



2015
Annual General Meeting
*Victoria Inn Hotel &
Convention Centre*
February 17, 2015

Vision

Vibrant, profitable farms sustainably producing a variety of quality pulse crops to feed a healthy growing world.

Mission

To provide Manitoba pulse grower members with production knowledge and market development support, through focused research, advocacy and linkages with industry partners.



2014 Board of Directors

Kyle Friesen – President
Jason Voth – Vice President
Albert Turski
Andy Scheurer
Ben Martens

Ernie Sirski
Frank Prince
Joni Sawatzky
Rick Vaags

2014 MPGA Committee Listing

**the first listed is Chair*

1. **Executive:** *K. Friesen, J. Voth, E. Sirski, F. Labelle*
2. **Finance:** *J. Voth, A. Scheurer, S. Robinson, F. Labelle*
3. **Communications/Member relations:** *E. Sirski, R. Vaags, F. Labelle, D. Sagin, K. Podolsky, S. Robinson*
3. **Peas, Faba beans, Lentils & Chickpeas:** *F. Prince, B. Martens, D. Lange, F. Labelle, B. Conner, Y. Lawley*
4. **Edible Bean:** *J. Voth, B. Martens, J. Sawatzky, D. Lange, F. Labelle, A. Hou, Y. Lawley, B. Conner*
5. **Soybean:** *A. Turski, F. Prince, R. Vaags, J. Sawatzky, E. Sirski, A. Scheurer, D. Lange, A. Hou, Y. Lawley*
6. **MASC:** *R. Vaags, F. Prince, E. Sirski, D. Lange (adv.)*

MPGA REPRESENTATIVES

1. **Canadian Grain Commission Pulse Sub-Committee** – F. Labelle
2. **Grain Growers of Canada** – K. Friesen, R. Vaags (alt), A. Turski (alt)
3. **Keystone Agricultural Producers** – R. Vaags, E. Sirski, F. Labelle
 - General Council – F. Labelle
 - Pulse/Oilseed Sub Committee – F. Labelle
 - Commodity Group – R. Vaags, E. Sirski
4. **MCVET** – J. Sawatzky, D. Lange (adv)
5. **PGDC /PRCPSC** - J. Sawatzky, B. Martens (alt.), D. Lange (adv)
6. **Pulse Canada** – R. Vaags, F. Prince (alt), F. Labelle (adv.)
7. **Soy Canada** – E. Sirski
8. **Sustainability** – F. Prince
9. **Western Canadian Pulse Growers Association**
 - WGRF – D. Arcy Hilgartner (APG)
 - CGC Western Grain Standards Committee – E. Sirski (exp. 2018)(4 year term that rotates between: APG, SPG & MPGA)

Manitoba Pulse Growers Association

MPGA was formed in 1984 to lobby the federal government to amend the Grain Stabilization Act of the time to include western grown edible beans which were covered in Ontario but not Western Canada. The government would not accept representation from growers individually but wanted to hear from an organized voice. MPGA was successful in getting amendments to the Act. After this first step it became increasingly apparent that a voice to speak for all growers was important.

Today MPGA represents nearly 3,500 producers of peas, edible beans, soybeans, faba beans, chickpeas and lentils throughout Manitoba. MPGA is governed by a board of directors consisting of producer directors and appointed industry, government, and research representatives.

MPGA is funded by a check-off of 0.5% of soybean and pulse crop sales. Our check-off is refundable upon request. Approximately 60% of annual revenue is budgeted to support research activities, and our priorities include agronomy, extension, on-farm evaluations, variety development/breeding objectives, and utilization/value-added. We allocate 16% of annual revenue to our 2nd key area - market development. MPGA provides a voice to governments and their agencies in regards to public research, crop insurance, pest regulations, safety nets, grading and standards, pesticide policies, and other pulse-related issues as they arise. The organization has a domestic promotion program to improve and increase the use of pulse crops both for human and animal consumption, and is intensely involved in the efforts of Pulse Canada and newly formed Soy Canada to access markets throughout the world. MPGA continues to be a member of the Grain Growers of Canada, which is well known as the national voice of Canadian grain farmers. MPGA is also a member of Keystone Agricultural Producers, to add our voice in local issues affecting our producers.

