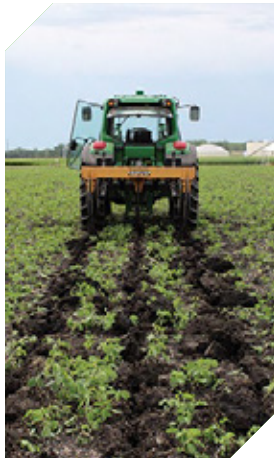


OUR MISSION

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



02.10.21 • VIRTUAL PRESENTATION

OUR VISION

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

▼ 2020 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



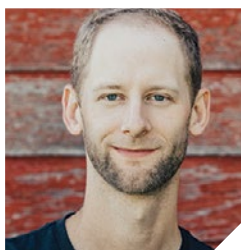
Director
Brendan Phillips
– Hartney



Director
John Preun
– St. Andrews



Director
Frank Prince
– Waskada



Director
Garrett Sawatzky
– Altona



Director
Ernie Sirski
– Dauphin

For 2021, a Call for Nominations to fill three, three-year terms on the MPSG board of directors was advertised. The following nominees submitted their nomination papers for election.

MEET THE 2021 INCUMBENT NOMINEES

Ben Marten – Boissevain

Ben was first elected to the MPSG board in 2014. Together with his family, he operates a grain and cattle farm at Boissevain.

They have added peas to a traditional rotation of wheat, canola and barley. In 1999, they started to grow edible beans and have seen first-hand the advantages of early maturing varieties.

Over the years, Ben has sat on MPSG's research committee, was a representative with both the Grain Growers of Canada and the Prairie Grain Development Committee and most recently served as a director on the Pulse Canada board.

Ben looks forward to serving the membership of MPSG and continuing his involvement on the challenging issues that are important in the pulse industry.

Brendan Phillips – Hartney

Brendan grew up on a farm near Hartney. After graduating from the University of Manitoba with a degree in Agriculture, he returned to the area to farm with his family. He is actively involved in his community serving on several local boards. He and his wife Jaclyn enjoy working alongside each other and raising their children Danica, Harris and Louie on the family farm.

Brendan has sat on various MPSG committees and most recently, with his interest in ag policy, served as chair of the policy committee. He has also represented MPSG on the board of the Grain Growers of Canada.

Brendan looks forward to continuing to represent Manitoba's pulse and soybean growers' interests and feels it is important to bring forward a strong producer voice to work on the challenges facing our industry.

MEET THE 2021 NOMINEE

Bryce Pallister – Portage la Prairie

Bryce comes from a fifth-generation family farm in rural Portage la Prairie.

Many of Bryce's memories, life experiences and lessons in farming have been in the pulse and soybean industry. From riding with his grandpa swathing green lentils, to meeting edible bean growers from all over the world or going through some tough bean harvests that seemed like they would never end, these experiences have been extremely important to his personal growth on the farm.

Bryce looks forward to sharing his knowledge and learning from others while representing MPSG. In his own words, "MPSG has done a great deal for our industry and I'd like to do what I can to help it stay a strong independent voice for our members".

▼ MPSG STAFF

▼ 2020 MPSG COMMITTEES

The first named is chair

Executive – C. Penner, M. Rattai, B. Phillips

Governance/HR – B. MacMillan, F. Prince

Policy – B. Phillips, M. Rattai, J. Preun,
B. Martens, E. Sirski

Finance/Audit – M. Rattai, J. Preun

Nominating – E. Sirski, B. MacMillan, F. Prince

Communications/Member Relations –
H. Jefferies, B. MacMillan, E. Sirski, G. Sawatzky

Market Development – H. Jefferies, J. Preun,
B. Martens

Research – F. Prince, G. Sawatzky, B. Phillips,
M. Rattai, B. Martens

**U of M Research Agronomist Advisory
Committee** – F. Prince, J. Preun



Executive Director
Daryl Domitruk
daryl@manitobapulse.ca



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



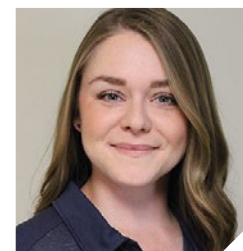
**Director of
Communications**
Toban Dyck
toban@manitobapulse.ca



