

OUR MISSION

To provide research, production knowledge and market development support to Manitoba pulse and soybean farmers. 🌱



02.12.20 • Victoria Inn Hotel and Convention Centre • Winnipeg, Manitoba

OUR VISION

Manitoba farms sustainably producing profitable, quality pulse and soybean crops. 🌱

▼ 2019 MPSG BOARD OF DIRECTORS



Chair
Calvin Penner
– Elm Creek



Vice Chair
Melvin Rattai
– Beausejour



Director
Hailey Jeffries
– Brandon



Director
Bryce MacMillan
– Marquette



Director
Ben Martens
– Boissevain



Director
Brendan Phillips
– Hartney



Director
Frank Prince
– Deloraine



Director
John Preun
– St. Andrews



Director
Garrett Sawatzky
– Altona



Director
Ernie Sirski
– Dauphin

For 2020, a Call for Nominations to fill four, three-year terms on the MPSG board of directors was advertised. The following incumbent nominees submitted their nomination papers for re-election.

MEET THE 2020 INCUMBENT NOMINEES

Bryce MacMillan – Marquette

Bryce grew up on a grain and dairy farming operation in the Marquette area. He graduated from the University of Manitoba with a diploma in Agriculture. He continues to farm with his family in Marquette, where they grow cereals, oilseeds and soybeans and peas for seed production.

Bryce has served on the MPSG board since 2017 and looks forward to continuing to help guide the industry and secure opportunities for Manitoba farmers.

Frank Prince – Deloraine

Frank joined the board in 2013. He farms with his father and brother, where they grow 8,000 acres of soybeans, corn, barley, oats, canola and sunflowers between Canada and the U.S.

Frank has a passion for research and development and has served as the chair of research committee since 2017. He and his wife Lindsay are raising their two children in Waskada.

Melvin Rattai – Beausejour

Mel has been farming with his family in the Beausejour/ Brokenhead area for 35 years. For the past 10 years, they have included soybeans in their crop rotations.

He has been actively involved in municipal government and served five years as Deputy Reeve in the RM of Brokenhead. Mel joined the MPSG board in 2017. He's held numerous positions on the board including chair of the finance committee and vice-chair of the association.

Ernie Sirski – Dauphin

Ernie was first elected to the MPSG board in 2014. He operates a family farm at Dauphin, where they grow soybeans, wheat, canola, grass seed and special crops.

Over the years, Ernie has been involved in producer and industry boards. He has represented MPSG on the Soy Canada board, most recently as chair. Ernie believes that a strong producer voice is critical to the well-being of our industry and will work diligently to bring grower concerns forward.

▼ 2019 MPSG COMMITTEES

The first named is chair

Executive – C. Penner, M. Rattai, E. Sirski, J. Preun (non-voting), F. Labelle

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

Policy – H. Jefferies, B. Phillips, F. Prince (alt), F. Labelle, T. Dyck

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

Resolutions and Nomination – H. Jefferies, G. Sawatzky, C. Penner

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

Research – F. Prince, B. Martens, M. Rattai, B. Phillips, J. Preun, G. Sawatzky, D. Domitruk, F. Labelle, S. Robinson, L. Schmidt, C. Tkachuk, W. Voogt, I. Kirby, M. Bourns

U of M Research Agronomist Advisory Committee – F. Prince, J. Preun, F. Labelle, D. Domitruk

▼ 2019 MPSG REPRESENTATIVES

Canadian Grain Commission Pulse Sub-Committee – F. Labelle, D. Domitruk (alt)

Grain Growers of Canada – B. Phillips, B. MacMillan (alt)

Keystone Agricultural Producers

- **General Council** – F. Labelle
- **Pulse/Oilseed Sub-Committee** – M. Rattai, F. Labelle (alt)
- **Commodity Group** – C. Penner, M. Rattai

MCVET – D. Domitruk, D. Lange

PGDC/PRCPSC – B. Martens, H. Jefferies, D. Domitruk, D. Lange

Pulse Canada – B. Martens, H. Jefferies

- **Sustainability** – F. Prince

Soy Canada – E. Sirski, M. Rattai

Western Canadian Pulse Growers Association

- **WGRF** – B. Dalgarno (MPSG) (exp. 2023)
- **CGC Western Grain Standards Committee** – E. Sirski (exp. 2021)

▼ 2019 MPSG STAFF



Executive Director
François Labelle
francois@manitobapulse.ca



Director of Research and Production
Daryl Domitruk
daryl@manitobapulse.ca



Director of Finance and Administration
Melissa Denys-Roulette
melissa@manitobapulse.ca



