



# Annual Report 2015

Activities of the Year

February 11, 2016



PHONE

204.745.2656

FAX

204.745.6122

WEB

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

38 4<sup>th</sup> Avenue NE, Carman, MB R0G 0J0

---

## MWBGA Vision

**That wheat and barley are profitable and competitive crop choices for Manitoba farmers.**

## Mission

Grow the potential of wheat and barley as profitable and sustainable production choices for Manitoba growers through leadership and strategic investments in research, market development and communications.

# Year at a Glance - highlights

Fiscal year 2014 -2015	MWBGA Board activities
July 2014	<p>MWBGA became members of Cereals Canada and the Barley Council of Canada            MWBGA supports 2 research projects and will act as administrator for grants            Fred Greig named as MWBGA representative on the Canadian Grain Commission,            Western Standards Committee and the Wheat &amp; Barley sub-committees            WGRF Wheat Advisory and Barley Advisory Committee participation            David Rourke attended AAFC Swift Current tour and public research discussion</p>
August 2014	<p>Participation in review of CIGI and Cereals Canada Mission strategy</p>
September 2014	<p>Variety Development Strategy - staff from 8 Western Canadian cereal commissions / associations meet in Winnipeg and define terms for a multi commission working group</p>
October 2014	<p>Ray Askin represents MWBGA at WGRF Board meetings            Participation in WGRF review and renegotiation of CDC core funding agreements            Western Canadian Deduction partners Annual Report review            Meeting with Senior AAFC staff regarding sustained public variety development</p>
November 2014	<p>David Rourke Participates in South American Mission with CIGI and Cereals Canada            Don Dewar represents MWBGA at Canada Grains Council Meetings and Grains Round table in Ottawa            Growing Actions funding proposals – Variety Development and MB grower organizations Common challenges and Collaborative opportunities.            A special meeting of the Producer members Pillar of Cereals Canada</p>
December 2014	<p>Board meeting at the Brandon Research Centre, AAFC. Toured the upgraded facilities, met with wheat and barley breeders re: research capacity and priorities.            December 15 &amp; 16 – Western Canadian Cereal Commissions/Associations meet in Calgary to objectively explore options for producer and/or producer commissions'/ associations' involvement in wheat and barley variety development.            Continued discussion among wheat organizations regarding WCD transition</p>

# Year at a Glance - highlights

Fiscal year	MWBGA Board activities
2014 -2015	
January 2015	MWBGA build a comprehensive research investment strategy and initial framework Participation in Cereal Canada’s response to the AAFC modernization and streamlining of the variety registration system.
February 2015	The multi-commission Variety Development Working Group defines scope and terms of reference for a project request for proposals. Don Dewar to the board of the Barley Council of Canada AGM Calgary MWBGA AGM 2015 February 18, 2015 in Winnipeg. Election of 3 Board members Participation in review and renegotiation of AAFC core funding agreements Input into Cereals Canada <i>Chlormequat chloride</i> risk mitigation strategy Part of technical working group on CGC variety classification Winnipeg
March 2015	Working group selects JRG group for multi commission variety development project All commissions agree to support/re-negotiate future core funding and CIGI projects Variety Development working group – first meeting with JRG consultants Robert Misko represents MWBGA on Cereals Canada and attends Canada Grains Council symposium and grains roundtable in Saskatoon Establish governance committee Dean Harder & Grant Dyck - Build strategy around increased participation and a more inclusive election process Start up meeting of MB commodity associations with Bob Hyde for Common challenges and Collaborative opportunities project
April 2015	Board meeting at the U of M, met with FAS Dean and research leadership, discussed research capacity and priorities
May 2015	
June 2015	<i>Chlormequat chloride</i> and market risk press release Western Canadian Deduction meeting reviewed the Annual Report Round table meeting with Provincial minister Kostyshyn

---

# Board, Ex-Officio and Staff

---

## Board Members

Fred Greig, Chair

Reston, MB

T: 204.522.5528

E: [fgreig@mys.net](mailto:fgreig@mys.net)