Business Manager
Sandy Robinson
sandy@manitobapulse.ca



Program Administrator
Wendy Voogt
wendy@manitobapulse.ca



**Production
Specialist – East**
Cassandra Tkachuk
cassandra@manitobapulse.ca

▼ 2020 MPSG REPRESENTATIVES

**Canadian Grain Commission Pulse
Sub-Committee** – D. Domitruk

Grain Growers of Canada – B. Phillips

Keystone Agricultural Producers

- **General Council** – C. Penner
- **Pulse/Oilseed Sub-Committee** – B. Phillips
- **Commodity Group** – C. Penner, M. Rattai

MCVET – C. Tkachuk

PGDC/PRCPSC – B. Martens, D. Domitruk

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

- **Sustainability** – F. Prince

Soy Canada – E. Sirski, M. Rattai

Western Canadian Pulse Growers Association

- **WGRF** – B. Dalgarno (MPSG) (term 2019–2023)
- **CGC Western Grain Standards Committee** –
E. Sirski (exp. 2021)



**Production
Specialist – West**
Laura Schmidt
laura@manitobapulse.ca



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



On-Farm Technician
Ian Kirby
ian@manitobapulse.ca

► SPECIAL MEETING AGENDA

TIME	ITEM	PRESENTER	ACTION
8:00 am	Call to Order – Special Meeting	Cal Penner	
8:02 am	Approval of Agenda – Special Meeting	Cal Penner	MOTION to Approve
8:04 am	Meeting Procedures	Cal Penner	
8:05 am	Proposed Amendments to By-Laws	Cal Penner	MOTION to Adopt
8:15 am	Adjourn	Cal Penner	Adjourn

► GENERAL MEETING AGENDA

TIME	ITEM	PRESENTER	ACTION
8:15 am	Call to Order	Cal Penner	
8:17 am	Approval of Agenda	Cal Penner	MOTION to Approve
8:19 am	Meeting Procedures	Cal Penner	
8:21 am	Minutes of the 2020 Annual Meeting	Cal Penner	MOTION to Adopt
8:23 am	Nominating Committee Report	Ernie Sirski	
8:25	Auditor's 2020 Report	Alex George	MOTION to Approve
	Appointment of Auditors for 2021	Cal Penner	MOTION to Appoint
8:35 am	SR&ED Presentation	Melissa Denys-Roulette	
8:38 am	Executive Director's Report	Daryl Domitruk	
8:48 am	Research & Production Report	Daryl Domitruk	
8:58 am	Resolutions Committee Report	Ernie Sirski	MOTION to Approve
9:05 am	Outgoing Director Acknowledgement	Cal Penner	
9:07 am	Open Discussion and Questions	Cal Penner	
9:15 am	Other Business	Cal Penner	
9:20 am	Adjourn	Cal Penner	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 2020 tax year, 34.67% 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 2001–2020 MPSG SR&ED tax credit rates are available on the MPSG website manitobapulse.ca.

► 2020 ANNUAL GENERAL MEETING MINUTES

February 12, 2020 | Victoria Inn Hotel and Convention Centre, Winnipeg, MB

ITEM	AGENDA ITEM	PRESENTER
1	8:00 am – Annual General Meeting called to order	C. Penner
2	Agenda MOTION: That the agenda for the February 13, 2019 Annual General Meeting be approved as presented. • J. Preun / Seconded: M. Rattai – CARRIED –	C. Penner
3	Meeting Procedures	C. Penner
4	Minutes of the 2019 AGM MOTION: That the minutes of the 2018 Annual Meeting be adopted as circulated. • Moved: E. Sirski / Seconded: E. Scheurer – CARRIED –	C. Penner
5	Nominating Committee Report and Confirmation of Directors On behalf of the Nomination Committee chair, H. Jefferies, B. Phillips read the committee report. The committee reported that the terms of the following four directors expire as of this meeting: Bryce MacMillan, Frank Prince, Melvin Rattai and Ernie Sirski. All four submitted their nomination papers and have agreed to let their names stand for re-election. Since no other names were submitted to the Nomination Committee, members are elected by acclamation to four, three-year terms (2020–2023). Introduction of returning board members.	B. Phillips
6	Auditor's Report MOTION: That the 2019 audited financial statements be adopted as presented by Alex George of George & Associates Chartered Professional Accountants Inc. • Moved: J. Preun / Seconded: B. Michaleski – CARRIED –	A. George
7	Appointment of Auditors MOTION: That George & Associates Chartered Professional Accountants Inc. be appointed auditors for the Manitoba Pulse & Soybean Growers for 2020. • Moved: M. Rattai / Seconded: B. Phillips – CARRIED –	C. Penner
8	SR&ED Presentation M. Denys-Roulette presented the 2019 SR&ED eligible claim.	M. Denys-Roulette
9	Executive Director's Report F. Labelle presented the Executive Director's report.	F. Labelle
10	Research and Production Report D. Domitruk presented the 2019 research and production report.	D. Domitruk
11	On-Farm Network Presentation and Discussion M. Bourns reported on the On-Farm Network and discussion followed.	M. Bourns
12	Resolutions Committee Report On behalf of the Resolutions Committee chair, H. Jefferies, B. Phillips read the committee report. The committee reported that resolutions could not be received from the floor per the MPSG by-laws and that no resolutions were submitted prior to the December 1, 2019 deadline. The board brought forward the following two resolutions to its members. 1. In 2020, MPSG will act as an agent on behalf of its producer members in all matters relating to Scientific Research & Experimental Development (SR&ED). • Moved: J. Preun / Seconded: B. MacMillan – 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: B. Michaleski / Seconded: J. Preun – CARRIED –	B. Phillips
13	Open Discussion and Questions	C. Penner
14	Other Business There was no other business to report.	C. Penner
15	Adjourn 8:47 am MOTION: M. Rattai that the 2020 Annual General Meeting be adjourned. – CARRIED –	C. Penner



