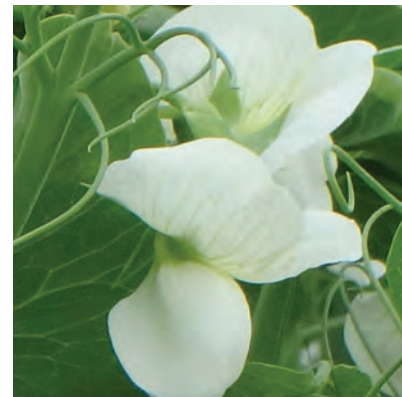




Annual General Meeting 2018



WEDNESDAY, FEBRUARY 14, 2018

**Victoria Inn Hotel and Convention Centre
Winnipeg, Manitoba**

▼ 2017 MPSG BOARD OF DIRECTORS



Chair
Jason Voth
– Altona



Vice Chair
John Preun
– St. Andrews



Director
Bryce MacMillan
– Marquette



Director
Ben Martens
– Boissevain



Director
Calvin Penne
– Elm Creek



Director
Frank Prince
– Deloraine



Director
Melvin Rattai
– Beausejour



Director
Ernie Sirski
– Dauphin



Director
Albert Turski
– La Salle



Director
Rick Vaags
– Dugald

Advisory Directors

Anfu Hou, Agriculture and Agri-Food Canada
– Cereal Research Centre

Dennis Lange, Manitoba Agriculture

Yvonne Lawley, Department of Plant Science,
University of Manitoba

▼ 2017 MPSG COMMITTEES

The first named is chair

Executive – J. Voth, J. Preun, E. Sirski, F. Labelle

Governance/HR – F. Prince, E. Sirski, F. Labelle

Finance – J. Preun, M. Rattai, F. Labelle, S. Robinson

Resolutions – C. Penner, M. Rattai, B. MacMillan

Nominations – C. Penner, M. Rattai, B. MacMillan

Communications/Member Relations/Market Development

– E. Sirski, R. Vaags, C. Penner, B. MacMillan, F. Labelle,
T. Dyck, L. Stevenson, S. Robinson, L. Schmidt

Research – F. Prince, B. Martens, A. Turski, J. Preun, C. Penner,
F. Labelle, L. Stevenson, G. Bartley, C. Tkachuk, W. Voogt,
L. Schmidt, B. Wiebe, industry advisors

▼ 2017 MPSG STAFF



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Business Manager
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Director of Communications
Toban Dyck
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Director of Research and Production
Daryl Domitruk
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Production Specialist – West
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On-Farm Technician
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Program Administrator
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Finance Officer
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▼ 2017 MPSG REPRESENTATIVES

Canadian Grain Commission Pulse Sub-Committee
– F. Labelle

Grain Growers of Canada – B. Martens

Keystone Agricultural Producers – R. Vaags, C. Penner, F. Labelle

- **General Council** – F. Labelle
- **Pulse/Oilseed Sub-Committee** – F. Labelle
- **Commodity Group** – R. Vaags, C. Penner
- **Safety Group** – F. Labelle

MCVET – L. Stevenson, D. Lange

PGDC/PRCPSC – B. Martens, L. Stevenson, D. Lange

Pulse Canada – R. Vaags, B. Martens (alt), F. Prince (alt)

• **Sustainability** – F. Prince

Soy Canada – E. Sirski

Western Canadian Pulse Growers Association

• **WGRF** – C. Loessin (SPG)

• **CGC Western Grain Standards Committee** – E. Sirski
(exp. 2018) *This is a four-year term that rotates between APG, SPG and MPSG.*

► **AGENDA** | 8:00 am – 9:00 am

TIME	ITEM	PRESENTER	ACTION
8:00 am	Call to Order	Jason Voth	
8:01 am	Approval of Agenda	Jason Voth	Motion to approve
8:03 am	Meeting procedures	Jason Voth	
8:05 am	Minutes of the 2017 Annual Meeting	Jason Voth	Motion to adopt
8:08 am	Nomination Committee Report and Confirmation of Directors	Melvin Rattai	
8:12 am	Auditor's Report 2017	Dale George	Motion to adopt
	Appointment of Auditors	Jason Voth	Motion to appoint
8:22 am	Research Report	Daryl Domitruk	
8:32 am	Board and Manager's Report	François Labelle	
8:37 am	Outgoing Director Presentation	John Preun	
8:40 am	Amalgamation Presentation	Frank Prince	
8:45 am	Amalgamation Discussion	Jason Voth / François Labelle	
8:56 am	Resolution Committee Report	Jason Voth	
8:58 am	Other Business	Jason Voth	
9:00 am	Adjourn	Jason Voth	Motion to adjourn