*Nominee seeking election at the AGM 2016*

Robert Misko, Vice Chair

Roblin, MB

T: 204.937.2669

E: [rlmisko6@gmail.com](mailto:rlmisko6@gmail.com)

*Elected at the AGM 2015*

Ray Askin

Portage la Prairie, MB

T: 204.274.2417

E: [rayaskin@mymts.net](mailto:rayaskin@mymts.net)

*Retiring from the board at the 2016 AGM*

Drew Baker

Beausejour, MB

T: 204.266.1126

E: [baker\\_d@me.com](mailto:baker_d@me.com)

*Elected at the AGM 2015*

Grant Dyck

Niverville, MB

T: 204.346.4222

E: [gdycck@artelfarms.com](mailto:gdycck@artelfarms.com)

*Retiring from the board at the 2016 AGM*

Dean Harder

Low Farm, MB

T: 204.797.6388

E: [dean@mts.net](mailto:dean@mts.net)

*Elected at the AGM 2015*

## Ex-Officio Advisor

Pam de Rocquigny, Provincial Cereal Crops Specialist

Crops Knowledge Centre

Manitoba Agriculture, Food & Rural Development

PO Box 1149, 65 3rd Ave. NE

Carman, MB ROG OJO

T: 204.745.5676

C: 204.750.1584

E: [pamela.derocquigny@gov.mb.ca](mailto:pamela.derocquigny@gov.mb.ca)

## Staff

Brent VanKoughnet, Contract Executive Director

Agri-skills

PO Box 2280, 38 – 4th Avenue NE

Carman, MB ROG OJO

T: 204-745-6226

E: [bvk@agri-skills.com](mailto:bvk@agri-skills.com)

Lori-Ann Kaminski, Contract Research Manager

PO Box 2280, 38 – 4th Avenue NE

Carman, MB ROG OJO

C: 204 745 8044

T: 204 750 2656

E: [lakaminski@mymts.net](mailto:lakaminski@mymts.net)

---

# Minutes of the Previous AGM

---

## Manitoba Wheat and Barley Growers Association

### *ANNUAL MEETING*

February 18, 2014

Victoria Inn Winnipeg, Manitoba

**Attendance:** an estimated 150 people in the room, 121 registered

Chair Don Dewar called the meeting to order at 3:00 pm while registration was being completed. D. Dewar welcomed members and guests and introduced directors and staff.

**Motion:** D. Rourke – Doug Martin: To approve the agenda as distributed. CARRIED

D. Martin gave the nomination report outlining the three nominees who had stated their intention to seek election as director prior to the AGM

David Rourke – Minto

Robert Misko – Roblin

John Preun - Selkirk

D. Martin then made the first call for nominations from the floor.

Two nominations came from the floor

Dean Harder – Lowe Farm nominated by Andrew Dennis

Drew Baker – Beausejour nominated Brad Saluk

Each candidate agreed to let their name stand.

Executive Director Brent VanKoughnet read the minutes from the previous annual meeting of the Manitoba Wheat and Barley Growers Association held July 29<sup>th</sup> 2014.

**Motion:** Grant Dyck – B. Michaleski: That the minutes of the previous annual meeting be approved as presented.

CARRIED

**Chair Report** - Chair D. Dewar presented a chair report highlighting material distributed in the 2014 Annual report

**Financial Report** - Dale George of DF George Accounting presented the financial report for the June 30, 2014 year-end.

**MOTION:** D. Rourke – B. Michaleski: That the financial report accepted as presented and distributed. CARRIED

**Financial Update** – D. Dewar provided a brief financial update of (non reviewed) financials up to December 31, 2014.

**MOTION:** Fred Greig – Ray Askin: That D.F. George be appointed as Auditors for MWBGA. CARRIED

Second call for nominations from the floor. – No additional nominees.