MESSAGE FROM BOARD CHAIR

Calvin Penner, Chair

WHAT A DIFFERENCE a year can make. Last year at this time, we were dealing with the hangover from the harvest that wouldn't end. It turns out that the excess moisture from last fall was a needed reserve for us on the farm this summer.

It wasn't very long ago the markets didn't have much reason to be optimistic. The world seemed to have a huge surplus of grain and prices were stagnant at best. Trade wars and elections seemed to always throw a shadow over agriculture and our established markets. I hope you weren't like us and sold most of your crop at what seemed like decent prices and missed the market run on soybeans. As I write this, at the beginning of January, soybean prices are in the teens. I hope that there will continue to be strong markets for a while.

The question now is, how much new crop should we defer and what will be a good price? The fight for acres among the principal crops could be promising for some of the smaller crops. Time will tell, but we certainly live in interesting times.

Speaking of interesting times, we will be holding our AGM virtually this year. We look forward to your input and questions. We certainly would like to be able to chat in-person at CropConnect, but that will have to wait for another year.

I would also like to thank François Labelle for the direction and guidance he gave MPSG during his tenure here. His knowledge of the pulse industry proved to be very valuable. I would also like to thank Daryl Domitruk for his leadership as we continue to be a research and extension-focused organization.

One of the ongoing discussions we have had as a board is what MPSG's involvement should be in ag policy. While we continue to be primarily a research and extension association, we are working with our industry partners who have policy analysts and budgets to do policy work.

Staff continues to work closely with Roquette and MERIT, staying up to date on their progress as their facilities come online and their grower contracts become available. MPSG values these connections to the protein industry. We see ourselves as an information resource for these companies as well as a conduit through which they can have access to Manitoba's pulse and soybean farmers. Rest assured, we ensure your interests are represented each and every time we interact with these large companies.

Our staff has had to change the way they do their work, which means that they work from home and don't drive together when going to research sites. I would like to thank them for being adaptable and continuing to do a great job.

MPSG's On-Farm Network takes questions that farmers have about production practices and researches those practices with the help of the farmer. The replicated trials take the variability out of the trials. Our staff can take the data and compare it to similar trials across the province and also compare it to past years.

It is valuable to me as a farmer to have an independent expert third party looking at what is happening on my farm and give me their educated opinion and not try to sell me something.

MPSG's commitment to research remained strong in 2020. The organization has allocated about \$6.7 million to research projects since 2018.

For the most part, these funds are leveraged with federal and provincial government funds under the Canadian Agricultural Partnership(CAP). We also jointly fund research with other grower groups as well as the Western Grains Research Foundation. In total, we have leveraged just under \$19 million.

The Agronomist-in-Residence research program at the University of Manitoba is one of our major research investments. MPSG's funding commitment allows the university to conduct applied research into basic production issues for pulse and soybean farmers. This work, along with the On-Farm Network, helps fill the gap between academic research and farm application of research results.

Please go to the MPSG website for more information and we look forward to seeing you in the future.

Sincerely,

A handwritten signature in dark ink that reads "Calvin Penner". The signature is fluid and cursive.