Focus Areas

Research
Market Development
Advocacy
Communication

2015 ANNUAL GENERAL MEETING AGENDA

VICTORIA INN, WINNIPEG
FEBRUARY 17, 2015

Time	Item	Presenter	Action
2:50 p.m.	Call To Order	Kyle Friesen	
2:50 p.m.	Approval of Agenda	Kyle Friesen	Motion to Approve
2:52 p.m.	Minutes of 2014 Annual Meeting	Sandy Robinson	Motion to Adopt
2:57 p.m.	Election Procedure Approval	Kyle Friesen	Motion to Approve
3:00 p.m.	Nominating Committee Report	Frank Prince	
3:05 p.m.	Financial Report 2014	Dale George	Motion to Adopt
	Appointment of Auditors	Kyle Friesen	Motion to Appoint
3:10 p.m.	Branding Announcement	Francois Labelle	
3:15 p.m.	Research Presentation	Kristen Podolsky	
3:25 p.m.	Election of Directors		
3:27 p.m.	Resolution Committee Report	Kyle Friesen	
3:28 p.m.	Other business	Kyle Friesen	
3:30 p.m.	Adjourn		Motion to Adjourn

2014 Annual General Meeting Minutes

February 18, 2014

Victoria Inn Hotel and Convention Centre

Item	Agenda Item	Presenter
1.	2:00p.m. - Annual General Meeting called to order	K. Friesen
2.	AGENDA MOTION: R. Froese/E. Scheurer that the agenda for the February 18, 2014 Annual General Meeting be approved as presented. -CARRIED-	K. Friesen
3.	MINUTES OF THE 2013 AGM MOTION: J. Voth/E. Scheurer that the minutes of the 2013 Annual Meeting be adopted as read by S. Robinson. -CARRIED-	S. Robinson
4.	ELECTION PROCEDURE APPROVAL MOTION: J.Voth/ J. Sawatzky that the election procedures be approved as presented by K. Friesen. - CARRIED-	K. Friesen
5.	NOMINATING COMMITTEE REPORT The nominating committee included J.Voth, J. Sawatzky, and R. Vaags. On behalf of the nominating committee, J. Voth presented the following names for the 2014-2017 term: Andrew Knowles, Frank Prince, Ernie Sirski, and the following names for the 2014-2015 term: Ben Martens and Andy Scheurer. K. Friesen CALLED FOR NOMINATIONS from the floor with none forthcoming. MOTION: R. Froese/D.Dewar that nominations cease. - CARRIED-	J. Voth
6.	FINANCIAL REPORT MOTION: E. Scheurer/D.Dewar that the 2013 audited financial statements be adopted as presented by Lorna George of D.F. George Chartered Accountants Inc. -CARRIED- APPOINTMENT OF AUDITORS MOTION: J.Voth/F.Prince that D.F. George Chartered Accountants Inc. be appointed for the Manitoba Pulse Growers Association for 2014. -CARRIED-	L. George
7.	BOARD & MANAGER'S REPORT F. Labelle reviewed the 2013 Board and Manager's report, included in the AGM booklet distributed to attending members	F. Labelle
8.	ELECTION RESULTS The following directors were elected by acclamation for the 2014-2017 term: Andrew Knowles, Frank Prince & Ernie Sirski 2014-2015 term: Ben Martens and Andy Scheurer	K. Friesen
9.	RESOLUTIONS COMMITTEE REPORT K.Friesen reported that resolutions could not be received from the floor based on MPGA by-laws and that no resolutions were submitted prior to the deadline.	K. Friesen
10.	CALL FOR OTHER BUSINESS There was no other business to report	K. Friesen
11.	ADJOURN 2:55 P.M. MOTION: J.Voth/R. Froese that the 2014 Annual General Meeting be adjourned. -CARRIED-	

Market Development

MPGA board and staff participated in the development of Soy Canada. E. Sirski is Vice-Chair and Edgar Scheurer is a Director at-large on the Soy Canada board. Board and staff participated in several other meetings as well, including Pulse Canada board meetings, the Canadian Grain Commission Special Crops Sub-Committee meeting, KAP Grain, Oilseed and Pulse committee meeting, and the Pulse Industry Roundtable meeting. K. Friesen and F. Labelle attended the Soybean Transportation Roundtable hosted by the North Dakota Soybean Council and made a presentation on Manitoba soybean issues.