► 2017 ANNUAL GENERAL MEETING MINUTES

February 14, 2018 | Victoria Inn Hotel and Convention Centre, Winnipeg, MB

ITEM	AGENDA ITEM	PRESENTER
1	8:00 am – Annual General Meeting called to order	J. Voth
2	Agenda MOTION: J. Preun/ K. Friesen that the agenda for the February 15, 2017 Annual General Meeting be approved as presented. – CARRIED –	J. Voth
3	Minutes of the 2016 AGM MOTION: E. Sirski/B. Martens that the minutes of the 2016 Annual Meeting be adopted as circulated. – CARRIED –	J. Voth
4	Nomination Committee Report On behalf of the Nomination Committee, John Preun presented the following active members names for the three-year terms (2017–2020): Frank Prince and Ernie Sirski who have agreed to let their names stand for another term as well as Bryce MacMillan and Melvin Rattai. The following names were presented for one-year terms (2017–2018): Albert Turski, and Rick Vaags who have agreed to let their names stand for another term. Since no other names were submitted to the Nomination Committee, members are elected by acclamation. Introduction of new and returning board members.	J. Preun
5	Auditor's Report MOTION: J. Preun/K. Friesen that the 2016 audited financial statements be adopted as presented by Dale George of George & Associates Chartered Professional Accountants Inc. – CARRIED –	D. George
6	Appointment of Auditors MOTION: K. Friesen/B. Martens that George & Associates Chartered Professional Accountants Inc. be appointed auditors for the Manitoba Pulse & Soybean Growers for 2017. – CARRIED –	J. Voth
7	Board and Manager's Report F. Labelle presented the Board and Manager's report which was included in the AGM meeting booklet distributed to attending members.	F. Labelle
8	Collaboration Statement J. Voth read the statement. Discussion ensued. In an effort to move meeting forward, J. Voth encouraged members to continue conversation over lunch.	J. Voth
9	Research Report L. Grenkow presented the 2016 research and production report.	L. Grenkow
10	Resolutions Committee Report J. Voth reported that resolutions could not be received from the floor based on the MPSG by-laws and that no resolutions were submitted prior to the deadline.	J. Voth
11	Call For Other Business – There was no other business to report.	J. Voth
12	Adjourn 9:03 am MOTION: K. Friesen that the 2017 Annual General Meeting be adjourned. – CARRIED –	J. Voth



MESSAGE FROM BOARD CHAIR

Jason Voth, Chair

2017 IN REVIEW

Here we are again at our Manitoba Pulse & Soybean Growers (MPSG) Annual General Meeting. After the challenging year we had in 2016, 2017 was a lot of fun. The weather was good, the yields were nothing to complain about and everything ran nice and smooth. I hope this was your experience, as well.

I would, however, like to touch on a couple highlights of this past year.

Soy yields were okay. We missed out on a few late July and August rains. But edible bean yields were very good.

Over the course of 2017 and now into 2018, MSPG has been working with Manitoba Crop Insurance (MASC) on several fronts. We are conducting a hail simulation research study to work with MASC to change the way that hail is adjusted on soybeans. Ensuring appropriate crop insurance adjusting procedures are used in Manitoba will improve risk management programs and support continued growth of the soybean industry in the province. We are also working with MASC to remove the soybean test areas in the northern/western areas of the province. And recently MASC announced that it has removed the 15% preharvest claim for soybeans.

This a huge success for MPSG and a great example of your dollars at work. MPSG has been working on these files for many years and it is very encouraging to see that our efforts have led to change that will immediately and directly benefit Manitoba farmers.

MPSG continues to represent farmers on improving grain transportation in Canada. The reports that we see in the media would not be possible without the great work Pulse Canada has done in making the rail system measurable and traceable. We can compare year after year and set some measurable performance standards going forward.

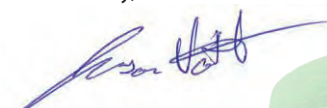
Our busy and growing On-Farm research program should be helping you make good decisions on the agronomy side of things. We have done work on single vs. double vs. no inoculant, seeding rates, seed treatment vs. no seed treatment and many other things. If you haven't checked it out, visit our website – www.manitobapulse.ca – to learn more about MPSG's On-Farm Network. You will find some very useful information to implement on your own farm.

MPSG will continue hosting multiple events every year to try and get our resource material into the hands of our members. New for this year, we will be teaming up with Manitoba Canola Growers to offer the SoyLab along with the CanoLab. This event will complement our regular events around the province including Getting it Right, Smart Day, CropConnect and the edible bean meetings, to name a few.

As you probably have heard by now, five commodity groups – including MPSG – are considering amalgamating into one. I won't spend too much time on this topic here, but I would like to encourage you to read up on the process where you can (MPSG will keep you up-to-date on the topic and so will www.mbcrops.ca) and don't hesitate to contact MPSG or any of the other commodity groups involved in this farmer-led, exploratory process.