Calvin Penner





MESSAGE FROM EXECUTIVE DIRECTOR

Daryl Domitruk, Executive Director

IN SUMMARIZING 2020, I'll first deal with the obvious and tell you that, like our members, MPSG rolled with the pandemic punches and carried on with most of our usual services to pulse and soybean growers. The board and staff implemented operational protocols and contingency activities that kept everyone safe and productive through the seasons.

Despite the challenges, crop-wise, 2020 was an improvement over 2019. This helped with field activities such as crop surveillance and on-farm tests. Field research at universities and AAFC also benefited from improved crop conditions. However, in some cases, research was curtailed due to pandemic restrictions.

Of course, virtually all in-person extension was cancelled. A tip of the cap goes to our fellow researchers and extension professionals who, under trying circumstances, really delivered with alternative approaches to research and extension. 2020 showed we are among a community of truly dedicated partners.

A disappointing crop and low soybean prices in 2019 sent MPSG into 2020 with a degree of caution regarding our balance sheet. On the staffing side, we set aside the role of extension coordinator in favour of recruiting a production specialist for western Manitoba. We continue to operate our extension program with two qualified agronomists – one in the east and one in the west. The east-west team approach helps us keep a closer watch on crops and build more familiarity with our members and their farming conditions. In addition, with the retirement of François Labelle, I assumed the role of executive director. We chose to leave vacant my former position as director of research and production and fold those responsibilities into the executive director function. The upshot is as of the end of 2020, MPSG was operating somewhat leaner but with a sharpened focus on our goals and priorities. With our focus contained to three major crops, we were able to find efficiencies and adjust staff assignments on a continuous basis. Fortunately, MPSG's skilled and dedicated staff embrace this way of doing business. With them, we will continue to move with our members through the up and down world of pulses and soybeans.

Despite a reduced headcount, the board's desire for a slightly deeper dive into policy has been implemented. With discussions advancing on business risk management and a variety of regulations, we've mostly been working with our sister

organizations in Manitoba and with Grain Growers of Canada, Pulse Canada and Soy Canada nationally to ensure the pulse and soybean voice is heard.

In some circles, at least, it is starting to be recognized that pulses and soybeans offer Canada a unique value proposition. Our country is more wealthy, healthy and sustainable because of the unique properties of pulses and soybeans. We must continue to carry this message into the centres of power to achieve recognition and the best outcomes for our growers.

The biggest challenge for MPSG is communicating with growers. Our members' time and attention is the most sought after commodity in the entire ag business. It's a competitive field. In 2020, we spent a lot of time on communication strategy to ensure we're never too far from the minds of our members. In the end, we kept to our formula of simple mediums (our magazines are still delivered to your mailbox as well as your inbox) filled with timely, relevant and pitch-free crop production knowledge. The pandemic has thrown the communications game wide open. Frankly, we don't know what mediums will work in the future. However, we're sure we'll only be expanding on our underlying purpose of providing objective science-based production advice.

Entering 2021, it's already apparent some of the challenges of 2020 continue to linger. If 2020 did anything, it left us prepared to move forward. And so, with tasks before us such as maintaining government's commitment to research, contributing climate change solutions and adaptations and spurring economic recovery, we're ready to have our members' backs as they move forward in farming.

Sincerely,

Daryl Domitruk
PhD, PAg



RESEARCH AND PRODUCTION REPORT

Daryl Domitruk, Executive Director

IN 2020 DESPITE the constraints imposed by the COVID-19 pandemic, MPSG continued to invest in research to solve production challenges and uncover opportunities for pulse and soybean growers. Research was complemented by a significant extension and communications program..

RESEARCH

Each year, MPSG's research committee confirms the direction and outcomes that guide the development and funding of new projects. Again in 2020, the committee's decisions were brought to government, university, college and other public laboratories to develop projects that when extended to growers, advance their knowledge of pulse and soybean production.

Research investments targeted escalating production costs along with improvements to yield and crop quality. Improved soil health and the capture of new markets rounded out the list of primary research targets. Whatever the research topic, MPSG projects continue to be conducted at scales ranging from laboratory experiments to small-plot field studies to farm-scale trials conducted by MPSG members.