A position statement regarding neonicotinoids and bee health issues was developed, which emphasized the importance of utilizing sound science based information. Input was provided on the pulse industry position statement in regards to the Free Trade Agreement negotiations with Korea.

R. Lewko helped launch the 25th Anniversary season of *Great Tastes of Manitoba*, which aired on CTV on September 6th and re-aired on February 7th, with the episode 'More Beans Please'. The episode can also be viewed on YouTube.



Staff met with YES Winnipeg to discuss business opportunities, worked with Pulse Canada on activities for International Year of Pulses (2016), sent grain sample envelopes to growers to help gauge crop quality, and responded to several inquiries from domestic and international customers looking for information about Manitoba production.



Sustainability

MPGA board and staff participated in several sustainability meetings, including the Canadian Roundtable for Sustainable Crops Inaugural Meeting in Winnipeg, the Sustainable Production Seminar and Tour in Seville, Spain, and the Canadian Field Print Initiative meeting in Ottawa. MPGA also provided input into Pulse Canada's sustainability file, which has 3 main focus areas: Sustainability Indicators for Canadian Grains, Oilseeds and Pulse Crops; Development and Piloting of On-Farm Sustainability Measurement Tools; and On-Farm Fertilizer Use Survey.

Communications

MPGA launched the *MPGA Working for You!* video showcasing the work being done in the four key focus areas to improve grower profitability and industry success. Other communication initiatives that reached our members in 2014 included the Manitoba Pulse Report - a daily radio broadcast featuring everything and all things related to pulses and soybeans, 10 editions of *The Bean Report* in print (531 subscribers) and on radio, 3 issues of *Pulse Beat*, and 10 Soybean School West videos. MPGA staff connected with producers, agronomists, industry representatives, other association staff and consumers on Twitter (850 followers) and Facebook. In 2014, we also made a commitment to increase updates on the website and have achieved a 100% increase in number of visits. Our peak website traffic was in July with a record high 64,000 visits.

MPGA staff made presentations to CIGI guests, met with life science companies to discuss Western Canadian pulse and soybean and research investments, assisted in organizing the 2nd Annual CropConnect Conference, and participated in Ag in the Classroom events geared at educating children about agriculture.

Directors and staff participated in a strategic planning session, facilitated by Kim McConnell and funded in part by Growing Visions, to outline strategic priorities for the next 3-5 years.

2014 Research and Production Report

Successfully **acquiring research funding** from the Growing Forward 2 federal-provincial policy framework was a top highlight for MPSG's research program in 2014. A research investment of \$1.4M by MPGA is valued at a total value of \$2.27M through collaboration with government, research and industry partners. Specifically, funding through the Growing Forward 2 program (\$453K) as well as Western Grains Research Foundation (\$257K) rolled a \$467K investment from MPGA into \$1.24M. A total of 23 new projects were funded in 2014 addressing research priorities for soybeans, edible beans and field peas, as listed on the following page. Annual crop variety evaluation trials were also funded in part by MPGA. The primary research areas include agronomic advancements in planting, harvest and residue management, soil health, root rot management, novel food uses and health benefits. The majority of these research projects are led by scientists at the University of Manitoba, Agriculture and Agri-Food Canada and the Food Development Center. We have established a good working relationship with our soybean and pulse scientists within the province; this is important to ensure that research priorities are being addressed and allows us to showcase their work progress and results to industry.

A second highlight was the commitment to **expanding our On-Farm research network** in spring 2014. A new logo and webpage were launched on April 7, 2014. On-Farm Research has proven extremely beneficial to both farmers and industry. MPGA's goal is to work with farmers to show them how to conduct reliable research while producing a large amount of data that turns into robust production recommendations for our entire soybean and pulse industry. In 2014, 20% of MPGA research budget was targeted to On-Farm research in edible beans and soybeans.



Throughout the growing season, MPGA was busy **in the field** throughout the province monitoring crop conditions, responding to farmer inquiries, producing *The Bean Report*, visiting research sites, presenting at field tours and surveying. A soybean disease survey was launched in late August to capture baseline information on what diseases are present in Manitoba fields. A dry bean grower survey was also sent to all Manitoba dry bean growers in fall 2014 in an effort to understand production practices and identify research priorities.