---

**New Business:**

**Review of Governance and Election Procedures** – Vice Chair F. Greig outlined the history and rationale for a proposal to members that the MWBGA board take the next year to do a thorough evaluation of several election and governance options and come to the next AGM with a recommendation for membership approval.

**Other New Business** – Chair D. Dewar opened the floor for any new business with the request that any resolution be provided in writing.

No resolutions came forward.

D. Dewar made the third and final call for nominations from the floor. – No additional nominations were received

**MOTION:** B. Michaleski – R. Askin: That nominations cease. CARRIED

**Election** – Each candidate was given the opportunity to address the assembly for 2 minutes.

Instructions were provided to voting members that up to three names would be accepted on each ballot that was distributed earlier at registration. Four scrutineers were introduced. Lori-Ann Kaminski, Pam de Rocquigny, Theresa Bergsma, Doug Martin

Ballots were collected and scrutineers left the room to count the ballots.

**Guest Speaker** – JoAnne Buth CEO of Canadian International Grains Institute (CIGI). Ms Buth provided an overview of the work CIGI is doing, including trade missions and a number of special projects.

**Election Results** – Scrutineer T. Bergsma reported that out of the 117 ballots cast one ballot was spoiled. The three candidates who received the most votes for three available director positions were:

Robert Misko

Dean Harder

Drew Baker

**MOTION:** J. Sandborne – B. Michaleski: That the ballots be destroyed. CARRIED

**MOTION:** D. Chorney – C. Fossey: That the actions of the board be ratified. CARRIED

B. VanKoughnet acknowledged the extraordinary contribution of the three directors who are leaving the board. Doug Martin, David Rourke and chair Don Dewar, with a special acknowledgement of the significant responsibilities of the chair through the rapid and complex launching of a new organization in a mature marketplace.

D. Dewar thanked the board, the staff and the members for their support and the opportunity to serve. He expressed his confidence in the ability of the new board and the organizational foundation that has been built to effectively serve Manitoba farmers in the future.

**MOTION:** D. Martin: That the meeting be adjourned

---

# Annual General Meeting

**February 11, 2016 - 12:10 PM**

Victoria Inn Winnipeg

1808 Wellington Ave

Winnipeg, MB

CropConnect Conference – AGM room

## Agenda

- Call to Order
- Introduction of Board & Staff
- Agenda Review and Approval
- Review and Approval of Minutes from the previous AGM
- Chair report
- Financial Report / Approval
  - Appointment of Auditors
- Old Business
  - Proposed by-law changes for more inclusive future election procedures  
(see page 25 & 30 for explanation and proposed resolution)
- New Business
  - Request for member support to proceed with the regulatory changes required to complete the transition of the Western Canadian Deduction to the authority and responsibility of Manitoba Wheat and Barley Growers Association as of July 31, 2017  
(see page 31 for explanation and proposed resolution)
- Election of Directors
- Open Discussion
- Ratification of Board Actions
- Adjourn

---

# Report from the Chair

---

Firstly I would like to thank the past Chair Don Dewar as well as past directors David Rourke, Doug Martin, and current outgoing directors Grant Dyck and Ray Askin. Your dedication and work to establish this organization on behalf of Manitoba producers is greatly appreciated. MWBGA would not be where it is today without the vision and expertise you all brought to the board table.

As we approach the end of our second full fiscal year we are starting another planning cycle with more confidence in our financial projections. This increased confidence allows for an intentional shift in board activity. We were excited to continue to develop a more comprehensive research strategy and initiate a focused and aggressive line up of research proposals currently being reviewed by funding partners. Your directors have worked over 3 years on by-laws, corporate structure and strategic goals to align with our Mission and Vision Statement and to carry MWBGA into the future. While we are still fine-tuning our structure, which is evident by some of the motions at this AGM, it remains our goal to always bring the most value we can for producers from their check off investment.

