota Oyate, Denesuline, and Nehethowuk peoples.

We acknowledge Manitoba is located on the Homeland of the Red River Métis.

We acknowledge northern Manitoba includes lands that were and are the ancestral lands of the Inuit.

We respect the spirit and intent of Treaties and Treaty Making and remain committed to working in partnership with First Nations, Inuit, and Métis people in the spirit of truth, reconciliation, and collaboration.



Minister of Agriculture
Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Her Honour the Honourable Anita Neville, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

May it Please Your Honour:

It is my privilege to present for the information of Your Honour, the
Annual Report of Manitoba Agricultural Services Corporation for the
fiscal year ending March 31, 2026.



Yours truly,

A handwritten signature in black ink, reading "Ron Kostyshyn".

Honourable Ron Kostyshyn
Minister of Agriculture



The Honourable Ron Kostyshyn
Minister of Agriculture
Room 165, Legislative Building
Winnipeg MB R3C 0V8

Dear Sir:

On behalf of the Board of Directors, I am pleased to submit the Annual Report of Manitoba Agricultural Services Corporation for the fiscal year ending March 31, 2026.



Yours truly,

A handwritten signature in black ink that reads "John S. Plohman". The signature is fluid and cursive, with a long, sweeping underline.

John S. Plohman
Chair, Board of Directors

Chair's Message

Agriculture continues to evolve in response to changing economic conditions, environmental pressures, and the needs of Manitoba's producers. At MASC, we recognize the critical role we play in providing stability, support, and forward-looking solutions for Manitoba's agricultural sector.

Over the past year, the Board of Directors has remained focused on guiding MASC's strategic direction to ensure the organization continues to deliver prompt and efficient services to producers across the province. Grounded in our commitment to being a trusted partner, we have worked alongside MASC's leadership team to support initiatives that strengthen both the resiliency and sustainability of Manitoba farms. To that end we have enhanced program offerings in lending and insurance products particularly for our next generation of farmers which will add to the long-term strength of the industry.

We recognize that farmers depend on MASC to evolve and ensure we remain on the forefront of technology and innovation. To assist us in this endeavour, the Board has established an Innovation and Technology Committee. Through the work of the committee, we are committed to exploring the utilization of satellite, drone, AI, and other emerging technology that will assist us in becoming even more efficient and responsive to the needs of farmers.

We will continue to investigate how we can encourage profitable and innovative farming practises through our lending and insurance products. Hopefully, this will encourage farmers in their quest to protect the very land they steward, particularly the valuable soil and water resources. In the years ahead we hope, as a Board, to encourage and broaden meaningful strategic partnerships which may include closer collaboration with other provinces, universities, and producer groups.

We believe that even with the advances in technology, access to in-person services remains equally important. The expansion of MASC's physical footprint, with the addition of new service centres, ensures more producers can benefit from more personal service and support. These investments strengthen MASC's connection to rural communities and reinforce our organization's commitment to being accessible when and where it matters most.

As a Board, we recognize that strong organizations are built on strong people working together as a team. After 20 years, MASC is well-aligned as one unit with the common purpose of delivering lending and insurance products. The Board appreciates the strong workforce we have, from the Executive team right down the line. Each person plays a valuable role, and we want to thank our staff for their dedication.

I would also like to thank the current Board of Directors for their contributions and to extend my appreciation to outgoing director, Kristy-Layne Carr for her years of dedicated service. I particularly want to welcome new directors, Chris Dzisiak of Dauphin and Sandra Yanick of Shoal Lake, both of whom bring a wealth of experience to our Board.

On behalf of the Board of Directors, I want to express our gratitude to our partners, Manitoba's producers, for the trust they place in MASC. I can assure you it is appreciated.



John S. Plohman
Chair, Board of Directors

Corporate Governance

Mandate of the Board

MASC is a Crown corporation of the Manitoba government established through The Manitoba Agricultural Services Corporation Act. MASC's Board is comprised of up to nine directors who are appointed by the Executive Council of the Manitoba government, as are the Board chair and vice chair.

The Board is responsible for the overall stewardship of MASC. It sets MASC's strategic direction and organizational objectives with the assistance of the management team, and provides final approval of all applicable budgets.

MASC is the Trustee of the Production Insurance and Hail Insurance Trusts, and the Board ensures these Trusts are administered in accordance with the respective agreements.

The Board also makes recommendations for future programming to the Minister of Agriculture, ensures the relevance of MASC's corporate governance policies, and oversees and monitors MASC's corporate operations according to applicable legislative requirements within acceptable levels of risk.

CEO's Message

At MASC, our mission is to support Manitoba farmers and their operations by providing unique insurance, targeted lending, and access to agricultural services. Agriculture continues to be the backbone of rural Manitoba, and we remain committed to helping our clients build resilient, sustainable operations that can succeed for generations to come.

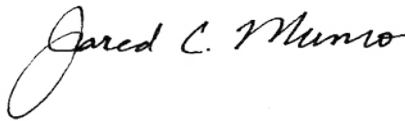
This year, we were proud to announce additional support for the next generation of farmers through increases to our lending limits and the Young Farmer Rebate. These enhancements provide greater affordability and flexibility for young producers as they establish, manage, and expand their operations.

We also introduced a new pilot initiative focused on supporting both farm sustainability and the long-term health of Manitoba's sensitive agricultural soils. The Forage Advantage incentive encourages producers to grow forages on specified marginal land, while benefiting from crop insurance discounts. This pilot program, launching for the 2026 crop year, reflects our commitment to supporting practical solutions that benefit both producers and the land they steward.

At MASC, we also know our clients value in-person service and support. In Fall 2025, we opened two additional MASC Service Centres in Shoal Lake and Virden, helping ensure nearly all of our clients are within a 60-minute drive of in-person services and program support. These locations strengthen our connection to rural communities and reinforce our commitment to being accessible where and when our clients need us.

This year also reinforced the importance of face-to-face connection within our own organization. This past spring, MASC staff from across the province came together to celebrate MASC's 20-year anniversary (marking the amalgamation of MCIC and MACC)— the first time in more than a decade that all staff gathered in one place. Over two days of team-building and educational sessions, employees reconnected, shared ideas, and returned to their work energized and better equipped to serve Manitoba's producers.

As we mark this milestone year, we celebrate the people, partnerships, and achievements that have shaped MASC's success. At the same time, we look to the future with confidence, continuing to invest in innovative programs, our staff, and strong relationships with our clients to support the success of Manitoba's producers for generations to come.

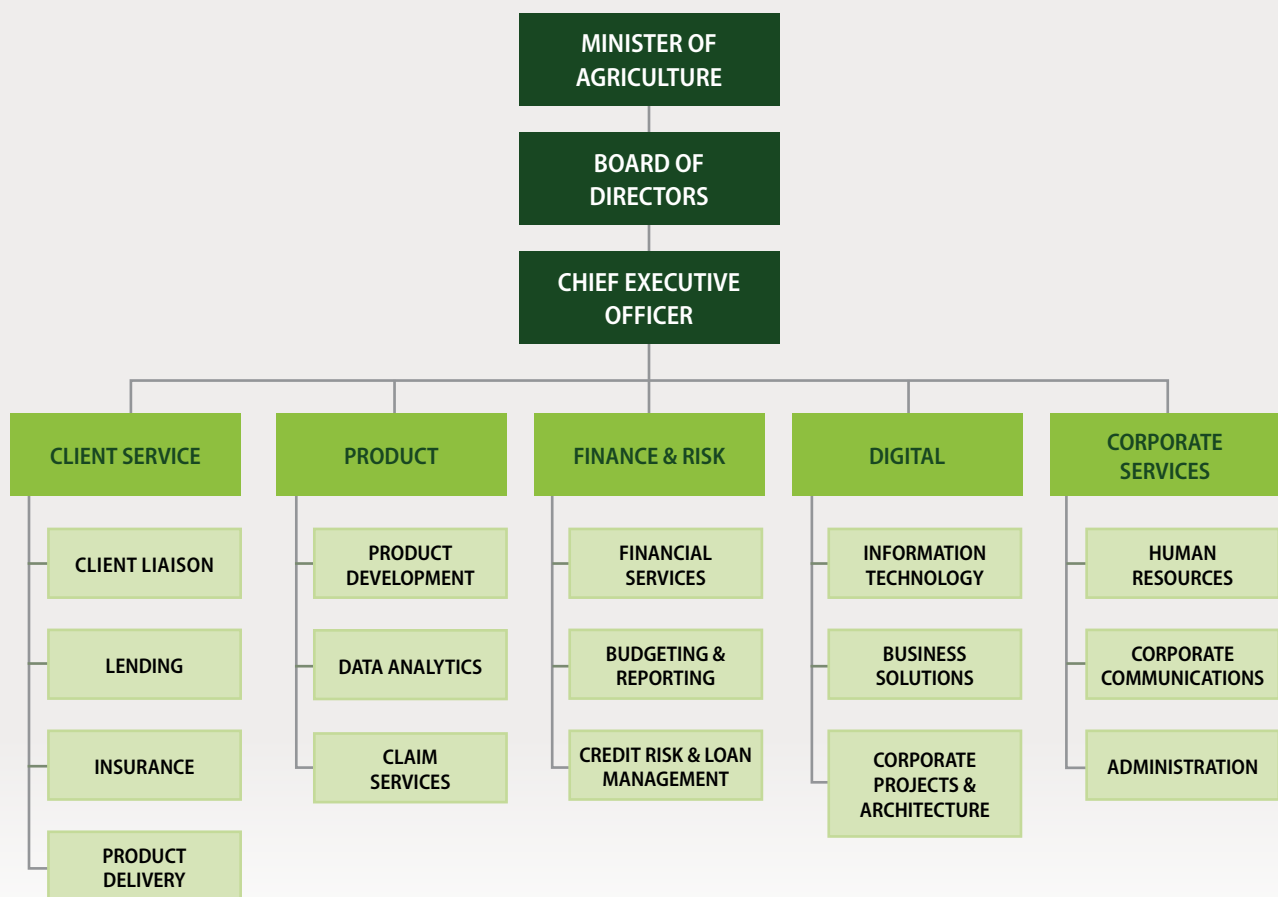


Jared Munro
Chief Executive Officer



Corporate Structure

As of March 31, 2026:



MASC employs 163.5 permanent staff, complemented by 116 adjustors and casual staff (as of March 31, 2026). MASC is represented by 12 service centres in locations across the province.

Board of Directors

John Plohman – Chair
 Don Kostaskey – Vice Chair
 Brian Brown
 Chris Dzisiak
 Rayna Gleich
 Paul Gregory
 Mary Johnson
 Gurjaspal Singh Bala
 Sandra Yanick

Executive Management

Jared Munro – Chief Executive Officer
 Leah Strong – Chief Client Officer
 Karen Klassen – Chief Financial Officer
 Wanda Kurchaba – Chief Corporate Officer
 Chris Tornato – Chief Digital Officer
 David Van Deynze – Chief Product Officer

Operational Highlights

For the Year Ended March 31, 2026:



AgrilInsurance*	2024	2025	2026
Insured acres (millions)	9.9	9.9	9.9
Total coverage (liability) (\$ millions)	5,794.1	4,955.8	4,539.7
Total premiums collected (\$ millions)	456.7	359.7	329.8
Total indemnities (\$ millions)	181.0	235.8	96.4

Hail Insurance*	2024	2025	2026
Insured acres (millions)	4.3	4.4	4.4
Total coverage (liability) (\$ millions)	1,594.2	1,643.5	1,657.3
Total premiums collected (\$ millions)	42.6	40.4	42.9
Total indemnities (\$ millions)	33.5	33.2	39.7

Lending	2024	2025	2026
Number of loans approved	603	637	595
Amount approved (\$ millions)	132.6	152.8	192.6
Loan portfolio (\$ millions)	829.3	832.1	831.0
Number of guaranteed loans approved	39	44	49
Associated loan amounts approved (\$ millions)	52.5	51.4	42.5
Guaranteed loan portfolio (\$ millions)	204.7	179.8	151.4

***Note:** The above statistics are based on the insurance crop year and as such, may not correspond exactly to the 2025/26 financial statements.

Strategic Plan Review

MASC's three-year strategic plan is based on three main goals. Several step goals and actions were achieved in 2025/26 to gain momentum in meeting the desired outcomes of each goal. The following provides a snapshot of MASC's accomplishments as of March 31, 2026.

Goal #1:

Accelerate the implementation of innovative solutions to enhance client experience.



- Launched the Forage Advantage incentive program, which encourages producers to grow forages on specified marginal land while benefiting from AgrilInsurance discounts.
- Launched a quick loans process to expediate loan approvals in certain instances and made improvements to the post-harvest claim process to get payments to farmers sooner.
- Introduced the Young Farmer Lending Fee Credit, waiving over \$68,000 in application fees on 68 loans to reduce borrowing costs and improve access to capital for young farmers in Manitoba.
- Launched the Feeder Plus Loan, providing medium to large-scale cattle producers with up to \$6.25 million in revolving financing.
- Opened two additional service centres in Shoal Lake and Virden to improve client access to in-person services, strengthen local relationships, and provide support closer to the farm gate.

97%

**of clients trust MASC to
deliver quality programs
and services**

93%

**of clients agree MASC responds
quickly to industry changes**

86%

**of clients are
satisfied with MASC**

Goal #2:

Create an environment to empower employees to thrive in the future.



- Celebrated MASC's 20-year anniversary, marked with two days of team-building and educational sessions for staff.
- Developed and launched a plan to build staff readiness and awareness of artificial intelligence.
- Continued work on developing a succession planning framework, aimed at supporting employee growth, strengthening leadership readiness, and ensuring long-term business continuity.
- Completed work on defining MASC's current and desired future culture, aimed at strengthening employee engagement, supporting retention, and fostering a positive and high-performing workplace.

86% of employees are satisfied working at MASC

Goal #3:

Modernize our business with technology to unlock new opportunities.



- The implementation of Dynamics 365 for underwriting began to modernize our business systems.
- Operationalized MASC's data governance and master data management framework to improve how we use and manage data.

Crop Conditions



The 2025 growing season proved successful for many Manitoba producers, despite a number of in-season challenges that tested crop resilience across the province.

As in recent years, the growing season began under relatively dry conditions, creating ideal seeding conditions across most regions of the province. Seeding progressed and soil moisture levels were adequate to support germination and early-season crop growth. As June and early July unfolded, persistent dryness began to place increasing stress on crops during a critical stage of growth.

Dry conditions were particularly challenging in the Interlake region. As summer progressed, more severe moisture stress and drought conditions became a major concern preventing proper crop establishment and continued development throughout the growing season. For Interlake producers, the lack of timely precipitation created ongoing uncertainty about yield potential well into the summer months.

Adding to these challenges, warm and windy weather was prevalent across the province during this key window of crop establishment, making it difficult for many producers to apply pesticides. Despite this, disease pressure remained relatively low for most major crops, primarily due to the dry in-season conditions. One notable exception was Verticillium Stripe in canola, which continued to follow an increasing trend seen in the last few years.

Insect pressure was also relatively minimal, due in part to the early seeding dates and strong, healthy plant establishment that was achieved in most areas.

By fall, weather patterns shifted noticeably, with wetter conditions finally arriving across Manitoba after months of dryness. These late-season rains were key to finishing off many crops that had endured the dry summer, particularly soybeans and grain corn.

Harvest began and progressed smoothly, aided by extended stretches of warm temperatures and few weather-related delays.

Late in fall, many areas received a substantial amount of rainfall, which created some complications with fall field work and enhanced volunteer crop growth. The late season rain was welcomed, though, as it restored soil moisture conditions after a dry year and gave a good start to fall-season crops such as winter wheat and fall rye. Pasture conditions also held up relatively well through the season, offering some relief to livestock producers.

Overall, MASC experienced a decrease in claim volumes compared to the previous year. The total number of claims was reduced by 30 per cent, with the largest decrease in Excess Moisture Insurance claims due to the year's dry conditions. Reseed claims, however, were still significant in canola due to poor germination and soil crusting.

Despite another hot and dry summer across much of Manitoba, the 2025 growing season delivered generally good yields among major crops. The year proved challenging, yet ultimately rewarding, contributing to a relatively low Loss to Coverage Ratio (2.1 per cent) for MASC.



Core Programs

MASC's financial and risk management programs contribute directly to the development, growth, and sustainability of a strong rural Manitoba.

MASC's insurance programs protect against losses caused by natural perils for a wide range of agricultural crops and also offer price protection for livestock. MASC's financial products include direct lending and loan guarantees that assist agricultural producers in developing, diversifying, and expanding their farms.

MASC is also entrusted with the delivery of Farmland School Tax Rebates, Wildlife Damage Compensation, and emergency assistance programs on behalf of the governments of Manitoba and Canada.

Insurance

MASC's insurance programs provide producers with a broad complement of risk management tools. Programs are ongoing and enhanced with input from producer groups, producers, staff, and the priorities of MASC's Board of Directors and the Manitoba government.

AgrilInsurance

AgrilInsurance protects against crop production shortfalls and quality losses caused by natural perils. Losses within a producer's control are not covered. AgrilInsurance covers over 80 annual crops, forages during establishment and production, as well as the inability to seed in the spring due to wet conditions.

MASC uses 15 areas of similar crop production risk as the basis for its insurance coverages and premiums for most crops. Coverage methodologies are individualized, and depending on the crop, are based on a producer's relative yield history (compared to the area average) or a producer's own yield history.

MASC also has **Insurance Test Areas** that insure dry edible beans, sunflowers, open pollinated corn, and lentils outside of their respective designated insurance areas.

AgrilInsurance coverage is based on the expected (probable) yield, multiplied by the selected coverage level and the number of insured acres. If the harvested production (adjusted for quality loss) falls below coverage, the producer is paid an indemnity equal to the production shortfall multiplied by the insured dollar value.

AgrilInsurance Benefits and Options

A **Reseed Benefit** is provided to compensate insured producers who suffer early crop losses and reseed to an eligible crop prior to the seeding deadline.

Excess Moisture Insurance (EMI) is a basic feature of Manitoba's AgrilInsurance program that provides insurance for land that is too wet to seed. Producers with an active AgrilInsurance contract automatically receive basic EMI coverage and pay a corresponding premium.

The **Contract Price Option (CPO)** allows producers to blend the price of their contracted production with the base AgrilInsurance dollar value to better reflect expected market prices. The CPO is available for most insurable crops (including forage seed, organic, and pedigreed crops, but excluding potatoes, vegetables, and forages).

Crop Coverage Plus gives producers the option to insure all their eligible crops with a whole-farm guarantee. Crop Coverage Plus pays an indemnity if the combined production value of all crops falls short of the whole-farm coverage. Depending on the mix of crops, Crop Coverage Plus can provide whole-farm coverage of up to 90 per cent for the same or lower premium cost than 80 per cent crop-specific coverage.

MASC's forage programs include **Select Hay Insurance** for producers who want maximum protection against production shortfalls and quality losses, and **Basic Hay Insurance**, a lower cost alternative that protects against production shortfalls.



The **Hay Disaster Benefit** provides additional indemnity payments in times of a province-wide disaster and is included with both Select Hay and Basic Hay Insurance. The Hay Disaster Benefit was not triggered in 2025/26, and therefore no benefits were paid out.

Additional forage program options include the **Harvest Flood Option**, which provides coverage on coarse hay when conditions are too wet to harvest; and the **Enhanced Quality Option** that provides a higher Relative Feed Value guarantee for alfalfa.

The **Forage Restoration Benefit** is a standard AgrilInsurance feature that provides a benefit for tame hay and forage seed crops destroyed by excess moisture. Damaged forage crops that are overseeded qualify for a reduced level of Forage Restoration Benefit.