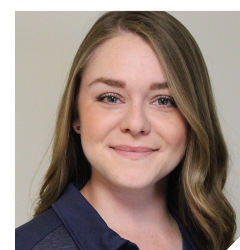
Director of Communications
Toban Dyck
toban@manitobapulse.ca



Business Manager
Sandy Robinson
sandy@manitobapulse.ca



Program Administrator
Wendy Voogt
wendy@manitobapulse.ca



Production Specialist – East
Cassandra Tkachuk
cassandra@manitobapulse.ca



Agronomist – On-Farm Network
Megan Bourns
greg@manitobapulse.ca



On-Farm Technician
Ian Kirby
ian@manitobapulse.ca



Extension Coordinator
Laura Schmidt
laura@manitobapulse.ca

► AGENDA | 8:00 am – 9:00 am

TIME	ITEM	PRESENTER	ACTION
8:00 am	Call to order	Cal Penner	
8:01 am	Approval of Agenda	Cal Penner	Motion to approve
8:04 am	Meeting Procedures	Cal Penner	
8:06 am	Minutes of the 2019 Annual Meeting	Cal Penner	Motion to adopt
8:10 am	Nomination Committee Report and Confirmation of Directors	Hailey Jefferies	
8:12 am	Auditors 2019 Report	Alex George	Motion to adopt
	Appointment of Auditors for 2020	Cal Penner	Motion to appoint
8:20 am	SR&ED Presentation	Melissa Denys-Roulette	
8:23 am	Executive Director's Report	François Labelle	
8:28 am	Research & Production Report	Daryl Domitruk	
8:38 am	On-Farm Network Presentation and Discussion	Megan Bourns	
8:48 am	Resolutions Committee Report	Hailey Jefferies	Motion to approve
8:50 am	Open Discussion and Questions	Cal Penner	
8:55 am	Other Business	Cal Penner	
9:00 am	Adjourn	Cal Penner	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 2019 tax year, 73.68% of MPSG check-off qualifies for the SR&ED tax credit.

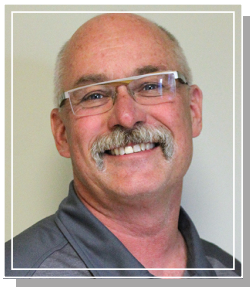
For more information on the process of claiming the tax credit, please consult your accountant or visit the Canada Revenue Agency website.

The 2001–2019s MPSG SR&ED tax credit rates are available on the MPSG website manitobapulse.ca

► 2019 ANNUAL GENERAL MEETING MINUTES

February 13, 2019 | Victoria Inn Hotel and Convention Centre, Winnipeg, MB

ITEM	AGENDA ITEM	PRESENTER
1	8:00 am – Annual General Meeting called to order	J. Preun
2	Agenda MOTION: that the agenda for the February 13, 2019 Annual General Meeting be approved as presented. • Moved C. Penner /Seconded C. Simms – CARRIED –	J. Preun
3	Greetings from Minister Eichler	Minister Eichler
4	Meeting Procedures	J. Preun
5	Minutes of the 2018 AGM MOTION: that the minutes of the 2018 Annual Meeting be adopted as circulated. • Moved B. Phillips/Seconded M. Rattai – CARRIED –	J. Preun
6	Nominating Committee Report On behalf of the Nomination Committee, Hailey Jefferies reported that the terms of John Preun and Calvin Penner are expiring. They agreed to let their names stand for re-election. Rick Vaags tendered his resignation. One new active members' name was brought forward: Garrett Sawatzky. Since no other names were submitted to the Nomination Committee, members are elected by acclamation for three, three-year terms (2019–2021). Introduction of new and returning board members.	H. Jefferies
7	Auditor's Report MOTION: that the 2018 audited financial statements be adopted as presented by Alex George of George & Associates Chartered Professional Accountants Inc. • Moved M. Rattai / Seconded B. MacMillan – CARRIED –	A. George
8	Appointment of Auditors MOTION: that George & Associates Chartered Professional Accountants Inc. be appointed auditors for the Manitoba Pulse & Soybean Growers for 2019. • Moved B. Phillips / Seconded M. Rattai – CARRIED –	J. Preun
9	SR & ED Presentation M. Denys-Roulette presented the 2018 SR&ED eligible claim. (40.05%)	M. Denys-Roulette
10	Executive Director's Report T. Dyck presented the Executive Director's report, which was included in the AGM meeting booklet distributed to attending members.	T. Dyck
11	Research and Production Report D. Domitruk presented the 2018 research and production report.	D. Domitruk
12	Outgoing Director Presentation R. Vaags was recognized for his service on the MPSG board.	J. Preun
13	Resolutions Committee Report H. Jefferies reported that resolutions could not be received from the floor per the MPSG by-laws and that no resolutions were submitted prior to the deadline. The board brought forward two resolutions to its members. 1. In 2019, MPSG will act as an agent on behalf of its producer members in all matters relating to Scientific Research & Experimental Development (SR&ED). • Moved E. Sirski / Seconded F. Greig – CARRIED – 2. Be it resolved that all acts, contracts, and payments, made, done, and taken by the directors and officers of the Association, be and are hereby approved, ratified, sanctioned and confirmed. • Moved C. Reese / Seconded C. Penner – CARRIED –	H. Jefferies
14	Open Discussion and Questions C. Simms – Soy crush plant (Crookston)	J. Preun
15	Other Business Staff thank-you. Director thank-you.	J. Preun
16	Adjourn 8:50 am MOTION: C. Reese that the 2019 Annual General Meeting be adjourned. – CARRIED –	J. Preun