We continue to set research as our main priority proposing to allocate 70% of our budget for research; with the majority of funds toward applied research and 5 – 10% allocated to longer term projects. Our aim is always to try to leverage these dollars up through collaboration with government and other stakeholder organizations in Western Canada. To further maximize value of producer's check off dollars we strive to collaborate with other MB producer groups where possible and Western Canadian Grower groups when our interests align.

Our goal is to keep admin cost to 15% of our budget, which leaves the remaining 15% for market development and other industry leadership projects. Membership and director representation in Cereals Canada and the Barley Council of Canada provide us an effective voice in Market development at a national level and that efficiency gives us the financial flexibility to fully participate in other industry leadership projects.

As our organization continues to evolve, some things will never change. We will always require grower input and involvement formally at our AGM or informally throughout the year. I encourage all producers to give input where possible even as I realize attendance at the AGM is a huge request given growers' very busy lives.

Respectfully submitted,



Fred Greig, Board Chair

---

# Executive Directors Report

---

The Manitoba Wheat and Barley Growers Association MWBGA continues to thoughtfully and judiciously build the capacity of our organization to bring value back to members. It is increasingly clear that to make real progress on important research challenges like fusarium and disease management, excess moisture strategies, nitrogen and fertility optimization or to make important progress in ensuring the expansion of market potential and value we will need to work with others. The full research and market development landscape is a complicated network of grower organizations, service providers, governments and other stakeholders.

For MWBGA to be most effective; we will need to continue to clearly articulate our priorities proactively encourage alignment and aggressively leverage our resources with collaborative partners. On the national scene we are a relatively small player and it is in our best interest to show leadership to strengthen the capacity of our networks.

In the short time that MWBGA has been in existence we have been active participants in Cereals Canada and the Barley Council of Canada to leverage our voice on your behalf. We have initiated and supported a project to review and explore opportunities for Manitoba grower organizations to work together more effectively. We have been actively building strategies with cereal organizations in Saskatchewan and Alberta to provide continuity through the transition of the Western Canadian Deduction, and to build mechanisms to align research priorities and combine resources that will efficiently and effectively address our common interests.

MWBGA has also shown important leadership in working with all western cereal grower organizations and commissions to review and explore the ideal role for producers in a future Canadian variety development system. The consultants report commissioned by the working group is available on our website [mbwheatandbarley.ca](http://mbwheatandbarley.ca) . The lead consultant John Groenewegen will be presenting the highlights of the report during the Crop Connect conference February 11, 2016. Variety development is seen as a critical component for ensuring long term profitability through innovations that increase yield potential and improve marketable quality. MWBGA will continue to build on this first important step.

With the variety development project and others, MWBGA directors and staff will provide leadership where it is in the best interest of Manitoba growers to do so.

Sincerely,

Brent VanKoughnet

**D.F. George Chartered Accountant Inc.**  
**Box 567, 113 2nd Street SW**  
**Carman, Manitoba**  
**R0G 0J0**

**Independent Auditor's Report**

---

To the Members  
Manitoba Wheat and Barley Growers Association Inc.

I have audited the accompanying financial statements of Manitoba Wheat and Barley Growers Association Inc., which comprise the statement of financial position as at June 30, 2015 and the statements of operations and changes in net assets for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Manitoba Wheat and Barley Growers Association Inc. as at June 30, 2015 and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



**D.F. George Chartered Accountant Inc.**

Carman, Manitoba  
February 01, 2016

# Manitoba Wheat and Barley Growers Association Inc.

## Statement of Financial Position

June 30, 2015

	2015	2014
<b>Assets</b>		
<b>Current Assets</b>		
Cash (notes 2 and 3)	\$ 1,983,221	\$ 463,171
Accounts receivable		
Check-off	368,199	356,361
Trade	4,688	2,276
<b>Total Assets</b>	<b>\$ 2,356,108</b>	<b>\$ 821,808</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals		
Trade	\$ 10,175	\$ 55,352
Check-off refunds	37,237	21,326
Loan payable - WGRF	-	100,000
<b>Total Liabilities</b>	<b>47,412</b>	<b>176,678</b>
<b>Net Assets</b>		
Unrestricted net assets	2,308,696	645,130
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,356,108</b>	<b>\$ 821,808</b>