On-Farm Network

In 2020, the On-Farm Network conducted 58 trials across all major agricultural regions of Manitoba. Twelve topics were covered in dry edible beans, soybeans and peas. On-farm trials were repeated over soil types, crop varieties and farm equipment types, allowing MPSG members to objectively assess the performance of crop inputs and agronomic practices under real farm conditions. On-farm trials complement small-plot research by subjecting small-plot results to farm-scale conditions.



Agronomist-in-Residence (AIR)

The AIR research program is a between MPSG and the 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 Agronomist in Residence to perform both small-plot and on-farm research. In 2020, the fourth year of the program, 12 trials were conducted addressing 13 applied research topics.



collaboration



Market Development

Research in pulse and soybean production is augmented by efforts to expand markets. Membership in Pulse Canada enables MPSG to access that organization's expertise in market development, human nutrition and pulse crop utilization. This

provides guidance to research that directly supports market expansion. Recent growth of markets for plant protein are opening new opportunities for growers of pulses and soybeans. In addition, research into the health attributes of these crops has placed pulses and soybean front and centre in the minds of health-conscious consumers at home and abroad.

New Research Projects

In 2020, MPSG committed \$515,000 to eight new projects with a total value of \$1,914,000. MPSG's funds were complemented by \$1,030,000 from the Canada-Manitoba Canadian Agriculture Partnership and by \$368,000 from other partners including the Western Grains Research Foundation. 2020 marked the second year of a 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 are being undertaken over three years.

PROJECTS APPROVED FOR FUNDING IN 2020

Enhancing yield and marketable quality

Investigation of pea crop rotation length and sequence for sustainable protein production in Manitoba	U of M
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Improving soil health

Beneficial practices for soil and water quality, excess water management and drought resiliency in an undulating soil-landscape in southwestern Manitoba	Agri-Earth Consulting PBS Water Engineering
Understanding how soil health affects corn and soybean yield and protein and how those effects vary by factors the grower can and cannot control	AAFC

Reducing the economic impact of pests

The next generation of prairie herbicide-resistant weed surveys and surveillance	AAFC
Effect of the frequency of soybean in the crop rotations on Rhizobium and the soil Microbial Community	U of M
Development of improved diagnostic tools for pathogens of soybean	BU
Assessing the effects of wood ash as a soil amendment to control clubroot and on the growth and yield of wheat, canola, soybeans and field peas in northwest Manitoba soils	New Era Ag Technologies
Evaluation of biological crop protection products	MPSG

Expanding markets

Evaluating feeding value of western Canadian soybean for layers, pullets, broilers and swine	U of M
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AAFC – Agriculture and Agri-Food Canada
BU – Brandon University

MPSG – Manitoba Pulse & Soybean Growers
U of M – University of Manitoba

continued ►

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.

Guides and Fact Sheets

Five guides and fact sheets were developed, updated and printed in 2020. All print copies were laminated for durability. Pest scouting guides for pea, dry bean and soybean were released. Production guides for pea and soybean were also updated to include new information.

Regional Variety Testing

In 2020, MPSG continued an extensive variety evaluation program in dry edible bean, soybean, pea and faba bean. The program conducted 49 trials, including 22 soybean trials at 12 locations, 16 dry bean trials at six locations, nine field pea trials at nine locations and two faba bean trials at two locations. 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. Soybean 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. Testing was conducted in close association with Manitoba Agriculture and Resource Development and the seed industry. Results from the 2020 field season will be utilized by growers ahead of seed purchases for the 2021 crop. Results were again published in the *Pulse and Soybean Variety Guide* and Manitoba Seed Growers' Association's *SEED Manitoba*.



Extension Events



With the exception of the annual Getting it Right event in January, all in-person extension events were cancelled due to COVID-19. Getting it Right was held in Portage la Prairie, attracting 75 growers.

Topics ranged from soybean cyst nematode to market access issues to cover cropping and wireworm seed treatments.



In place of in-person extension, MPSG increased the number of bean reports issued in 2020. Ten reports were published in-season and instead of concluding after harvest, reports have continued to be issued monthly during the winter. **The Bean Report** has over 1,300 subscribers. Information contained in the reports was gathered from staff observations of over 119 pulse and soybean fields. MPSG agronomists surveyed these fields in collaboration with government partners. Crops were examined for root, stem and foliar pathogens as well as for insects such as pea leaf weevil. Results were used to detect the emergence and spread of pests and to judge the general efficacy of pest control practices.



continued ➤

Research and Production Report continued



Unaffected by COVID-19 was growers' use of the **MPSG Bean Smartphone App**. The app provides various smartphone-based tools to help with fungicide applications, harvest loss assessment and many other critical steps in pulse and soybean production. In 2020, the app was installed on smartphones 351 times and recorded over 950 sessions.