MESSAGE FROM BOARD CHAIR

Calvin Penner, Chair

WELL, IT'S BEEN AN interesting year on the farms of Manitoba. The weather has been only one of the wild cards in the hand that we have been dealt. We have been dealt trade issues with multiple trading partners that we have "agreements" with. It seems that we are too vulnerable to the whims of our customers if they choose not to abide by the terms of our agreements.

The new NAFTA is being ratified and we hope that as we unwrap and implement it, there won't be any nasty surprises in it. It seems that we are only one tweet away from being shut out or hindered in the trading of our commodities.

The issues surrounding China continue to cause us a lot of trouble. It's a battle they are not necessarily winning, either. What is happening is a huge disruption for them, as well as us. First, they were hit with African Swine Fever and had to drastically cut their hog herd, which in turn cut their need for feed. Now, the Coronavirus is wreaking havoc on grain marketing and all trade around the world. Who could have predicted this?

There are still tariffs in place in India despite our Prime Minister's fashionable attempt at diplomacy.

We also had two elections in which agriculture was almost invisible. We hope to be able to continue to bring issues to our agriculture ministers, both provincially and federally, through Pulse Canada, Grain Growers of Canada and Soy Canada. Our partnerships with these groups bring more strength than we would have alone.

Another challenge was the rains we received during harvest that we actually needed in summer. As you all know and probably experienced, there are still many acres and bushels that will need to be dealt with before seeding this spring.

Okay, enough with the negative. We have much to celebrate.

Roquette is on schedule with their processing facility. Once they are up and running, they will be contracting a lot of peas. Merit Functional Foods will also be playing in the pea and canola processing space, having recently announced a partnership with Nestlé.

The Province of Manitoba unveiled its protein consortium during Ag Days. It will help provide direction for the Manitoba Protein Advantage campaign, which began last year under then Agriculture Minister Ralph Eichler. All of this interest in protein stems from a federal funding commitment of about \$4.5B called the Protein Industries Supercluster.

These are all great opportunities for Manitoba's pulse farmers.

We have top-notch researchers on staff working on producing more and higher-quality soys and pulses. That should help make us farmers have a better bottom line. We are also conducting field-scale research through our On-Farm Network. We have had several trials on our farm and have learned a lot as a result. We are always looking for more farmer participants. Talk to staff or visit our website if you're interested. We also are working with top-notch researchers in universities here and across the country.

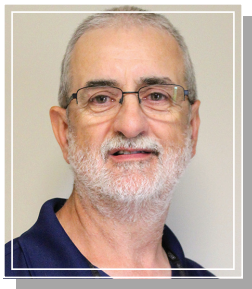
We have found on our farm that crops following pulses seem to yield better, and in the case of soys, are a great way to rotate herbicide groups. We also are finding that we have cleaner fields.

I want to thank the staff and board of MPSG for all the hard work you do. I especially would like to thank the board for taking time from your farms and families to work together to help make Manitoba farms better.

Sincerely,

Calvin Penner





MESSAGE FROM EXECUTIVE DIRECTOR

François Labelle, Executive Director

2019 IS BEHIND US. It has definitely not been a good year, with lots going against us all. We were shut out of some major markets – China for soybeans and India for peas. The weather was a real wild ride – drought, excess rain at harvest, a blizzard in October with heavy snow flattening crops and many spirits. A lot of crop remained in the field like never before.