**Approved on Behalf of the Board:**

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

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

# Manitoba Wheat and Barley Growers Association Inc.

## Statement of Changes in Net Assets

For the Year Ended June 30, 2015

---

	<u>2015</u>	<u>2014</u>
<b>Net Assets</b>		
Balance, beginning of year	\$ 645,130	\$ -
Excess (deficiency) of revenues over expenses	<u>1,663,566</u>	<u>645,130</u>
Balance, end of year	<u><u>\$ 2,308,696</u></u>	<u><u>\$ 645,130</u></u>

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

# Manitoba Wheat and Barley Growers Association Inc.

## Statement of Operations

For the Year Ended June 30, 2015

	2015	2014
<b>Revenue</b>		
Check-off - wheat (note 2)	\$ 1,923,635	\$ 711,321
Check-off - barley (note 2)	113,940	47,324
Government grants and miscellaneous	332	30,306
Interest	9,381	-
	<b>2,047,288</b>	<b>788,951</b>
<b>Expenses</b>		
Administration - office	33,640	7,502
Check-off refunds - wheat	63,835	20,312
Check-off refunds - barley	2,980	1,014
Check-off - administration fees	56,225	24,108
Consulting fees	81,832	42,233
Crop Connect	7,373	-
Interest	2,166	-
Meetings	485	1,003
Memberships	93,078	-
Office	3,245	1,742
Per diems	14,275	15,670
Professional fees	4,969	9,355
Registration fees	201	2,179
Travel	19,418	18,703
	<b>383,722</b>	<b>143,821</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 1,663,566</b>	<b>\$ 645,130</b>

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

# Manitoba Wheat and Barley Growers Association Inc.

## Notes to the Financial Statements

For the Year Ended June 30, 2015

---

### 1 Purpose of the Association

Manitoba Wheat and Barley Growers Association Inc. is a member organization committed to represent the interests of the wheat and barley growers of Manitoba in matters relating to wheat and barley, 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 particularly 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.

#### c. Contributed Services

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

#### d. Cash and Cash Equivalents

Cash and cash equivalents are made up of a chequing and savings bank accounts.

#### e. Use of Estimates

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

#### f. 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.

The financial assets subsequently measured at amortized cost included cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accruals.

# Manitoba Wheat and Barley Growers Association Inc.

## Notes to the Financial Statements

For the Year Ended June 30, 2015

### 3 Cash

#### a. Bank - detailed table

Cash and cash equivalents consist of the following:

	2015	2014
Business Chequing	\$ 473,835	\$ 463,171
Investment Savings 1.65%	1,509,386	-
<b>Total</b>	<b>\$ 1,983,221</b>	<b>\$ 463,171</b>

### 4 Statement of Cash Flow

A statement of cash flow has not been provided as it would not provide any further information to the users of the financial statements.

### 5 Financial Risk

The association is exposed to various risks through its financial instruments.

#### Credit risk:

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

#### Liquidity risk:

Liquidity risk is the risk that of being unable to meet cash requirements of to fund obligations as they become due. Trade account payable and accrued liabilities are generally paid within thirty days. This risk is reduced due to the high dollar value of funds on hand.

#### Commodity price risk:

Commodity price risk is the risk that revenue will fluctuate due to changes in market prices thus affecting the production levels of wheat and barley crops and in turn the amount of check-off revenue collected.

#### Interest rate risk:

The association is not subject to interest rate risk.

### 6 Future Commitments

The association has entered into four funding agreements for long-term research projects. Three of the projects have funding commitments from other parties aggregating \$2,173,190. The association's current contribution is acting as the project administrator. The final project requires a cash contribution of \$10,625 in fiscal 2016.

