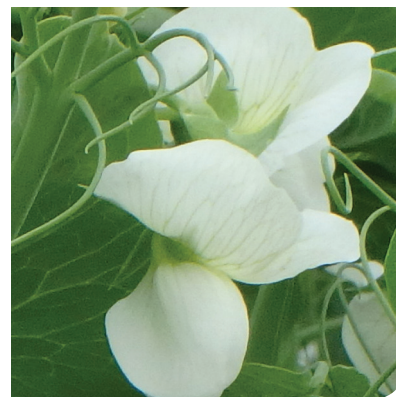
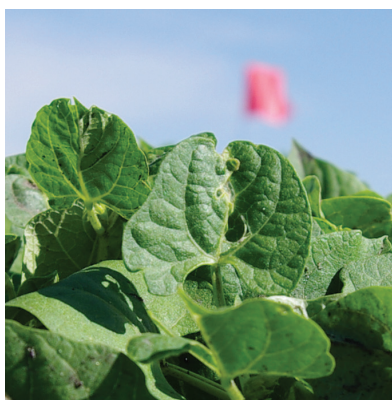




# Annual General Meeting 2019



**WEDNESDAY, FEBRUARY 13, 2019**

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

## ▼ 2018 MPSG BOARD OF DIRECTORS



**Chair**  
John Preun  
– St. Andrews



**Vice Chair**  
Calvin Penner  
– Elm Creek



**Director**  
Hailey Jeffries  
– Brandon



**Director**  
Bryce MacMillan  
– Marquette



**Director**  
Ben Martens  
– Boissevain



**Director**  
Brendan Phillips  
– Hartney



**Director**  
Frank Prince  
– Deloraine



**Director**  
Melvin Rattai  
– Beausejour



**Director**  
Ernie Sirski  
– Dauphin



**Director**  
Rick Vaags  
– Dugald

### Advisory Directors

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

Dennis Lange, Manitoba Agriculture

Yvonne Lawley, Department of Plant Science,  
University of Manitoba

## ▼ 2018 MPSG COMMITTEES

*The first named is chair*

**Executive** – J. Preun, C. Penner, E. Sirski, B. MacMillan,  
F. Labelle

**Governance/HR** – F. Prince, B. MacMillan, F. Labelle

**Finance/Audit** – M. Rattai, M. Denys-Roulette, F. Labelle

**Resolutions and Nominations** – B. MacMillan, H. Jefferies,  
B. Phillips

**Communications/Member Relations/Market Development** –  
E. Sirski, R. Vaags, C. Penner, B. MacMillan, F. Labelle, T. Dyck,  
H. Jefferies, B. Phillips, D. Domitruk, S. Robinson, L. Schmidt

**Research** – F. Prince, B. Martens, M. Rattai, C. Penner, H. Jefferies,  
B. Phillips, R. Vaags, F. Labelle, D. Domitruk, G. Bartley, C. Tkachuk,  
L. Schmidt, I. Kirby, W. Voogt, S. Robinson, industry advisors

## ▼ 2018 MPSG STAFF



**Executive Director**  
François Labelle  
[francois@manitobapulse.ca](mailto:francois@manitobapulse.ca)



**Business Manager**  
Sandy Robinson  
[sandy@manitobapulse.ca](mailto:sandy@manitobapulse.ca)



**Director of Communications**  
Toban Dyck  
[toban@manitobapulse.ca](mailto:toban@manitobapulse.ca)



**Director of Finance and Administration**  
Melissa Denys-Roulette  
[melissa@manitobapulse.ca](mailto:melissa@manitobapulse.ca)



**Program Administrator**  
Wendy Voogt  
[wendy@manitobapulse.ca](mailto:wendy@manitobapulse.ca)



**Director of Research and Production**  
Daryl Domitruk  
[daryl@manitobapulse.ca](mailto:daryl@manitobapulse.ca)



**Production Specialist – East**  
Cassandra Tkachuk  
[cassandra@manitobapulse.ca](mailto:cassandra@manitobapulse.ca)



**On-Farm Specialist**  
Greg Bartley  
[greg@manitobapulse.ca](mailto:greg@manitobapulse.ca)



**On-Farm Technician**  
Ian Kirby  
[ian@manitobapulse.ca](mailto:ian@manitobapulse.ca)



**Extension Coordinator**  
Laura Schmidt  
[laura@manitobapulse.ca](mailto:laura@manitobapulse.ca)

## ▼ 2018 MPSG REPRESENTATIVES

**Canadian Grain Commission Pulse Sub-Committee** – F. Labelle

**Grain Growers of Canada** – B. Martens, M. Rattai (alt)

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

• **General Council** – F. Labelle

• **Pulse/Oilseed Sub-Committee** – M. Rattai, F. Labelle (alt)

• **Commodity Group** – R. Vaags, C. Penner

• **Safety Group** – R. Vaags

**Soy Canada** – E. Sirski

**Pulse Canada** – R. Vaags, B. Martens (alt), H. Jefferies (alt)

• **Sustainability** – F. Prince

**MCVET** – D. Domitruk, D. Lange

**PGDC/PRCPSC** – B. Martens, D. Domitruk, D. Lange

**Western Canadian Pulse Growers Association**

• **WGRF** – C. Loessin (SPG)