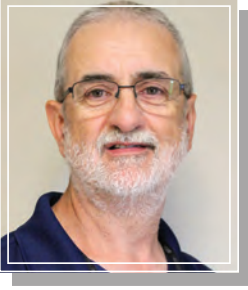
I hope you have a great growing season and an excellent time at CropConnect.

Sincerely,



Jason Voth





MESSAGE FROM EXECUTIVE DIRECTOR

François Labelle, Executive Director

STATE OF THE CROP

It was a good growing season, overall, but there were some speed bumps in the road this past year. We had record acres but weather and other factors caused problems in 2017, which gave some of us below expected yields. Last year, the thinking was that maybe there would be two million acres of soybeans and then three by 2022. With 2.6 million acres in 2017, we're getting close to the three million mark, but like I said, there were some speed bumps, so the increase in soybean acres may slow a little.

Looking forward, what would the ideal bean be: drought tolerant – especially for that August dry spell - resistance to aphids; consistent yields of 60 bpa; improved protein content average of 44%? What will the ideal bean be for this coming year?

Peas

Last year was good on average for peas. There was good moisture to start and then they are off to a good start well before the dry August. Disease was lower overall due to the dry weather. But, unfortunately, acres were low, as well.

Looking forward, there are some suggestions that peas will be resistant to root problems in the future. That will not be an easy puzzle to solve. Roquette's pea processing plant is under construction and is scheduled to open in last quarter of 2019, so we will be hearing from the company concerning their procurement plan to ensure they get the volume they require.

Edible Beans

Edible bean acres for 2017 were almost the same as reported for 2016. We did not have nearly the same challenges in '17 with excess moisture like we had in '16. Some good yields were reported, last year. We expect acres to remain in same range for 2018.

Looking forward, though, white mould resistance, or a good chemical control would be welcome. How about an inoculant for edible beans? It's being worked on. The long-term need, though, is improved varieties with higher yields. Edibles have not kept up with the advances in yield gains of other crops.

Faba Beans

Faba bean acres will hopefully reach 10,000, this year. This is the third go-around for fababeans that I have seen. One speed bump they face is limited markets. If markets are established, I'm sure we'll see acres grow.

Lentils

There were less than 3,000 acres of lentils planted in Manitoba in 2017. The long-term outlook on lentils acres in Manitoba is tied to weather. If we are at the end of a wet cycle, they may make a comeback. Manitoba has grown some very good lentils in the past, so it's possible again.

Other Pulses

We are always on the lookout for the "next" big pulse crop. Work has been done on Adzuki beans, mung beans and lima beans. It's always interesting to see what we can all grow, but we need the whole system to operate smoothly – handling, marketing, production and it all needs to be economical.

Board and Directors

The board continues to meet for five board meetings per year. But then there are all the committee, industry and government meetings, plus the national associations we belong to that want MPSG directors on their boards, as well. We surveyed directors this year to see how many days they have been away from their farms and I will say that number has grown. It's 15 to 40 days. You, as members, cannot underestimate the time and effort these farmers who let their names stand for the board put into the organization. I can get a director on the phone to talk about a few things and next thing you know we talked about several more items and it took an hour away from their farm business. We have a good mix on our board, younger, older, and many opinions and that makes for a healthy organization.

I would like to personally thank the directors for their effort. In a world where volunteerism is fading away, it's you who will make a difference and make your association successful.

Research

There is lots of great research work being done and MPSG's new Director of Research and Production, Daryl Domitruk, will list and explain it, but this is the one area where the majority of the funds we invest go towards. We are targeting between 60 and 70 per cent of the check-off investments we receive to research.

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The On-Farm research we do is strong. It's something you can do on your own farms, developing your own set of skills to test if products and/or practices actually work for you. A properly designed trial is replicated and proper measures are taken to collect results so they can be analyzed, statistically, to confirm they stand up to scrutiny. These trials are not the same as one application on half the field or just a strip in the field. In discussion with some growers, they have said as a result of these trials they have questioned some of their management practices and changed them to improve their bottom-line.

But, not all research can be done this way. Small-plot work and lab work is still very important. We still must fund all types of research and we need to be ready to hear that not all the work being done is successful or has good answers. At times, good research just gives us more questions so we must keep working ahead if the work is felt to be of value.

MPSG staff focus on looking at production issues and problems and then work to see if there are answers or if research needs to be done to address these concerns. We may organize a call to the research community to get answers, or we may target a researcher or group to do some work on behalf of our farmers. Our research committee is also involved in discussing and recommending which projects to approve and it is the final say of the board on which projects get funded. Being that most dollars go into research, the research committee has almost the whole board on it, which is a good thing that has yielded fruitful discussion.

Transportation

It sure takes a long time to effect change. Last year, it was all looking positive for changes to our rail transportation system. It was and still is. The Transportation Modernization Act has passed parliament but it's waiting for the senate to pass or amend it. It's always a concern when time goes by and there is no conclusion. Time allows for influences which may negatively affect the changes we were hoping to get.