Forage Establishment Insurance is available for the establishment of eligible forage crops, with spot-loss compensation provided when a crop fails to establish due to natural perils.

Pasture Insurance is available for producers with forage insurance, using their Basic Hay or Select Hay loss as a proxy for their pasture loss. Under this program, 287 producers insured pastures for 41,880 livestock in 2025/26.

Pasture Days Insurance provides protection against having to remove livestock from pasture earlier than normal (due to a designated peril). Under this program, 114 producers insured pastures for 26,698 livestock in 2025/26.

In addition to traditional AgrilInsurance coverage for vegetable crops, **Vegetable Acreage Loss Insurance**

provides commercial vegetable producers with protection against production shortfalls that are severe enough to warrant working down (destroying) all or part of a crop.

Small Farm Vegetable Acreage Loss Insurance

has been designed to meet the unique needs of small-scale vegetable producers. This program allows producers to combine their small plots of eligible Vegetable Acreage Loss Insurance crops and receive basket coverage during the regular growing season. In 2025/26, four policies were issued under the program, insuring a total of 4.0 acres. No indemnities were paid during this period.

Strawberry Establishment Insurance and Saskatoon

Establishment Insurance provide protection for commercial strawberry and saskatoon growers against losses during the establishment period. Compensation is paid when more than 20 per cent of the plants are lost to insurable causes.

Novel Crop Insurance provides coverage on seed and grain crops that are not currently covered by the AgrilInsurance program, due to the relatively small acreages grown and/or lack of data available. In 2025/26, 17 policies were issued under the program, insuring a total of 2,935 acres.

Overwinter Bee Mortality Insurance provides protection against unmanageable overwinter losses of honeybees. In 2025/26, 60 beekeepers insured 43,332 colonies for a total coverage of \$9.1 million.

Table 1 – AgrilInsurance Statistics – 2021/22 to 2025/26

	2021/22**	2022/23**	2023/24**	2024/25**	2025/26**
Number of producer contracts	7,668	7,651	7,590	7,527	7,372
Insured acres (millions)	9.8	9.9	9.9	9.9	9.9
Total coverage (liability) (\$ millions)	3,354.6	4,617.8	5,794.1	4,955.8	4,539.7
Producer premiums collected (\$ millions)	91.3	125.0	184.5	144.7	133.0
Total premiums collected (\$ millions)	226.1	310.5	456.7	359.7	329.8
Average coverage level selected (%)	78.3	78.6	78.5	78.7	78.6
Number of claims paid	14,963	6,843	5,788	5,869	4,117
Indemnities paid (\$ millions)	569.6	212.7	181.0	235.8	96.4
Increase (decrease) in Production Insurance Fund (\$ millions)*	(382.9)	65.2	239.3	99.0	224.5
Funds retained, end of year (\$ millions)	408.6	473.8	713.1	812.1	1,036.6
Indemnities to total premium ratio (%)	252	69	40	66	29
Indemnities to coverage ratio (%)	17.0	4.6	3.1	4.8	2.1

* Includes the MASC reserve fund and the trust fund balances.

** See Notes to the Financial Statements, Item 2(J). Premiums and Government Contributions.

Note: The above statistics are based on the insurance crop year and as such, may not correspond exactly to the 2025/26 financial statements.

Table 2 – Summary of 2025/26 AgrilInsurance

As of March 31, 2026

Crop	Acres Insured	Coverage (000)	Total Premium (000)	Indemnities (000)	Loss Ratio %
Red Spring Wheat	2,703,787	\$ 1,191,426.1	\$ 51,723.2	11,254.8	22
Durum Wheat	19,002	\$ 6,291.8	\$ 296.2	153.1	52
Prairie Spring Wheat	35,755	\$ 14,599.6	\$ 636.0	356.2	56
Hard White Wheat	-	\$ -	\$ -	-	-
Other Spring Wheat	2,800	\$ 1,040.5	\$ 67.0	13.3	20
Winter Wheat	43,327	\$ 12,630.7	\$ 788.4	821.8	104
Northern Hard Red Wheat	135,153	\$ 58,052.9	\$ 4,002.2	757.7	19
Barley	268,789	\$ 66,353.3	\$ 5,260.8	1,147.2	22
Oats	472,676	\$ 164,440.2	\$ 16,255.8	7,219.7	44
Mixed Grain	4,530	\$ 536.3	\$ 58.6	71.2	122
Fall Rye	118,653	\$ 33,629.6	\$ 2,387.3	832.2	35
Triticale	739	\$ 118.1	\$ 3.0	-	-
Canola	2,849,269	\$ 1,377,818.8	\$ 69,688.6	24,780.4	36
Rapeseed	4,669	\$ 1,842.4	\$ 150.1	210.3	140
Flax	33,112	\$ 10,570.6	\$ 1,314.8	474.0	36
Mustard	865	\$ 160.8	\$ 33.8	19.6	58
Oil Sunflowers	54,574	\$ 21,608.0	\$ 1,750.8	553.3	32
Non Oil Sunflowers	11,503	\$ 6,459.9	\$ 981.3	91.0	9
Buckwheat	3,426	\$ 501.6	\$ 135.8	105.9	78
Grain Corn	577,085	\$ 326,051.5	\$ 30,638.0	3,703.0	12
Silage Corn	93,186	\$ 50,578.9	\$ 4,202.9	2,228.1	53
Potatoes	44,176	\$ 216,677.8	\$ 7,667.0	78.9	1
Vegetables (1)	1,009	\$ 4,198.1	\$ 368.5	331.5	90
Novel Crops (2)	2,935	\$ 1,129.6	\$ 75.7	23.2	31
Field Peas	185,714	\$ 69,996.8	\$ 5,523.3	1,622.0	29
Lentils	1,990	\$ 529.3	\$ 90.2	-	-
Fababeans	3,027	\$ 757.9	\$ 131.7	9.3	7
Dry Edible Beans (3)	206,654	\$ 149,006.8	\$ 14,414.0	5,204.0	36
Soybeans	1,569,845	\$ 630,686.0	\$ 55,887.5	8,040.6	14
Select Hay	163,859	\$ 38,219.7	\$ 5,355.6	8,398.2	157
Basic Hay (4)	96,154	\$ 13,352.2	\$ 1,746.6	2,330.0	133
Hay Disaster Benefit	-	\$ 13,661.7	\$ 798.7	-	-
Pasture	-	\$ 1,494.6	\$ 187.4	-	-
Pasture Days	-	\$ 6,903.8	\$ 330.8	524.7	159
Polycrop Establishment	2,865	\$ 334.4	\$ 55.2	49.0	89
Forage Establishment	90,907	\$ 11,070.7	\$ 2,247.7	1,042.8	46
Pedigreed Timothy Seed	7,874	\$ 1,722.5	\$ 269.8	203.7	76
Alfalfa Seed	10,377	\$ 3,513.8	\$ 970.3	650.9	67
Canaryseed	4,014	\$ 1,443.4	\$ 233.4	71.1	31
Annual Ryegrass Seed	2,062	\$ 604.1	\$ 87.8	151.6	173
Perennial Ryegrass Seed	16,575	\$ 8,773.0	\$ 1,099.0	181.5	17
Proso Millet Seed	4,891	\$ 1,650.3	\$ 292.5	427.9	146
Tall Fescue Seed	3,136	\$ 935.6	\$ 252.1	164.5	65
Hemp Grain	5,872	\$ 2,445.0	\$ 412.7	282.6	69
Greenfeed	36,408	\$ 5,793.6	\$ 1,216.8	534.6	44
Open Pollinated Silage Corn	1,004	\$ 265.4	\$ 23.9	-	-
All Other Crops	48	\$ 16.0	\$ 1.7	-	-
Overwinter Bee Mortality	-	\$ 9,116.0	\$ 1,001.0	2,383.0	238
Estimate of Incomplete Claims	-	-	-	8,854.4	-
Subtotal	9,894,296	\$ 4,539,009.7	\$ 291,115.5	\$ 96,352.8	33
Excess Moisture Insurance (5)	7,218	740.2	38,694.1	2.5	-
Total	9,901,514	\$ 4,539,749.9	\$ 329,809.6	\$ 96,355.3	29

(1) Vegetables includes carrots, cooking onions, rutabagas and parsnips and the Vegetable Acreage Loss Program.

(2) Novel Crops include crops not otherwise covered by the AgrilInsurance program due to the relatively small number of acres grown i.e. Intercrop mixture, quinoa, winter triticale, etc.”

(3) Dry edible beans includes white pea, pinto, black, kidney, cranberry, small red and other dry edible beans.

(4) Basic Hay includes the Harvest Flood Option premium and indemnities.

(5) Excess Moisture Insurance (EMI) acreage and coverage shown in the table is only for land that could not be seeded due to excess moisture and on which claims were paid. Total EMI insured acreage and coverage were 9,760,607 and \$852,865,392 respectively.

Note: The above statistics are based on the insurance crop year and, as such, may not correspond exactly to the 2025/26 financial statements. To maintain client confidentiality, crops with less than 500 acres and three growers have been otherwise grouped together. Hard White Wheat, Triticale, Open Pollinated Silage Corn, and Strawberry and Saskatoon Establishment have been combined as All Other Crops.

Figure 1 – AgrilInsurance Causes of Loss

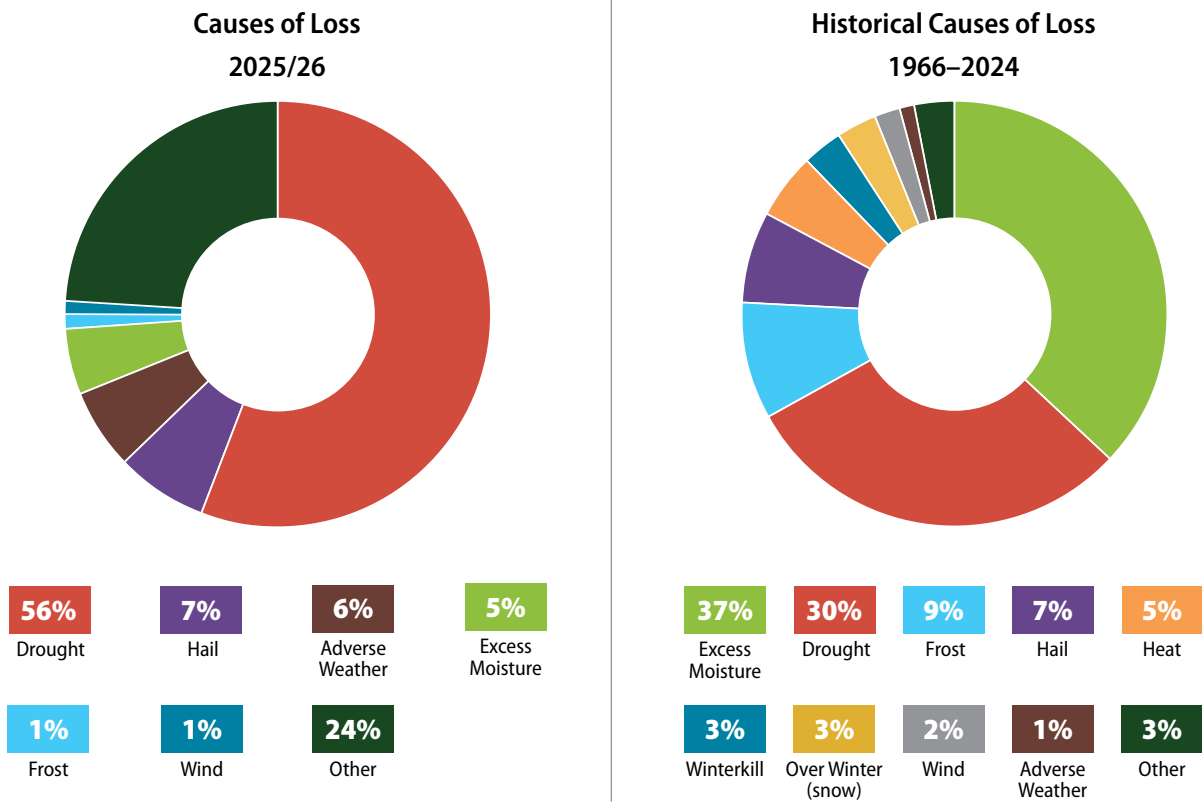
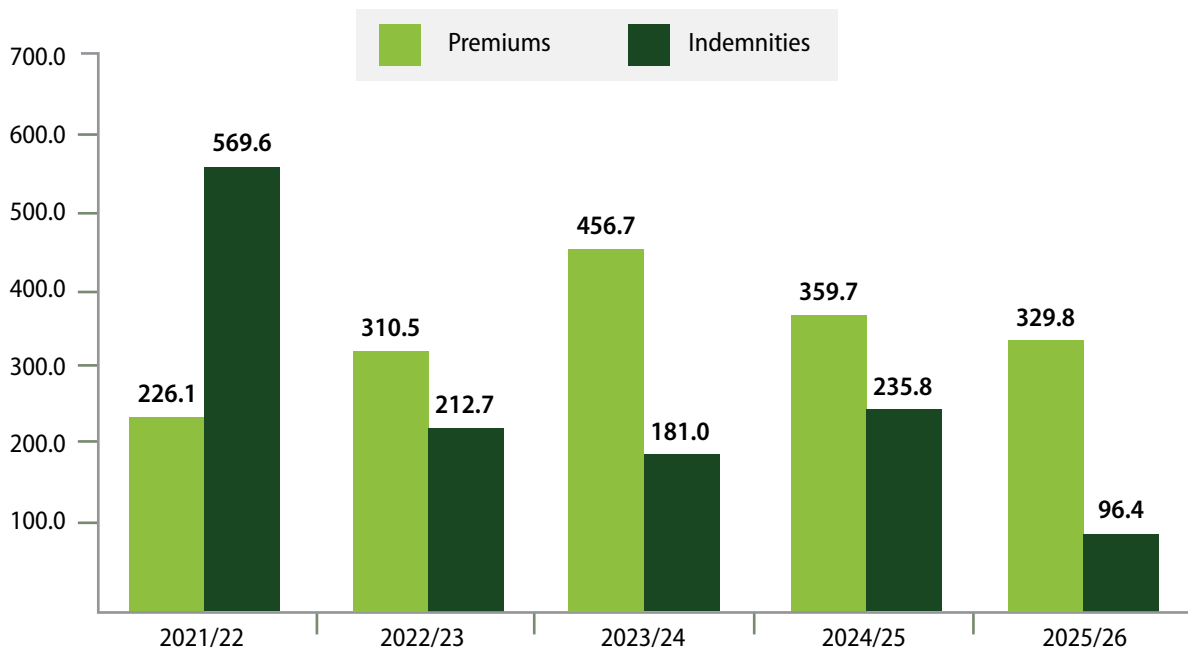


Figure 2 – AgrilInsurance Premiums Collected and Indemnities Paid (\$ millions)



Note: The above statistics are based on the insurance crop year and, as such, may not correspond exactly to the 2025/26 financial statements.

Hail Insurance

A separate policy covering spot-loss hail damage is available to producers who participate in AgrilInsurance. Producer premiums fund all Hail Insurance costs, including administrative expenses. Coverage can be selected at any time during the growing season and is available in various dollar amounts depending on the crop. Hail Insurance also provides coverage of losses due to accidental fire.

The **Continuous Hail Insurance Option** (CHIO) lets producers automatically insure all eligible crops without an annual application. In 2025/26, 62 per cent of MASC's Hail Insurance contract holders participated in CHIO.

Manitoba experienced sporadic hail activity throughout the province in 2025/26, that was on track with the previous year. MASC insured

4.4 million acres in 2025/26, with total Hail Insurance coverage (liability) of \$1,657.3 million. Premiums prior to discounts were \$42.9 million, and with indemnities of \$39.9 million (including \$0.2 million for hail indemnities for the 2024/25 year paid in 2025/26), the resulting loss ratio (loss as a percentage of premium) was 92 per cent for 2025/26. After accounting for an interest revenue of \$3.5 million, CHIO discounts and early payment discounts totalling \$2.6 million, reinsurance premium of \$1.5 million and administrative expenses of \$5.1 million, Hail Insurance had a net loss for the year of \$2.7 million. As a result, the Hail Insurance Trust equity decreased from \$120.8 million to \$118.1 million. In 2025/26, MASC's Hail Insurance represented 58 per cent of Manitoba's crop hail insurance market.

Figure 3 – Hail Insurance Premiums and Indemnities (\$ millions)

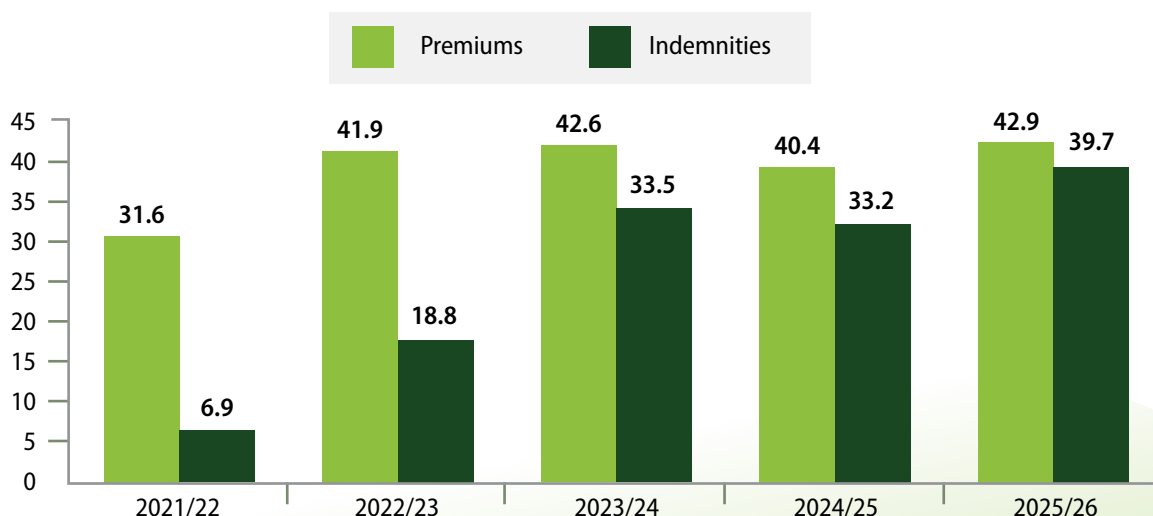


Table 3 – Hail Insurance Statistics – 2021/22 to 2025/26

	2021/22*	2022/23*	2023/24*	2024/25*	2025/26*
Number of producer contracts	3,288	3,407	3,435	3,376	3,328
Insured acres (millions)	3.9	4.1	4.3	4.4	4.4
Total coverage (liability) (\$ millions)	1,121.3	1,502.9	1,594.2	1,643.5	1,657.3
Premiums, prior to discounts (\$ millions)	31.6	41.9	42.6	40.4	42.9
Number of claims paid	521	1,053	1,875	1,328	1,735
Indemnities paid (\$ millions)	6.9	18.8	33.5	33.2	39.7
Increase (decrease) in Hail Insurance Fund (\$ millions)	19.1	18.0	5.5	4.0	(2.7)
Funds retained, end of year (\$ millions)	93.2	111.2	116.7	120.8	118.1
Indemnities to premium ratio (%)	22	45	79	82	92
Indemnities to coverage ratio (%)	0.6	1.3	2.1	2.0	2.4

* Includes the MASC reserve fund and the Trust fund balances.

Note: The above statistics are based on the insurance crop year and, as such, may not correspond exactly to the 2025/26 financial statements.