• **CGC Western Grain Standards Committee** – E. Sirski

**Amalgamation** – F. Prince, F. Labelle, J. Preun, R. Vaags (alt)



► AGENDA | 8:00 am – 9:00 am

| TIME    | ITEM  | PRESENTER                                | ACTION            |
|---------|---|--|-------------------|
| 8:00 am | Call to order   | John Preun                               |                   |
| 8:01 am | Approval of Agenda  | John Preun                               | Motion to approve |
| 8:02 am | Greetings from Minister Eichler                           | Minister Eichler                         |                   |
| 8:07 am | Meeting procedures  | John Preun                               |                   |
| 8:09 am | Minutes of the 2018 Annual Meeting                        | John Preun                               | Motion to adopt   |
| 8:12 am | Nominating Committee Report and Confirmation of Directors | Hailey Jefferies                         |                   |
| 8:15 am | Auditors 2018 Report                                      | Alex George                              | Motion to adopt   |
|         | Appointment of Auditors for 2019                          | John Preun                               | Motion to appoint |
| 8:25 am | SR&ED Presentation  | Melissa Denys-Roulette                   |                   |
| 8:30 am | Executive Director's Report                               | Toban Dyck on behalf of François Labelle |                   |
| 8:35 am | Research & Production Report                              | Daryl Domitruk                           |                   |
| 8:47 am | Outgoing Director Presentation                            | John Preun                               |                   |
| 8:50 am | Resolutions Committee Report                              | Hailey Jefferies                         | Motion to approve |
| 8:53 am | Open Discussion and Questions                             | John Preun                               |                   |
| 8:58 am | Other Business  |  |                   |
| 9:00 am | Adjourn   | John Preun                               | Motion to adjourn |



## Scientific Research & Experimental Development Tax Credit

**Farmers that contribute check-off dollars to MPSG and are in good standing are eligible to claim the federal Scientific Research & Experimental Development (SR&ED) tax credit.**

*For the 2018 tax year, 40.05% of MPSG check-off qualifies for the SR&ED tax credit.*

For more information on the process of claiming the tax credit, please consult your accountant or visit the Canada Revenue Agency website.

The 2001–2018 MPSG SR&ED tax credit rates are available on the MPSG website [manitobapulse.ca](http://manitobapulse.ca)



## ► 2018 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    | <b>Agenda</b><br>MOTION: that the agenda for the February 14, 2018 Annual General Meeting be approved as presented. – CARRIED –   | J. Voth               |
| 3    | <b>Meeting Procedures</b><br>Review of MPSG's AGM rules.  | J. Voth               |
| 4    | <b>Minutes of the 2017 AGM</b><br>MOTION: that the minutes of the 2016 Annual Meeting be adopted as circulated. – CARRIED –   | J. Voth               |
| 5    | <b>Nominating Committee Report</b><br>The terms of Rick Vaags, Ben Martens and Albert Turski are expiring. All except Albert Turski have agreed to let their names stand for re-election. Jason Voth tendered his resignation. Two new active members' names were brought forward: Hailey Jefferies and Brendan Phillips. Since no other names were submitted to the Nominating Committee, members are elected by acclamation. Introduction of new and returning board members. | M. Rattai             |
| 6    | <b>Auditor's Report</b><br>MOTION: that the 2017 audited financial statements be adopted as presented by Dale George of George & Associates Chartered Professional Accountants Inc. – CARRIED –   | D. George             |
| 7    | <b>Appointment of Auditors</b><br>MOTION: that George & Associates Chartered Professional Accountants Inc. be appointed auditors for the Manitoba Pulse & Soybean Growers for 2017. – CARRIED –   | J. Voth               |
| 8    | <b>Research Report</b><br>D. Domitruk presented the 2017 research and production report.  | D. Domitruk           |
| 9    | <b>Board and Manager's Report</b><br>F. Labelle presented the Board and Manager's report which was included in the AGM meeting booklet distributed to attending members.  | F. Labelle            |
| 10   | <b>Outgoing Director Presentation</b><br>J. Voth and A. Turski were recognized for their dedication and leadership to the pulse industry.   | J. Preun              |
| 11   | <b>Amalgamation Presentation</b><br>Presentation to those in attendance.  | F. Prince             |
| 12   | <b>Amalgamation Discussion</b><br>Comments and discussion from members.   | J. Voth/<br>F. Prince |
| 13   | <b>Resolutions Committee Report</b><br>J. Voth reported that resolutions could not be received from the floor based on the MPSG bylaws and that no resolutions were submitted prior to the deadline.  | J. Voth               |
| 14   | <b>Call For Other Business</b> – There was no other business to report.   | J. Voth               |
| 15   | <b>Adjourn 9:25 am</b><br>MOTION: R. Froese that the 2018 Annual General Meeting be adjourned. – CARRIED –  | J. Voth               |



## MESSAGE FROM BOARD CHAIR

*John Preun, Chair*

It's been quite a year. I feel like I have said that sentence a lot. Really, the first thing that comes to mind when thinking about farming and the 2018 growing season is U.S. President Donald Trump.

One might say that Trump has trumped everything.

Whatever your political views and whatever you think of his presidency, so far, it's hard to argue that he has disrupted the world's economy and the entire agricultural community.

The stage that is set before us is one of unpredictability. We don't know what the markets are going to do later today or tomorrow morning. What seems stable today is one Tweet away from changing.

On my farm, we've become more aware of our input costs, ensuring that we have as much control as possible over the things we still have control over. I can't predict what soybean prices are going to do, but I can make sure that I'm efficient with my inputs, so that I can bring down that breakeven yield as much as possible.

I believe this is where things are going for farmers. With increased talk of an imposed carbon tax, rising fertilizer and chemical costs, rising land prices and lower commodity prices, it'll be critical for us farmers to tighten our belts, look harder for good contracts and make what we currently have, go as far as possible.

It's not all doom and gloom. Rather, it's a wake-up call for us to do things we really should always be doing, anyway.