Numbers and proof are so important when we want to influence change. Back in 2013, your board put forward funds to Pulse Canada to work on the transportation file. Those funds were used to finance the work of the Ag Transportation Coalition (ATC). A small group of funders stood up initially for this and when we had the problems in 2013/14 crop year, the reports started showing the real value. Luckily, more groups joined in so we could produce a weekly performance update and then a daily one. This reports is looked at by many people, in Ottawa, provincial capitals and many producers. This report was a real game changer. It attracted the attention of the policy makers, politicians and the railway. I would say that without a doubt the changes were brought forward because of this report.

Now, going forward, we expect Bill C-49 to pass through the senate – maybe with some changes. But, what about the performance report? I understand the government intends to put together one report, that would include most or all what we have now in the ATC Performance Document, and that it will take two or three years to develop this. It is the ATC's intention to continue with this report till it sees a new report. We do not want a time period like the current one where grain movement is not as expected and we do not have the documentation to prove it. MPSG has agreed to continue funding this report, but it's important that all commodities who ship by rail pay into this, as well.

Pulse Canada / Soy Canada

We are very fortunate to work with our sister organizations across the country – Pulse Canada and Soy Canada.

They are working on issues such as the India pea duty and fumigation requirements, as MPSG we could not cover much ground but collectively through Pulse Canada we can have impact on many files.

Both groups work on market access issues, maximum residue limits and pesticide issues for their respective crops. This requires funds and they use your dollars to leverage more dollars to get all the needed work done. There is always more work to do, so funding them must be a priority. We cannot say enough how important this is to our industry

Amalgamation

I'm not going to say much on this, but do take the time to listen and make certain you express your opinion as the future of Manitoba's commodity groups is being discussed right now.

We could talk forever about the things going on in this vibrant industry, but we just don't have the time (one that I am watching closely is the weather for 2018).

I hope everyone has a great 2018, and, as always, don't hesitate to reach out to me or anyone else at MPSG with any questions, concerns or comments you may have. My door is always open.

Sincerely,



François Labelle



► RESEARCH & PRODUCTION REPORT

Daryl Domitruk, Director of Research & Production

In 2017 MPSG continued to solve production challenges and uncover opportunities for pulse and soybean producers through investment in two areas; research and production extension. These combined investments represent MPSG's largest contribution to building and improving the business of pulse and soybean production in Manitoba..

RESEARCH

Each year, MPSG's research committee compiles a list of priorities to guide funding decisions for projects commencing the following year. Again in 2017 MPSG priorities were carried forward to government, university, college and other public laboratories to develop and execute projects that advance growers' knowledge of practices and technology to improve their pulse and soybean enterprises.

MPSG funds are targeted to address production costs and to optimize yield and marketable quality of soybeans and pulse crops. As a result, the most frequent production topics addressed by projects are crop pests, agronomy and crop genetic improvement. Also targeted is the health of the soil as the basis for profitable farm production. Whatever the research topic, MPSG projects can be found at various sizes and scales from laboratory experiments to small plot field studies to farm-scale trials conducted by growers with their own equipment. The latter is carried out through MPSG's popular On-Farm Network.

On-Farm Network

In 2017 the On-Farm Network conducted 70 trials on 65 farms across Manitoba. Ten topics were covered in dry edible bean, soybean and pea. MPSG's On-Farm Network trials are repeated over soil types, varieties and farm equipment types allowing MPSG members to objectively verify the performance of crop inputs and agronomic practices under real farm conditions. These trials also complement small plot research with on-farm trials used to validate small plot results.



UNIVERSITY
OF MANITOBA

Agronomist-in-Residence (AIR)

The AIR research program is a collaboration between MPSG and University of Manitoba with funding through March 31, 2018 from *Growing Forward 2*. AIR focuses on improving dry bean and soybean profitability by bridging the gap between academic research and the ability of producers to practically apply research results. This requires AIR to perform additional small-plot research on treatments selected based on their performance in early stage projects.



Research in pulse and soybean production is augmented by corresponding efforts to expand markets. An arrangement with Pulse Canada enables MPSG to access Pulse Canada's expertise in human nutrition and pulse crop utilization to guide investments into research that grow the market for pulses.

At the end of 2017 MPSG was committed to providing \$3,890,000 to 43 ongoing projects whose total cost is \$6,446,000. This figure includes funds for the University of Manitoba Agronomist-in-Residence and \$1,568,000 for 28 new projects. Most projects have multiple funders and are conducted and paid out over 2–4 years. In 2017 many projects were drawn to a close due to the sunset of government's *Growing Forward 2* program. Since 2013 both the federal and provincial sides of *Growing Forward 2* along with Western Grains Research Foundation have been significant sources of co-funding. In fact, during the 5-year *Growing Forward 2* period MPSG has been a partner in 87 projects with a total value of \$17,194,000 to which MPSG contributed \$6,798,000 or about 40 percent of the total costs.