Livestock Price Insurance

Livestock Price Insurance (LPI) offers price protection for cattle and hog producers with settlement prices based on the average price in western Canadian markets.

MASC is the insurer for Manitoba producers, with online applications, premium payments, and indemnity settlements handled by Agriculture Financial Services Corporation (AFSC) on behalf of MASC. AFSC's administrative expenses are shared by the participating provinces.

For the year ending March 31, 2026, Manitoba's share of AFSC's administrative expenses was \$190,000 (nine per cent of the total). In addition, MASC directly incurred \$387,000 in expenses, bringing Manitoba's total expenses to \$577,000 (2024/25 - \$573,000).

Administration for this program is cost-shared 60 per cent by Canada and 40 per cent by Manitoba. Starting April 1, 2023, LPI was extended for a five-year period through a multilateral agreement between the governments of Canada and the four Western Canadian provinces. Canada provides deficit financing for the duration of LPI; however, any deficit on account of Manitoba producers at the end of the program is the responsibility of the Manitoba government.

In 2025/26, Manitoba producers purchased 302 LPI policies. The total insurance coverage was \$66.4 million, with \$700 of indemnities.

Table 4 – Livestock Price Insurance – Manitoba Statistics 2025/26

Livestock Type	Number of Livestock Insured		Coverage (000)		Premium* (000)		Indemnities (000)	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
Calves	19,914	12,322	\$ 46,999.2	\$ 34,082.2	\$ 903.2	\$ 624.8	\$ 1.1	\$ 0.0
Feeder Cattle	32,443	8,436	94,981.2	31,880.1	1,291.3	749.9	0.6	0.7
Fed Cattle	1,559	120	5,526.9	449.6	116.5	10.0	0.0	0.0
Total	53,916	20,878	\$ 147,507.3	\$ 66,411.9	\$ 2,311.0	\$ 1,384.7	\$ 1.7	\$ 0.7

*See Notes to the Financial Statements, Item 2(J) Revenue Recognition.

Note: The above statistics are based on information up to March 31, 2026, based on the insurance year, and may not correspond exactly to the 2025/26 financial statements or the prior year's annual report comparatives.



Lending

MASC has a wide range of lending programs available, with flexible terms and conditions, designed to suit the unique needs of Manitoba's agricultural producers. MASC provides direct lending to clients and guarantees loans made by private sector financial institutions.

The **Bridging Generations Initiative** supports young farmers (under the age of 40) with the inter-generational transfer of assets by providing flexible financing options and Young Farmer Rebates.

In 2025/26, MASC issued 221 Direct Loans totalling \$55.9 million to young producers. Overall, 66 per cent of Direct Loans were issued to young farmers in 2025/26, continuing an upward trend from 65 per cent in 2024/25 and 63 per cent in 2023/24. Through its lending programs, MASC approved a total of \$104 million in loans to young farmers during the year.

MASC's **Flexible Financing** options give young farmers a choice between 90 per cent financing or five years of interest-only payments, thereby providing the flexibility of a reduced initial down payment or the easing of cash flow pressure during an operation's critical start-up phase. In 2025/26, MASC approved 42 loans for \$23.4 million under the flexible financing options.

The **Young Farmer Rebate (YFR)** reduces the cost of borrowing in the critical start-up phase of an operation. The YFR provides an annual rebate of up to two percentage points on the first \$400,000 of loan principal and is available for the first five years of a loan, resulting in a maximum lifetime rebate of \$40,000. In 2025/26, YFRs totalled \$1.2 million.

New in 2025/26, the **Young Farmer Lending Fee Credit** helps first-time applicants become familiar with MASC's lending process. By watching a short video outlining the loan application process, eligible young farmers can have their application fee waived. In 2025/26, MASC waived \$68,640 in application fees through the program, supporting 68 loan applications.

Loans

MASC offers short, intermediate, and long-term financing at reasonable interest rates to eligible Manitoba agricultural producers. Clients are not penalized for prepaying their loans and have the flexibility to either lock in an interest rate for the full amortization period (up to 25 years) or select renewable interest rates for one to five years. As shown in Table 5, as of March 31, 2026, MASC had 4,541 loans outstanding with current balances totalling \$831.0 million.

Direct Loans are available for purposes such as: the purchase of agricultural land and buildings, agricultural equipment, breeding livestock, and quota for supply-managed commodities; construction or renovation of farm buildings including farm homes, greenhouses, and nurseries; consolidation and refinancing of debts; and financing operating expenses.

Direct Loans also include **Alternate Energy Loans**, which are available to finance the capital costs associated with alternate energy projects, such as ethanol, biodiesel, biomass, and wind energy production; and **Environmental Enhancement Loans** that provide financial assistance to producers to improve the environmental sustainability of their operations. In 2025/26, MASC introduced **Feeder Plus Loans** – a new revolving financing option for cattle producers, providing up to \$6.25 million for purchasing feeder steers and heifers, or for advances on owned feeder cattle. MASC approved five Feeder Plus Loans in 2025/26, for a total of \$10.4 million.

In 2025/26, MASC approved 421 new Direct Loans for a total of \$115.6 million, an increase of 29 per cent in the total new loan amount from the previous year. As of March 31, 2026, MASC's total Direct Loan portfolio was \$733.5 million (4,256 loans).

Stocker Loans provide producers with short-term financing to purchase feeder cattle or lambs, or as a cash advance on their own retained feeder animals. MASC issued 171 Stocker Loans in 2025/26 for a total value of \$75.4 million (up 33 per cent from 2024/25). As of March 31, 2026, the Stocker Loan portfolio consisted of 150 loans for \$60.5 million.

Comprehensive Refinancing Loans assist existing MASC clients who are experiencing financial difficulty. In 2025/26, three refinancing loans were approved, which was a 50 per cent increase from 2024/25, and the associated dollar amount increased 220 per cent to \$1.6 million. As of March 31, 2026, the Comprehensive Refinancing Loan portfolio consisted of 131 loans for \$31.2 million.

Enterprise Development Loans provide financial support for Manitoba government initiatives that are aimed at developing and diversifying the rural economy. As of March 31, 2026, the Enterprise Development Loan portfolio consisted of one loan for \$5.7 million.

Emergency Assistance Loans are one-time loan programs designed to deal with specific emergency situations, and in the past have included: Manitoba Hog Assistance Loans, BSE Recovery Loans, Enhanced Flood Proofing Assistance Loans, and Producer Recovery Loans. There were no new loan programs in this category in 2025/26; however, existing portfolios remain in run-off status. As of March 31, 2026, there were three loans outstanding for \$0.1 million.

Property Management – As a result of debt settlement negotiations and foreclosure proceedings, MASC occasionally acquires title to land. As of March 31, 2026, MASC has no land remaining in inventory.

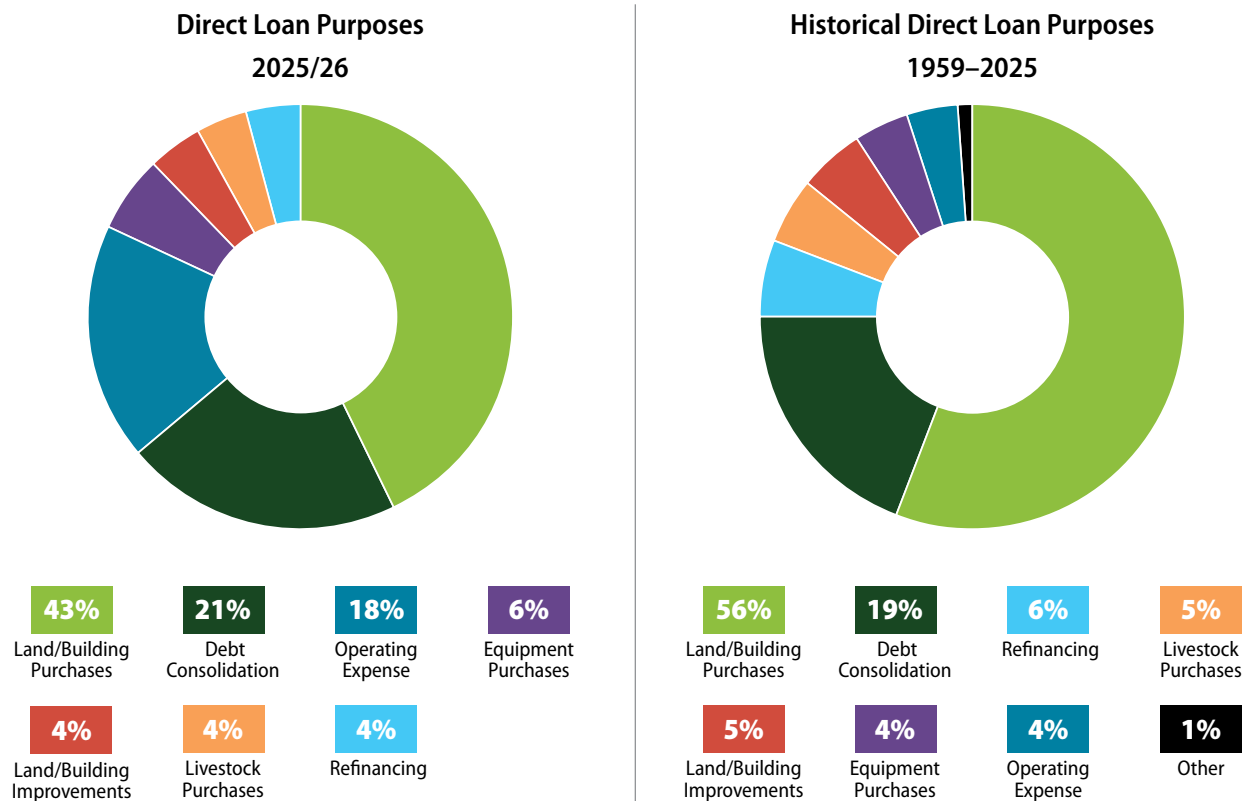
Table 5 – Loan Summary

	Approvals 2024/25		Approvals 2025/26		Outstanding as of March 31, 2026	
	Number	Millions	Number	Millions	Number	Millions
Direct Loans ¹	450	\$ 89.6	421	\$ 115.6	4,256	\$ 733.5
Stocker Loans	184	56.8	171	75.4	150	60.5
Comprehensive Refinancing Loans	2	0.5	3	1.6	131	31.2
Enterprise Development Loans	1	5.9	-	-	1	5.7
Manitoba Hog Assistance Loans ²	-	-	-	-	1	0.0
BSE Recovery Loans ²	-	-	-	-	2	0.1
Total	637	\$ 152.8	595	\$ 192.6	4,541	\$ 831

(1) Includes Operating, Feeder Plus, Environmental Enhancement, Alternate Energy, and Onsite Wastewater Management Systems Loans.

(2) Emergency Assistance Loans that are still outstanding and in run-off status.

Figure 4 – Direct Loan Purposes



Loan Guarantees

MASC guarantees various types of loans made by private sector lending institutions that are generally considered to be higher risk. In partnership with credit unions, caisse populaires, and certain chartered banks, MASC helps provide rural Manitobans with access to credit with reasonable interest rates and terms. As shown in Table 6, as of March 31, 2026, MASC had 170 outstanding loan guarantees amounting to \$38.1 million, which facilitated loans made by participating lenders totalling \$151.4 million. MASC does not charge any fees for loan guarantees. Except for the Diversification Loan Guarantee program, all loan guarantees are subject to maximum amounts.

Diversification Loan Guarantees assist producers and agricultural enterprises in diversifying their operations and/or adding value to agricultural commodities. MASC provides a 25 per cent guarantee of the principal amount of the loan made by a participating lender. In 2025/26, MASC did not approve any new guarantees on loans. As of March 31, 2026, MASC had 110 active loan guarantees with related loan amounts of \$108.5 million.

Manitoba Livestock Associations Loan Guarantees provide members of livestock associations with more favourable financing terms than they would be able to access individually. In addition, members benefit from reduced handling costs due to the association's higher sales volume. MASC guarantees 25 per cent of the principal amount of a loan made by a participating lender to a livestock association. As of March 31, 2026, there were nine associations with 89 active members, and an approved maximum total loan amount of \$23.6 million.

Operating Credit Guarantees assist producers in obtaining lines of credit with reasonable terms from lending institutions that participate in the program. MASC guarantees the actual eligible loss incurred by the participating private lender, up to 25 per cent of the maximum amount advanced under a line of credit. The guarantee facilitates financing that otherwise would not be offered by private sector lending institutions. As of March 31, 2026, MASC had 39 active guarantees with a maximum total loan amount of \$18.9 million.

Figure 5 - Five-Year Lending Statistics - Year End Totals (\$ millions)

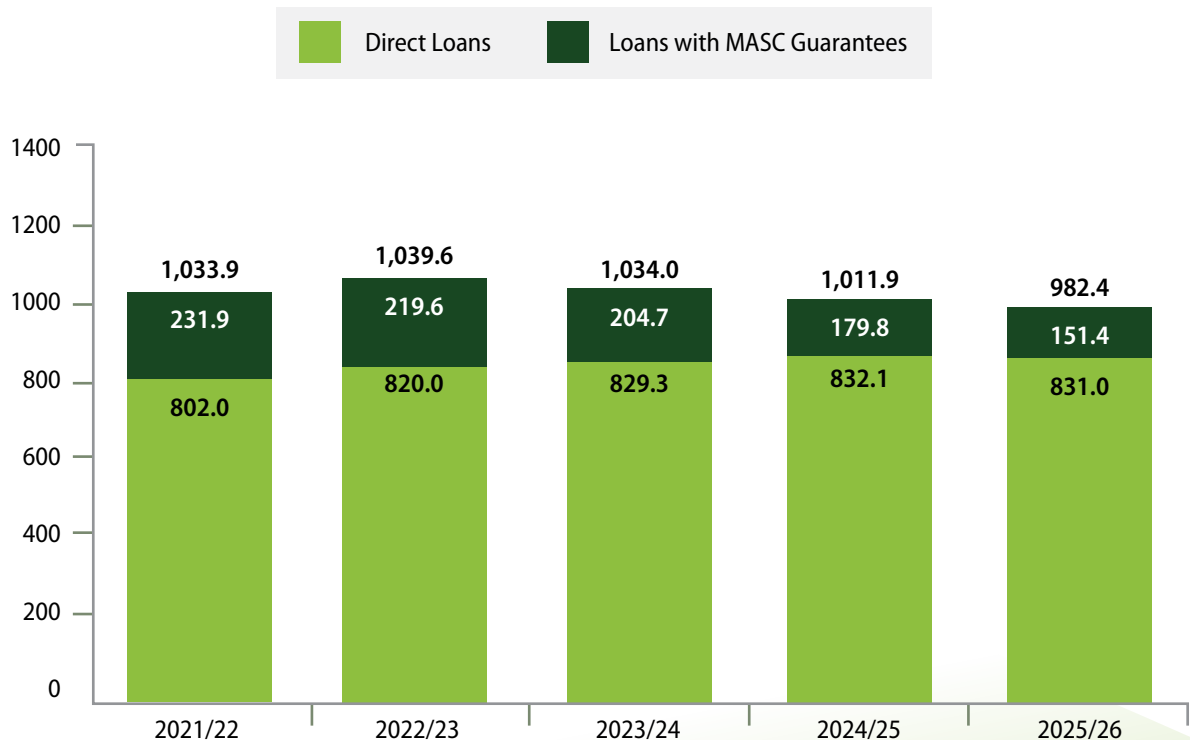


Table 6 – Loan Guarantees Summary

	Loan Approvals 2024/25		Loan Approvals 2025/26		Related Outstanding Loans by Lending Institutions as of March 31, 2026		Outstanding Loan Guarantees as of March 31, 2026
	Number	Millions	Number	Millions	Number	Millions	Millions
Diversification Loan Guarantees	-	\$ -	-	\$ -	110	\$ 108.5 ¹	\$ 27.1
Manitoba Livestock Associations Loan Guarantees	9	33.8	9	23.6	9	23.6 ¹	5.9
Operating Credit Guarantees	35	17.6	40	18.9	39	18.9 ¹	4.7
Rural Entrepreneur Assistance	-	-	-	-	12	0.4 ²	0.4
Total	44	\$ 51.4	49	\$ 42.5	170	\$ 151.4	\$ 38.1

(1) Amounts represent the original amounts for loans that were guaranteed under the program as of March 31, 2026.

(2) Amounts represent the participating lending institutions' loan balances as of March 31, 2026, for loans guaranteed by MASC.

Table 7 – Agricultural Lending Activity by Sector

Primary Enterprise	Direct Lending	Manitoba Livestock Associations Loan Guarantees	Operating Credit Guarantees	Diversification Loan Guarantees	Total
	%	%	%	%	%
Grains/Oilseeds	56.4	-	54.5	0.9	54.2
Other Crops	1.0	-	-	6.6	1.1
Cattle	38.4	100.0	23.3	-	37.5
Hogs	0.4	-	5.3	1.1	0.5
Poultry	0.3	-	-	16.7	0.9
Dairy	1.6	-	1.6	69.0	3.7
Other	1.9	-	15.3	5.7	2.1
Total by Program	100.0	100.0	100.0	100.0	-
Share of All Programs (%)	95.6	0.7	0.6	3.1	100.0

Note: The table does not include Rural Entrepreneur Assistance. In the case of loan guarantee programs, this table includes only MASC's guaranteed amounts (i.e. the contingent liability), rather than the loan activity generated by the guarantees.

Other Initiatives

Wildlife Damage Compensation

The Wildlife Damage Compensation program reduces financial losses to producers caused by predators, big game, and migratory waterfowl. If a producer takes reasonable steps to mitigate damage, the program compensates for 90 per cent of losses to their affected crops and livestock. Administration and program payments up to the 80 per cent level of protection are funded by Canada (60 per cent) and Manitoba (40 per cent). Compensation above 80 per cent is funded entirely by the Manitoba government. The program issued almost \$15.9 million

in financial compensation to producers in 2025/26 incurring crop and livestock damage incurred by designated wildlife.

In 2025/26, Wildlife Damage Compensation payments and related administration totalled \$17.3 million, down from \$17.5 million in the previous year. Administration for 2025/26 was eight per cent of the total program cost.

Table 8 – Wildlife Damage Compensation

Type of Damage	Number of Claims		Compensation (000)		Administration (000)		Total (000)	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
Big Game	1,402	1,438	\$ 10,276.2	\$ 8,804.5	\$ 921.6	\$ 921.7	\$ 11,197.8	\$ 9,726.2
Waterfowl	101	118	578.6	566.8	10.8	11.1	589.4	577.9
Livestock Predation	2,920	2,436	5,189.0	6,494.4	550.8	485.5	5,739.8	6,979.9
Total	4,423	3,992	\$ 16,043.8	\$ 15,865.7	\$ 1,483.2	\$ 1,418.3	\$ 17,527.0	\$ 17,284.0

Farmland School Tax Rebate

MASC is responsible for administering the Manitoba government's Farmland School Tax Rebate program. The Farmland School Tax Rebate for 2024 and 2025 provided property owners with a 40 per cent rebate of school tax owing to a maximum of \$2,500.

As of March 31, 2026, MASC had disbursed rebates for the 2025 tax year to 19,583 applicants totalling \$20.9 million, with incurred administrative expenses of \$586,000 (three per cent of the estimated total program cost).