We pulled off a good crop, this year, despite weather conditions. The late-season rains were spotty and infrequent, but our soybeans did better than expected. For us, soybeans continue to be a fantastic addition to our farm.

Over the last year at Manitoba Pulse & Soybean Growers (MPSG), your board of directors has been active on numerous files. MPSG's dedication to research and its farmer members is impressive.

Our extension publications and events, our On-Farm Network, production materials and administrative capacity are second-to-none. All of these are great resources and I encourage each and every one of you to look for them in your mailbox, find them on our website or find out more by calling the office.

We continue to enjoy good, working relationships with government and also with our sister organizations, both national and provincial.

We have worked with other groups on files such as neonics and we've had many conversations around the board table about other tools that are threatening to disappear from our toolboxes. What's next for glyphosate?

It's a tricky environment to navigate when sentiment trumps science. Our roles as farmers changes. We have to be smart about how we go about protecting what we have. We have to be careful, too.

The solutions are not black and white, but we're doing our best with a great group of people and a great bunch of partnering organizations.

MPSG's dedication to its members didn't waiver in 2018 and I don't suspect it will in 2019. As always, we welcome your input and we wish you a great growing season.

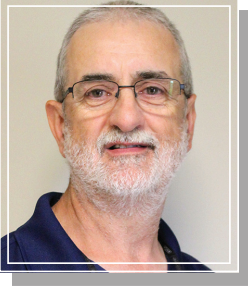
Be safe out there. And remember to spend time with those you love.

Have a great CropConnect Conference!

Sincerely,

John Preun





## MESSAGE FROM EXECUTIVE DIRECTOR

*François Labelle, Executive Director*

I start most reports with this message, and it's one that seems especially relevant today: change is one of the only constants in agriculture and, arguably, life. We can rely on tomorrow not being the same as today, next year not being the same as 2019 and this growing season not being the same as any other. We don't know how things will change, but they will. We have Trump next door, after all.

2018 was an interesting year. We were struck with another growing season full of erratic weather. It's becoming common. The rains were spotty and in many instances totally absent. The heat was intense. Precipitation did not happen at critical times in some areas of the province, while other areas were fortunate and did get those late-season rains. We saw a wide variation in yields across Manitoba.

### State of the Crops

#### Soybeans

Soybean acres were down this year, as predicted. And the once lofty predictions of possibly reaching three million acres in Manitoba by 2022 have been reexamined. But, as many of our directors have said over the years, soybeans are here to stay. I couldn't agree more.

But we have work to do to ensure our farmers have access to the best agronomy and research possible. We continue to engage on soybean-related issues such as variety development, protein and much more.

#### Peas

Peas continue to be a crop shrouded in optimism. In many areas of the province, we heard reports of great yields. Peas did well in many areas this year. They were in the ground early and harvest began at the end of July and many got off the field and into the bin in great condition.

We continue to stay in touch with Roquette and we are optimistic about what their presence in Manitoba will mean for our pea farmers. While many details have yet to be released, the company has been actively building on their Portage la Prairie site and they have been hiring agronomy staff, who are currently working out of their Winnipeg office.

#### Edible Beans

Dry bean acres remained stable, last year. Many seasoned edible bean farmers reported good yields. We don't expect acres to fluctuate too much this year, but, as I said earlier, it's next to impossible to predict such things. What we do know is that the edible bean market is still in need of improved, higher-yielding varieties. This, we'd like to see.

#### Lentils

It's a crop that would be foolish for us to completely rule out, especially as we've now had two growing seasons with less moisture than most areas are used to. Will they make a comeback? They haven't yet, but we'd like to think we're prepared if they do.

### Research

MPSG's On-Farm Network continues to grow and it's a program we're proud of. Participation levels are strong and it's always a joy to chat with passionate farmers excited about conducting research on their own fields. The program is in good hands. Greg Bartley and Ian Kirby work hard on this and are always thinking of ways to make the experience better for our farmer participants as well as finding ingenious ways to aggregate and deliver the data back to our members. Watch for On-Farm Network reports and news on our website. It's a program that has inspired farmers to do things more efficiently. And it's a growing program, the infrastructure of which we've made available to other, interested commodity groups.

Our research file is vast and diverse. We take your questions and concerns and find ways to address them through research. Sometimes that involves compiling a list of questions to take to the greater research community. Sometimes that means raising these questions to our research committee for guidance and approvals. It's what we spend our time doing and thinking about. For a more robust accounting of these activities, be sure to read our Director of Research and Production, Daryl Domitruk's report. There's a lot going on.

*continued on page 8*



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### Transportation and Tools in the Toolbox

MPSG continues to earmark funding to the Ag Transportation Coalition, a group that has demonstrated its value in holding rail companies accountable to its own service goals. The coalition puts out a regular report.

Bill C-49, the Transportation Modernization Act, received royal assent, last year. This was positive news for the industry and something many commodity groups fought for quite some time to see happen.

As many of you are aware, following the loss of our ability to use neonics there is lot of talk that other tools are under threat of no longer being available to farmers. We've been on glyphosate-related calls and we've had many calls with PMRA. Rest assured, we represent your best interests every chance we get.

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### Pulse Canada/Soy Canada

We continue to enjoy great relationship with our national friends, Soy Canada and Pulse Canada. Their expertise and strong voice on policy, trade and market access issues has been invaluable to MPSG and its farmer members.

Pulse Canada's work on MRLs, glyphosate and international trade has been impactful. We are happy to be able to work with them on these files.

Soy Canada's work on MRLs and market-access issues has also been a boon to MPSG.

It's important that we continue to support such groups. We're also honoured to have a good relationship with our provincial government. We don't take that for granted.