Results from completed projects can be viewed at <https://manitobapulse.ca/research/research-projects/>

PROJECTS APPROVED FOR FUNDING IN 2017

Reducing the economic impact of pests

Determining the role of crop and non-crop habitats to provide sustainable aphid suppression in soybeans.		U of M
Manitoba survey and molecular quantification of soybean cyst nematode		U of M
Frequency of soybean in rotations – exploring root and foliar pathogens and beneficial micro-organisms		U of M
Foliar fungicide for soybean, dry bean and field pea		TAC & MPSG Members
Soybean seed treatments		TAC & MPSG Members
Evaluation of fungicide product and timing on soybean	AIR	U of M

Enhancing yield and marketable quality

Management practices to optimize establishment and early season growth of soybean		AAFC – Brandon
Soybean response to potassium fertilizer in Manitoba		U of M
Soybean potassium fertility		MPSG Members
In-furrow & foliar "Soygreen" for iron deficiency chlorosis in soybean		Antara Agronomy & MPSG
Cover crop strategies for dry bean and soybean crops in Manitoba		U of M
Predicting soybean phenology (timing of crop stages) in Manitoba		U of M
Frequency of soybean in rotations & persistence of rhizobia in soil		U of M
Seed mortality due to air seeder damage		PAMI

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Projects approved for funding in 2017 continued

Determination of equilibrium moisture content for soybeans		U of M
Enhancing Manitoba soybean yield and quality under sub-optimal conditions		AAFC – Brandon
Sustainable soybean cropping systems for western Manitoba		AAFC – Brandon
Effect of preceding glyphosate on nutrient levels of soybean		AAFC – Brandon
Soybean seeding depth	AIR	U of M
Evaluating the effect of hail damage on soybean	AIR	U of M
Late planting of early-maturing soybeans	AIR	U of M
Evaluating soybean seeding windows	AIR	U of M
Effect of preceding crop on dry bean yield	AIR	U of M
Optimizing N fertilizer rates for dry bean	AIR	U of M
Suitability of pinto bean varieties for direct harvest	on-farm network	Agri-Skills
Expanding markets		
Evaluation and selection of Azuki beans for Manitoba		AAFC – Morden
Factors influencing the quality of cooked whole beans		RRC
Comparison of roasted pulse snacks, pulse chips and commercial snacks on post-prandial food intake, appetite and glycemic index		U of M

AAFC – Agriculture and Agri-Food Canada

MPSG – Manitoba Pulse & Soybean Growers

PAMI – Prairie Agricultural Machinery Institute

RRC – Red River College

TAC – Tone Ag Consulting

U of M – University of Manitoba

PRODUCTION EXTENSION

Extension of knowledge gained through research is an essential activity for MPSG. Extension is accomplished in the following ways:

- Development and distribution of guides, fact sheets and apps.
- In-person and web-based extension events.
- Evaluation of crop varieties at multiple locations across the province.
- In-season scouting by MPSG production agronomists.

A total of 10 guides and fact sheets were developed and updated in 2017, seven of which were printed and laminated for durability. Resources were distributed at multiple extension events across Manitoba.

Distribution of these resources also took place through the agronomy engagement program, which was implemented in 2016 and continued in 2017. Throughout the summer, the agronomy engagement intern visited crop input retailers and seed growers across the province to distribute and explain MPSG resources. The goal of this program was to “train the trainers” by providing agronomists with the tools and resources they needed to inform farmers of best management practices for soybeans and pulses.



The new two-page **Soybean Production Guidelines** fact sheet was developed to assist the increasing number of soybean growers in Manitoba with best management practices. This fact sheet outlines all basic soybean production practices from planting to harvest and storage, incorporating information from recently-completed research projects.

The two-page **Dry Bean Growth Staging Guide** was developed to help farmers and agronomists identify key growth stages of dry edible bean crops for scouting and crop management decisions. Previous guides (i.e., NDSU, OMAFRA) have produced only written descriptions of development stages, whereas the MPSG dry bean guide also offers images. This guide can be used for both indeterminate and determinate dry bean plant types in Manitoba or other dry bean growing regions.



The **Soybean Harvest Loss Assessor** was launched on the MPSG Bean app. This tool was developed to help farmers and agronomists assess soybean yield losses at harvest. Yield losses are

easily calculated by entering seed counts (losses) at the header or behind the combine, seed size and estimated yield. The app also provides recommendations for reducing soybean harvest losses, based on research conducted by the Prairie Agricultural Machinery Institute. Other updates to the app included wording changes, addition of a hamburger menu for improved navigation within the app and accessibility in the Apple App Store and Android Google Play store. There were 158 MPSG Bean App installations from January 1 to September 27, 2017.