Table 9 – Farmland School Tax Rebate
As of March 31, 2026

Program Year	Rebate Level (subject to capping)	Applications Paid	Actual Rebate Paid to March 31, 2026 (Millions)	Provision for Future Rebates (Millions)	Estimated Total Rebate (Millions)
2021	60%	24,433	\$ 32.1	\$ 0.0	\$ 32.1
2022	50%	23,704	\$ 25.8	\$ 0.0	\$ 25.8
2023	40%	22,791	\$ 20.8	\$ 0.0	\$ 20.8
2024	40%	22,091	\$ 21.1	\$ 0.0	\$ 21.1
2025 ⁽¹⁾	40%	19,583	\$ 20.9	\$ 1.7	\$ 22.6

(1) Represents less than a full year of activity.

Inspection Services

In support of Manitoba's agricultural sector, MASC provides inspection services at a reasonable cost. In 2025/26, MASC conducted inspections for the Manitoba Livestock Cash Advance program and the Manitoba Crop Alliance Advance Payments program. Total revenue of \$61,000 was generated by these and other miscellaneous audits and inspection services.

Sustainable Canadian Agricultural Partnership – Ag Action Manitoba Program

As of April 1, 2023, MASC has provided financial services on a cost recovery basis to Manitoba Agriculture, which has been authorized to administer the non-business risk management program Ag Action Manitoba under the joint Canada-Manitoba Sustainable Canadian Agricultural Partnership (Sustainable CAP) framework agreement. During the year ended March 31, 2026, MASC incurred administrative expenses and a cost recovery, relating to the administration of the Sustainable CAP Ag Action Manitoba Program totalling \$14,000.



Financial Statements

For the Year Ended March 31, 2026



Responsibility for Financial Statements, Production Insurance Trust, and Hail Insurance Trust

The management of MASC is responsible for the integrity, objectivity, and reliability of the financial statements, the accompanying notes and other financial information in the annual report including the consolidated financial statements of MASC, the Production Insurance Trust, and the Hail Insurance Trust.

Management maintains internal control systems to ensure that transactions are accurately recorded in accordance with established policies and procedures. In addition, certain best estimates and judgements have been made based on a careful assessment of the available information.

The financial statements and accompanying notes are examined by the Auditor General for Manitoba, whose opinion is included here. The Auditor General has access to MASC's Board of Directors, with or without management present, to discuss the results of their audit and the quality of MASC's financial reporting.

Jared Munro
Chief Executive Officer

Karen Klassen
Chief Financial Officer

July 21, 2026

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba

To the Board of the Manitoba Agricultural Services Corporation

Opinion

We have audited the consolidated financial statements of Manitoba Agricultural Services Corporation (MASC), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statement of operations, the consolidated statement of change in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of MASC as at March 31, 2026 and its consolidated results of operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of MASC in accordance with the ethical requirements in Canada that are relevant to our audit of the consolidated financial statements, 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 consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing MASC'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 an intention exists to liquidate MASC or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 MASC'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 MASC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause MASC to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within MASC to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Office of the Auditor General

Office of the Auditor General
Winnipeg, Manitoba
July 21, 2026

MANITOBA AGRICULTURAL SERVICES CORPORATION

Consolidated Statement of Financial Position

As of March 31, 2026 | In Thousands of Dollars

	NOTE	2026	2025
FINANCIAL ASSETS			
			(Note 28)
Cash and cash equivalents	8	\$ 775,869	\$ 524,441
Accounts receivable	9	8,255	7,999
Receivables from the Province of Manitoba	10	12,568	13,445
Receivables from the Government of Canada	11	10,205	12,603
Investments	12	425,114	490,499
Loans receivable	13	813,362	817,012
Total Financial Assets		\$ 2,045,373	\$ 1,865,999
LIABILITIES			
Accounts payable and accrued liabilities	14	\$ 9,122	\$ 7,251
Accounts payable – Sustainable Canadian Agricultural Partnership	15	17,918	16,874
Accounts payable – AgriRecovery	16	-	2,056
Claims payable	17	16,815	52,623
Unearned revenue	18	1,038,403	814,471
Loans from the Province of Manitoba	19	850,155	856,396
Provisions for losses on guaranteed loans	20	4,343	4,470
Future employee benefits	21	8,113	7,263
Total Liabilities		\$ 1,944,869	\$ 1,761,404
Net Financial Assets		\$ 100,504	\$ 104,595
NON-FINANCIAL ASSETS			
Prepaid expenses	2	\$ 772	\$ 501
Tangible capital assets	2 & 22	2,082	1,816
Total Non-Financial Assets		\$ 2,854	\$ 2,317
Accumulated Surplus		\$ 103,358	\$ 106,912

Loan guarantees and contingencies

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Commitments

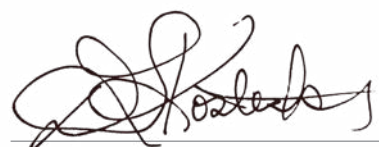
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The accompanying notes and schedules are an integral part of these consolidated financial statements.

Approved by the Board:



John Plohman
Chair, Board of Directors



Don Kotesky
Vice Chair, Board of Directors

MANITOBA AGRICULTURAL SERVICES CORPORATION

Consolidated Statement of Operations

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026		2025
	BUDGET	ACTUAL	ACTUAL
REVENUE			
Premiums from insured producers	\$ 169,316	\$ 84,909	\$ 144,298
Interest from loans	44,791	40,138	40,968
Contribution from the Province of Manitoba	109,121	62,489	97,227
Contribution from the Government of Canada	132,691	55,816	111,347
Investment income	29,850	26,911	37,592
Other income	35	171	67
	485,804	270,434	431,499
EXPENSES			
Lending programs	42,885	44,003	40,356
AgrilInsurance program	358,475	141,159	305,077
Hail Insurance program	43,550	46,467	39,101
Wildlife Damage Compensation program	15,158	17,284	17,527
Farmland School Tax Rebate program	23,040	23,607	21,285
Livestock Price Insurance program	2,657	1,393	1,320
Other programs	39	75	82
	485,804	273,988	424,748
Income (loss) for the year	\$ -	(3,554)	6,751
Accumulated surplus, beginning of year		106,912	100,161
Accumulated surplus, end of year		\$ 103,358	\$ 106,912

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

MANITOBA AGRICULTURAL SERVICES CORPORATION

Consolidated Statement of Change in Net Financial Assets

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026	2025
Income (loss) for the year	\$ (3,554)	\$ 6,751
Tangible capital assets		
Acquisition of tangible capital assets	(590)	(88)
Amortization of tangible capital assets	324	332
	(266)	244
Other non-financial assets		
Decrease (increase) in prepaid expenses	(271)	16
	(271)	16
Increase (decrease) in net financial assets	(4,091)	7,011
Net financial assets, beginning of year	104,595	97,584
Net financial assets, end of year	\$ 100,504	\$ 104,595

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

MANITOBA AGRICULTURAL SERVICES CORPORATION

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2026 | In Thousands of Dollars

Cash provided by (used for):	2026	2025
OPERATING		(Note 28)
Income (loss) for the year	\$ (3,554)	\$ 6,751
Amortization of tangible capital assets	324	332
	(3,230)	7,083
Changes in:		
Accrued interest receivable on investments	3,033	2,121
Receivables	3,019	17,776
Loans receivable	3,644	(2,188)
Accounts payable and accrued liabilities	1,871	(3,268)
Accounts payable – Sustainable Canadian Agricultural Partnership	1,044	9,495
Accounts payable – AgriRecovery	(2,056)	(1,275)
Unearned revenue	223,932	99,659
Claims payable	(35,808)	13,866
Provisions for losses on guaranteed loans	(127)	(517)
Future employee benefits	850	(66)
Prepaid expenses	(271)	16
Cash provided by operating activities	195,901	142,702
CAPITAL		
Tangible capital assets purchased	(590)	(88)
Cash used for capital activities	(590)	(88)
INVESTING		
Investments redeemed	62,352	113,545
Loans disbursed	(190,783)	(149,660)
Loan principal received	190,789	147,727
Cash provided by investing activities	62,358	111,612
FINANCING		
Debt repayments to the Province of Manitoba	(158,241)	(129,438)
Loans from the Province of Manitoba	152,000	152,000
Cash provided by (used for) financing activities	(6,241)	22,562
Net increase in cash and cash equivalents	251,428	276,788
Cash and cash equivalents, beginning of year	524,441	247,653
Cash and cash equivalents, end of year	\$ 775,869	\$ 524,441
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 29,856	\$ 30,439
Interest received	\$ 70,080	\$ 80,649

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

Notes to Consolidated Financial Statements

As of March 31, 2026

1. NATURE OF ORGANIZATION

The Manitoba Agricultural Credit Corporation (MACC) was established under *The Agricultural Credit Corporation Act*. The Manitoba Crop Insurance Corporation (MCIC) was established under *The Crop Insurance Act*. As a result of the proclamation of *The Manitoba Agricultural Services Corporation Act*, C.C.S.M. c.A25 on September 1, 2005, MACC and MCIC were amalgamated to form a provincial Crown corporation called Manitoba Agricultural Services Corporation (MASC) and the legislation establishing the former corporations was repealed.

MASC provides lending, insurance, and other programs and services. Its core programs include direct loans to agriculture producers, loan guarantees, AgrilInsurance, and Hail Insurance. MASC also delivers the Wildlife Damage Compensation program, Farmland School Tax Rebate program, Livestock Price Insurance program, and other programs and services.

MASC is the trustee for the Production Insurance Trust and the Hail Insurance Trust. These trusts were created for the benefit of program participants. The trusts will be used to pay program indemnities to participating producers. Funding for the trusts will be provided by MASC.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

MASC's financial statement information has been consolidated with the Production Insurance Trust and Hail Insurance Trust financial statement information using Public Sector Accounting (PSA) standards. The Production Insurance Trust and Hail Insurance Trust financial statement information is also shown separately at the end of the annual report using International Financial Reporting Standards (IFRS).

(A) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and short-term investments, which are highly liquid investments with short-term maturities (less than three months) and are measured at amortized cost. Interest income is recorded on an accrual basis in investment income in the consolidated statement of operations.

(B) Investments

Funds in excess of operational needs are invested with the Province of Manitoba, in accordance with Section 52(1) of *The Manitoba Agricultural Services Corporation Act*. Investments are carried at cost or amortized cost. Investments are normally held to maturity, but if early redemption is required and it results in a gain or loss, the gain or loss is realized on disposal.

(C) Loans Receivable

Loans receivable are recorded at amortized cost less any amount for allowance for credit losses.

Allowances for impaired loans are made when collection is in doubt. Interest is accrued on loans receivable until the date of write-off. The allowance represents management's best estimate of probable losses. Where circumstances indicate doubt as to the ultimate collectability of principal or interest, specific allowances are established for individual accounts. These accounts are valued at the lower of their recorded value or the estimated net realizable value of the security held for the accounts. In addition to the allowance for loss on loans identified on an individual loan basis, MASC establishes a general allowance representing management's best estimate of additional probable losses based on other factors including the composition and credit quality of the portfolio and changes in economic and business conditions. Actual loan accounts that have been written off are charged to the appropriate allowance once the available security has been realized and all other collection efforts have been exhausted.

(D) Claims Payable

Claims payable are comprised of claims approved but not yet disbursed and a provision for claims in process. The provision represents management's best estimate of probable claims against the programs and is determined through a review of each program. For most programs, the provision is established by reviewing outstanding claims and either providing individual claim estimates or establishing an average loss and multiplying this amount by the number of claims outstanding.

(E) Loans from the Province of Manitoba

Loans from the Province of Manitoba are carried at amortized cost.

(F) Provision for Losses on Guaranteed Loans

The provision for losses on loan guarantees is determined annually through a review of each guarantee program. The provision represents management's best estimate of probable claims against the loan guarantees. Such provision is intended to cover MASC's share of principal, accrued and unpaid interest, and any additional amounts that are recoverable by the financial institution that issued the loan.

Current year provisions for guaranteed loan losses are charged as expenses to the provision for guaranteed loan losses. Loan guarantee claims that have been paid are charged to the appropriate provision.

(G) Future Employee Benefits

The employees of MASC belong to the Manitoba Civil Service Superannuation Fund plan, which is a multi-employer joint trustee pension plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service, and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. Pension costs included in these statements are comprised of: the cost of employer contributions for the current year of service of employees, employer costs for past service costs relating to a portion of current and retired employees, plan amendments, and accrued benefits. Experience gains and losses are amortized over the expected average remaining service life beginning in the year of the actuarial valuation.

MASC employees are entitled to vacation and severance pay in accordance with the terms of the collective agreements and corporate policy. The severance pay liability is recorded based on an actuarial valuation and vacation pay is recorded based on management's best estimate. Experience gains and losses are amortized over the expected average remaining service life beginning in the year of the actuarial valuation.

Note 21 provides additional information on future employee benefits.

(H) Prepaid Expenses

Prepaid expenses are payments for goods or services, which will provide economic benefit in future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.

(I) Tangible Capital Assets

MASC's tangible capital assets are recorded at historical cost and amortized on a straight-line basis over their estimated useful life, as follows:

Leasehold improvements	Remaining term of lease
Furniture and equipment	10 years
Computer hardware and software	4 years
Major application development	8 years

(J) Revenue Recognition

MASC follows PS 3400 Revenue for revenue recognition. Revenues that do not have performance obligations are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Revenues with performance obligations are recognized when the performance obligation is satisfied. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Transfers (revenues from non-exchange transactions) are recognized as revenue when the transfer is authorized, all eligible criteria are met, and a reasonable estimate of the amount can be made.

(K) Premiums and Government Contributions

MASC recognizes as revenue all premiums earned on insurance policies in force during the year for all insurance programs except for AgrilInsurance.

MASC follows PS 3100 restricted assets and revenues for recognition of AgrilInsurance premiums and PS 3410 government transfers for contributions from the Province of Manitoba and Government of Canada. The revenue for the AgrilInsurance program will be recognized when the restricted assets are used for the specified purposes under the Sustainable Canadian Agricultural Partnership agreement and the AgrilInsurance Regulation. Premiums and government contributions include all accruals determined for current year entitlements that have been authorized by March 31, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.

The Canada-Manitoba AgrilInsurance Agreement, which is consolidated in Annex B of the Sustainable Canadian Agricultural Partnership: A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy, provides for the cost sharing of AgrilInsurance premiums. For most AgrilInsurance programs, premiums are paid 40 per cent by insured producers, 36 per cent by the Government of Canada and 24 per cent by the Province of Manitoba. The exceptions are: the Excess Moisture Insurance (EMI) Reduced Deductible Option, which is paid entirely by participating producers; the highest EMI High Dollar Value Option, which is paid 67 per cent by insured producers, 20 per cent by the Government of Canada and 13 per cent by the Province of Manitoba; and the Hay Disaster Benefit, which is paid 60 per cent by the Government of Canada and 40 per cent by the Province of Manitoba.

(L) Administrative Expenses

Identifiable administrative expenses for all the programs administered by MASC are charged directly to the specific program. Where the direct charging of administrative expenses to specific programs is not possible, these expenses are allocated to each program on a basis approved by MASC's Executive Management.

The Canada-Manitoba AgrilInsurance Agreement referred to in Section (K) of this note, stipulates that associated administrative expenses, net of any administrative revenues, will be shared by the Government of Canada (60 per cent) and the Province of Manitoba (40 per cent).

(M) Financial Instruments

MASC's financial instruments include cash and cash equivalents, receivables, investments, loans receivable, accounts payable and accrued liabilities, accounts payable – Sustainable Canadian Agricultural Partnership, accounts payable – AgriRecovery, claims payable, loans from the Province of Manitoba, and provisions for losses on guaranteed loans.

All financial instruments are held at cost or amortized cost. The effective interest method is used to recognize interest income or expense. Transaction costs related to all financial instruments are expensed as incurred.

(N) Measurement Uncertainty

The preparation of financial statements that conform to Canadian PSA standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, all at the date of the financial statements; as well as the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include provisions for losses on accounts receivable, loans receivable, loan guarantees, liabilities for claims and program payments, future employee benefits, and accrued administration liabilities.

(O) Future changes in accounting standards

The Public Sector Accounting Board (PSAB) has issued: The Conceptual Framework for Financial Reporting in the Public Sector and PS 1202, Financial Statement Presentation, effective April 1, 2026.

These standards will replace the existing conceptual framework and financial reporting model PS 2000 Financial Statements Concepts and PS 1100 Financial Statement Objectives along with PS 1201 Financial Statement Presentation. These new standards are effective for MASC for the fiscal year ending March 31, 2027.

3. FINANCIAL STRUCTURE

(A) Funding

The Board of Directors approved MASC's 2025/26 budget on June 17, 2025. Inspection Services is budgeted under Other Programs, while other activities such as emergency assistance programming are not budgeted. The table below provides the budgeted amounts for the Province of Manitoba and the Government of Canada and a reconciliation to the amounts that are shown in MASC's Consolidated Statement of Operations:

In Thousands of Dollars	Province of Manitoba		Government of Canada	
Funding approved by governments	\$	109,129	\$	132,505
Non-cash items*		(8)		186
Funding approved by MASC's Board of Directors	\$	109,121	\$	132,691

*Includes items such as amortization and unfunded pension expense.

(B) Lending Programs

The lending programs' accumulated deficit of \$19,306,000 (2025 - \$16,905,000) is mainly comprised of the provision for loan losses and the provision for losses on guaranteed loans. The Province of Manitoba only funds loan losses when they are written off or when an eligible claim is submitted by a private sector financial institution for a loan guarantee. Annual changes to the provisions are not funded but are part of MASC's budget.

(C) AgrilInsurance and Hail Insurance Fund Balance Restrictions

The AgrilInsurance and Hail Insurance funds are restricted as set out in Sections 58 and 61 of The Manitoba Agricultural Services Corporation Act. The only items to be paid out of these funds are: indemnities payable under the contracts of insurance; premiums or other amounts payable for reinsurance; interest on any money borrowed for the purpose of the funds; and expenses relating to the administration of the funds.

4. WILDLIFE DAMAGE COMPENSATION PROGRAM

MASC administers the Wildlife Damage Compensation program, which pays producers for damage to agricultural crops and related products caused by migratory waterfowl or wildlife (big game animals), as well as for the injury or death of domestic livestock caused by natural predators. The program compensates for 90 per cent of production loss with the top-up level (80 to 90 per cent) of protection funded entirely by the Province of Manitoba. Administrative expenses and program payments up to the 80 per cent level of protection are shared by the Government of Canada (60 per cent) and the Province of Manitoba (40 per cent).

5. FARMLAND SCHOOL TAX REBATE

In April 2005, MASC became responsible for administering the Farmland School Tax Rebate program. The purpose of the program is to assist Manitoba farmland owners by providing a rebate on the school tax paid on farmland. The rebate level of 40 per cent remained consistent with the 2024 tax year rebate level of 40 per cent. The rebates are subject to a \$2,500 maximum (\$2,500 maximum for the 2024 tax year), which includes all parties that are related persons of the applicant. The definition of related persons for this program includes the spouse or common-law partner and any corporation controlled by the applicant and/or the applicant's spouse or common-law partner. Eligible individuals and corporations who apply must be Manitoba residents. The application deadline is March 31 of the year following the taxation year.

Included in accounts payable and accrued liabilities is a provision of \$1,665,000 for 2025 tax rebates that have been applied for and are in process of payment as of March 31, 2026. The Province of Manitoba pays for the full cost of the Farmland School Tax Rebate program.

6. LIVESTOCK PRICE INSURANCE

The Livestock Price Insurance (LPI) program offers price protection for cattle and hog producers, with settlement prices based on the average price in Western Canadian markets. Livestock Price Insurance was first implemented for Alberta producers in 2009 through the Agriculture Financial Services Corporation (AFSC).