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### Staff

MPSG's Extension Coordinator, Laura Schmidt, continues to excel at putting on great events aimed at ensuring farmers have access to the latest agronomy and research. Laura and our long-time designer/publisher, Shannon Beddome-Lorenz pour a lot of passion into communication projects such as *Pulse Beat* and *Pulse Beat: The Science Edition*, which won two extension awards at last year's American Society of Agronomy conference.

Production Specialist Cassandra Tkachuk continues to do a stellar job of identifying concerns and questions from you, our farmers, and addressing those in *Pulse Beat* articles, the *Bean Report* and in her many speaking engagements.

Administrators Wendy Vogt and Sandy Robinson are critical to the day-to-day operations at MPSG. Sandy's knowledge of the organization and wide range of skills are paramount to the organization. And Wendy's, too.

Our Director of Finance and Administration, Melissa Denys-Roulette keeps our books clean and organized, and she continually holds us accountable. We've been able to roll out some exciting things, as a result.

I'd like to thank the staff for their dedication to the organization and their dedication to Manitoba's pulse and soybean farmers.

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### Board of Directors

The board continues to meet for five meetings per year, a number that does not include committee meetings, industry meetings, government meetings, trade visits and a whole host of other things that take our farmer directors away from their businesses.

They work extremely hard for you. And it's an honour for me to work among them. They are available when I need to chat about a meeting, agronomic issues or research projects. The board is a blend of young and more experienced (don't want to say old) farmers. This has proven to be a great advantage. It's important that younger farmers have opportunities for their voices to be heard.

I would like to personally thank the directors for their unwavering dedication to this organization. It is because of you, our farmers, our board of directors and a top-notch staff that MPSG continues to be a fantastic, research and farmer-focused association.

Enjoy CropConnect!

Sincerely,



François Labelle



## ► RESEARCH AND PRODUCTION REPORT

*Daryl Domitruk, Director of Research and Production*

In 2018, MPSG continued to solve production challenges and uncover opportunities for pulse and soybean farmers 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 confirms the desired direction and outcomes that guide the development and funding of new projects. Again in 2018 the committee's decisions were brought to government, university, college and other public laboratories to develop projects that advance farmers' knowledge of practices and technology.

MPSG's research funding targeted production costs, while optimizing yield and market quality. 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 farmers. The latter is carried out through MPSG's popular On-Farm Network.

### On-Farm Network

In 2018, the On-Farm Network conducted 62 trials across all major agricultural regions of Manitoba. Nine 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.



### Agronomist-in-Residence (AIR)

The AIR research program is a collaboration between MPSG and University of Manitoba. AIR focuses on improving pulse and soybean profitability by bridging the gap between academic research and practical agronomic recommendations. This requires the AIR to perform both small-plot and on-farm research. In 2018, the second year of the program, 17 trials were conducted addressing seven applied research topics. Early results were extended to farmers through MPSG's publications and events.





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 market development, human nutrition and pulse crop utilization to guide investments into research that supports market expansion.

In 2018, MPSG entered into research agreements that committed the organization to providing \$3,534,000 to 50 projects whose total cost is \$28,302,000. The relatively high leverage ratio (8:1) is due to the signing of a new round of 5-year projects under Agriculture and Agri-Food Canada's Agri-Science Cluster program. The program matches federal and industry funds on a 70:30 or 50:50 basis. MPSG is contributing to 21 projects and in most cases was joined by sister grower organizations across Canada in providing the industry portion. Western Grains Research Foundation was an important industry partner. An additional round of 10 projects was approved under the provincial cost-share research program on a 50:50 basis.

Results from projects completed up to 2018 can be viewed at [manitobapulse.ca/research/research-projects/](http://manitobapulse.ca/research/research-projects/)

### PROJECTS APPROVED FOR FUNDING IN 2018





#### Reducing the economic impact of pests

|  |   |
|--|---|
| Optimizing disease management strategies for white mould and bacterial blights of dry bean           | AAFC  |
| Breeding, physiology and agronomy to mitigate yield loss caused by root rots of pea                  | AAFC  |
| Vigilance towards plant nematodes to sustain pulse production on the Canadian prairies               | U of M  |
| Strategies for effective and durable management of phytophthora and root rot complexes of soybean    | AAFC  |
| A method for precise and reproducible phenotyping of <i>Phytophthora sojae</i> isolates in soybean   | Université Laval  |
| Coordinated monitoring of field crop pests in the prairie ecosystem                                  | AAFC  |
| Prairie weed surveys   | AAFC  |
| Glyphosate-resistant kochia and Russian thistle surveys in Manitoba and Saskatchewan                 | AAFC  |
| Building diverse crop rotations to manage glyphosate-resistance in western Canada                    | AAFC  |
| Prairie crop disease monitoring network  | AAFC  |
| Spray drift management under changing operational requirements                                       | PAMI  |
| Novel mechanical weed control tools for integrated weed management in narrow-row field beans         | U of M  |
| Management of root rot of pea in Manitoba  | AAFC  |
| Control of late-season herbicide escapes and volunteer canola by selective cutting using the CombCut | U of M  |
| Improved Integrative pest management of wireworm in Manitoba   | Brandon University  |
| Foliar fungicide in soybean, pea, dry bean and faba bean   |  MPSG          |
| Seed treatments in soybean   |  MPSG          |
| Evaluation of fungicide product and timing on soybean  |  U of M – MPSG |