How will that overwinter? A lot of crop had to be dried, and then the need to be vigilant to make sure the crop out there stays in good condition.

RESEARCH AND PRODUCTION

With the trying season and some staff changes, we were still able to get most of our research programming done for the year. Harvest issues resulted in us abandoning some trials, but we still had some really good results. Check out our website for results. There is a lot of information there. You will hear more about the research from others.

I want to say thanks to the staff for the efforts they put in to get such quality results. It would be easy to throw up our hands and say the weather beat us, but they persevered and got things done as best as possible. Thank you!

COMMUNICATIONS

What is the best way to communicate and get the message out to members? That is a question we discuss often and there is no easy answer. When all you had was a weekly newspaper, that was the answer, but now there are so many alternatives.

Pulse Beat is still a great medium to deliver our message. We have a lot of people that comment on it and they want us to continue publishing it. It's interesting that in our electronic age, we still get lots of comments in favour of print – "I can set it down and go back to it later."

How often do we go back to an email? After some discussion, it's still clear we will continue producing it as our farmers want it.

The Bean Report, the Getting it Right conference, SMART day, social media and our website are all vehicles we use to get our message and valuable information out to our farmers. The key by far is the staff working hard to write the articles or put the reports and

events together. I would like to thank them all – Laura, Cassandra, Toban, Daryl and our most recent addition, Megan, for their work. Please let them know your thoughts on our communication efforts and if there are other avenues or articles you would like to see, let them know.

MARKET DEVELOPMENT

We do not talk much about efforts in market development. We should, though, as you deserve to know. Unlike the research and production area, we are not as directly involved in market development.

MPSG's market development is done with Pulse Canada, Soy Canada and GGC, to name a few. We also have contact with the province and federal governments.

With the changing world, which is becoming protectionist and defiant of the trade rules, we are dealing with issues surrounding MRLs and other things. These files all occupy our time.

I have had growers tell me, "Do not spend time on the production side, we can figure that out, but find us a market."

On the reverse side, I have had traders tell me, "If we could only buy it for less, we could sell the whole crop."

It's a real balancing act and we need to work on both sides. If we work on getting a lower cost of production, and better market understanding, we may be able to move ahead. Going forward, letting members know what we are doing is one area we need to improve in.

BOARD OF DIRECTORS

Our members are lucky that we have a strong board with dedicated directors. MPSG has a good mix of directors in different stages of their careers, but we could have a better balance in gender.

MPSG's board has five official board meetings per year. We also have committee meetings, which could have a few meetings per year, as well. Add to that the time directors spend on other associations such as Pulse Canada, Soy Canada, Grain Growers of Canada, Keystone Ag Producers, and government consultations on regulatory issues and you have a busy year.

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It's busy, but all of MPSG's directors will tell you that they learn a lot and develop personally with the experience as a board member. I would strongly encourage all farmers to consider getting involved in their commodity boards. It's your chance to have influence.

LOOKING FORWARD

Earlier this year, the board met for two days for a strategic review. This was timely for a few reasons. With changing markets, lower farm incomes, a decrease in soybean acres, we needed to reassess and refocus our efforts.

You will hear more about this throughout the year. One of the statements that resounded with everyone was the need to increase net farm income. That will be a focus of our research, market development and policy. Yes, policy. It was decided that we need to put more resources into tackling policy issues that directly affect our farmers. We will collaborate with other groups on policy and try not to do it all, but there are issues we can focus on for the benefit of our farmers.

Well, 2019 was a very trying year with all the weather, market and political issues. Personally, I need to add a major health issue, which took me away from the office for part of the year.

I cannot thank the staff enough for carrying on and doing a great job. Your dedication to the association is admirable. The board was also extremely supportive and I was able to take the time needed to recover and continue in my rehab. Thanks for the support

One last comment – make sure you live for today, as you never know what the future will bring.

Sincerely,



François Labelle



RESEARCH AND PRODUCTION REPORT

Daryl Domitruk, Director of Research and Production

IN 2019, 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 2019, the committee's decisions were brought to government, university, college and other public laboratories to develop projects that advance growers' 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 growers. The latter is carried out through MPSG's popular On-Farm Network.

On-Farm Network

In 2019, the On-Farm Network conducted 63 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 2019, the third year of the program, 15 trials were conducted addressing eight applied research topics.