Producers in Manitoba, Saskatchewan, and British Columbia were able to participate in the program starting in April 2014. LPI has been renewed under the Sustainable Canadian Agricultural Partnership Agreement for an additional five years effective April 1, 2023. In Manitoba, MASC is the insurer, with the application, premium payment, and indemnity settlement being handled by AFSC (on behalf of MASC). AFSC's administrative expenses are shared by the participating provinces with MASC paying nine per cent (2025 - nine per cent) of the cost. Participating producers pay 100 per cent of the insurance premiums, with Canada and Manitoba sharing the administration expenses 60 per cent and 40 per cent, respectively. Canada is providing a financial backstop for LPI for the duration of the agreement. Any deficit on account of Manitoba producers at the end of the five-year agreement will be the responsibility of the Province of Manitoba. There was a \$1,000 indemnities expense for 2026 (2025 - \$3,000).

7. OTHER PROGRAMS

(A) Inspection Services

In support of Manitoba's agricultural sector, MASC provides inspection services at a reasonable cost. These services include such things as assisting in adjusting hail claims for another province, third-party loss appraisals for private sector property insurers, and on-farm livestock inspections for the Manitoba Livestock Cash Advance program. Inspection Services revenue totalled \$61,000 in 2026 (2025 - \$58,000).

(B) AgriRecovery Programs

i. 2021 Canada-Manitoba AgriRecovery Drought Assistance

MASC provided financial services on a cost recovery basis to Manitoba Agriculture for the administration of the 2021 Canada-Manitoba AgriRecovery Drought Assistance program. The purpose of the program was to provide financial assistance to Manitoba livestock producers to help with herd management, and extraordinary costs incurred for feed and transportation due to drought

conditions in 2021. The program was funded by both the Government of Canada (60 per cent) and the Province of Manitoba (40 per cent). MASC used its bank account to issue cheques for this program. As at March 31, 2026, the total cash on hand relating to the 2021 Canada-Manitoba AgriRecovery Drought Assistance funding received was \$0 (2025 - \$2,024,000). These funds were included in MASC's cash and are recorded as a payable to AgriRecovery for the 2021 Canada-Manitoba AgriRecovery Drought Assistance program. This program has ended and all excess funds have been returned to the provincial and federal governments.

ii. Canada-Manitoba AgriRecovery Bee Mortality Assistance

MASC provided financial services on a cost recovery basis to Manitoba Agriculture for the administration of the Canada-Manitoba AgriRecovery Bee Mortality Assistance program. The Canada-Manitoba Bee Mortality Assistance program assisted Manitoba commercial beekeepers who experienced extraordinary costs due to overwinter losses during the winter of 2021/22. The program was funded by both the Government of Canada (60 per cent) and the Province of Manitoba (40 per cent).

MASC used its bank account to issue cheques for this program. As at March 31, 2026, the total cash on hand relating to the Canada-Manitoba AgriRecovery Bee Mortality Assistance funding received was \$0 (2025 - \$32,000). These funds were included in MASC's cash and were recorded as a payable to AgriRecovery for the Canada-Manitoba AgriRecovery Bee Mortality Assistance program. This program has ended and all excess funds have been returned to the provincial and federal governments.

(C) Sustainable Canadian Agricultural Partnership – Ag Action Manitoba Program

MASC provides financial services on a cost recovery basis to Manitoba Agriculture, who has been authorized to administer the non-business risk management program Ag Action Manitoba under the joint Canada-Manitoba Canadian Agricultural Partnership (CAP) framework agreement on behalf of the federal government. Effective April 1, 2023 this program has been renewed under the Canada-Manitoba Sustainable Canadian Agricultural Partnership (Sustainable CAP) framework agreement. The purpose of the program is to provide financial assistance to Manitoba farmers, agricultural processors, industry organizations, researchers, and industry service providers. During the year ended March 31, 2026, MASC incurred administrative expenses and a cost recovery, relating to the administration of the Sustainable CAP Ag Action Manitoba Program totalling \$14,000. Although Sustainable CAP is administered by Manitoba Agriculture, with the help of MASC, control of the funds received by MASC for Sustainable CAP activities remains with the Government of Canada, Agriculture and Agri-Food Canada. Therefore, the financial statements of Sustainable CAP have not been consolidated into the financial statements of MASC.

MASC uses its bank account to issue payments for this program. As at March 31, 2026, the total cash on hand relating to Sustainable CAP funding received was \$17,918,000. These funds were included in MASC's cash and are recorded as a payable to Sustainable CAP at March 31, 2026.

A summary of the Sustainable CAP activity is as follows:

In Thousands of Dollars	2026	2025
Total funding carried forward from prior year	\$ 16,874	\$ 7,379
Total funding (advance)/received during the year	20,917	24,667
Total expenditures paid during the year*	(19,873)	(15,172)
Excess of funding over expenditures	\$ 17,918	\$ 16,874

* Net Sustainable CAP payments totalling \$13,712,000 relating to the 2025/26 fiscal year and \$236,000 relating to the 2024/25 fiscal year, will be paid after March 31, 2026, and are not included in the total expenditures listed above.

These amounts are not included in the financial statements of MASC.

8. CASH AND CASH EQUIVALENTS

In Thousands of Dollars	2026	2025
Cash and cash equivalents balance belonging to:		(Note 28)
MASC	\$ 757,951	\$ 505,511
Sustainable Canadian Agricultural Partnership	17,918	16,874
2021 Canada-Manitoba AgriRecovery Drought Assistance	-	2,024
Canada-Manitoba AgriRecovery Bee Mortality Assistance	-	32
	\$ 775,869	\$ 524,441

Cash and cash equivalents include cash and short-term investments, which are highly liquid investments with short-term maturities (less than three months) and are measured at amortized cost.

MASC's short-term investments three months or less with the Province of Manitoba included within cash and cash equivalents consist of the following as of March 31, 2026:

In Thousands of Dollars							
Maturity Terms	Average Interest Rate	Lending Programs	AgrilInsurance Program	Hail Insurance Program	Farmland School Tax Rebate Program	2026	2025
3 months or less	2.243%	\$ 15,000	\$ 668,025	\$ 63,824	\$ 3,220	\$ 750,069	\$ 505,236

MASC provides financial services to Manitoba Agriculture, to help administer the Canadian Agricultural Partnership – Ag Action Manitoba program on behalf of the federal government. Effective April 1, 2023 this program has been renewed under the Canada-Manitoba Sustainable Canadian Agricultural Partnership framework agreement. MASC uses its bank account to issue payments for this program. The portion of MASC's bank account balance that belongs to the Sustainable Canadian Agricultural Partnership is shown under Accounts Payable – Sustainable Canadian Agricultural Partnership (Note 15).

MASC also provided financial services to Manitoba Agriculture, to help administer the 2021 Canada-Manitoba AgriRecovery Drought Assistance program and the Canada-Manitoba AgriRecovery Bee Mortality Assistance program on behalf of the federal and provincial governments. MASC used its bank account to issue cheques for these programs. The portion of MASC's bank account balance that belongs to the AgriRecovery programs is shown under Accounts Payable – AgriRecovery (Note 16). These programs have ended and any excess funds have been returned to the provincial and federal governments.

9. ACCOUNTS RECEIVABLE

In Thousands of Dollars		2026	2025
Amounts from insured persons:			
AgrilInsurance	\$	4,870	\$ 3,741
Hail Insurance		1,022	1,284
Other		4,904	4,143
		10,796	9,168
Less provision for credit losses		(2,541)	(1,169)
	\$	8,255	\$ 7,999

The provision for credit losses of \$2,541,000 (2025 - \$1,169,000) includes estimated losses on premiums and other accounts receivable and is subject to measurement uncertainty. The provision estimate is formula based and depends on an assessment of MASC's ability to collect the outstanding balance. A 100 per cent provision is assessed on accounts in arrears for more than two years, with lower provisions based on actual collection experience over the last seven years being applied to accounts that are in arrears by less than two years.

10. RECEIVABLES FROM THE PROVINCE OF MANITOBA

In Thousands of Dollars		2026	2025
AgrilInsurance premiums (Note 2K)	\$	5,540	\$ 5,985
Wildlife Damage Compensation program		-	599
Administrative expenses		764	1,123
Pension liability		5,666	5,140
Severance liability		429	429
Vacation pay liability		169	169
	\$	12,568	\$ 13,445

Pension Liability

The Province of Manitoba has accepted responsibility for funding MASC's pension liability (for pensionable service earned by employees of the former MACC prior to the amalgamation of MACC and MCIC on September 1, 2005) and related expense, which includes an interest component. Accordingly, MASC has recorded a receivable from the Province of Manitoba equal to the estimated value of its actuarially determined pension liability of \$5,666,000 as at March 31, 2026 (2025 - \$5,140,000) and has recorded an increase under contributions from the Province of Manitoba for 2025/26 equal to the related pension increase of \$526,000 (2025 - \$63,000 decrease). This increase is primarily attributable to the return of funds previously held in trust. Under PSA standards, these returned funds no longer qualify as plan assets available to offset the pension obligation, resulting in an increase in the net pension liability recognized by MASC. The Province of Manitoba makes payments on the receivable when it is determined that the cash is required to discharge the related pension obligation.

Severance Liability

The amount recorded as a receivable from the Province of Manitoba for severance pay was initially based on the estimated value of the corresponding actuarially determined liability for severance pay as of March 31, 1999. Subsequent to that date, the Province of Manitoba has included in its ongoing annual funding to MASC, an amount equal to its share of the current year's expense for severance. As a result, the change in the severance liability each year is fully funded. The interest component related to the receivable is reflected in the funding for severance pay expense. The receivable for severance pay will be paid by the Province of Manitoba when it is determined that the cash is required to discharge the related severance pay liabilities. As of March 31, 2026, the receivable for severance pay liability was \$429,000 (2025 - \$429,000).

Vacation Pay Liability

The amount recorded as a receivable from the Province of Manitoba for vacation pay expenses was initially based on the estimated value of the corresponding liability as of March 31, 1999. Subsequent to that date, the Province of Manitoba has included in its ongoing annual funding to MASC, an amount equal to its share of the current year's expense for vacation pay entitlements. As of March 31, 2026, the receivable for vacation pay liability was \$169,000 (2025 - \$169,000).

11. RECEIVABLES FROM THE GOVERNMENT OF CANADA

In Thousands of Dollars	2026		2025	
AgrilInsurance premiums (Note 2K)	\$	8,318	\$	8,984
Wildlife Damage Compensation program		1,791		3,524
Livestock Price Insurance program		89		95
Administrative expenses		7		-
	\$	10,205	\$	12,603

12. INVESTMENTS

MASC's investments are with the Province of Manitoba and consist of the following as of March 31, 2026:

In Thousands of Dollars						
Maturity Terms	Average Interest Rate	Lending Programs	AgrilInsurance Program	Hail Insurance Program	2026	2025 (Note 28)
1 year	2.338%	\$ 3,000	\$ 366,609	\$ 15,800	\$ 385,409	\$ 437,761
2 years	2.660%	-	-	7,000	7,000	37,000
3 years	3.510%	-	-	20,000	20,000	10,000
5 years	2.930%	-	-	10,000	10,000	-
	2.413%	3,000	366,609	52,800	422,409	484,761
Accrued interest		30	2,150	525	2,705	5,738
		\$ 3,030	\$ 368,759	\$ 53,325	\$ 425,114	\$ 490,499

13. LOANS RECEIVABLE

MASC's loans receivable consist of the following as of March 31, 2026:

In Thousands of Dollars	2026			2025		
	Regular Program Loans	Special Assistance Loans*	Total	Regular Program Loans	Special Assistance Loans*	Total
Recorded investment	\$ 811,140	\$ 5,779	\$ 816,919	\$ 811,422	\$ 6,080	\$ 817,502
Specific provision**	(2,940)	(6,189)	(9,129)	(6,236)	(1,018)	(7,254)
General provision	(8,519)	(8)	(8,527)	(7,853)	(20)	(7,873)
	799,681	(418)	799,263	797,333	5,042	802,375
Accrued interest	14,038	61	14,099	14,380	257	14,637
Net carrying value	\$ 813,719	\$ (357)	\$ 813,362	\$ 811,713	\$ 5,299	\$ 817,012

*Includes Manitoba Hog Assistance, Enterprise Development, and BSE Recovery loans.

**Provisions may be higher than corresponding loan balances to account for accrued interest and legal fees.

Impaired loans included in the preceding schedule:

In Thousands of Dollars	2026			2025		
	Regular Program Loans	Special Assistance Loans*	Total	Regular Program Loans	Special Assistance Loans*	Total
Impaired loan balance	\$ 68,169	\$ 5,840	\$ 74,009	\$ 71,784	\$ 6,336	\$ 78,120
Specific provision**	(2,940)	(6,189)	(9,129)	(6,236)	(1,018)	(7,254)
	\$ 65,229	\$ (349)	\$ 64,880	\$ 65,548	\$ 5,318	\$ 70,866

*Includes Manitoba Hog Assistance, Enterprise Development, and BSE Recovery loans.

**Provisions may be higher than corresponding loan balances to account for accrued interest and legal fees.

A loan becomes impaired as a result of deterioration in credit quality to the extent that MASC no longer has reasonable assurance of timely collection of the full amount of principal and interest. The table above provides the amount of impaired loans and the specific provision for credit losses on these loans as of March 31, 2026.

Allowance for impaired loans:

In Thousands of Dollars	2026			2025		
	Regular Program Loans	Special Assistance Loans*	Total	Regular Program Loans	Special Assistance Loans*	Total
Beginning provision balance	\$ 14,089	\$ 1,038	\$ 15,127	\$ 16,227	\$ 215	\$ 16,442
Write-offs, net of recoveries	(2,112)	-	(2,112)	(411)	(59)	(470)
Provision (recovery) expense	(518)	5,159	4,641	(1,727)	882	(845)
Ending provision balance	\$ 11,459	\$ 6,197	\$ 17,656	\$ 14,089	\$ 1,038	\$ 15,127

*Includes Manitoba Hog Assistance, Enterprise Development, and BSE Recovery loans.

Included in loans receivable is a specific provision of \$9,129,000 (2025 - \$7,254,000) and a general provision of \$8,527,000 (2025 - \$7,873,000) that are subject to measurement uncertainty. The resulting amount established for specific and general provisions of \$17,656,000 (see Note 2C) could change substantially in the future, if the factors considered by management in establishing these estimates change significantly.

Loans receivable are secured by tangible assets consisting predominantly of land, followed by buildings, livestock, and other types of assets. The estimated value of such tangible securities as of the most recent valuation dates is \$1,457,896,000 (2025 - \$1,411,150,000).

Remaining terms to maturities are as follows:

In Thousands of Dollars	2026			2025		
	Regular Program Loans	Special Assistance Loans*	Total	Regular Program Loans	Special Assistance Loans*	Total
Less than 5 years	\$ 138,547	\$ 124	\$ 138,671	\$ 114,642	\$ 180	\$ 114,822
5 years to up to 10 years	91,970	-	91,970	91,220	-	91,220
10 years to up to 15 years	126,735	5,655	132,390	127,507	5,900	133,407
15 years to up to 20 years	224,189	-	224,189	223,670	-	223,670
More than 20 years	229,699	-	229,699	254,383	-	254,383
Recorded investment	\$ 811,140	\$ 5,779	\$ 816,919	\$ 811,422	\$ 6,080	\$ 817,502

*Includes Manitoba Hog Assistance, Enterprise Development, and BSE Recovery loans.

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of March 31, 2026 consist of the following:

In Thousands of Dollars	Accounts Payable General	Salaries and Benefits	Accrued Vacation Pay	Other	2026	2025
Lending program	\$ -	\$ 62	\$ -	\$ 107	\$ 169	\$ 157
AgrilInsurance program	3,245	608	1,438	3,024	8,315	5,173
Hail Insurance program	-	-	-	32	32	61
Wildlife Damage Compensation program	289	62	-	-	351	110
Farmland School Tax Rebate program	138	4	-	-	142	1,606
Livestock Price Insurance program	93	-	-	-	93	50
Other programs	-	-	-	20	20	94
Total	\$ 3,765	\$ 736	\$ 1,438	\$ 3,183	\$ 9,122	\$ 7,251

15. ACCOUNTS PAYABLE – SUSTAINABLE CANADIAN AGRICULTURAL PARTNERSHIP

Accounts payable to the Sustainable Canadian Agricultural Partnership as of March 31, 2026 consist of the following:

In Thousands of Dollars	2026		2025	
Ag Action Manitoba – Bank Balance (Note 7 (C) and Note 8)	\$	17,918	\$	16,874
	\$	17,918	\$	16,874

MASC provides financial services for the Canadian Agricultural Partnership – Ag Action Manitoba Program. Effective April 1, 2023 this program has been renewed under the Canada-Manitoba Sustainable Canadian Agricultural Partnership (SCAP) framework agreement. The two corporations share one bank account. The accounts payable to the Sustainable Canadian Agricultural Partnership represents the portion of MASC's bank account balance that belongs to the Sustainable Canadian Agricultural Partnership - Ag Action Manitoba program as of March 31, 2026.

16. ACCOUNTS PAYABLE – AGRIRECOVERY

Accounts payable to AgriRecovery as of March 31, 2026 consist of the following:

In Thousands of Dollars	2021 Drought Assistance		Bee Mortality Assistance		2026		2025
AgriRecovery – Bank Balance	\$	-	\$	-	\$	-	\$ 2,056
	\$	-	\$	-	\$	-	\$ 2,056

MASC provided financial services to Manitoba Agriculture, to help administer the 2021 Canada-Manitoba AgriRecovery Drought Assistance program and the Canada-Manitoba AgriRecovery Bee Mortality Assistance program on behalf of the federal and provincial governments. MASC used its bank account to issue cheques for these programs and held investments for cash not required to make program payments. MASC recorded an accounts payable to the AgriRecovery program for cash on hand, investments and accrued interest on investments. As of March 31, 2026, MASC's payable to the AgriRecovery and Bee Mortality Assistance programs totals \$0 (2025 - \$2,056,000). These programs have ended and any excess funds have been returned to the provincial and federal governments.

17. CLAIMS PAYABLE*

In Thousands of Dollars	2026		2025	
AgriInsurance program	\$	13,504	\$	47,640
Wildlife Damage Compensation program		1,245		2,819
Farmland School Tax Rebate program		2,066		2,164
	\$	16,815	\$	52,623

*Includes claims approved but not paid as well as provisions for outstanding claims.

18. UNEARNED REVENUE

In Thousands of Dollars	2026		2025	
Producer – AgrilInsurance premium revenue	\$	418,818	\$	328,252
Producer – Livestock Price Insurance premium revenue		255		1,030
Province of Manitoba – AgrilInsurance premium revenue		247,101		193,517
Province of Manitoba – capital asset purchases		619		548
Government of Canada – AgrilInsurance premium revenue		370,681		290,301
Government of Canada – capital asset purchases		929		823
	\$	1,038,403	\$	814,471

MASC follows PS 3100 restricted assets and revenues for recognition of AgrilInsurance premiums and PS 3410 government transfers for contributions from the Province of Manitoba and the Government of Canada. The revenue for the AgrilInsurance program will be recognized when the restricted assets are used for the specified purpose under the Sustainable Canadian Agricultural Partnership (SCAP) agreement and the AgrilInsurance Regulation. The current year premium revenue and interest income, net of reinsurance premiums, will be used to fund current year claims first, with any shortfall resulting in a recognition of revenue. The balance remaining is restricted for the payment of claims and other expenses allowed under the Manitoba Agricultural Services Corporation Act.

MASC follows PS 3400 revenue accounting standard for recognition of Livestock Price Insurance premiums. MASC recognizes revenue as the portion of the performance obligation is being satisfied. The remaining portion that has not yet been satisfied, must be recognized as unearned revenue until the performance obligation is complete. As of March 31, 2026, MASC has recognized unearned premium revenue of \$255,000.