*continued on page 10*

Projects approved for funding in 2018 continued from page 9

### Enhancing yield and marketable quality

|   |                          |
|---|--------------------------|
| Early maturing dry bean variety and germplasm development for Manitoba and western Canada   | AAFC                     |
| Development of genetically improved field pea varieties and germplasm for the Canadian pulse industry, and evaluation of flavour, physicochemical and functional characteristics in high protein pea breeding lines | AAFC                     |
| Short season food-type soybean breeding   | AAFC                     |
| Meeting the soybean meal protein standard in western Canada   | AAFC                     |
| Economic and agronomic performance of emerging cropping systems for western Canada  | AAFC                     |
| Economic value of diversified cropping systems  | University of Lethbridge |
| Mitigating soybean harvest losses through enhancing pod height  | U of M                   |
| Assessment of pre- and post-emergent rolling in non-stony fields  | PAMI                     |
| An economic investigation of the quality discount for Manitoba soybeans   | U of M                   |
| Examining traits that link to increased tolerance to iron deficiency in soybean   | U of M                   |
| Soybean potassium fertility   | MPSG                     |
| Inoculants in soybean    | MPSG                     |
| Residue management in soybean    | MPSG                     |
| Seeding rate in soybean    | MPSG                     |

|   |     |               |
|---|-----|---------------|
| Soybean seeding depth                                       | AIR | U of M – MPSG |
| Soybean iron chlorosis                                      | AIR | U of M – MPSG |
| Novel pulse relay and intercropping                         | AIR | U of M – MPSG |
| Evaluating soybean seeding window                           | AIR | U of M – MPSG |
| Effect of preceding crop and residue management on dry bean | AIR | U of M – MPSG |
| Optimizing N fertilizer rates for dry bean                  | AIR | U of M – MPSG |

### Expanding markets

|  |                            |
|--|----------------------------|
| Identification of dry bean lines in Ontario and the prairies with improved canning and cooking quality                   | AAFC                       |
| The bean bioactive study: examination of the bio-actives responsible for the cholesterol-lowering effects of pinto beans | University of Guelph       |
| Development of processing strategies for innovative commercially ready pulse ingredients                                 | University of Saskatchewan |

### Improving Soil Health

|   |        |
|---|--------|
| Testing the cover crop hypothesis across prairie Canada   | U of M |
| Assessment of the agronomic and environmental impacts of land rolling in soybean production in Manitoba | U of M |

AAFC – Agriculture and Agri-Food Canada

AIR – Agronomist in Residence

MPSG – Manitoba Pulse & Soybean Growers

PAMI – Prairie Agricultural

Machinery Institute

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, factsheets 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 five guides and fact sheets were developed and updated in 2018, four of which were printed and laminated for durability. Resources were distributed at multiple extension events across Manitoba.

The new two-page **Field Pea Growth Staging Guide** was developed to support resurgent interest in field pea production. This fact sheet uses high quality images to accurately represent the development stages of the pea crop.

Also, the new two-page **Soybean Aphids: Identification, Scouting and Management** fact sheet was developed to help farmers and agronomists identify and successfully treat this erratic pest. It is



continued on page 11



particularly important to apply the estimated economic threshold before applying insecticide. The factsheet details the threshold calculation and reminds farmers that the soybean aphid's natural enemies are on their side.

In 2018, MPSG continued an extensive variety evaluation program in dry edible bean, soybean, pea, faba bean and lentil. The program evaluated 47 dry bean varieties, 136 soybean varieties including herbicide tolerant and conventional varieties, 24 pea varieties along with 30 faba bean and 18 lentil varieties. Trials spanned nine locations in eastern Manitoba and five sites in western Manitoba with crop species and variety lists customized

to each site. For the first time, soybean varieties were evaluated at Swan River. Testing was conducted in close association with Manitoba Agriculture and the seed industry. While results from the 2017 field season were utilized by farmers ahead of the 2018 crop, results from the 2018 field season were again published in the **Pulse and Soybean Variety Guide** and Manitoba Seed Growers' Association's **SEED Manitoba**.



MPSG agronomists conducted 26 extension presentations in 2018. The presentations covered 19 topics and were delivered in nine distinct production regions of the province.

MPSG held the **Getting it Right** dry bean and soybean 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.



MPSG hosted the **Soybean Management and Research Transfer (SMART) Day** on July 17 and 19, 2018 at Melita and Arborg respectively.

The event was held in conjunction with WestMan Ag Diversification Organization at Melita and Prairies East Sustainable Agriculture Initiative at Arborg. A total of 60 farmers and agronomists attended at each location. Six agronomy lessons (seed quality, seeding depth, inoculation, tile drainage, soil health and intercropping) were taught by researchers and extension specialists. 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.

MPSG was co-host to an **inter-cropping workshop** November 14, 2018 in Brandon.

This event was organized in response to growing farmer interest in intercropping. The 115 farmers in attendance heard from researchers and fellow farmers about early observations and experiences with this intriguing practice.



In December, MPSG showed its appreciation to farmer-cooperators in the **On-Farm Network** by hosting an appreciation dinner at Kelburn Farm near Winnipeg. About 80 farmers were the first to see the results from the 2018 On-Farm Network program.

MPSG agronomists collaborated with government partners to survey 96, 45 and 40 fields of soybean, pea and dry bean respectively for incidence of disease. Crops were examined for root, stem and foliar pathogens. Results were used to detect the emergence and spread of disease and to judge the general efficacy of disease control practices. In addition, MPSG staff surveyed fields across Manitoba as part of a *season-long assessment of crop condition and production practices*. In 2018 staff surveyed 115, 16, 21 and 4 fields of soybean, dry bean, field pea and faba bean respectively.

Observations recorded in the surveillance program are reported in-season to farmers through the **Bean Report**. Eleven reports were filed in 2018, an increase of three over 2017. The report was sent electronically to 1,557 subscribers an increase of 184.