MPGA prioritizes **communication of research results and production advice** through effective extension strategies and development of tools and resources. In 2014, several extension presentations were offered to farmers and agronomists, and several new tools were developed:

- Attended Ag Days in Brandon and presented on soybean agronomy and production. Presentations on soybean agronomy were also given at grower and agronomist meetings in Morris and Oak River, MB as well as Southey, SK.
- Developed the new MPGA Bean App. This mobile app is available for growers and agronomists to assess plant population and estimate yield; available at www.mpgabeanapp.com
- Sponsored edible bean production meetings in Portage and Altona in March 2014.
- Two research field tours were hosted by MPGA in August. The annual tour was held in Morden and a tour was held in Brandon for the first time. Nearly 200 growers and industry representatives attended these field days to hear about MPGA sponsored research.
- Launched "Soybean Growth Staging Guide" – a resource for growers and agronomists to identify all the growth stages of soybean; and "Soybean Insect and Disease Calendar" which outlines the key insects and diseases that farmers and agronomists should monitor during the growing season.

In order to ensure Manitoba pulse and soybean growers are on the leading edge of research, production and extension initiatives, MPGA attended several International conferences. These included the Iowa On-Farm Research Conference (February), North Dakota Carrington Row Crop Research Tour (September) and the

American Society of Agronomy meetings in California (November). Attending these conferences facilitates networking with soybean and pulse crop researchers and learning about research being conducted in other parts of North America.

New Research Projects Funded in 2014

Soybean

- Phosphorus fertilization beneficial management practices for soybeans in Manitoba
- Alternatives to reduce root rots in soybean and other pulses
- Manitoba soybean cyst nematode survey 2014
- Soybeans for improved soil health
- Research and technical support for on-farm transition to organic soybean production
- Effect of soil temperature at different planting dates, and residue management, on soybean
- Enhancing Manitoba soybean yield and quality under sub-optimal conditions
- Evaluating foliar fungicides on soybean yield and maturity
- Soybean residue management
- Evaluation of foliar nutrient applications and fungicides on soybeans
- Seeding date trial
- Effects of lower seeding rates on yields – western Manitoba

Edible beans

- Evaluation of fungicide options on pinto beans
- Evaluation of direct harvest options on multiple varieties of pinto and navy beans
- Recipe development for edible beans
- Mixed beans – Characterization of bioactive compound absorption and excretion, and relationship to improvements in cardiovascular function
- Mitigating the deleterious effects of above normal soil moisture on the productivity of pulse crops through seed treatment
- Development of a pulse based gluten-free shelf-stable ready-to-eat meal using retort technology
- Joining the green revolution: value added fermentations of peas and beans
- Expanding a health claim for lentils and post-prandial glycaemia to include beans, peas and chick peas

Pea

- Field pea multi-input trial
- Pea fibre utilization in ground poultry, beef, and/or pork
- Can increasing whole and fractioned yellow pea flour consumption in Canada reduce healthcare expenditures?

A New Year, a New Name

The idea of including soybeans into our name has long been discussed at the boardtable. While soybeans are not technically a pulse, they are becoming a large part of our business through increased acres. Therefore, in order to properly acknowledge and identify ourselves with other soy organizations, a name change was proposed.

2014 marked our 30th anniversary and we wanted to represent both our history and our future through a rebranding process and Manitoba Pulse & Soybean Growers was created.

To best represent the recent pulse and soybean industry changes and the association's new name, a new logo has been created. The graphic is representative of a bean seed sprouting, which is indicative of growth. The existing colours of the association have been maintained to retain continuity between the old and the new look.



2014 in Review

Collaboration has been a theme for many discussions at MPGA throughout 2014. How can we work with other commodity groups, associations, and industry partners to get a better return on your levy dollars? Can we leverage government dollars by working with others to attain our goals? No single organization can tackle all of the issues that growers face and so cooperation and collaboration within the industry is necessary. We must choose strategic partners who bring skill sets and knowledge in areas we can build on such as Soy 20/20, Keystone Agricultural Producers, and Grain Growers of Canada to name a few.