The **On-Farm Network annual appreciation dinner**, was also cancelled due to COVID-19. In its place, MPSG distributed trial results to growers via online video and a results booklet was mailed to each participant prior to its release to the general public.



BECOME PART OF THE ON-FARM NETWORK



on-farm network
PARTICIPATORY • PRECISE • PROACTIVE

By farmers, for farmers

All On-Farm Network (OFN) research is based on these important principles:

1. **Participatory** – Actively engages farmers in the research process.
2. **Precise** – OFN trials produce robust and statistically sound data.
3. **Proactive** – Results from the OFN guide management decisions, aiming to improve productivity and profitability of the farm operation.

HOW IT WORKS

*Your fields, your farm, your findings** YOU

- Let us know what kind of trial you are interested in or what kind of agronomy question you have.
- Tell us when you are ready to establish your trial (e.g., at seeding or spraying, depending on trial type) and provide us with basic agronomic information for the field.
- Tell us when you are ready to harvest.
- Use the results to guide future management decisions for your farm.

WE

- Design an easy-to-implement trial to investigate your question.
- Provide support to ensure smooth trial establishment.
- Collect data and observations throughout the season.
- Provide harvest support and our weigh wagon, to get accurate harvest results (or you can use your grain cart if it has an appropriate scale).
- Compile the observations and data into a short report of trial results.

* You must be a member in good standing with MPSG to participate.

WHAT IT DOES FOR YOU

Farm productivity and profitability, optimized

- The OFN empowers you to evaluate agronomic and economic outcomes of management decisions on your farm, in your fields, under your growing season conditions, using your own equipment.
- As a participant, you become a part of a larger network of research across years and regions, which can be used to investigate bigger picture questions.

2021

■ PULSE AND SOYBEAN TRIAL TOPICS

- | | |
|----------------------|------------------------|
| ▪ Residue management | ▪ Row Spacing |
| ▪ Seed treatment | ▪ Dry Bean N Fertility |
| ▪ Inoculants | ▪ Biologicals |
| ▪ Seeding rate | ▪ Fungicides |

Have a different trial idea? Let us know!

MANITOBA
Pulse Soybean
GROWERS

To participate in the trials, contact

Megan Bourns • 204.751.0439 • megan@manitobapulse.ca

or sign up at **manitobapulse.ca/on-farm-network**

**WE GROW
BEANS**

MANITOBA
Pulse Soybean
GROWERS

www.manitobapulse.ca

**Manitoba Pulse & Soybean
Growers Inc.**

Independent Auditors' Report

Financial Statements

December 31, 2020

Manitoba Pulse & Soybean Growers Inc.

December 31, 2020

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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, 2020, 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, 2020, 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 association 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.

Emphasis of Matter

We draw attention to Note 16 in the financial statements, which describes the situation in the context of the novel Coronavirus ("COVID-19") global pandemic declared by the World Health Organization. Our opinion is not modified in respect of this matter.

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 association'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 association or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the association'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 association'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 association'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 association 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.

A handwritten signature in black ink that reads "George & Associates". The script is cursive and fluid, with the "G" being particularly large and stylized.

George & Associates Chartered Professional Accountants Inc.

Carman, Manitoba
February 08, 2021

Manitoba Pulse & Soybean Growers Inc.

Statement of Financial Position

December 31, 2020

	2020	2019
Assets		
Current Assets		
Cash (notes 2 and 3)	\$ 5,293,731	\$ 4,785,268
Short-term investments (note 5)	850,224	797,968
Accounts receivable (notes 2 and 4)	745,236	521,819
Prepays	70,490	118,298
	<u>6,959,681</u>	<u>6,223,353</u>
Capital Assets (notes 2 and 6)		
Cost	347,166	335,065
Accumulated amortization	(228,277)	(195,253)
	<u>118,889</u>	<u>139,812</u>
Total Assets	<u><u>\$ 7,078,570</u></u>	<u><u>\$ 6,363,165</u></u>

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


Manitoba Pulse & Soybean Growers Inc.