In Thousands of Dollars	Producer		Province		Canada		2026	2025
Unearned premium revenue beginning of year	\$	328,252	\$	193,517	\$	290,301	\$ 812,070	\$ 713,096
Premium contribution		133,016		78,702		118,059	329,777	359,766
Interest income		8,799		5,206		7,809	21,814	30,929
Loss recoveries		(168)		(101)		(152)	(421)	(410)
		141,647		83,807		125,716	351,170	390,285
Indemnities		(34,591)		(20,466)		(30,701)	(85,758)	(242,929)
Private reinsurance premiums		(16,490)		(9,757)		(14,635)	(40,882)	(48,382)
		(51,081)		(30,223)		(45,336)	(126,640)	(291,311)
Increase in unearned premium revenue		90,566		53,584		80,380	224,530	98,974
Unearned premium revenue end of year	\$	418,818	\$	247,101	\$	370,681	\$ 1,036,600	\$ 812,070

19. LOANS FROM THE PROVINCE OF MANITOBA

Following the practices established by the Province of Manitoba, MASC must repay advances according to the amortization schedule or be subject to a prepayment penalty. The prepayment penalty is calculated as the net present value of the future cash flows of the loan being prepaid minus the net present value of a loan with the same terms, except for the interest rate, which is equal to the rate for a semi-annual, non-callable Province of Manitoba bond with the same term to maturity. Advances are repayable in equal annual blended instalments of principal and interest, with March 31, 2026 interest rates ranging from 1.250 per cent to 6.750 per cent (2025 – 1.000 per cent to 6.750 per cent).

In Thousands of Dollars			
Maturities of principal over the following terms		2026	2025
1 year	\$	169,551	\$ 156,128
2 years		93,775	85,107
3 years		75,363	82,933
4 years		64,964	63,493
5 years		52,348	53,064
More than 5 years		394,154	415,671
	\$	850,155	\$ 856,396

20. LOAN GUARANTEES AND CONTINGENCIES

(A) Contingent liabilities and the corresponding provisions for MASC's loan guarantee programs as of March 31, 2026 are shown below:

In Thousands of Dollars	2026			2025		
	Contingent Liability	Provision for Losses	Net Contingent Liability	Contingent Liability	Provision for Losses	Net Contingent Liability
Operating Credit Guarantees for Agriculture	\$ 4,715	\$ (236)	\$ 4,479	\$ 4,405	\$ (220)	\$ 4,185
Manitoba Livestock Associations Loan Guarantees	5,893	(2,726)	3,167	8,445	(2,604)	5,841
Diversification Loan Guarantees	27,137	(1,357)	25,780	31,934	(1,597)	30,337
Rural Entrepreneur Assistance Program	350	(24)	326	582	(49)	533
	\$ 38,095	\$ (4,343)	\$ 33,752	\$ 45,366	\$ (4,470)	\$ 40,896

The change in the provision for guaranteed loan losses is as follows:

In Thousands of Dollars			
	2026		2025
Beginning provision balance	\$ 4,470	\$	4,987
Write-offs, net of recoveries	(199)		7
Provision expense (recovery)	72		(524)
Ending provision balance	\$ 4,343	\$	4,470

The Operating Credit Guarantee for Agriculture program was introduced in 2003, replacing the Guaranteed Operating Loan program. MASC guarantees the actual eligible loss incurred by the participating private lender up to 25 per cent of the maximum amount advanced under an individual's line of credit. The maximum allowable loan is \$700,000 for individuals and \$1,000,000 for partnerships, corporations, and co-operatives.

The Manitoba Livestock Associations Loan Guarantee program was introduced in 1991. For each participating livestock association, MASC provides a 25 per cent guarantee to the association's lending institution, based on a maximum loan of \$12,000,000 per association.

The Diversification Loan Guarantee program was introduced in 2001, whereby guarantees are based on 25 per cent of the original principal amount of each individual loan, with no maximum loan amount.

The Rural Entrepreneur Assistance (REA) program provided a guarantee of up to 80 per cent of the principal amount of a qualifying loan made by participating lenders to small rural non-agricultural businesses. REA guaranteed loans up to a maximum of \$200,000. MASC assumed administration of the program in 2005. This program was discontinued as of April 1, 2019 with outstanding guarantees in run-off status.

- (B) Certain legal actions for additional indemnity payments have been commenced by insured producers against MASC. The outcome of these claims cannot be determined at this time.

21. FUTURE EMPLOYEE BENEFITS

Severance Liability

MASC's employees are eligible for severance, because of retirement, permanent layoff, or death. Benefits are based on an employee's years of service. Commencing March 31, 1999, MASC began recording the accumulated severance pay benefit. The amount of recorded severance pay obligation is based on actuarial calculations.

Actuarial valuations are carried out every three years to provide an estimate of the accrued liability for severance pay benefits. An actuarial valuation of the severance obligations as of March 31, 2026 was conducted by Ellement Consulting Group. The key actuarial assumptions include an interest rate of 4.90 per cent for administration staff and 4.80 per cent for adjusting staff (2023 – 4.80 per cent for administration staff and 4.90 per cent for adjusting staff), severance rate of 1.22 per cent of average salary of \$89,011 for administration staff and 0.37 per cent of average salary of \$53,880 for adjusting staff (2023 – 1.13 per cent of average salary of \$72,393 for administration staff and 0.29 per cent of average salary of \$45,364 for adjusting staff), and salary inflation rate increases of 3.50 per cent (2023 – 3.50 per cent). The accrued benefit cost method with salary projection was used.

The average remaining service life of the employees is 15.25 years for administration staff and 11 years for adjusting staff. For 2025/26, the amortization of the net actuarial gain was \$7,000 (2025 – \$51,000 gain).

In Thousands of Dollars			
Provision for severance liability	2026		2025
Accrued severance obligation, beginning of year	\$	2,317	\$ 2,259
Benefits accrued		154	144
Interest accrued on benefits		89	86
Benefits paid		(88)	(172)
Experience loss		211	-
Accrued severance obligation, end of year		2,683	2,317
Unamortized actuarial loss		(325)	(107)
Provision, end of year	\$	2,358	\$ 2,210

In Thousands of Dollars			
MASC's severance costs consist of the following:	2026		2025
Benefits accrued	\$	154	\$ 144
Interest accrued on benefits		89	86
Amortization of experience gain		(7)	(51)
Severance cost	\$	236	\$ 179

Pension Liability

MASC's employees are eligible for pension benefits in accordance with the provision of The Civil Service Superannuation Act. Plan members are required to contribute to the Civil Service Superannuation Fund at prescribed rates for defined benefits and will receive benefits based on length of service and on the average of annualized earnings calculated on the best five years of service prior to retirement, termination, or death that provides the highest earnings. MASC is required to match the contributions made to the Civil Service Superannuation Fund by employees at prescribed rates, which is recorded as an operating expense.

MASC contributes 50 per cent of the pension disbursements made to retired employees of the former MACC for service up to September 1, 2005.

Effective April 1, 1998, the former MCIC became a fully funded matching employer. Upon the formation of MASC, the current pension obligations to the Civil Service Superannuation Board for former MCIC employees continued to be matched by MASC. As a matching employer for this group of employees, MASC discharges its pension liability on a current basis and, therefore, has no additional pension obligation. MASC paid \$1,014,000 to the current pension in 2025/26 (2025 - \$106,000).

Prior to the amalgamation of MACC and MCIC into MASC, MACC did not match employees' current service contributions, and instead contributed 50 per cent of the pension disbursements made to retired employees. Starting September 1, 2005, the current pension contributions for former MACC employees have been matched. MASC accrues a provision for its liability for the pensionable service that was earned by MACC employees prior to September 1, 2005, which includes future cost of living adjustments based on an actuarial valuation. The Province of Manitoba provides funding for this liability (Note 10).

Actuarial valuations are carried out every year to provide an estimate of the accrued liability for unfunded pension benefits. An actuarial valuation of the pension obligations as of December 31, 2024 was conducted by Ellement Consulting Group. The key actuarial assumptions include a rate of return of 6.00 per cent (2023 - 6.00 per cent), inflation of 2 per cent (2023 - 2.0 per cent), salary inflation rate increases of 3.00 per cent for 2 years then 2.50 per cent thereafter (2023 - 2.50 per cent), discount rate of 6.00 per cent (2023 - 6.00 per cent), and post-retirement indexing at two-thirds of the inflation rate. The service to date projected benefit method prorated on services has been applied and the liabilities (adjusted for a provision for adverse experience and a trust fund credit) have been estimated to March 31, 2026, all according to the formula prescribed by the consulting actuary. The trust fund was returned to MASC in cash during the 2025/26 fiscal year and no longer qualifies as plan assets. The receipt of cash from the trust fund in the amount of \$441,000 reduced benefits paid by \$273,000 and the actuarial loss by \$168,000.

The amortization of actuarial gains or losses is performed over a period of five years. For 2025/26, the amortization of the net actuarial loss was \$72,000 (2025 - \$66,000 loss).

In Thousands of Dollars			
Provision for employer's share of employees' pension plan	2026		2025
Accrued pension obligation, beginning of year	\$	5,208	\$ 5,276
Interest accrued on benefits		344	345
Benefits paid		(157)	(431)
Receipt of the trust fund		441	-
Actuarial loss		81	18
Accrued pension obligation, end of year		5,917	5,208
Unamortized actuarial (loss)		(162)	(155)
Provision, end of year	\$	5,755	\$ 5,053

In Thousands of Dollars			
MASC's pension plan costs consist of the following:	2026		2025
Interest accrued on benefits	\$	339	\$ 340
Interest earned		-	(38)
Amortization of experience loss (gain)		72	66
Pension cost	\$	411	\$ 368

22. TANGIBLE CAPITAL ASSETS

Tangible capital assets as of March 31, 2026 are shown below:

In Thousands of Dollars	Leasehold Improvements	Machinery, Equipment, & Furniture	Computer Hardware & Software	Major Application Development	2026	2025
Cost of Tangible Capital Asset						
Opening Balance	\$ 471	\$ 431	\$ 84	\$ 2,478	\$ 3,464	\$ 3,559
Additions	-	-	-	590	590	88
Disposals	-	(33)	-	-	(33)	(183)
Closing Balance	471	398	84	3,068	4,021	3,464
Accumulated Amortization						
Opening Balance	\$ 470	\$ 319	\$ 84	\$ 775	\$ 1,648	\$ 1,499
Amortization	1	14	-	309	324	332
Accumulated Amortization on disposals	-	(33)	-	-	(33)	(183)
Closing Balance	471	300	84	1,084	1,939	1,648
Net Property & Equipment	\$ -	\$ 98	\$ -	\$ 1,984	\$ 2,082	\$ 1,816

MASC uses the straight line method for amortization.

23. COMMITMENTS

In Thousands of Dollars	2026	2025
Approved, undisbursed loans	\$ 24,142	\$ 20,725
Estimated farm loan incentives	4,654	4,251
Operating leases	193	215
Service agreements	1,311	1,424
	\$ 30,300	\$ 26,615

The estimated farm loan incentives relate to future payments for the Young Farmer Rebate. The Young Farmer Rebate is based on rebates that clients under 40 years of age at the time of the loan application can earn for the first five years of a loan, with the rebate being applied to the client's loan balance.

The operating lease commitments are for equipment and vehicle leases.

The service agreements are for software as a service, Microsoft Enterprise licensing agreement, internet services, and other professional services.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments comprise the majority of MASC's assets and liabilities. For lending operations, MASC borrows from the Province of Manitoba at fixed interest rates and then provides both fixed and renewable term loans to clients at interest rates that generally earn a reasonable interest rate margin to cover associated administrative expenses. For AgrilInsurance operations, MASC places the retained funds mainly in short-term investments, in order to have sufficient capital available to make contributions to the Production Insurance Trust for insurance payments when losses exceed the current year's premium income plus interest revenue less reinsurance premiums.

MASC's risk management policies are designed to identify and analyze risk, set appropriate risk limits and controls, and monitor the risks and adherence to limits by means of reliable up-to-date information systems. The Board of Directors approves these policies and management is responsible for ensuring that the policies are properly carried out. The Board of Directors receives confirmation that the risks are being appropriately managed through regular reporting, third-party compliance reporting, and by reviews conducted by MASC's internal auditors.

MASC is exposed to credit, liquidity, and market risks in respect of its use of financial instruments.

Credit Risk

Credit risk is the likelihood of one party to a financial instrument failing to discharge an obligation and causing financial loss to the counter party. The financial instruments that potentially subject MASC to credit risk mainly consist of accounts receivable, loans receivable and guarantees on loans. MASC's investments are held by the Province of Manitoba, which guarantees the associated payments of principal and interest.

MASC's maximum possible exposure to credit risk is as follows:

In Thousands of Dollars	2026	2025
Investments	\$ 1,175,183	\$ 995,735
Accounts receivable	8,255	7,999
Receivables from the Province of Manitoba	12,568	13,445
Receivables from the Government of Canada	10,205	12,603
Loans receivable	813,362	817,012
Loan guarantees	38,095	45,366
	\$ 2,057,668	\$ 1,892,160

Investments - MASC is not exposed to significant credit risk as its investments are held by the Province of Manitoba, with a guarantee of the associated payments of principal and interest.

Accounts Receivable - MASC's accounts receivable consist largely of insurance premiums due from participating producers. The insurance programs offer credit for producer premiums, which are due and payable at the time of billing. Interest is charged on premiums that are not paid by October 31 of that crop year, with March 31 being the final payment deadline. MASC terminates the insurance contracts of producers who do not make acceptable payment arrangements prior to the upcoming crop year. The importance of insurance programs to the financial well-being of an ongoing farming operation serves to mitigate the credit risk associated with the non-payment of insurance premiums.

Receivables from the Province of Manitoba and the Government of Canada - MASC is not exposed to significant credit risk given the very high probability that payment in full will be collected when due.

Loans Receivable - Impairment provisions are provided for losses that have been incurred as of the end of the fiscal year. Significant changes in the economic well-being of Manitoba's agricultural industry or the deterioration of specific sectors of the industry, which represent a concentration within MASC's overall loan portfolio, may result in losses that differ from those provided for as of the date of the Consolidated Statement of Financial Position. Management of credit risk associated with loans is an integral part of MASC's activities, with careful monitoring and appropriate remedial actions.

The Board of Directors is responsible for approving and monitoring MASC's tolerance of credit exposures, which it does through review and approval of the guidelines for lending and loan guarantee programs and by setting general limits on credit exposures to individual clients. MASC has comprehensive policy and procedures manuals in place for all lending programs. In general, MASC emphasizes responsible lending, which is comprised of a combination of adequate loan security and a client's ability to pay.

MASC is also mandated to deliver higher risk special assistance loan programs on behalf of the Manitoba government and economic development loans (referred to as Enterprise Development Loans) as directed by the Manitoba government, which fall outside the normal limits set out in regular loan policies. These loans have provisions for credit losses that are established by the Provincial Treasury Board. In addition, MASC closely monitors the performance of these loans to mitigate losses. Special assistance loans make up 0.70 per cent of MASC's overall lending portfolio.

Summarized below are the loan balances that are past due but not impaired.

In Thousands of Dollars	2026			2025		
	Regular Program Loans	Special Assistance Loans*	Total	Regular Program Loans	Special Assistance Loans*	Total
Less than 1 year in arrears	\$ 4,492	\$ -	\$ 4,492	\$ 6,298	\$ -	\$ 6,298
1 to 2 years in arrears	961	-	961	5,262	-	5,262
	\$ 5,453	\$ -	\$ 5,453	\$ 11,560	\$ -	\$ 11,560

*Includes Manitoba Hog Assistance, Enterprise Development, and BSE Recovery loans.

Loans that are past due but not impaired generally reflect situations where it is thought that the client has sufficient cash flow to meet their payment obligations and the loan is adequately secured. The majority of MASC's term loans have semi-annual payments and therefore a loan that is in the "Less than 1 year" category is generally only one payment in arrears. Two payments in arrears put the loan in the "1 to 2 years" category. In addition, Stocker Loans, which provide short-term financing for the purchase or retention of feeder cattle, are due at the end of the term, which is generally one to one and one-half years. Any delay in the sale of the cattle at the end of the term technically puts the loan in arrears, however, such loans are normally paid in full once the associated cattle are sold.

MASC's lending exposure, as provided in Note 13, is broken down by agricultural sector as shown in the table below:

Loans Receivable by Agricultural Sector

In Thousands of Dollars	2026			2025		
	Regular Program Loans	Special Assistance Loans*	Total	Regular Program Loans	Special Assistance Loans*	Total
Grains and oilseeds	\$ 465,205	\$ -	\$ 465,205	\$ 487,049	\$ -	\$ 487,049
Other crops	8,017	83	8,100	8,306	85	8,392
Cattle	316,804	12	316,816	295,425	16	295,441
Hogs	3,525	32	3,557	3,558	84	3,641
Poultry	2,914	-	2,914	2,458	-	2,458
Dairy	13,028	-	13,028	12,236	-	12,236
Other	15,685	5,713	21,398	16,770	6,152	22,922
Provisions and concessions	(11,459)	(6,197)	(17,656)	(14,089)	(1,038)	(15,127)
	\$ 813,719	\$ (357)	\$ 813,362	\$ 811,713	\$ 5,299	\$ 817,012

*Includes Manitoba Hog Assistance, Enterprise Development, and BSE Recovery loans.

Given that the Province of Manitoba provides funding for the full amount of loans that are written off, MASC's loans receivable risk is minimal.

Loan Guarantees - MASC provides loan guarantees to private sector financial institutions, which encourage the provision of credit to operations that financial institutions consider to be higher risk. Each loan guarantee request is reviewed to assess its viability and to ensure a fit within the established program parameters. Loan guarantees are approved based on a delegated approval authority. MASC's loan guarantee activity involves three separate programs: Manitoba Livestock Associations Loan Guarantees, which are directed at the cattle industry; and both Operating Credit Guarantees for Agriculture and Diversification Loan Guarantees, which are generally available to Manitoba's agricultural industry.

MASC's loan guarantee exposure by agricultural sector is summarized below:

Loan Guarantees by Agricultural Sector

In Thousands of Dollars	Diversification Loan Guarantees		Operating Credit Guarantees	
	2026	2025	2026	2025
Grains and oilseeds	1%	1%	55%	55%
Other crops	6%	5%	-	-
Cattle	-	-	23%	16%
Hogs	1%	3%	5%	12%
Poultry	17%	17%	-	-
Dairy	69%	65%	2%	1%
Other	6%	9%	15%	16%
	100%	100%	100%	100%

The Province of Manitoba provides funding for all claims by private sector financial institutions on loan guarantees, resulting in minimal associated risk eligible to MASC.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate exposure relates to investments, loans receivable, and advances from the Province of Manitoba.

Investments - MASC's investment portfolio is mainly in short-term interest-bearing investments. These investments are normally held to maturity so changes in interest rates do not affect the value of the investments. All of MASC's investments are placed through Manitoba Finance.

Loans Receivable/Loans from the Province of Manitoba - MASC borrows funds for lending operations from the Province of Manitoba at fixed rates and normally lends those funds to clients at a minimum 1.5 percentage points above the associated borrowing rate. The vast majority of loans from the Province of Manitoba have fixed or renewable interest rates for the full term of the advance and MASC offers fixed and renewable interest rate loans to its clients. This arrangement mitigates MASC's interest rate risk; however, some interest rate risk is imparted through MASC's lending policy of allowing prepayment of loans without penalty, given that MASC does not have the offsetting ability to prepay the associated advances from the Province of Manitoba without penalty. MASC mitigates this risk by closely matching the cash flow from client loan payments, including estimated annual prepayments, to the cash flow required to repay advances from the Province of Manitoba.