MPSG's **Bean App** provides a variety of smartphone-based tools to help with fungicide applications, harvest loss assessment and many other critical steps in pulse and soybean production. In 2018 there were 922 new downloads of the Bean App bringing its lifetime downloads to 5,115.



MPSG's website **manitobapulse.ca** continued to be a popular gateway for farmers to access information. The website is most commonly viewed in July (7,900 views in July, 2018). The site is most commonly visited to access the *Pulse and Soybean Variety Guide*, growth staging guides and to read the *Bean Report*.

**We grow  
BEANS**

MANITOBA  
**Pulse Soybean**  
GROWERS

[www.manitobapulse.ca](http://www.manitobapulse.ca)

**Manitoba Pulse & Soybean  
Growers Inc.**

**Independent Auditor's Report**

**Financial Statements**

**December 31, 2018**



# Manitoba Pulse & Soybean Growers Inc.

December 31, 2018

## Table of Contents

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|                                    |   |
|------------------------------------|---|
| Independent Auditor's Report       | 1 |
| Statement of Financial Position    | 2 |
| Statement of Changes in Net Assets | 4 |
| Statement of Operations            | 5 |
| Schedules                          | 6 |
| Statement of Cash Flows            | 7 |
| Notes to the Financial Statements  | 8 |

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

**Independent Auditor's Report**

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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, 2018 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, 2018 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 11, 2019

# Manitoba Pulse & Soybean Growers Inc.

## Statement of Financial Position

December 31, 2018

|  | 2018                | Restated<br>2017    |
|--|---------------------|---------------------|
| <b>Assets</b>                          |                     |                     |
| <b>Current Assets</b>                  |                     |                     |
| Cash (notes 2 and 4)                   | \$ 6,354,891        | \$ 5,615,481        |
| Short-term investments (note 6)        | 119,025             | 123,558             |
| Accounts receivable (notes 2, 3 and 5) | 931,321             | 888,159             |
| Prepays                                | 116,696             | 108,115             |
|  | <u>7,521,933</u>    | <u>6,735,313</u>    |
| <b>Capital Assets (notes 2 and 7)</b>  |                     |                     |
| Cost                                   | 335,065             | 296,686             |
| Accumulated amortization               | (154,074)           | (115,863)           |
|  | <u>180,991</u>      | <u>180,823</u>      |
| <b>Total Assets</b>                    | <u>\$ 7,702,924</u> | <u>\$ 6,916,136</u> |

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



# Manitoba Pulse & Soybean Growers Inc.

## Statement of Financial Position

December 31, 2018

|  | 2018                | Restated<br>2017    |
|--|---------------------|---------------------|
| <b>Liabilities and Net Assets</b>              |                     |                     |
| <b>Current Liabilities</b>                     |                     |                     |
| Accounts payable and accrued liabilities       | \$ 418,523          | \$ 54,947           |
| Government remittances                         | 17,032              | 6,451               |
| Administered programs payable (notes 3 and 12) | -                   | 143,896             |
|  | <u>435,555</u>      | <u>205,294</u>      |
| <b>Long-term Liabilities</b>                   |                     |                     |
| Deferred grants (note 8)                       | 78,211              | 94,477              |
| <b>Total Liabilities</b>                       | <u>513,766</u>      | <u>299,771</u>      |
| <b>Net Assets</b>                              |                     |                     |
| Invested in capital assets                     | 107,430             | 86,346              |
| Internally restricted (note 10)                | 6,150,666           | 3,563,439           |
| Unrestricted                                   | 931,062             | 2,966,580           |
| <b>Total Net Assets</b>                        | <u>7,189,158</u>    | <u>6,616,365</u>    |
| <b>Total Liabilities and Net Assets</b>        | <u>\$ 7,702,924</u> | <u>\$ 6,916,136</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, 2018

|   | Invested in<br>Capital<br>Assets | Internally<br>Restricted | Unrestricted      | 2018                | Restated<br>2017    |
|---|----------------------------------|--------------------------|-------------------|---------------------|---------------------|
| Balance, beginning of year - as previously reported | \$ 86,346                        | \$ 3,563,439             | \$ 2,966,580      | \$ 6,616,365        | \$ 5,719,422        |
| Change in accounting policy (note 2)                | -                                | -                        | -                 | -                   | 915,053             |
| Administered programs payable (note 12)             | -                                | -                        | -                 | -                   | (112,731)           |
|   | 86,346                           | 3,563,439                | 2,966,580         | 6,616,365           | 6,521,744           |
| Excess (deficiency) revenues over expenses          | (17,295)                         | -                        | 590,088           | 572,793             | 94,621              |
| Investment in capital assets                        | 38,379                           | -                        | (38,379)          | -                   | -                   |
| Increase in restricted funds                        | -                                | 2,587,227                | (2,587,227)       | -                   | -                   |
| <b>Balance, end of year</b>                         | <b>\$ 107,430</b>                | <b>\$ 6,150,666</b>      | <b>\$ 931,062</b> | <b>\$ 7,189,158</b> | <b>\$ 6,616,365</b> |