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Getting it Right

CROP PRODUCTION MEETING

MPSG held the **Getting it Right** crop production meeting in Brandon on January 30, 2018. Approximately 80 participants spent the day learning about soybean and pulse agronomy

and pathology. The event is farmer-focused, providing reliable, unbiased production knowledge directly from researchers and extension specialists to farmers

The afternoon table talk session provided a unique experience where small groups gathered at stations hosted by specialists from U of M, AAFC, Indian Head Agriculture Research Foundation and MPSG. Topics included soybean aphid management, iron deficiency chlorosis, volunteer canola management, faba bean agronomy, commodity group merger discussions and strip tillage residue management.

SMART

SOYBEAN MANAGEMENT & RESEARCH TRANSFER

MPSG hosted the **Soybean Management and Research Transfer (SMART) Day** at AAFC – Portage la Prairie on July 19, 2017. A total of 100 farmers, agronomists and media representatives participated. Five agronomy lessons (Variety Evaluation and Selection, Preventing and Managing Soil Compaction, A 'Hail' of a Couple of Years, Critical Weed-Free Period, and the Ultimate Soybean Challenge) were taught by 10 researchers and extension specialists from four institutions. Participants were split into small groups to facilitate an interactive approach to knowledge dissemination and networking amongst both participants and presenters. Current MPSG-funded soybean research was showcased.



On June 30, 2017 the On-Farm Network hosted **Plot Stop**, a tour of four On-Farm Network research trials showing how on-farm research is conducted and offering participants a look at the trials mid-season. This field tour was a collaborative effort by MPSG, MCGA and MWBG and provided a close-up look at soybean, corn, and wheat on-farm trials underway.



On the evening of August 9, 2017 MPSG, in collaboration with MCGA, MWBG and MFGA, hosted a **Twilight Tour** at the University of Manitoba research farm in Carman. Over 60 participants visited seven different research plots to

tour ongoing commodity group-funded research. Corn, wheat, flax, soybean and dry bean research were all highlighted along the tour.

In 2017 MPSG continued an extensive variety evaluation program in dry edible bean, soybean, pea, faba bean and lentil. The program evaluated 39 wide-row and 27 narrow-row dry bean varieties, 79 soybean varieties including herbicide tolerant and conventional varieties, 21 pea varieties along with 8 faba bean and 21 lentil varieties. Trials were conducted at multiple locations according to maturity zones appropriate for each crop. Testing was conducted in close association with Manitoba Agriculture and the seed industry. Results were published in the *Pulse and Soybean Variety Guide* and Manitoba Seed Growers' Association's *SEED Manitoba*.



MPSG agronomists collaborated with government partners to survey 65 soybean fields for incidence of disease. Crops were examined at the V2–V3 and again at R5–R6 stages for bacterial blight, Septoria brown spot, downy mildew, white mould, pod/stem blight, anthracnose and frog-eye leaf spot. With some regional variation, bacterial blight and Septoria brown spot were highly prevalent at the early stages. At the later survey the same diseases prevailed however, downy mildew and white mould increased in frequency. MPSG also collaborated with researchers to survey a variety of other crops as part of larger pest evaluations conducted by various research programs.



www.manitobapulse.ca

In 2017, manitobapulse.ca was re-designed. Research and production information is now more easily accessible. Under the production tab, MPSG agronomy fact sheets and the Bean Report are readily available. A new feature under the On-Farm Network tab is a database of every single-site research report from the on-farm trials over the last three years.

This database allows users to search for specific trial results and generate an average of the yield differences between treatments. A database has been created for MPSG-funded research as well. Final research reports and in-progress preliminary results may be found under this new searchable database. This re-design strives to make connecting with MPSG research results and production information straightforward and simple.

**We grow
BEANS**

MANITOBA
Pulse Soybean
GROWERS

www.manitobapulse.ca

**Manitoba Pulse & Soybean
Growers Inc.**

Independent Auditor's Report

Financial Statements

December 31, 2017

Manitoba Pulse & Soybean Growers Inc.

December 31, 2017

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George & Associates Chartered Professional Accountants Inc.
Box 567, 113 2nd Street SW
Carman, Manitoba
R0G 0J0

Independent Auditor's Report

To the Members
Manitoba Pulse & Soybean Growers Inc.

We have audited the accompanying financial statements of Manitoba Pulse & Soybean Growers Inc., which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net assets and cash flows 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manitoba Pulse & Soybean Growers Inc. as at December 31, 2017 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.



George & Associates Chartered Professional Accountants Inc.

Carman, Manitoba
February 09, 2018

Manitoba Pulse & Soybean Growers Inc.

Statement of Financial Position

December 31, 2017

	2017	2016
Assets		
Current Assets		
Cash (notes 2 and 3)	\$ 5,615,481	\$ 5,676,054
Short-term investments (note 4)	123,558	119,040
Accounts receivable	105,570	60
Prepays	108,115	74,163
	<u>5,952,724</u>	<u>5,869,317</u>
Capital Assets (notes 2 and 5)		
Cost	296,686	296,686
Accumulated amortization	(115,863)	(74,012)
	<u>180,823</u>	<u>222,674</u>
Total Assets	<u>\$ 6,133,547</u>	<u>\$ 6,091,991</u>

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

Manitoba Pulse & Soybean Growers Inc.