2014 was the start of a strong working relationship with North Dakota Soybean Council (NDSC). Both MPGA and NDSC face similar issues on either side of the border and we can learn from their history and experience with agronomy to transportation. Disease challenges such as Soybean Cyst Nematode (SCN) have been in existence for years in North Dakota and we can learn from their experience, along with their research results and information how best to deal with a wide range of agronomic issues. This collaborative relationship has opened the door to partner on new events that can benefit members in both organizations.

Pulse Canada has been a leader in the agricultural industry throughout 2014, leading the transportation file. Working alongside the national organization, we have access to a network of expertise in areas such as food research, pulse flours fractioning, market access, MRLs, transportation, and sustainability. Pulse Canada has also been instrumental in developing Canada's plan for celebrating 2016's United Nations International Year of Pulses.

MPGA was instrumental in the formation of Soy Canada – the new national organization representing the soy industry. MPGA is pleased to have Ernie Sirski, elected Vice Chair of the board, as well as Director at-large, Edgar Scheurer, representing Manitoba growers. The new organization has hired executive director, Jim Everson, and started the process to formalize the by-laws, started work on market development and is planning an outbound trade mission to Japan and China. A commitment from Soy Canada is to work with other groups such as Pulse Canada to coordinate efforts on certain issues such as MRLs, so as not to duplicate the work being done.

The list of research projects continues to grow each year. MPGA is committed to working on research projects that are developed in cooperation with growers as well as researchers, in order to answer current questions. We are also looking to develop research projects that address future needs. To ensure the research is of value to our members, MPGA strives to communicate the research results in a manner that can be easily understood and implemented on farm.

Substantial time has been invested by staff in an effort to leverage MPGA member's check-off dollars into additional research dollars. We were very successful in 2014 and were able to increase our research capacity and improve the use of all our administration and market development dollars.

Looking Forward to 2015

MPGA has changed over the past thirty years. Creating and implementing a strategic plan for the next three to five years will be essential to our success.



The Board is finalizing the strategic plan that has been developed and over the upcoming months, members will be able to see the direction we are moving towards for the future.

As we move through 2015, MPGA is focused on building research capacity within our industry by implementing a research strategy that clearly identifies current and future priorities. MPSG has recognized the need to have additional resources to focus on research items you, our members, have highlighted as important to your overall sustainability. As part of the new research strategy, communicating the research results to growers in a timely and effective way will be a high priority for MPGA. Your grower dollars, invested in MPGA through check-off, have a tremendous influence in many aspects of your farm. The return on this investment into MPGA would be nearly impossible as individual growers, to attain and see results. We will continue to strive to influence your profitability and success into the future as the Manitoba Pulse & Soybean Growers.

Francois Labelle
Executive Director

MANITOBA PULSE GROWERS
ASSOCIATION INC.

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

DECEMBER 31, 2014

MANITOBA PULSE GROWERS ASSOCIATION INC.

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INDEPENDENT AUDITOR'S REPORT

To the Members
Manitoba Pulse Growers Association Inc.

I have audited the accompanying financial statements of Manitoba Pulse Growers Association Inc., which comprise the statement of financial position as at December 31, 2014, and the statements of operations, fund balances and cash flows for the administration and research funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of Manitoba Pulse Growers Association Inc. as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Carman, Manitoba
February 4, 2015

D.F. George
Chartered Accountant Inc.