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 2019, MPSG entered into research agreements that committed the organization to provide \$866,000 to 11 new projects whose total cost is \$2,796,000. MPSG's funds were complemented by \$1,678,000 from the Canada-Manitoba Canadian Agriculture Partnership and by \$251,000 from the Western Grains Research Foundation.

2019 marked the start of a multi-year partnership between MPSG, Manitoba Agriculture and Resource Development and pea processor Roquette. Investment by Roquette in pea fractionation has increased demand for locally grown yellow field peas. To assist MPSG members in capitalizing on the opportunity to deliver peas to Roquette, a series of collaborative research and extension projects will be undertaken in the next three years.

Results from research projects completed up to 2019 can be viewed at manitobapulse.ca/research/research-projects/

PROJECTS APPROVED FOR FUNDING IN 2019

Reducing the economic impact of pests

Inter-cropping practices for yellow bean	WADO
Development of an integrated weed management package to mitigate and manage glyphosate-resistant weeds in soybean	AAFC

Enhancing yield and marketable quality

Economic and environmental value of growing both pea and soybean in rotation	AAFC
Building knowledge and achieving genetic improvements to overcome the effect of drought and salinity on soybean	U of M
Overcoming the discount for low protein in Manitoba soybean: Determination of the impact of genotype, environment and year on soy protein quality	U of M
Development of superior <i>Rhizobium</i> spp. strains to support biological nitrogen fixation in dry bean	U of M
Tools and techniques to manage extreme moisture	MWBA, MCGA, MPSG
Is using a biological product to lengthen flowering period in soybean profitable?	 MPSG
Is using a biological product to amend the soil and increase micronutrients profitable in soybeans?	 MPSG

Expanding markets

Value-added "Tofu" platform technology for plant protein sources	RRC
Manitoba agricultural policy and economic analysis internships	U of M

Improving Soil Health

Defining pathogen related soil quality targets for annual legumes to pursue through crop rotation	U of M
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AAFC – Agriculture and Agri-Food Canada
 MCGA – Manitoba Canola Growers Association
 MPSG – Manitoba Pulse & Soybean Growers
 MWBA – Manitoba Wheat and Barley Association
 RRC – Red River College
 U of M – University of Manitoba
 WADO – Westman Ag Diversification Organization

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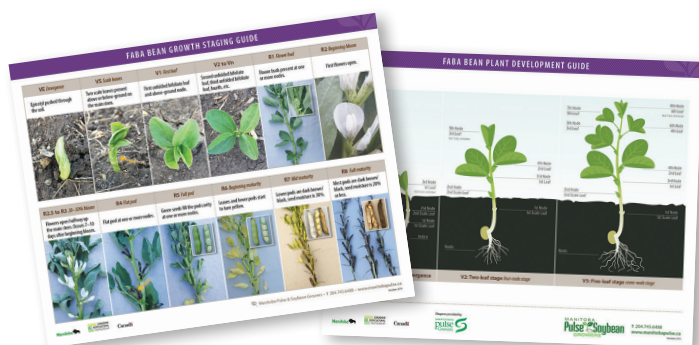
PRODUCTION EXTENSION

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

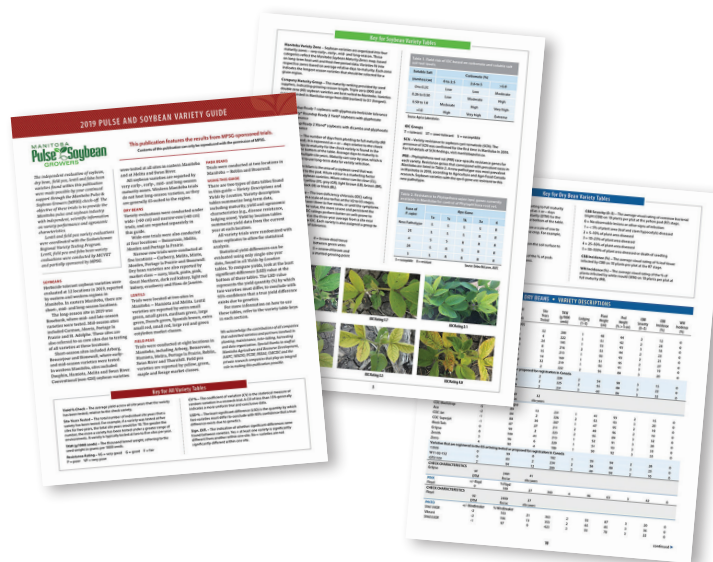
- Development and distribution of guides, fact sheets and apps.
- In-person and web-based extension events.
- Evaluation of crop varieties at multiple locations across the province.
- In-season scouting by MPSG production agronomists.