# Projected Budget Distribution Plan

## DISTRIBUTION OF BUDGET (as originally presented at 2015 AGM)

It is anticipated that within 2 years of operations check-off allocations will follow this proposed distribution formula:

Administration/Communication	15%
Research	70%
Genetic*	35%
Agronomy*	30%
MB specific	5%
Market Development*	10%
<u>Other projects/membership</u>	<u>5%</u>
<b>Total allocation</b>	<b>100%</b>

### Notes:

\*Anticipate working with other provinces based on common interests and objectives

- Attempt to leverage research investments by 1.5 to 2 times
- Anticipate leveraging research project management as an in-kind contribution
- Membership in Cereals Canada and the Barley Council of Canada are intended to provide the majority of market development initiatives
- Anticipate a combined wheat and barley projected annual check-off of 1.3 to 1.5 million per year.

## PROGRESS TO DATE AGAINST PROPOSED ALLOCATION

- Administration – Currently administration costs are within this allocation. As communication demands grow this will be an increasingly difficult target to achieve.
- Research – A budget allocation of 70% remains on track. The expense of those research allocated dollars lags behind for two reasons. There is a need to have a reserve fund in order to assure funding for longer-term projects and a large slate of research projects are awaiting approval from funding agencies. See research report for more detail.
- Market Development – Barley Council of Canada membership and cost of participation slightly exceeds the allocation formula as a percentage of barley check-off, yet leverages our capability well beyond what we could consider on our own. Cereals Canada membership and cost of participation represents closer to 7% of wheat check off allocated to Market Development. Membership in Cereals Canada also leverages our voice beyond what we could accomplish alone and leaves some budget room for the consideration of other producer focused market development initiatives.
- Other projects – Two major projects; the Producers Role in Variety Development and Common Challenges/Collaboration with other MB Grower Organization have required considerable staff, travel and support resources. Fortunately with the support of GF2 Growing Actions funding we are able to provide leadership in these important areas and remain with our net 5% allocation.

# Research Report

## PROJECTS IN PROGRESS

Project Title	Principal Researcher(s)	Yr(s)	Total funding \$	
			MWBGA	Funding partners
Influence of Genotype, Weather and the Growing Environment, and Crop Management on Gluten Strength and the Sustainability of CWRS as a Premium Wheat Class in the Prairie Region	Harry Sapirstein & Paul Bullock, University of Manitoba	2015 to 2019	In-kind project admin.	GI - ARDI WGRF AWC SWDC 1,773,400
Fusarium Testing of Manitoba Crop Variety Evaluation Team (MCVET) Grain	MCVET	2015	\$10,625	-
Development of Hormone based Genomic Tools to Accelerate Wheat Breeding for Enhanced Preharvest Sprouting Tolerance	Belay Ayele, University of Manitoba	2015 to 2018	In-kind project admin.	GI - ARDI WGRF \$232,000
Application and Evaluation of Genomic Selection for Improving Fusarium Head Blight Resistance and Lowering Deoxynivalenol Accumulation in Two-Row Malting Barley	Dilantha Fernando, University of Manitoba and Anna Badea, Barley breeder AAFC Brandon	2015 to 2018	In-kind project admin.	GI - ARDI WGRF \$157,165

### Funding partners

GI-ARDI – Canada-Manitoba Growing Forward 2, Growing Innovation – Agri-Food Research and Development Initiative,  
WGRF – Western Grains Research Foundation  
AWC – Alberta Wheat Commission,  
SWDC – Saskatchewan Wheat Development Commission

For more information on any of these projects and research investment strategies please contact

Lori-Ann Kaminski, Research Manager at the MWBGA office.

# Research - Pending

Research priorities for 2016 were shared with researchers and resulted in 14 proposals that have been approved by the Board and are awaiting either approval from our funding partners or finalization of funding contracts. Each year MWBGA intends to call for proposals and approve priority projects as budget allows. In this way we will build a succession of research advancement; reserving funds to fulfill our commitments while adding important scientific information that is of benefit to Manitoba wheat and barley producers.