MANITOBA PULSE GROWERS ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

ASSETS

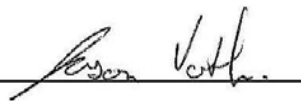
	Administration Fund	Research Fund	Total 2014	Total 2013
CURRENT ASSETS				
Cash (notes 2 and 3)	\$ 1,500,904	\$ 2,692,598	\$ 4,193,502	\$ 3,932,296
Investment (note 4)	111,149	-	111,149	104,939
Accounts receivable	64,023	-	64,023	36,953
Deposit on equipment	-	-	-	55,690
Prepaid expenses	105,366	-	105,366	70,320
	<u>1,781,442</u>	<u>2,692,598</u>	<u>4,474,040</u>	<u>4,200,198</u>
CAPITAL ASSETS, at Net Book Value (notes 2 and 5)	<u>6,314</u>	<u>238,830</u>	<u>245,144</u>	<u>-</u>
	<u>\$ 1,787,756</u>	<u>\$ 2,931,428</u>	<u>\$ 4,719,184</u>	<u>\$ 4,200,198</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES				
Accounts payable	\$ 12,026	\$ 47,890	\$ 59,916	\$ 22,924
LONG TERM DEBT				
Deferred income - CPRW	36,954	-	36,954	-
Deferred grant (note 6)	-	118,453	118,453	-
	<u>36,954</u>	<u>118,453</u>	<u>155,407</u>	<u>-</u>
FUND BALANCES				
Invested in capital assets	6,314	120,377	126,691	-
Restricted reserve (note 7)	100,000	-	100,000	100,000
Unrestricted	1,632,462	-	1,632,462	1,683,004
Restricted (note 8)				
- future commitments	-	1,797,284	1,797,284	1,478,110
- other research	-	847,424	847,424	916,160
	<u>1,738,776</u>	<u>2,765,085</u>	<u>4,503,861</u>	<u>4,177,274</u>
	<u>\$ 1,787,756</u>	<u>\$ 2,931,428</u>	<u>\$ 4,719,184</u>	<u>\$ 4,200,198</u>

Approved on Behalf of the Board:

President: 

Chair of Finance Committee: 

MANITOBA PULSE GROWERS ASSOCIATION INC.

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Invested in Capital Assets</u>	<u>Restricted Reserve</u>	<u>Unrestricted</u>	<u>Total 2014</u>	<u>Total 2013</u>
ADMINISTRATION					
Beginning of year	\$ -	\$ 100,000	\$ 1,683,004	\$ 1,783,004	\$ 2,009,758
Excess <deficiency> revenues over expenses	(702)	-	(43,526)	(44,228)	1,251,356
Contribution to future commitments	-	-	-	-	(1,478,110)
Investment in capital assets	7,016	-	(7,016)	-	-
End of year	<u>\$ 6,314</u>	<u>\$ 100,000</u>	<u>\$ 1,632,462</u>	<u>\$ 1,738,776</u>	<u>\$ 1,783,004</u>

	<u>Invested in Capital Assets</u>	<u>Future Commitments</u>	<u>Other Research</u>	<u>Total 2014</u>	<u>Total 2013</u>
RESEARCH					
Beginning of year	\$ -	\$ 1,478,110	\$ 916,160	\$ 2,394,270	\$ 710,007
Excess <deficiency> revenues over expenses	(12,570)	-	383,385	370,815	206,153
Investment in capital assets	251,400	-	(251,400)	-	-
Deferred grant after amortization	(118,453)	-	118,453	-	-
Contribution to future commitments	-	319,174	(319,174)	-	1,478,110
End of year	<u>\$ 120,377</u>	<u>\$ 1,797,284</u>	<u>\$ 847,424</u>	<u>\$ 2,765,085</u>	<u>\$ 2,394,270</u>

MANITOBA PULSE GROWERS ASSOCIATION INC.

STATEMENT OF OPERATIONS - ADMINISTRATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unaudited Budget 2014	2014	2013
REVENUE			
Administration fee (note 9)	\$ 16,000	\$ 44,947	\$ 15,992
Check-off	2,500,000	2,359,234	2,731,850
Interest	35,000	21,061	40,177
Investment - realized gains	-	1,104	905
- unrealized gains	-	5,106	4,034
Miscellaneous	-	-	-
Pulse Tour	1,200	2,600	1,200
	<u>2,552,200</u>	<u>2,434,052</u>	<u>2,794,158</u>
EXPENSES			
Check-off refunds	175,000	153,415	112,147
Administration	80,500	91,952	78,172
Travel	102,000	143,157	103,580
Employees	280,250	251,006	183,726
Research	1,500,000	1,500,000	799,500
Market development	296,500	187,219	224,037
Member relations	140,900	95,104	23,380
Memberships	42,260	41,927	18,260
Crop Connect conference	25,000	14,500	-
	<u>2,642,410</u>	<u>2,478,280</u>	<u>1,542,802</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (90,210)</u>	<u>\$ (44,228)</u>	<u>\$ 1,251,356</u>

MANITOBA PULSE GROWERS ASSOCIATION INC.