Statement of Financial Position

December 31, 2020

	2020	2019
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 93,428	\$ 191,580
Government remittances	14,832	15,162
Administered funding payable (note 7)	50,186	-
	<u>158,446</u>	<u>206,742</u>
Long-term Liabilities		
Long-term debt (note 8)	40,000	-
Deferred grants (note 9)	76,010	58,754
	<u>116,010</u>	<u>58,754</u>
Total Liabilities	<u>274,456</u>	<u>265,496</u>
Net Assets		
Invested in capital assets	79,405	87,167
Internally restricted (note 11)	6,220,398	5,400,633
Unrestricted	504,311	609,869
	<u>6,804,114</u>	<u>6,097,669</u>
Total Net Assets	<u>6,804,114</u>	<u>6,097,669</u>
Total Liabilities and Net Assets	<u>\$ 7,078,570</u>	<u>\$ 6,363,165</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, 2020

	Invested in Capital Assets	Internally Restricted	Unrestricted	2020	2019
Balance, beginning of year	\$ 87,167	\$ 5,400,633	\$ 609,869	\$ 6,097,669	\$ 7,189,158
Excess (deficiency) revenues over expenses	(19,863)	-	726,308	706,445	(1,091,489)
Investment in capital assets	12,101	-	(12,101)	-	-
Increase (decrease) in restricted funds	-	819,765	(819,765)	-	-
Balance, end of year	\$ 79,405	\$ 6,220,398	\$ 504,311	\$ 6,804,114	\$ 6,097,669

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, 2020

	2020	2019	Unaudited Budget 2020
Revenue			
Check-off - net of refunds (notes 2, 10 and 13)	\$ 3,383,731	\$ 2,360,265	\$ 2,250,000
Grants - government and third party	481,765	188,883	571,940
Research trials	154,900	177,700	190,000
Investments			-
-Interest and investment income	95,908	163,105	110,000
-Realized gains	-	20,844	20,000
-Unrealized gains (losses)	33,392	(11,464)	-
Amortization of deferred grants	13,161	20,916	13,165
Miscellaneous income	7,233	18,561	9,515
	4,170,090	2,938,810	3,164,620
Expenses			
Schedule 1	3,463,645	4,030,299	4,481,581
Excess (deficiency) of revenues over expenses	\$ 706,445	\$ (1,091,489)	\$ (1,316,961)

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

Manitoba Pulse & Soybean Growers Inc.

For the Year Ended December 31, 2020

Schedule of Expenses

	2020	2019	Unaudited Budget 2020
Expenses			
Administration	\$ 330,891	\$ 274,985	\$ 358,550
Board of directors	74,111	113,048	116,250
Office	94,951	124,917	102,995
Market development, memberships and national group support	442,242	485,806	464,360
Communication and member relations	159,981	196,994	194,604
Research	2,171,971	2,615,953	3,016,707
Extension and production	189,498	218,596	228,115
Total expenses	\$ 3,463,645	\$ 4,030,299	\$ 4,481,581

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, 2020

	2020	2019
OPERATING ACTIVITIES:		
Excess (deficiency) revenues over expenses	\$ 706,446	\$ (1,091,488)
Non-cash items:		
Amortization of capital assets	33,026	41,177
Short-term investments - unrealized	(33,392)	11,464
	706,080	(1,038,847)
Increase (decrease) in working capital		
Short-term investments - realized	(18,864)	(20,551)
Accounts receivable - net	(223,417)	409,502
Prepays	47,808	(1,602)
Accounts payable and government remittances	(98,485)	(228,812)
Administered funding payable	50,186	-
Cash from (to) operations	463,308	(880,310)
FINANCING AND INVESTING ACTIVITIES:		
Acquisition of capital assets	(12,101)	-
Deferred grants	17,256	(19,457)
Short term investment contributions	-	(669,856)
Proceeds from long term debt	40,000	-
Cash from (to) financing and investing	45,155	(689,313)
Net increase (decrease) in cash	508,463	(1,569,623)
Cash at beginning of year	4,785,268	6,354,891
Cash at end of year	\$ 5,293,731	\$ 4,785,268

Cash and cash equivalents consist of the following:

Cash	\$ 5,293,731	\$ 4,785,268
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The accompanying notes are an integral part of these financial statements.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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, 2020

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:

	2020	2019
Chequing 1.25% (2.75% - 2019)	\$ 5,293,731	\$ 4,785,268

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2020

4 Receivables

Accounts receivable consist of the following:

	2020	2019
Check-off levies	\$ 719,769	\$ 516,249
Trade	3,437	7,036
CEBA loan debt forgiveness	10,000	-
Canada Emergency Wage Subsidy	12,030	-
Allowance for doubtful accounts	-	(1,466)
Total	\$ 745,236	\$ 521,819

5 Short-term Investments

	2020	2019
Credential securities - fixed income funds	\$ 679,596	\$ 642,222
Credential securities - equity funds	170,628	155,746
	\$ 850,224	\$ 797,968

6 Capital Assets

	2020	2020	2020	2019
	Cost	Accumulated Amortization	Net Value	Net Value
Leasehold improvements	\$ 7,016	\$ (7,016)	\$ -	\$ -
Machinery	251,399	(163,409)	87,990	113,129
Furniture and fixtures	14,016	(6,792)	7,224	10,035
Vehicle	38,271	(38,271)	-	-
Computer equipment	36,464	(12,789)	23,675	16,648
	\$ 347,166	\$ (228,277)	\$ 118,889	\$ 139,812

7 Administered Funding

The association provided administrative services for CAP in 2020. The association's duties were limited to the collection and distribution of funds for these programs.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2020

8. Long-term Debt

Long-term debt consists of the following:

	2020	2019
Access Credit Union	\$ 40,000	\$ -
Interest at 5% per annum, starting January 1, 2023, repayable in monthly payments of \$1,199 including interest starting January 1, 2023, due December 31, 2025, guaranteed by the Government of Canada.		
Long-term portion of debt	\$ 40,000	\$ -

The association applied for and received the \$40,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to provide capital to organizations to see them through the current challenges and better position them to return to providing services and creating employment.

The loan is interest free to December 31, 2022. If the loan is paid back by December 31, 2022, \$10,000 of the loan will be forgiven (note 4). If the loan is not paid back by December 31, 2022 the full \$40,000 loan will be converted to loan repayable over three years with a 5.00% interest rate.

Principal repayments on long-term debt over the next five years are as follows:

Year	Amount
2021	\$ -
2022	-
2023	12,674
2024	13,322
2025	14,004
Total	\$ 40,000

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2020

9 Deferred Grants

Total deferred grants for the year ending December 31, 2020 is \$76,010. This balance consist of government grants restricted for the purchase of capital assets of \$39,484 and research support of \$36,526 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:

	2020	2019
Beginning balance	\$ 58,754	\$ 78,211
Research support grants - received	502,183	190,342
Research support grants - recognized	(471,766)	(188,883)
Capital asset grants - amortized	(13,161)	(20,916)
Ending balance	<u>\$ 76,010</u>	<u>\$ 58,754</u>

10 Check-off Revenue

	2020	2019
Gross check-offs	\$ 3,568,052	\$ 2,639,990
Check-offs refunded to producers 5.2% (10.6% - 2019)	(184,321)	(279,725)
Check-off - net of refunds	<u>\$ 3,383,731</u>	<u>\$ 2,360,265</u>

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2020

11 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. In 2020 this reserve was increased to \$650,000.

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. In 2020 this reserve was increased to \$650,000.

The Directors have internally restricted an aggregate of \$3,470,399 for future research. This amount consists of \$3,353,987 in future research project commitments and an unused carry forward balance from completed research projects of \$116,412. This reserve is reviewed annually.

The Directors have restricted a total of \$1,450,000 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.

12 Commitments

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

Year	Amount
2021	\$ 1,859,367
2022	845,504
2023	405,366
2024	243,750
	<u>\$ 3,353,987</u>

The association has entered a lease agreement with Manitoba Corn Growers Association Inc. for office space in the annual amount of \$20,000 and expiring May 31, 2025.

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 Budget Figures

The Board of Directors approved the 2020 fiscal year budget on February 12, 2020. These figures are unaudited.

Manitoba Pulse & Soybean Growers Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2020

15 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.

16 Financial Impact of the Novel Coronavirus (COVID-19)

In March 2020, the World Health Organization declared a global pandemic due to the outbreak of the novel Coronavirus ("COVID-19"). The situation is continuously developing and the economic impact has been substantial to both Canada and the globe. As at December 31, 2020, the association is aware of the changes in its operations as a result of the COVID-19 pandemic, including staff working from home and the cancellation and the postponement of scheduled events to the next fiscal year. The association continues to receive financial support from the federal government through the subsidy programs.

The association is not able to fully estimate the impact of COVID-19 on operations at this time given the continuous evolution of the pandemic and the global responses thereon to mitigate the spread.