A total of five guides and fact sheets were developed, updated and printed in 2019. All print copies were laminated for durability. These production resources were distributed at multiple extension events across Manitoba.

The first-ever **Faba Bean Growth Staging Guide** was developed to support faba bean producers with their management decisions throughout the growing season. The fact sheet features high-quality images that accurately represent faba bean development stages. The second page of this fact sheet features the Saskatchewan Pulse Growers plant development guide.



Other new and updated resources included the **Field Pea, Dry Bean and Soybean Insect and Disease Scouting Calendars** to help farmers and agronomists target their scouting activities during the growing season. The field pea and dry bean scouting calendars are brand new resources and the soybean scouting calendar was updated with newly identified soybean pests in Manitoba. One feature of this resource is colour-coding for each pest's potential impact on production and quality.



In 2019, MPSG continued an extensive variety evaluation program in dry edible bean, soybean, pea, faba bean and lentil. The program evaluated 50 dry bean varieties, 26 pea varieties along with four faba bean and 30 lentil varieties. In each crop, the varieties tested represented all market classes available to Manitoba growers. In dry beans, separate trials were conducted for narrow and wide row production. Soybeans varieties were grouped according to their adaptation to eastern or western growing regions as well as by maturity zone. Separate tests were conducted for herbicide-tolerant and conventional varieties of soybean. Trials spanned eight locations in eastern Manitoba and four sites in western Manitoba with crop species and variety lists customized to each site. Testing was conducted in close association with Manitoba Agriculture and Resource Development and the seed industry. While results from the 2018 field season were utilized by growers ahead of the 2019 crop, results from the 2019 field season were again published in the **Pulse and Soybean Variety Guide** and Manitoba Seed Growers' Association's **SEED Manitoba**.

MPSG agronomists conducted 18 **extension presentations** in 2019. The presentations covered 16 topics and were delivered in 12 production regions of the province.

Getting it Right

CROP PRODUCTION MEETING

MPSG held **Getting it Right** pulse and soybean production meetings in Stonewall, Winkler and Boissevain. A total of 75 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.

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MPSG hosted the **Soybean Management and Research Transfer (SMART) Day** on July 23, 2019, at the University of Manitoba research farm in Carman. A total of 83 farmers and agronomists attended the event, where they saw several examples of MPSG funded research underway. Projects on display included crop rotation, diseases, new weed threats, cover crops and select topics from the On-Farm Network. Participants were split into small groups to facilitate an interactive approach to knowledge dissemination and networking among participants and presenters.

In February 2019, MPSG attended **Bean Days** organized by Manitoba Agriculture and Resource Development. Staff visited with 100 and 95 growers in Portage la Prairie and Altona, respectively.

MPSG was a primary sponsor and participant in **Crops-a-Palooza** an outdoor extension event held July 24 at Carberry. This event enabled MPSG staff to interact with 350 growers and agronomists in attendance.



In December, MPSG showed its appreciation to grower-cooperators in the **On-Farm Network** by hosting an appreciation dinner in Winnipeg. About 85 growers were the first to see the results from the 2019 On-Farm Network program.

MPSG agronomists collaborated with government partners to survey over 100 fields of soybean, pea and dry bean across the province 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.

Observations recorded in the surveillance program are reported in-season to growers through **The Bean Report**. In 2019, *The Bean Report* remained an email-based newsletter but with web-based information available as links. Ten bean reports were issued on a bi-weekly basis throughout the growing season to 1274 subscribers 50% of whom are growers.

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 2019, there were 127 new downloads of the Bean App in the Apple App Store and 79 in the Google Play Store, bringing it to 736 and 601 Apple and Android devices, respectively, over its lifetime.

MPSG's website **manitobapulse.ca** continued to be a popular gateway for producers to access information. The website is most commonly viewed in July (7,069 views in July 2019). The site is most commonly visited to access the *Pulse and Soybean Variety Guide* and growth staging guides.



Three webinars were held in an effort to reach growers through this on-line medium. Webinars offer the opportunity for MPSG's partners in research and industry to connect with our growers.