Loans Receivable and Advances from the Province of Manitoba

In Thousands of Dollars	Scheduled Repayments					Not Interest Rate Sensitive*	2026	2025
	Within 1 Year	1 to 5 Years	6 to 10 Years	Over 10 Years				
Loans receivable	\$ 117,291	\$ 188,284	\$ 187,252	\$ 324,091	\$ (3,556)		\$ 813,362	\$ 817,012
Average interest rate	4.99%	5.03%	5.06%	5.21%	-		5.10%	5.16%
Due to the Province of Manitoba	\$ 169,551	\$ 286,450	\$ 164,194	\$ 229,960	-		\$ 850,155	\$ 856,396
Average interest rate	3.53%	3.62%	3.70%	4.01%	-		3.72%	3.70%
	\$ (52,260)	\$ (98,166)	\$ 23,058	\$ 94,131	\$ (3,556)		\$ (36,793)	\$ (39,384)

*Includes provisions for impaired loans and accrued interest.

Liquidity Risk

Liquidity risk relates to MASC's ability to access sufficient funds to meet its financial commitments.

Advances from the Province of Manitoba have a direct correlation to the loans receivable, as the funds borrowed are directly lent to MASC clients. Funding is provided by the Province of Manitoba for the full amount of loans that are written off. Consequently, MASC has minimal liquidity risk on its lending portfolio in respect of advances from the Province of Manitoba.

MASC does not have material liabilities that can be called unexpectedly at the demand of a lender or client, and has no material commitments for capital expenditures, or need for same, in the normal course of business.

AgrilInsurance indemnities are paid out of the Production Insurance Trust and Production Insurance Fund, the balance of which is included in MASC's consolidated unearned revenue related to premiums of \$1,036,600,000 as at March 31, 2026. The AgrilInsurance indemnities are funded firstly out of MASC's current net revenue including premiums collected, interest earned on investments, reinsurance recoveries and loss recoveries, which normally exceeds cash requirements. If all the above is exhausted, the program can access excess funds accumulated in MASC's unearned revenue balance. Once the unearned revenue balance is exhausted, the program can access funds from the Government of Canada and the Province of Manitoba through an agreement that provides for unlimited additional funding for claim payments. MASC can also access funds through its ability to borrow funds from the Province of Manitoba for the AgrilInsurance program.

Hail indemnities for the 2018 and future crop years are paid out of the Hail Insurance Trust. Hail Insurance Trust equity was \$118,113,000 as at March 31, 2026. The hail indemnities are funded firstly out of MASC's current net revenue through contributions to the trust, which normally exceeds cash requirements and secondly from the trust equity. The Hail Insurance Trust can also access funds from MASC's Hail Insurance program's ability to borrow funds from the Province of Manitoba.

25. ACTUARIAL REVIEW

Actuarial certification of AgrilInsurance premium rates was completed by PricewaterhouseCoopers LLP in September 2024. The actuarial review concluded that the premium rate methodologies are actuarially sound and therefore sufficient to meet expected claim costs over time. The actuarial certification of the financial sustainability of the AgrilInsurance program was completed by PricewaterhouseCoopers LLP in December 2024. The actuarial review concluded that the AgrilInsurance program meets the financial self-sustaining criteria, as defined by the Government of Canada. MASC requires that all program changes receive actuarial approval prior to implementation and that the probable yield tests as prescribed by the Government of Canada be completed annually.

26. RELATED PARTY TRANSACTIONS

MASC is related in terms of common ownership to all Province of Manitoba departments, agencies, and Crown corporations. MASC enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

Information is provided throughout these statements, which disclose the significant related party transactions. The value for interest paid and interest earned are as follows:

In Thousands of Dollars	2026		2025	
Interest earned on investments from the Province of Manitoba	\$	26,403	\$	36,718
Interest paid on loans from the Province of Manitoba	\$	29,856	\$	30,439

Loans made to directors and staff are approved under the same lending criteria applicable to MASC's clients. There are no loans that are impaired in relation to the staff and director's loan balances. Loans to active directors and staff at March 31, 2026 amounted to \$16,741,000 (2025 - \$13,020,000).

27. REINSURANCE FUNDS

AgrilInsurance Program

In accordance with the terms of the reinsurance agreement between the Government of Canada and the Province of Manitoba, the two levels of government maintain separate reinsurance accounts. MASC pays reinsurance premiums to the Crop Reinsurance Fund of Canada for Manitoba and to the Crop Reinsurance Fund of Manitoba, based on the amount of premiums collected and the cumulative financial balance of the AgrilInsurance program.

When indemnities paid to insured producers exceed the funds retained by MASC and the Production Insurance Trust, after accounting for private sector reinsurance recoveries, transfers are made from the reinsurance funds to MASC. Interest is not credited or charged to the respective reinsurance funds by the Government of Canada or the Province of Manitoba. The balances in the Crop Reinsurance Fund of Canada for Manitoba and the Crop Reinsurance Fund of Manitoba are held by the Government of Canada and the Province of Manitoba, respectively. Federal-provincial reinsurance is essentially an agreement on how to share the financing of any deficits in the AgrilInsurance program.

In Thousands of Dollars	Crop Reinsurance Fund of Canada for Manitoba		Crop Reinsurance Fund of Manitoba	
	2026	2025	2026	2025
Opening surplus	\$ 36,031	\$ 36,031	\$ 58,050	\$ 58,050
Current year premium contributions*	-	-	-	-
Net book value	\$ 36,031	\$ 36,031	\$ 58,050	\$ 58,050

*For 2025/26, there were no current year premium contributions, as the reinsurance premium rates for the year were zero.

In addition to the financial protection provided by federal-provincial reinsurance as noted above, MASC entered into a one-year agreement with private sector reinsurers. The agreement covers 100 per cent (2025 - 100 per cent) of losses (including deemed losses for adjusting expenses) that exceed 16 per cent (2025 - 16 per cent) of AgrilInsurance liability coverage. The maximum coverage is \$420,651,000 (2025 - 484,704,000). Reinsurance premiums were \$40,882,000 (2025 - \$48,382,000). There was no private sector reinsurance recovery for 2026 (2025 - nil).

Hail Insurance Program

For 2025/26, MASC entered into a one-year agreement with private sector reinsurers for the Hail Insurance program. The agreement covers 100 per cent (2025 – 100 per cent) of hail insurance losses (including actual loss adjusting expenses) that exceed five per cent of hail insurance liability coverage. The maximum coverage is \$40,975,000. Reinsurance premiums were \$1,507,000 (2025 – \$1,573,000), with no reinsurance recovery for 2026 (2025 – nil).

Livestock Price Insurance Program

Alberta's Agriculture Financial Services Corporation (AFSC) administers this program on behalf of MASC. AFSC entered into a private reinsurance agreement for 2025/26 for excess of loss reinsurance, whereby reinsuring companies assumed 39.5 per cent (2025 – 55 per cent) for losses between 150 to 200 per cent (2025 – 150 to 200 per cent) of gross written premium with a limit of liability of 50% of gross written premium income subject to a maximum recovery of \$16.25 million (2025 – \$12.48 million), and 44.5 per cent (2025 – 55 per cent) of the losses between 200 to 300 per cent (2025 – 200 to 300 per cent) of gross written premium with a limit of liability of 100% of gross written premium income subject to a maximum recovery of \$32.5 million (2025 – \$24.96 million). This agreement included Manitoba's share of the program. Manitoba's share of reinsurance premiums was \$191,000 (2025 – \$241,000).

For 2025/26, the program also entered into a separate quota share reinsurance agreement whereby the reinsurer assumed 50.25 per cent (2025 – 51.0 per cent) of losses up to a maximum of 150% of premiums for the Livestock Price Insurance program. Manitoba's share of total reinsurance premiums, net of commissions and rebates was \$624,000 (2025 – \$506,000). The reinsurers share of Manitoba's losses was nil (2025 – \$1,000 loss). Manitoba's total net quota share reinsurance premiums were \$624,000 (2025 – \$505,000).

28. COMPARITIVE FIGURES

The comparative consolidated financial statements have been reclassified from consolidated financial statements previously presented to conform to the presentation of the 2026 consolidated financial statements.

MANITOBA AGRICULTURAL SERVICES CORPORATION

Schedule 1: Consolidated Schedule of Administrative Expenses

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026		2025	
Adjustors' wages, benefits, and expenses	\$	5,412	\$	5,296
Advertising		409		412
Amortization expense		324		332
Appeal tribunal		20		18
Audit fees and legal		469		379
Directors' remuneration and expense		95		108
Furniture and equipment		176		132
Information technology		2,062		1,975
Office rental and utilities		1,189		1,117
Other administrative expenses		1,481		2,221
Other administrative recoveries		(616)		(650)
Postage		171		136
Printing and office supplies		140		113
Salaries and employee benefits		17,369		15,109
Telephone		108		100
Travel and vehicle expenses		259		268
Total administrative expenses	\$	29,068	\$	27,066
Administrative expenses allocation:				
Lending programs	\$	7,230	\$	6,563
AgrilInsurance program		14,098		13,353
Hail Insurance program		5,084		4,463
Wildlife Damage Compensation program		1,418		1,483
Farmland School Tax Rebate program		586		584
Livestock Price Insurance program		577		573
Other programs		75		47
Total administrative expenses	\$	29,068	\$	27,066

MANITOBA AGRICULTURAL SERVICES CORPORATION

Schedule 2: Consolidated Schedule of Operations and Accumulated Surplus by Program For the Year Ended March 31, 2026 | In Thousands of Dollars

	Lending Programs		AgrilInsurance Program		Hail Insurance Program		
	2026	2025	2026	2025	2026	2025	
REVENUE							
Insurance premiums							
Insured producers	\$ -	\$ -	\$ 42,450	\$ 104,902	\$ 40,296	\$ 37,942	
Province of Manitoba	-	-	25,118	62,354	-	-	
Government of Canada	-	-	37,679	93,536	-	-	
	-	-	105,247	260,792	40,296	37,942	
Interest from loans	40,138	40,968	-	-	-	-	
Other contributions - Province of Manitoba	-	-	5,632	5,344	-	-	
Other contributions - Government of Canada	-	-	8,466	8,012	-	-	
Investment income	1,353	1,211	21,814	30,929	3,517	5,202	
Other income (expense)	111	9	-	-	(1)	-	
Total revenue	41,602	42,188	141,159	305,077	43,812	43,144	
EXPENSE							
Insurance indemnities and compensation payments	-	-	84,471	242,470	39,879	33,082	
Reinsurance premiums (Note 27)	-	-	40,882	48,382	1,507	1,573	
Interest on borrowed funds	29,856	30,439	-	-	-	-	
Provision (recoveries) for credit losses	4,641	(845)	1,708	869	(3)	(17)	
Provision (recoveries) for guaranteed loan losses (Note 20)	72	(524)	-	-	-	-	
Other recoveries - Province of Manitoba	981	3,588	-	-	-	-	
Young farmer incentives	1,223	1,135	-	3	-	-	
Farmland School Tax Rebates (Note 5)	-	-	-	-	-	-	
Administrative expenses (Schedule 1)	7,230	6,563	14,098	13,353	5,084	4,463	
Total expenses	44,003	40,356	141,159	305,077	46,467	39,101	
Income (loss) for the year	(2,401)	1,832	-	-	(2,655)	4,043	
Accumulated surplus (deficit), beginning of year	(16,905)	(18,737)	-	-	120,768	116,725	
Accumulated surplus (deficit), end of year	\$ (19,306)	\$ (16,905)	\$ -	\$ -	\$ 118,113	\$ 120,768	

	Wildlife Damage Compensation Program		Farmland School Tax Rebate Program		Livestock Price Insurance Program		Other Programs		Total	Total
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$ -	\$ -	\$ -	\$ -	\$ 2,163	\$ 1,454	\$ -	\$ -	\$84,909	\$144,298
	-	-	-	-	-	-	-	-	25,118	62,354
	-	-	-	-	-	-	-	-	37,679	93,536
	-	-	-	-	2,163	1,454	-	-	147,706	300,188
	-	-	-	-	-	-	-	-	40,138	40,968
	7,959	8,072	23,543	21,228	231	229	6	-	37,371	34,873
	9,325	9,455	-	-	346	344	-	-	18,137	17,811
	-	-	64	57	155	169	8	24	26,911	37,592
	-	-	-	-	-	-	61	58	171	67
	17,284	17,527	23,607	21,285	2,895	2,196	75	82	270,434	431,499
	15,866	16,044	-	-	1	3	-	-	140,217	291,599
	-	-	-	-	815	744	-	-	43,204	50,699
	-	-	-	-	-	-	-	-	29,856	30,439
	-	-	(1)	(6)	-	-	-	-	6,345	1
	-	-	-	-	-	-	-	-	72	(524)
	-	-	-	-	-	-	-	35	981	3,623
	-	-	-	-	-	-	-	-	1,223	1,138
	-	-	23,022	20,707	-	-	-	-	23,022	20,707
	1,418	1,483	586	584	577	573	75	47	29,068	27,066
	17,284	17,527	23,607	21,285	1,393	1,320	75	82	273,988	424,748
	-	-	-	-	1,502	876	-	-	(3,554)	6,751
	-	-	-	-	3,049	2,173	-	-	106,912	100,161
	\$ -	\$ -	\$ -	\$ -	\$ 4,551	\$ 3,049	\$ -	\$ -	\$ 103,358	\$ 106,912

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba

To the Board of the Manitoba Agricultural Services Corporation

Opinion

We have audited the financial statements of the Production Insurance Trust (Production Trust), which comprise the statement of financial position as at March 31, 2026, and the statement of comprehensive income, the statement of changes in trust equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Production Trust as at March 31, 2026, and its financial performance, changes in its trust equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Production Trust in accordance with the ethical requirements in Canada that are relevant to our audit of the financial statements, 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 IFRS, 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 Production Trust'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 an intention exists to liquidate the Production Trust or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Production Trust'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 Production Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Production Trust 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.

Office of the Auditor General

Office of the Auditor General
Winnipeg, Manitoba
July 21, 2026

PRODUCTION INSURANCE TRUST

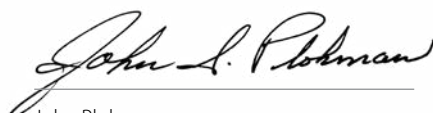
Statement of Financial Position

As of March 31, 2026 | In Thousands of Dollars

	2026	2025
ASSETS		
Cash and cash equivalents (Note 3A)	\$ 562,262	\$ 237,500
Accounts receivable from MASC (Note 3B)	14,041	10,301
Investments (Note 4)	201,428	339,882
Total Assets	\$ 777,731	\$ 587,683
LIABILITIES		
Claims payable (Note 3D)	\$ 13,504	\$ 47,986
TRUST EQUITY	764,227	539,697
Total Liabilities and Trust Equity	\$ 777,731	\$ 587,683

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

Approved by the Board:



John Plohman
Chair, Board of Directors



Don Kostas
Vice Chair, Board of Directors

PRODUCTION INSURANCE TRUST

Statement of Comprehensive Income

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026	2025
REVENUE		
Contribution from MASC	\$ 294,466	\$ 322,571
Investment income	14,535	18,829
Total Revenue	\$ 309,001	\$ 341,400
EXPENSE		
Insurance indemnities	84,471	242,426
Net Income and Comprehensive Income for the year	\$ 224,530	\$ 98,974

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

PRODUCTION INSURANCE TRUST

Statement of Changes in Trust Equity

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026		2025	
Trust equity, beginning of year	\$	539,697	\$	440,723
Net income and comprehensive income for the year		224,530		98,974
Trust equity, end of year	\$	764,227	\$	539,697

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

PRODUCTION INSURANCE TRUST

Statement of Cash Flows

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026		2025	
Cash provided by (used for):				
OPERATING				
Income for the year	\$	224,530	\$	98,974
Changes in:				
Receivables from MASC		(3,740)		21,773
Claims payable		(34,482)		13,301
Cash provided by operating activities		186,308		134,048
INVESTING				
Investments redeemed		138,454		66,452
Cash provided by investing activities		138,454		66,452
Net increase in cash and cash equivalents		324,762		200,500
Cash and cash equivalents, beginning of year		237,500		37,000
Cash and cash equivalents, end of year	\$	562,262	\$	237,500
Supplemental Cash Flow Information				
Interest received	\$	16,578	\$	19,941

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

PRODUCTION INSURANCE TRUST

Notes to Financial Statements

As of March 31, 2026

1. NATURE OF TRUST

The Production Insurance Trust (Trust) was created by the Province of Manitoba to benefit Manitoba Agricultural Services Corporation's (MASC) AgriInsurance program participants. MASC is designated as the trustee for the Trust.

The Trust is used to pay AgriInsurance indemnities to participating producers. Funding for the Trust is provided by MASC.

2. STATEMENT OF COMPLIANCE

The Production Insurance Trust's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were authorized for issue by the Board of Directors on July 21, 2026.

3. MATERIAL ACCOUNTING POLICIES AND REPORTING PRACTICES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements in accordance with IFRS.

(A) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and short-term investments, which are highly liquid investments with short-term maturities (less than three months) and are measured at amortized cost. Interest income is recorded on an accrual basis within investment income in the statement of comprehensive income.

The Trust's short-term investments are with the Province of Manitoba and consist of the following as of March 31, 2026:

In Thousands of Dollars					
Maturity Terms	2026 Average Interest Rate		2026		2025
Less than 3 months	2.240%	\$	562,262	\$	237,500

(B) Accounts Receivable from MASC

The accounts receivable from MASC is recorded at amortized cost, which approximates the fair market value, is non-interest bearing and has no fixed terms of repayment.

(C) Investments

Funds in excess of operational needs are invested with the Province of Manitoba, in accordance with the Production Insurance Trust agreement, and are measured at amortized cost. Investments are principally held to maturity for the purpose of collecting contractual cash flows with early redemptions occurring infrequently. Investment income is recognized using the effective interest rate method. Gains or losses arising from an early redemption are recognized within investment income in the statement of comprehensive income.

(D) Claims Payable

Claims payable are comprised of claims approved but not yet disbursed and a provision for claims in process. The provision represents management's best estimate of probable claims against the Trust. The provision is established by reviewing outstanding claims and either providing individual claim estimates or establishing an average loss and multiplying this amount by the number of claims outstanding.

(E) Related Party Transactions

Contributions from MASC are recognized at the exchange amount when received.

(F) Classification and Measurement of Financial Assets

The Trust determines the classification and measurement of its financial assets based on an assessment of: (a) the business model under which the assets are held; and (b) the contractual cash flow characteristics of the assets. All of the Trust's financial assets are classified and measured at amortized cost since:

- the assets are all held within a business model whose primary objective is to hold assets to collect the contractual cash flows; and
- the contractual terms of the assets give rise to cash flows, which are solely payments of principal and interest.

Transaction costs related to all financial instruments are expensed as incurred.

(G) Impairment of Financial Assets

The Trust recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. The Trust has determined all its financial assets to have low credit risk and has measured the loss allowance for these instruments at an amount equal to their 12-month expected credit losses.

At each reporting date, the Trust assesses whether their financial assets are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The loss allowance for credit-impaired financial assets is measured at an amount equal to the lifetime expected credit losses for these instruments.

Loss allowances for financial assets measured at amortized cost are deducted from the carrying value of the assets.