STATEMENT OF OPERATIONS - RESEARCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Interest	\$ 44,947	\$ 15,992
Research support	1,500,000	799,500
Crop Diagnostic School		
- registration fees	62,360	57,269
- sponsorship	1,000	2,160
- misc revenue	441	-
Seed Trials		
- pea co-op	-	61,047
- soybean	80,665	63,973
Amortization of deferred grant	13,161	-
Donations and grants	<u>114,723</u>	<u>35,000</u>
	<u>1,817,297</u>	<u>1,034,941</u>
EXPENSES		
Administration fee (note 9)	44,947	15,992
Administered projects		
- Crop Diagnostic School	52,854	53,018
- Pea Co-op trials	34,720	32,327
Seed Trials - soybean	72,224	74,800
Research projects	<u>1,241,737</u>	<u>652,651</u>
	<u>1,446,482</u>	<u>828,788</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 370,815</u>	<u>\$ 206,153</u>

MANITOBA PULSE GROWERS ASSOCIATION INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess (deficiency) revenues over expenses		
Administration	\$ (44,228)	\$ 1,251,356
Research	370,815	206,153
Amortization		
-deferred grant	(13,161)	-
-capital assets	13,271	-
(Increase) decrease in receivables	(27,070)	(22,660)
(Increase) decrease in prepaid expenses	(35,046)	(70,320)
(Increase) decrease in investments	(6,210)	(4,939)
(Increase) decrease in deposit on equipment	55,690	(55,690)
Increase (decrease) in payables	36,993	(200)
Increase (decrease) in deferred income	36,954	-
	<u>388,008</u>	<u>1,303,700</u>
Cash from (to) operations		
INVESTING ACTIVITIES		
Purchase of capital assets	(258,416)	-
Purchase of investment	-	(100,000)
Government capital grant	131,614	-
	<u>(126,802)</u>	<u>(100,000)</u>
Change in cash during the year	261,206	1,203,700
Cash, beginning of year	<u>3,932,296</u>	<u>2,728,596</u>
Cash, end of year	<u>\$ 4,193,502</u>	<u>\$ 3,932,296</u>

MANITOBA PULSE GROWERS ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014

1 Purpose of the Association

Manitoba Pulse Growers Association Inc. is a member organization committed to represent the interests of the pulse growers of Manitoba in matters relating to pulses, in areas of research, market development, and liaison. The association is incorporated under the Manitoba Corporations Act as a not-for-profit organization and is exempt under the Income Tax Act under section 149 (1)(e) as an agricultural organization.

2 Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook. Outlined below are those policies considered particularly significant for the association.

Fund Accounting

The association follows the restricted fund method of accounting for contributions to the research fund and the deferral method for contributions to the administration fund.

The Administration Fund accounts for the association's program delivery and administrative activities. This fund reports unrestricted resources.

The Research Fund reports only restricted resources that are to be used for research purposes.

Revenue Recognition

Externally restricted contributions related to general operations are recognized as revenue of the administration fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the administration fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

MANITOBA PULSE GROWERS ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

2 Significant Accounting Policies cont.

Check-off revenue and refunds are recognized at the time of settlement.

Investment income is recognized as revenue when earned.

Seminar fees are recognized as revenue when the seminars are held.

Contributed Services

Contributed services or materials are not recognized in the financial statements.

Capital Assets

Capital asset purchases under \$5,000 are expensed in the operating statement. Capital purchases of \$5,000 or more are recorded at cost and amortized over their estimated useful lives on a straight-line basis at an annual rate of 10% for machinery and 20% for leasehold improvements.

Research Projects

Research expenses are recognized in these financial statements in the period defined in the terms and conditions of the respective agreements and when the expenses have been incurred.

Use of Estimates

The preparation of financial statements, in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Differences in actual results from prior estimates are taken into account at the time the differences are determined.

Financial Instruments

The association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Transactions are recorded on a trade basis and transaction costs are expensed when incurred.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and long term debt. The fair value of the cash, accounts receivable and accounts payable approximates their carrying value due to their short-term nature.