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, 2018

|  | 2018              | Restated<br>2017 | Unaudited<br>Budget<br>2018 |
|--|-------------------|------------------|-----------------------------|
| <b>Revenue</b>                                       |                   |                  |                             |
| Check-off - net of refunds (notes 2, 9 and 13)       | \$ 3,731,341      | \$ 3,649,056     | \$ 4,100,000                |
| Grants - government and third party                  | 363,688           | 582,017          | 707,000                     |
| Research trials                                      | 202,900           | 132,733          | 191,450                     |
| Investments  |                   |                  | -                           |
| -Interest and investment income                      | 173,579           | 122,975          | 121,000                     |
| -Unrealized gains (losses)                           | (6,111)           | 3,246            | -                           |
| Amortization of deferred grants                      | 20,916            | 20,916           | 20,920                      |
| Miscellaneous income                                 | 14,519            | 958              | 3,500                       |
|  | <u>4,500,832</u>  | <u>4,511,901</u> | <u>5,143,870</u>            |
| <b>Expenses</b>                                      |                   |                  |                             |
| Schedule 1   | 3,928,039         | 4,417,280        | 5,254,370                   |
| <b>Excess (deficiency) of revenues over expenses</b> | <u>\$ 572,793</u> | <u>\$ 94,621</u> | <u>\$ (110,500)</u>         |

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

# Manitoba Pulse & Soybean Growers Inc.

For the Year Ended December 31, 2018

## Schedule of Expenses

|  | 2018                | Restated<br>2017    | Unaudited<br>Budget<br>2018 |
|--|---------------------|---------------------|-----------------------------|
| <b>Expenses</b>  |                     |                     |                             |
| Administration   | \$ 370,729          | \$ 362,309          | \$ 378,280                  |
| Board of directors   | 115,961             | 151,531             | 172,000                     |
| Office   | 116,224             | 136,718             | 207,310                     |
| Market development, memberships and national group support | 468,652             | 406,683             | 703,260                     |
| Communication and member relations                         | 210,556             | 137,409             | 239,460                     |
| Research   | 2,394,368           | 3,010,000           | 3,236,060                   |
| Extension and production                                   | 251,549             | 212,630             | 318,000                     |
| <b>Total expenses</b>                                      | <b>\$ 3,928,039</b> | <b>\$ 4,417,280</b> | <b>\$ 5,254,370</b>         |

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, 2018

|   | 2018                | 2017                |
|---|---------------------|---------------------|
| <b>OPERATING ACTIVITIES:</b>                  |                     |                     |
| Excess (deficiency) revenues over expenses    | \$ 572,793          | \$ 94,621           |
| <b>Non-cash items:</b>                        |                     |                     |
| Amortization of capital assets                | 38,211              | 41,851              |
| Short-term investments - unrealized           | 6,110               | (3,246)             |
|   | 617,114             | 133,226             |
| <b>Increase (decrease) in working capital</b> |                     |                     |
| Short-term investments - realized             | (1,577)             | (1,272)             |
| Accounts receivable                           | (43,162)            | (85,778)            |
| Prepays                                       | (8,581)             | (33,952)            |
| Accounts payable and government remittances   | 374,157             | (195,778)           |
| Administered programs payable                 | (143,896)           | 143,896             |
| <b>Cash from (to) operations</b>              | 794,055             | (39,658)            |
| <b>FINANCING AND INVESTING ACTIVITIES:</b>    |                     |                     |
| Acquisition of capital assets                 | (38,379)            | -                   |
| Deferred grants                               | (16,266)            | (20,915)            |
| <b>Cash from (to) financing and investing</b> | (54,645)            | (20,915)            |
| <b>Net increase (decrease) in cash</b>        | 739,410             | (60,573)            |
| Cash at beginning of year                     | 5,615,481           | 5,676,054           |
| <b>Cash at end of year</b>                    | <u>\$ 6,354,891</u> | <u>\$ 5,615,481</u> |

Cash and cash equivalents consist of the following:

|      |                     |                     |
|------|---------------------|---------------------|
| Cash | <u>\$ 6,354,891</u> | <u>\$ 5,615,481</u> |
|------|---------------------|---------------------|

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, 2018

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### 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. Change in Accounting Policy

During the year the association changed the method of accounting for check-off revenues to an accrual basis, whereby revenue is recognized when earned. These revenues were previously recognized on a cash basis and reported when received.

The effect of this change on the current year's income is to increase income by approximately \$98,526. This change has been retroactively applied. As a result of this change, 2017 income has been decreased by approximately \$132,464 and the 2016 closing net assets increased by \$915,053.

#### b. 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.

#### c. 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.

#### d. Cash and Cash Equivalents

Cash and cash equivalents includes a general bank account.



# Manitoba Pulse & Soybean Growers Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

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### 2 Significant Accounting Policies continued

#### e. 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, furniture and computers and 20% for leasehold improvements and vehicles. A half year's amortization is taken in the year of acquisition.

#### f. 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.

#### g. 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.

#### h. 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.

#### i. 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.

# Manitoba Pulse & Soybean Growers Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 3 Prior Period Adjustments

The effects of the association's restatement on previously reported audited financial statements for the periods ended December 31, 2017 is summarized below:

|   | <b>2017</b>                       |                    |                    |
|---|-----------------------------------|--------------------|--------------------|
|   | <b>As Previously<br/>Reported</b> | <b>Adjustments</b> | <b>As Restated</b> |
| <b>Statement of Operations</b>                    |                                   |                    |                    |
| Check-off revenue - net of refunds                | 3,781,520                         | (132,464)          | 3,649,056          |
| Grants - government and third party               | 666,992                           | (84,975)           | 582,017            |
| Administered programs expenses                    | 53,810                            | (53,810)           | -                  |
| <b>Excess (deficiency) revenues over expenses</b> | <b>258,250</b>                    | <b>(163,629)</b>   | <b>94,621</b>      |
| <b>Statement of Financial Position</b>            |                                   |                    |                    |
| Accounts receivable                               | 105,570                           | 782,589            | 888,159            |
| Administered programs payable                     | -                                 | 143,896            | 143,896            |
| Net assets  | 5,977,672                         | 638,693            | 6,616,365          |
| <b>Statement of Changes in Net Assets</b>         |                                   |                    |                    |
| Net assets, beginning of year                     | 5,719,422                         | 802,322            | 6,521,744          |
| Net income (loss)                                 | 258,250                           | (163,629)          | 94,621             |
| Net assets, end of year                           | 5,977,672                         | 638,693            | 6,616,365          |