(H) Derecognition of Financial Assets

The Trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(I) Measurement Uncertainty

The preparation of financial statements that conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, all at the date of the financial statements; as well as the reported amounts of revenues and expenses during the period. Significant estimates and assumptions that are made by management relate to the determination of the liabilities for claim payments.

(J) Future Changes in Accounting Standards

Standards issued but not yet effective

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.

On May 30, 2024, the International Accounting Standards Board ["IASB"] issued amendments to IFRS 9, *Financial Instruments* ["IFRS 9"] and IFRS 7, *Financial Instruments: Disclosures* ["IFRS 7"], *Amendments to the Classification and Measurement of Financial Instruments* [the "Amendments"]. The Amendments include:

- A clarification that a financial liability is derecognized on the "settlement date" and introduce an accounting policy choice [if specific conditions are met] to derecognize financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance and similar features should be assessed;
- Clarifications on what constitute "non-recourse features" and what are the characteristics of contractually linked instruments; and
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income.

The Amendments are effective for annual periods starting on or after January 1, 2026.

Early adoption is permitted, and the Trust is assessing the impact of adopting changes to IFRS 9 and IFRS 7 and does not expect to early adopt.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ["IFRS 18"], which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statement and the notes.

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Trust is assessing the impact of adopting IFRS 18 and does not expect to early adopt.

4. INVESTMENTS

The Trust's investments are with the Province of Manitoba and consist of the following as of March 31, 2026:

In Thousands of Dollars					
Maturity Terms	2026 Average Interest Rate		2026		2025
1 year	2.213%	\$	200,000	\$	336,410
Accrued Interest			1,428		3,472
		\$	201,428	\$	339,882

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Trust's financial instruments include cash and cash equivalents, accounts receivable from MASC, and investments.

Financial instruments comprise the majority of the Trust's assets and liabilities. Contributions from MASC is dependent on the corporation collecting premiums from producers participating in the AgrilInsurance program. Also, the Trust places the retained funds mainly in short-term investments, to have sufficient capital available to make insurance payments when losses exceed the current year's contributions from MASC.

MASC, as trustee, establishes risk management policies designed to identify and analyze risk, set appropriate risk limits and controls, and monitor the risks and adherence to limits by means of reliable up-to-date information systems. The Board of Directors of MASC approves these policies and management is responsible for ensuring that the policies are properly carried out. The Board of Directors receives confirmation that the risks are being appropriately managed through regular reporting, third-party compliance reporting, and by reviews conducted by MASC's internal auditors.

The Trust is exposed to credit, liquidity, and market risks in respect of its use of financial instruments. The carrying value of the Trust's financial instruments approximate their fair value.

Credit Risk

Credit risk is the likelihood of one party to a financial instrument failing to discharge an obligation and causing financial loss to the counter party. The financial instruments that subject the Trust to credit risk are investments and the accounts receivable from MASC.

Investments - The Trust is not exposed to significant credit risk as its investments are held by the Province of Manitoba, with a guarantee of the associated payments of principal and interest.

Accounts Receivable from MASC - The Trust is directly affected by MASC's credit risk related to the collection of AgrilInsurance producer and related government premiums as well as private reinsurance recoveries since these collections and recoveries, net of reinsurance premiums, become contributions to the Trust. The AgrilInsurance program offers credit for producer premiums, which are due and payable at the time of billing.

Interest is charged on premiums that are not paid by October 31 of that crop year, with March 31 being the final payment deadline. MASC terminates the insurance contracts of producers who do not make acceptable payment arrangements prior to the upcoming crop year. The importance of insurance programs to the financial well-being of an ongoing farming operation serves to mitigate the credit risk associated with the non-payment of insurance premiums. MASC and therefore the Trust are not exposed to significant credit risk given the very high probability that payment in full will be collected when due. There is a very high probability that MASC will receive full payment for the reinsurance recoveries from the private reinsurers, therefore MASC and the Trust are not exposed to a significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate exposure relates to investments.

Investments - The Trust's investment portfolio is mainly in short-term, interest-bearing investments. These investments are normally held to maturity so changes in interest rates do not affect the value of the investments. All of MASC's investments are placed through Manitoba Finance.

Liquidity Risk

Liquidity risk relates to the Trust's ability to access sufficient funds to meet its financial commitments.

The Trust's primary liquidity risk relates to its liability for insurance claims. The Trust does not have material liabilities that can be called unexpectedly at the demand of a client, and has no material commitments for capital expenditures, or need for same, in the normal course of business.

Insurance indemnities are funded firstly out of current net revenue, which normally exceeds cash requirements; secondly, from the trust equity; and thirdly, from MASC's unearned revenue balance, which maintains the Production Insurance Fund balance. If all of the above is exhausted, the Trust can access funds from MASC's AgrilInsurance program, which has an agreement with the Government of Canada and the Province of Manitoba that provides for unlimited additional funding for claim payments. The Trust can also access funds from MASC's AgrilInsurance program's ability to borrow funds from the Province of Manitoba.

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Board of the Manitoba Agricultural Services Corporation

Opinion

We have audited the financial statements of the Hail Insurance Trust (Hail Trust), which comprise the statement of financial position as at March 31, 2026, and the statement of comprehensive income, the statement of changes in trust equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hail Trust as at March 31, 2026, and its financial performance, changes in its trust equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Hail Trust in accordance with the ethical requirements in Canada that are relevant to our audit of the financial statements, 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 IFRS, 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 Hail Trust'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 an intention exists to liquidate the Hail Trust or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hail Trust'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 Hail Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hail Trust 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.

Office of the Auditor General

Office of the Auditor General
Winnipeg, Manitoba
July 21, 2026

HAIL INSURANCE TRUST

Statement of Financial Position

As of March 31, 2026 | In Thousands of Dollars

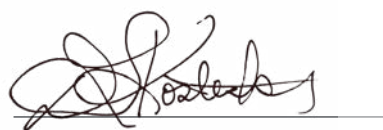
	2026	2025
ASSETS		
Cash and cash equivalents (Note 3A)	\$ 63,824	\$ 54,947
Accounts receivable from MASC (Note 3B)	964	1,161
Investments (Note 4)	53,325	64,660
Total Assets	\$ 118,113	\$ 120,768
LIABILITIES		
Claims payable (Note 3D)	-	-
TRUST EQUITY	\$ 118,113	\$ 120,768
Total Liabilities and Trust Equity	\$ 118,113	\$ 120,768

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

Approved by the Board:



John Plohman
Chair, Board of Directors



Don Kostas
Vice Chair, Board of Directors

HAIL INSURANCE TRUST

Statement of Comprehensive Income (Loss)

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026	2025
REVENUE		
Contribution from MASC	\$ 33,790	\$ 32,096
Investment income	3,434	5,029
Total Revenue	\$ 37,224	\$ 37,125
EXPENSE		
Insurance indemnities	\$ 39,879	\$ 33,082
Net Income and Comprehensive Income (Loss) for the year	\$ (2,655)	\$ 4,043

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

HAIL INSURANCE TRUST

Statement of Changes in Trust Equity

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026		2025	
Trust equity, beginning of year	\$	120,768	\$	116,725
Net Income and Comprehensive Income (Loss) for the year		(2,655)		4,043
Trust equity, end of year	\$	118,113	\$	120,768

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

HAIL INSURANCE TRUST

Statement of Cash Flows

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026		2025	
Cash provided by (used for):				
OPERATING				
Income (loss) for the year	\$	(2,655)	\$	4,043
Changes in:				
Receivables from MASC		197		(163)
Claims payable		-		-
Cash provided by (used in) operating activities		(2,458)		3,880
INVESTING				
Investments redeemed		11,335		31,267
Cash provided by investing activities		11,335		31,267
Net increase in cash and cash equivalents		8,877		35,147
Cash and cash equivalents, beginning of year		54,947		19,800
Cash and cash equivalents, end of year	\$	63,824	\$	54,947
Supplemental Cash Flow Information				
Interest received	\$	3,780	\$	5,637

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

HAIL INSURANCE TRUST

Notes to Financial Statements

As of March 31, 2026

1. NATURE OF TRUST

The Hail Insurance Trust (Trust) was created by the Province of Manitoba to benefit Manitoba Agricultural Services Corporation's (MASC) Hail Insurance program participants. MASC is designated as the trustee for the Trust.

The Trust is used to pay Hail Insurance indemnities to participating producers. Funding for the Trust is provided by MASC.

2. STATEMENT OF COMPLIANCE

The Hail Insurance Trust's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were authorized for issue by the Board of Directors on July 21, 2026.

3. MATERIAL ACCOUNTING POLICIES AND REPORTING PRACTICES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements in accordance with IFRS.

(A) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and short-term investments, which are highly liquid investments with short-term maturities (less than three months) and are measured at amortized cost. Interest income is recorded on an accrual basis in investment income in the statement of comprehensive income.

The Trust's short-term investments are with the Province of Manitoba and consist of the following as of March 31, 2026:

In Thousands of Dollars			
Maturity Terms	2026 Average Interest Rate	2026	2025
Less than 3 months	2.277%	\$	54,947

(B) Accounts Receivable from MASC

The accounts receivable from MASC is measured at amortized cost, which approximates the fair market value, is non-interest bearing and has no fixed terms of repayment.

(C) Investments

Funds in excess of operational needs are invested with the Province of Manitoba, in accordance with the Hail Insurance Trust agreement, and are measured at amortized cost. Investments are principally held to maturity for the purpose of collecting contractual cash flows with early redemptions occurring infrequently. Investment income is recognized using the effective interest rate method. Gains or losses arising from an early redemption are recognized within investment income in the statement of comprehensive income.

(D) Claims Payable

Claims payable are comprised of claims approved but not yet disbursed and a provision for claims in process. The provision represents management's best estimate of probable claims against the Trust. The provision is established by reviewing outstanding claims and either providing individual claim estimates or establishing an average loss and multiplying this amount by the number of claims outstanding.

(E) Related Party Transactions

Contributions from MASC are recognized at the exchange amount when received.

(F) Classification and Measurement of Financial Assets

The Trust determines the classification and measurement of its financial assets based on an assessment of: (a) the business model under which the assets are held; and (b) the contractual cash flow characteristics of the assets. All the Trust's financial assets are classified and measured at amortized cost since:

- the assets are all held within a business model whose primary objective is to hold assets to collect the contractual cash flows; and
- the contractual terms of the assets give rise to cash flows, which are solely payments of principal and interest.

Transaction costs related to all financial instruments are expensed as incurred.

(G) Impairment of Financial Assets

The Trust recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. The Trust has determined all its financial assets to have low credit risk and has measured the loss allowance for these instruments at an amount equal to the 12-month expected credit losses.

At each reporting date, the Trust assesses whether their financial assets are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The loss allowance for credit-impaired financial assets is measured at an amount equal to the lifetime expected credit losses for these instruments.

Loss allowances for financial assets measured at amortized cost are deducted from the carrying value of the assets.

(H) Derecognition of Financial Assets

The Trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(I) Measurement Uncertainty

The preparation of financial statements that conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, all at the date of the financial statements; as well as the reported amounts of revenues and expenses during the period.

(J) Future Changes in Accounting Standards

Standards issued but not yet effective

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.

On May 30, 2024, the International Accounting Standards Board ["IASB"] issued amendments to IFRS 9, *Financial Instruments* ["IFRS 9"] and IFRS 7, *Financial Instruments: Disclosures* ["IFRS 7"], *Amendments to the Classification and Measurement of Financial Instruments* [the "Amendments"]. The Amendments include:

- A clarification that a financial liability is derecognized on the "settlement date" and introduce an accounting policy choice [if specific conditions are met] to derecognize financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance and similar features should be assessed;
- Clarifications on what constitute "non-recourse features" and what are the characteristics of contractually linked instruments; and
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income.

The Amendments are effective for annual periods starting on or after January 1, 2026.

Early adoption is permitted, and the Trust is assessing the impact of adopting changes to IFRS 9 and IFRS 7 and does not expect to early adopt.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ["IFRS 18"], which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statement and the notes.

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Trust is assessing the impact of adopting IFRS 18 and does not expect to early adopt.

4. INVESTMENTS

The Trust's investments are with the Province of Manitoba and consist of the following as of March 31, 2026:

In Thousands of Dollars					
Maturity Terms	2026 Average Interest Rate		2026		2025
1 year	2.190%	\$	15,800	\$	16,788
2 years	2.660%		7,000		37,000
3 years	3.510%		20,000		10,000
5 years	2.930%		10,000		-
	2.892%		52,800		63,788
Accrued Interest			525		872
		\$	53,325	\$	64,660

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Trust's financial instruments include cash and cash equivalents, accounts receivable from MASC, and investments.

Financial instruments comprise the majority of the Trust's assets and liabilities. Contributions from MASC is dependent on the corporation collecting premiums from producers participating in the Hail Insurance program. Also, the Trust places the retained funds mainly in short-term investments, to have sufficient capital available to make insurance payments when losses exceed the current year's contributions from MASC.

MASC, as trustee, establishes risk management policies designed to identify and analyze risk, set appropriate risk limits and controls, and monitor the risks and adherence to limits by means of reliable up-to-date information systems. The Board of Directors of MASC approves these policies and management is responsible for ensuring that the policies are properly carried out. The Board of Directors receives confirmation that the risks are being appropriately managed through regular reporting, third-party compliance reporting, and by reviews conducted by MASC's internal auditors.

The Trust is exposed to credit, liquidity, and market risks in respect of its use of financial instruments. The carrying value of the Trust's financial instruments approximate their fair value.

Credit Risk

Credit risk is the likelihood of one party to a financial instrument failing to discharge an obligation and causing financial loss to the counter party. The financial instruments that subject the Trust to credit risk are investments and the accounts receivable from MASC.

Investments – The Trust is not exposed to significant credit risk as its investments are held by the Province of Manitoba, with a guarantee of the associated payments of principal and interest.

Accounts Receivable from MASC – The Trust is directly affected by MASC's credit risk related to the collection of Hail Insurance producer premiums as well as private reinsurance recoveries since these collections and recoveries, net of reinsurance premiums, become contributions to the Trust. The Hail Insurance program offers credit for producer premiums, which are due and payable at the time of billing. Interest is charged on premiums that are not paid by October 31 of that crop year, with March 31 being the final payment deadline. MASC terminates the insurance contracts of producers who do not make acceptable payment arrangements prior to the upcoming crop year. The importance of insurance programs to the financial well-being of an ongoing farming operation serves to mitigate the credit risk associated with the non-payment of insurance premiums.

MASC and therefore the Trust are not exposed to significant credit risk given the very high probability that payment in full will be collected when due. There is a very high probability that MASC will receive full payment for the reinsurance recoveries from the private reinsurers, therefore MASC and the Trust are not exposed to a significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate exposure relates to investments.

Investments – The Trust's investment portfolio is mainly in short-term, interest-bearing investments. These investments are normally held to maturity so changes in interest rates do not affect the value of the investments. All of MASC's investments are placed through Manitoba Finance.

Liquidity Risk

Liquidity risk relates to the Trust's ability to access sufficient funds to meet its financial commitments.

The Trust's primary liquidity risk relates to its liability for insurance claims. The Trust does not have material liabilities that can be called unexpectedly at the demand of a client, and has no material commitments for capital expenditures, or need for same, in the normal course of business.

Insurance indemnities are funded firstly out of current net revenue, which normally exceeds cash requirements and secondly, from the Trust equity. If all the above is exhausted, the Trust can also access funds from MASC's Hail Insurance program's ability to borrow funds from the Province of Manitoba.

MASC Service Centres

Arborg

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Phone: 1-833-206-0451
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Brandon

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Fax: 1-833-478-1305
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Dauphin

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Headingley

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Email: headingley@masc.mb.ca

Killarney

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Fax: 1-833-478-1309
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Morden

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Portage la Prairie

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Fax: 1-833-478-1424
Email: shoallake@masc.mb.ca

Steinbach

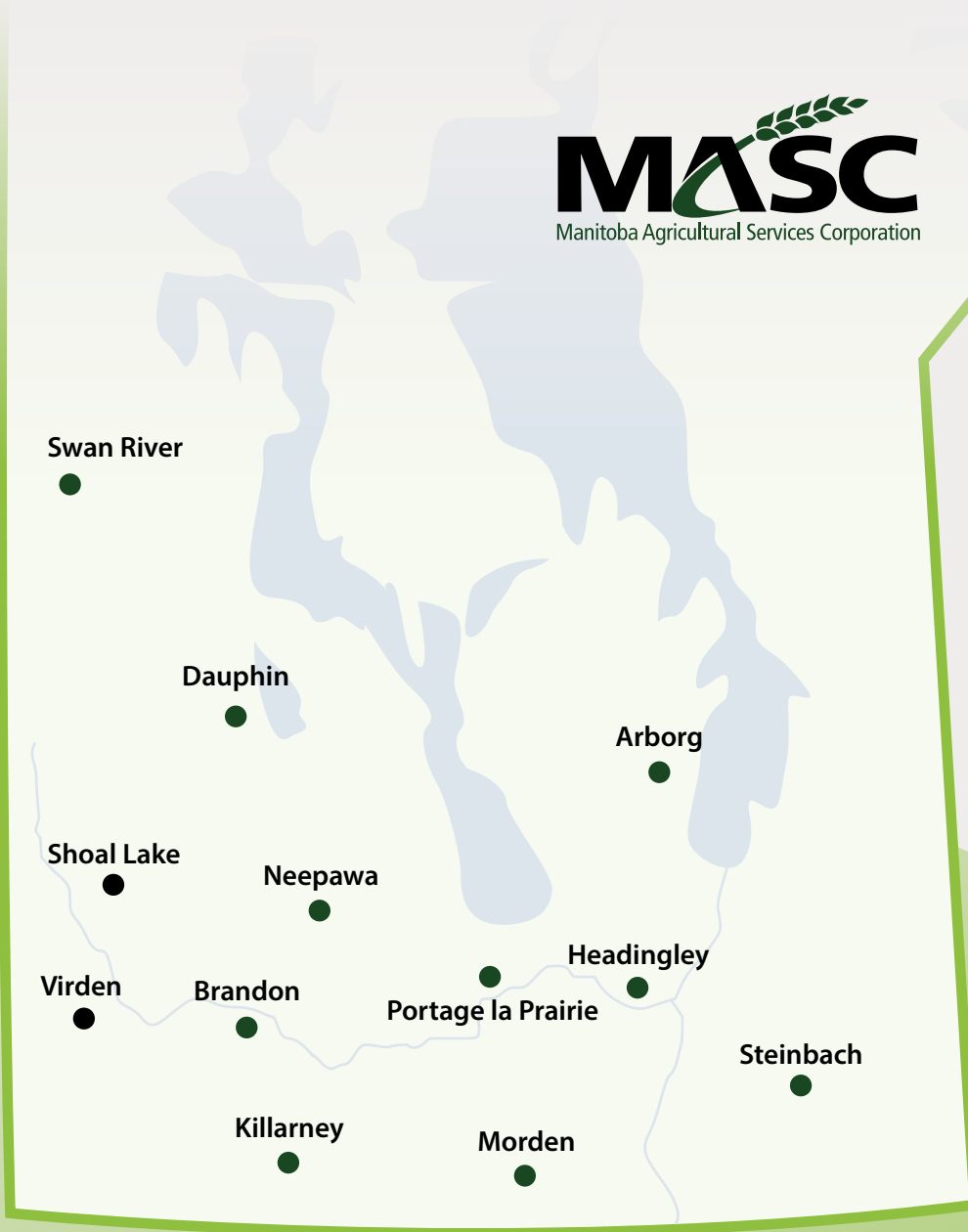
Unit C, 284 Reimer Avenue
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Swan River

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Virden

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Manitoba 