MANITOBA PULSE GROWERS ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

3 Cash

	<u>2014</u>	<u>2013</u>
Administration:		
Chequing	\$ 79,434	\$ 17,274
Savings 1.8% (1.8% - 2013)	<u>1,421,470</u>	<u>1,560,450</u>
	<u>1,500,904</u>	<u>1,577,724</u>
Research:		
Chequing	179,108	110,271
Savings 1.8% (1.8% - 2013)	<u>2,513,490</u>	<u>2,244,301</u>
	<u>2,692,598</u>	<u>2,354,572</u>
	<u><u>\$ 4,193,502</u></u>	<u><u>\$ 3,932,296</u></u>

4 Investment

	<u>2014</u>	<u>2013</u>
Quadrus fixed income funds	\$ 78,948	\$ 74,692
Quadrus foreign specialty funds	<u>32,201</u>	<u>30,247</u>
	<u><u>\$ 111,149</u></u>	<u><u>\$ 104,939</u></u>

5 Capital Assets

	<u>2014</u>	<u>2013</u>
Leasehold improvements	\$ 7,016	\$ -
Machinery	<u>251,399</u>	<u>-</u>
	258,415	-
Accumulated amortization	<u>(13,271)</u>	<u>-</u>
	<u><u>\$ 245,144</u></u>	<u><u>\$ -</u></u>

MANITOBA PULSE GROWERS ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

6 Deferred Grant

Government grants restricted for the purchase of capital assets are being amortized to income over 10 years on a straight line basis. The changes in the deferred grant balance for the period are as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ -	\$ -
Government grant received	131,614	
Amount amortized to revenue	<u>(13,161)</u>	<u>-</u>
Ending balance	<u><u>\$ 118,453</u></u>	<u><u>\$ -</u></u>

7 Restricted Reserve

In fiscal 2013 the Board of Directors appropriated \$100,000 to a reserve fund from unrestricted fund balances. All transactions from the reserve fund require board approval. Reserve funds are to be used to fund any possible future wind down costs of the association.

8 Restricted Future Commitments and Other Research

The association has entered into funding agreements for long term research projects and has committed the following amounts.

<u>Year</u>	<u>Amount</u>
2015	\$ 728,705
2016	623,633
2017	<u>444,946</u>
	<u><u>\$ 1,797,284</u></u>

MANITOBA PULSE GROWERS ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

8 Restricted Future Commitments and Other Research cont.

These internally restricted funds are adjusted annually based on the value of future research commitments.

Other internally restricted funds of \$847,424 are a result of prior years' excesses of revenue over expenses from research operations and will be retained in the research fund to cover any future unexpected expenditures.

9 Administration Fee

Since fiscal 2000, the Administration Fund receives an administration fee from the Research Fund in an amount equal to the annual interest earned by the Research Fund.

10 Other Commitments

Pulse Canada is a national organization comprised of pulse trade and grower organizations from Alberta, Saskatchewan, Manitoba and Ontario. The association is providing program and project funding to Pulse Canada. The amount committed for 2015 is \$80,000 plus \$150,000 in targetted funding.

The association has entered a lease agreement with Manitoba Corn Growers Association Inc. for office space in the annual amount of \$18,000 and expiring July 1, 2015.

11 Budget Figures

The Board of Directors approved the 2014 fiscal year budget on February 3, 2014. These figures are unaudited.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

12 Financial Risk

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the association's risk exposure and concentrations at the balance sheet date of December 31, 2014.

Credit risk

Credit risk is the risk that the collectors of the levies (purchasers) will fail to remit to the association. The association is not exposed to significant credit risk as remittances are due quarterly and the purchasers are bound to perform such services under the Agricultural Producers Organization Funding Act. The accounts receivable were collected shortly after year end.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade account payables are generally paid within thirty days and bank overdrafts are settled from fund transfers from savings accounts. This risk is reduced due to the high dollar value in the savings accounts.

Interest rate risk

The association is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the association to the fair value risk. The exposure to this type of risk is the result of funds in bank savings accounts. The association's revenues may be materially impacted by changes in interest rates on its deposits. The association manages exposure by placing surplus funds in savings accounts where the applicable interest rates fluctuate with market interest rates.

Other price risk

The association is exposed to other price risk through changes in market prices in connection with its investment in pooled funds.

Commodity price risk

Commodity price risk is the risk that revenue will fluctuate due to changes in market prices affecting the dollar amount of pulse crops sold.

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Pulse Soybean
GROWERS

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