- November 2019, MPSG presented *Nematodes across the Canadian Prairies* with Dr. Mario Tenuta University of Manitoba. This webinar was co-hosted with Saskatchewan Pulse Growers and Alberta Pulse Growers. Attendance for the live session was 50, while a further 61 have watched it post-event.
- March 2019, MPSG presented *Status of Root Rots in Pulses* with Dr. Syama Chatterton, AAFC–Lethbridge. This webinar was co-hosted with Saskatchewan Pulse Growers and Alberta Pulse Growers. This segment has been viewed 125 times.
- The annual Keep it Clean webinar also co-hosted with the prairie pulse groups and Pulse Canada.

**We grow
BEANS**

MANITOBA
Pulse Soybean
GROWERS

www.manitobapulse.ca

**Manitoba Pulse & Soybean
Growers Inc.**

Independent Auditors' Report

Financial Statements

December 31, 2019

Manitoba Pulse & Soybean Growers Inc.

December 31, 2019

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

Independent Auditors' Report

To the Members
Manitoba Pulse & Soybean Growers Inc.

Opinion

We have audited the financial statements of Manitoba Pulse & Soybean Growers Inc., which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Pulse & Soybean Growers Inc. as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

In preparing these financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative to do so.

**Manitoba Pulse & Soybean
Growers Inc.**

Independent Auditors' Report

Financial Statements

December 31, 2019

Manitoba Pulse & Soybean Growers Inc.

December 31, 2019

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

Independent Auditors' Report

To the Members
Manitoba Pulse & Soybean Growers Inc.

Opinion

We have audited the financial statements of Manitoba Pulse & Soybean Growers Inc., which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Pulse & Soybean Growers Inc. as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

In preparing these financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



George & Associates Chartered Professional Accountants Inc.

Carman, Manitoba
February 10, 2020

Manitoba Pulse & Soybean Growers Inc.

Statement of Financial Position

December 31, 2019

	2019	2018
Assets		
Current Assets		
Cash (notes 2 and 3)	\$ 4,785,268	\$ 6,354,891
Short-term investments (note 5)	797,968	119,025
Accounts receivable (notes 2 and 4)	521,819	931,321
Prepays	118,298	116,696
	<u>6,223,353</u>	<u>7,521,933</u>
Capital Assets (notes 2 and 6)		
Cost	335,065	335,065
Accumulated amortization	(195,253)	(154,074)
	<u>139,812</u>	<u>180,991</u>
Total Assets	<u><u>\$ 6,363,165</u></u>	<u><u>\$ 7,702,924</u></u>

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


Manitoba Pulse & Soybean Growers Inc.

Statement of Financial Position

December 31, 2019

	2019	2018
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 191,580	\$ 418,523
Government remittances	15,162	17,032
	<u>206,742</u>	<u>435,555</u>
Long-term Liabilities		
Deferred grants (note 7)	58,754	78,211
Total Liabilities	<u>265,496</u>	<u>513,766</u>
Net Assets		
Invested in capital assets	87,167	107,430
Internally restricted (note 9)	5,400,633	6,150,666
Unrestricted	609,869	931,062
Total Net Assets	<u>6,097,669</u>	<u>7,189,158</u>
Total Liabilities and Net Assets	<u>\$ 6,363,165</u>	<u>\$ 7,702,924</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, 2019

	Invested in Capital Assets	Internally Restricted	Unrestricted	2019	2018
Balance, beginning of year	\$ 107,430	\$ 6,150,666	\$ 931,062	\$ 7,189,158	\$ 6,616,365
Excess (deficiency) revenues over expenses	(20,263)	-	(1,071,226)	(1,091,489)	572,793
Increase (decrease) in restricted funds	-	(750,033)	750,033	-	-
Balance, end of year	\$ 87,167	\$ 5,400,633	\$ 609,869	\$ 6,097,669	\$ 7,189,158

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, 2019

	2019	2018	Unaudited Budget 2019
Revenue			
Check-off - net of refunds (notes 2, 8 and 11)	\$ 2,360,265	\$ 3,731,341	\$ 3,420,000
Grants - government and third party	188,883	363,688	339,862
Research trials	177,700	202,900	216,000
Investments			-
-Interest and investment income	163,105	173,579	141,000
-Realized gains	20,844	-	-
-Unrealized gains (losses)	(11,464)	(6,111)	-
Amortization of deferred grants	20,916	20,916	13,265
Miscellaneous income	18,561	14,519	12,100
	2,938,810	4,500,832	4,142,227
Expenses			
Schedule 1	4,030,299	3,928,039	4,652,848
Excess (deficiency) of revenues over expenses	\$ (1,091,489)	\$ 572,793	\$ (510,621)

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

Manitoba Pulse & Soybean Growers Inc.