Statement of Financial Position

December 31, 2017

	2017	2016
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 54,948	\$ 210,745
Canadian Pulse Research Workshop payable	-	46,432
Government remittances	6,451	-
	<u>61,399</u>	<u>257,177</u>
Long-term Liabilities		
Deferred grants (note 6)	94,476	115,392
	<u>155,875</u>	<u>372,569</u>
Total Liabilities		
Net Assets		
Invested in capital assets	86,346	107,282
Internally restricted (note 8)	3,563,439	3,744,323
Unrestricted	2,327,887	1,867,817
	<u>5,977,672</u>	<u>5,719,422</u>
Total Net Assets		
Total Liabilities and Net Assets	<u>\$ 6,133,547</u>	<u>\$ 6,091,991</u>

Approved on Behalf of the Board:

 Director

 Director

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

Manitoba Pulse & Soybean Growers Inc.

Statement of Changes in Net Assets

For the Year Ended December 31, 2017

	Invested in Capital Assets	Internally Restricted	Unrestricted	2017	2016
Balance, beginning of year	\$ 107,282	\$ 3,744,323	\$ 1,867,817	\$ 5,719,422	\$ 4,727,186
Excess (deficiency) revenues over expenses	(20,936)	-	279,186	258,250	992,236
(Decrease) in restricted funds	-	(180,884)	180,884	-	-
Balance, end of year	\$ 86,346	\$ 3,563,439	\$ 2,327,887	\$ 5,977,672	\$ 5,719,422

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

Manitoba Pulse & Soybean Growers Inc.

Statement of Operations

For the Year Ended December 31, 2017

	2017	2016	Unaudited Budget 2017
Revenue			
Check-off - net of refunds (note 7)	\$ 3,781,520	\$ 3,619,413	\$ 3,570,000
Administered programs (notes 10 and 11)	185,021	114,495	-
Variety trials	132,733	126,943	-
Extension and production	3,393	5,820	-
Investments			-
-Interest	121,703	100,322	100,000
-Realized gains	1,272	1,315	-
-Unrealized gains (losses)	3,246	7,718	-
Amortization of deferred grants	20,916	20,916	-
Government grants	479,536	549,766	400,000
	<u>4,729,340</u>	<u>4,546,708</u>	<u>4,070,000</u>
Expenses			
Schedule 1	4,471,090	3,554,472	3,304,423
Excess (deficiency) of revenues over expenses	<u>\$ 258,250</u>	<u>\$ 992,236</u>	<u>\$ 765,577</u>

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

Manitoba Pulse & Soybean Growers Inc.

For the Year Ended December 31, 2017

Schedule of Expenses

	2017	Restated 2016	Unaudited Budget 2017
Expenses			
Administration	\$ 362,309	\$ 382,939	\$ 428,510
Board	151,531	109,244	115,000
Office	136,718	158,245	177,400
Market development and memberships	424,135	604,382	440,513
Member relations	137,409	57,854	161,000
Research	2,707,103	1,880,430	1,500,000
Administered programs (notes 10 and 11)	140,080	149,295	99,993
Program delivery	216,627	117,711	168,531
Extension and production	195,178	94,372	213,476
Total expenses	\$ 4,471,090	\$ 3,554,472	\$ 3,304,423

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

Manitoba Pulse & Soybean Growers Inc.

Statement of Cash Flows

For the Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES:		
Excess (deficiency) revenues over expenses	\$ 258,250	\$ 992,235
Non-cash items:		
Amortization of capital assets	41,850	30,372
Short-term investments - unrealized	(3,246)	(7,718)
	296,854	1,014,889
Increase (decrease) in working capital		
Short-term investments - realized	(1,272)	(1,315)
Accounts receivable	(105,510)	24,292
Prepays	(33,952)	1,958
Accounts payable	(195,778)	223,182
CPRW deferred	-	(36,954)
Cash from (to) operations	(39,658)	1,226,052
FINANCING AND INVESTING ACTIVITIES:		
Deferred grants	(20,915)	(20,916)
Cash from (to) financing and investing	(20,915)	(20,916)
Net increase (decrease) in cash	(60,573)	1,205,136
Cash at beginning of year	5,676,054	4,470,918
Cash at end of year	\$ 5,615,481	\$ 5,676,054

Cash and cash equivalents consist of the following:

Cash	\$ 5,615,481	\$ 5,676,054
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The accompanying notes are an integral part of these financial statements.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

1 Purpose of the Association

Manitoba Pulse & Soybean Growers 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

a. 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 CPA Canada Handbook. Outlined below are those policies considered significant for the association.

b. Revenue Recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Check-off revenue and refunds are recognized as unrestricted contributions.