### 4 Cash

Cash and cash equivalents consist of the following:

|                               | <b>2018</b>         | <b>2017</b>         |
|-------------------------------|---------------------|---------------------|
| Chequing 2.75% (2.95% - 2017) | <b>\$ 6,354,891</b> | <b>\$ 5,615,481</b> |

# Manitoba Pulse & Soybean Growers Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 5 Receivables

Accounts receivable consist of the following:

|                  | 2018              | 2017              |
|------------------|-------------------|-------------------|
| Check-off levies | \$ 881,115        | \$ 782,589        |
| Trade            | 50,206            | 105,570           |
| <b>Total</b>     | <b>\$ 931,321</b> | <b>\$ 888,159</b> |

### 6 Short-term Investments

|   | 2018              | 2017              |
|---|-------------------|-------------------|
| Quadrus fixed income funds                | \$ 55,907         | \$ 84,500         |
| Quadrus foreign specialty funds and bonds | 63,118            | 39,058            |
|   | <b>\$ 119,025</b> | <b>\$ 123,558</b> |

### 7 Capital Assets

|                        | 2018              | 2018                        | 2018              | 2017              |
|------------------------|-------------------|-----------------------------|-------------------|-------------------|
|                        | Cost              | Accumulated<br>Amortization | Net Value         | Net Value         |
| Leasehold improvements | \$ 7,016          | \$ (6,314)                  | \$ 702            | \$ 2,105          |
| Machinery              | 251,399           | (113,130)                   | 138,269           | 163,409           |
| Furniture and fixtures | 14,016            | (1,171)                     | 12,845            | -                 |
| Vehicle                | 38,271            | (30,617)                    | 7,654             | 15,309            |
| Computer equipment     | 24,363            | (2,842)                     | 21,521            | -                 |
|                        | <b>\$ 335,065</b> | <b>\$ (154,074)</b>         | <b>\$ 180,991</b> | <b>\$ 180,823</b> |

# Manitoba Pulse & Soybean Growers Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 8 Deferred Grants

Total deferred grants for the year ending December 31, 2018 is \$78,211. This balance consist of government grants restricted for the purchase of capital assets of \$73,561 and research support of \$4,650 for third party research projects.

Government grants restricted for the purchase of capital assets are being amortized to income over 5 and 10 years on a straight line basis.

Research support funds are restricted for third party research projects. The restricted funds are realized and recognized in the financial statements in the period defined in the terms and conditions of the respective agreements and when the expenses have been incurred.

The changes in the deferred grant balance for the period are as follows:

|   | 2018             | 2017             |
|---|------------------|------------------|
| Beginning balance                               | \$ 94,477        | \$ 115,393       |
| Government grants received                      | -                | -                |
| Research support - third party funding received | 4,650            | -                |
| Amount amortized to revenue                     | (20,916)         | (20,916)         |
| Ending balance                                  | <u>\$ 78,211</u> | <u>\$ 94,477</u> |

### 9 Check-off Revenue

|   | 2018                | Restated<br>2017    |
|---|---------------------|---------------------|
| Gross check-offs                                    | \$ 4,079,023        | \$ 3,944,200        |
| Check-offs refunded to producers 8.5% (7.5% - 2017) | (347,682)           | (295,144)           |
| Check-off - net of refunds                          | <u>\$ 3,731,341</u> | <u>\$ 3,649,056</u> |

# Manitoba Pulse & Soybean Growers Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

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### 10 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 \$400,000 in fiscal 2018.

The Directors also established an operating reserve in the amount of \$300,000 in fiscal 2016. This reserve was increased to \$400,000 in fiscal 2018.

The Directors have internally restricted an aggregate of \$4,900,666 for future research. This amount consists of \$4,867,021 in future research project commitments and an unused carry forward balance from completed research projects of \$33,645. This reserve is reviewed annually.

The Directors have restricted an additional \$450,000 in preparation for the Science Cluster renewals in 2023.

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

### 11 Commitments

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

| Year | Amount              |
|------|---------------------|
| 2019 | \$ 1,782,633        |
| 2020 | 1,297,785           |
| 2021 | 1,047,895           |
| 2022 | 732,708             |
| 2023 | 6,000               |
|      | <u>\$ 4,867,021</u> |

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.

### 12 Administered Programs

The association provided administrative services for Crop Diagnostic Schools and Neonic Water Research in 2017. The association's duties were limited to the collection and distribution of funds for these programs. In 2018, the association stopped providing administrative services for these programs and any remaining excess funds were repaid to their respective organizations.

In prior years the collection and distribution of funds were accounted for through the statement of operations. The 2017 statements and opening net assets have been restated to account for the associations liability and remove all items from the statement of operations. Details of 2017 adjustments are found in the prior period adjustment note.

# Manitoba Pulse & Soybean Growers Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

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### 13 Contingent Liability

Management is aware that there is possible accrued check-off refunds payable on check-off revenues incurred between August to December of the current year. However, this liability would not become due until next fiscal year and it is managements opinion that this liability cannot be reasonably estimated. Therefore no liability has been recorded on the financial statements.

### 14 Comparative Figures

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

### 15 Budget Figures

The Board of Directors approved the 2018 fiscal year budget on January 4, 2018. These figures are unaudited.



# Manitoba Pulse & Soybean Growers Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

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### 16 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.