For the Year Ended December 31, 2019

Schedule of Expenses

	2019	2018	Unaudited Budget 2019
Expenses			
Administration	\$ 274,985	\$ 370,729	\$ 322,825
Board of directors	113,048	115,961	131,000
Office	124,917	116,224	150,916
Market development, memberships and national group support	485,806	468,652	793,460
Communication and member relations	196,994	210,556	215,435
Research	2,615,953	2,394,368	2,774,656
Extension and production	218,596	251,549	264,556
Total expenses	\$ 4,030,299	\$ 3,928,039	\$ 4,652,848

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, 2019

	2019	2018
OPERATING ACTIVITIES:		
Excess (deficiency) revenues over expenses	\$ (1,091,488)	\$ 572,792
Non-cash items:		
Amortization of capital assets	41,177	38,211
Short-term investments - unrealized	11,464	6,111
	(1,038,847)	617,114
Increase (decrease) in working capital		
Short-term investments - realized	(20,551)	(1,577)
Accounts receivable - net	409,502	(43,162)
Prepays	(1,602)	(8,581)
Accounts payable and government remittances	(228,812)	374,157
Administered programs payable	-	(143,896)
Cash from (to) operations	(880,310)	794,055
FINANCING AND INVESTING ACTIVITIES:		
Acquisition of capital assets	-	(38,379)
Deferred grants	(19,457)	(16,266)
Short term investment contributions	(669,856)	-
Cash from (to) financing and investing	(689,313)	(54,645)
Net increase (decrease) in cash	(1,569,623)	739,410
Cash at beginning of year	6,354,891	5,615,481
Cash at end of year	\$ 4,785,268	\$ 6,354,891
Cash and cash equivalents consist of the following:		
Cash	\$ 4,785,268	\$ 6,354,891

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, 2019

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, furniture and computers 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, 2019

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:

	2019	2018
Chequing 2.75% (2.75% - 2018)	\$ 4,785,268	\$ 6,354,891

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2019

4 Receivables

Accounts receivable consist of the following:

	2019	2018
Check-off levies	\$ 516,249	\$ 881,115
Trade	7,036	50,206
Allowance for doubtful accounts	(1,466)	-
Total	\$ 521,819	\$ 931,321

5 Short-term Investments

	2019	2018
Credential securities - fixed income funds	\$ 642,222	\$ -
Credential securities - equity funds	155,746	-
Quadrus fixed income funds	-	55,907
Quadrus foreign specialty funds and bonds	-	63,118
	\$ 797,968	\$ 119,025

6 Capital Assets

	2019	2019	2019	2018
	Cost	Accumulated Amortization	Net Value	Net Value
Leasehold improvements	\$ 7,016	\$ (7,016)	\$ -	\$ 702
Machinery	251,399	(138,270)	113,129	138,270
Furniture and fixtures	14,016	(3,981)	10,035	12,845
Vehicle	38,271	(38,271)	-	7,653
Computer equipment	24,363	(7,715)	16,648	21,521
	\$ 335,065	\$ (195,253)	\$ 139,812	\$ 180,991

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2019

7 Deferred Grants

Total deferred grants for the year ending December 31, 2019 is \$58,754. This balance consist of government grants restricted for the purchase of capital assets of \$52,646 and research support of \$6,108 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:

	2019	2018
Beginning balance	\$ 78,211	\$ 94,477
Government grants received	-	-
Research support - third party funding received	1,459	4,650
Amount amortized to revenue	(20,916)	(20,916)
Ending balance	<u>\$ 58,754</u>	<u>\$ 78,211</u>

8 Check-off Revenue

	2019	2018
Gross check-offs	\$ 2,639,990	\$ 4,079,023
Check-offs refunded to producers 10.6% (8.5% - 2018)	(279,725)	(347,682)
Check-off - net of refunds	<u>\$ 2,360,265</u>	<u>\$ 3,731,341</u>

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2019

9 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 \$4,150,633 for future research. This amount consists of \$4,116,988 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.

10 Commitments

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

Year	Amount
2020	\$ 1,529,583
2021	1,348,831
2022	482,574
2023	381,000
2024	375,000
	<u>\$ 4,116,988</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.

11 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.

12 Budget Figures

The Board of Directors approved the 2019 fiscal year budget on January 16, 2019. These figures are unaudited.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2019

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.