Investment income is recognized as revenue when earned.

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

Government grants are recognized as restricted contributions and are recognized in the year in which the related expenses are incurred.

Contributed services or materials, the fair value of which are difficult to determine, are not recognized in the financial statements.

c. Cash and Cash Equivalents

Cash and cash equivalents includes a general bank account.

d. 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 and vehicles. A half year's amortization is taken in the year of acquisition.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

2 Significant Accounting Policies continued

e. 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.

f. 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, the 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.

The significant items subject to such estimates and assumptions include valuation of accounts receivable and the estimated useful life of capital assets.

g. 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 deferred grants. The fair value of the cash, accounts receivable and accounts payable approximates their carrying value due to their short-term nature.

h. Impairment of Long-lived Assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying value may not be fully recoverable. An impairment loss is recognized in the period when it is determined that the carrying amount of the asset exceeds the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is calculated as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

3 Cash

Cash and cash equivalents consist of the following:

	2017	2016
Chequing 2.95% (2.3% - 2016)	\$ 5,615,481	\$ 5,676,054

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

4 Short-term Investments

	2017	2016
Quadrus fixed income funds	\$ 84,500	\$ 82,162
Quadrus foreign specialty funds	39,058	36,878
	<u>\$ 123,558</u>	<u>\$ 119,040</u>

5 Capital Assets

	2017	2017	2017	2016
	Cost	Accumulated Amortization	Net Value	Net Value
Leasehold improvements	\$ 7,016	\$ (4,911)	\$ 2,105	\$ 3,508
Machinery	251,399	(87,990)	163,409	188,550
Vehicle	38,271	(22,962)	15,309	30,616
	<u>\$ 296,686</u>	<u>\$ (115,863)</u>	<u>\$ 180,823</u>	<u>\$ 222,674</u>

6 Deferred Grants

Government grants restricted for the purchase of capital assets are being amortized to income over 5 and 10 years on a straight line basis. The changes in the deferred grant balance for the period are as follows:

	2017	2016
Beginning balance	\$ 115,392	\$ 136,308
Amount amortized to revenue	(20,916)	(20,916)
Ending balance	<u>\$ 94,476</u>	<u>\$ 115,392</u>

7 Check-off Revenue

	2017	2016
Gross check-offs	\$ 4,076,664	\$ 3,824,700
Check-offs refunded to producers 7.2% (5.4% - 2016)	(295,144)	(205,287)
Check-off - net of refunds	<u>\$ 3,781,520</u>	<u>\$ 3,619,413</u>

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

8 Internally Restricted Net Assets

In fiscal 2013 the Directors appropriated \$100,000 to a reserve from unrestricted net assets to be used to fund any possible future wind down costs of the association. This reserve was increased to \$300,000 in fiscal 2016.

The Directors also established an operating reserve in the amount of \$300,000 in fiscal 2016.

The Directors have internally restricted an aggregate of \$2,963,439 for future research. This amount consists of \$2,714,627 in future research project commitments and an unused carry forward balance from completed research projects of \$248,812. This reserve is reviewed annually.

The internally restricted funds are not available for other purposes without the approval of the Directors.

9 Commitments

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

Year	Amount
2018	\$ 968,385
2019	705,071
2020	549,983
2021	485,079
2022	6,109
	<u>\$ 2,714,627</u>

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 2018 is \$245,000 plus \$37,500 in targeted funding.

The association has entered a lease agreement with Manitoba Corn Growers Association Inc. for office space in the annual amount of \$22,200 and expiring July 1, 2020.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

10 Administered Programs

The association provides administrative services for Crop Diagnostic Schools and Neonic Water Research. The association's duties are limited to the collection and distribution of funds for these programs.

The amounts included in revenue and expenses relating to these programs are as follows:

	2017	2016
Revenues	\$ 84,975	\$ 75,855
Expenses	(53,810)	(56,928)
	<u>\$ 31,165</u>	<u>\$ 18,927</u>

11 Contingent Liability

The association entered into agreements to administer the Crop Diagnostic Schools. The agreements were not available as of the audit report date and thus unable to determine if the surplus, relating to the schools, is the property of Crop Diagnostic School or retained by the association as compensation for administering the programs. As a result there is a contingent liability of \$116,896 as of the balance sheet date.

12 Budget Figures

The Board of Directors approved the 2017 fiscal year budget on February 10, 2017. These figures are unaudited.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

13 Financial Instruments

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.

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.

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. This risk is reduced due to the high dollar value in the bank accounts.

Interest rate risk

The association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the association to the fair value risk, while floating rate instruments subject it to cash flow risk. The association manages exposure by restricting the term of investments and holding the majority of funds in fluctuating rate accounts.

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 and in turn the amount of check-off revenue collected.

14 Comparative Figures

The comparative schedule of expenses has been reclassified to conform to the current year presentation.