## Research Priorities For 2016 – 2017

**Fusarium management** – from varietal improvement to in-crop control measures

**Nitrogen and Protein** – maximize profitability for protein and seek better nitrogen use efficiency

**Excess Moisture** – there is already research into drought issues but for much of Manitoba our wheat and barley crops are more at risk of yield loss due to excess moisture than drought

**Rotation considerations** – with a special focus on pulse – cereal rotations. What lessons can be learned where the management practice of one crop improves the prospects of the other?

**Other** – We are always open to suggestions from producers, researchers and industry that demonstrate a benefit to MB growers

Research Priority	# of projects	MWBGA committed funding*				Partner funding requested	Total
		2016	2017	2018	2019	All project/years	All project/years
<b>Fusarium resistance &amp; management</b>	3	297,263	163,100	188,073		\$684,185	\$1,332,620
<b>Nitrogen</b>	2	156,400	117,500	-		\$273,900	\$547,800
<b>Excess Moisture</b>	3	108,600	76,188	75,613		\$260,400	\$520,800
<b>Rotation</b>	2	42,425	42,425	\$84,850		\$179,650	\$264,500
<b>Other Quality/Genomics</b>	4	125,091	126,846	88,611	51,111	\$9.8 M	\$10 M
<b>Total</b>	<b>14</b>	<b>729,779</b>	<b>526,059</b>	<b>352,296</b>	<b>51,111</b>	<b>\$11.2 M</b>	<b>\$12.7 M</b>

\*MWBGA funding commitments to date for all projects all years = \$ 1.66 M leveraged to participation in projects valued at \$12.7M

---

# Barley Council of Canada Report

---

## MISSION

Incorporated in 2013, the Barley Council of Canada (BCC) is a collaborative initiative led by barley farmers and industry members. The BCC works with its members to ensure the long-term profitability and sustainable growth of the Canadian barley industry. The Council serves as a national leader for the barley industry by coordinating all links in the value chain to create a unified voice for barley.

## CURRENT ACTIVITIES

- The BCC continues to work with Alberta Barley on projects funded under the “AgrilInnovation Program (AIP): National Barley Research Cluster” grant. This \$11 million program (\$8 million from AAFC and \$3 million from producers and industry) funds 27 projects focused on barley research for feed, malt and food, will be completed in spring 2018.
- The BCC manages *GoBarley*, a national platform that promotes the use of Canadian barley. Recently the BCC took the necessary steps to register the *GoBarley* logo as a legal certification mark. This means that companies making barley products can be licensed to use the *GoBarley* logo in the labeling and advertising of their products, as long as the barley in those products is at least 90 per cent verifiably Canadian grown. [www.gobarley.com](http://www.gobarley.com)
- The Council is extensively involved in trade advocacy to promote the use and export of Canadian barley. Through their partnership with Canadian Agri-Food Trade Alliance (CAFTA) the BCC is able to advocate and lobby for trade deals such as the Trans-Pacific Partnership.
- Recently the BCC met and signed a Memorandum of Understanding with China Agricultural University to look at the potential for collaborative feed research initiatives. This was the first step in establishing a long and prosperous relationship with China’s most reputable agricultural university.
- The BCC partnered with the Coalition of Rail Shippers and the Crop Logistics Working Group the Council via submission to the Emerson panel for the CTA review. We continue to work with CRS and CLWG to advocate for long-term solutions to Canada’s rail transportation system.

## FUTURE PLANS

- *GrowBarley* is a farmer-focused platform that will bring together information on barley agronomics and production, economics and markets, and sustainability into one easily accessible place. The program will identify knowledge gaps that could be tackled by the other BCC committees. The platform will evolve with the needs of the barley industry, and will function as a producer-focused sister platform to the existing *GoBarley* consumer platform. The *GrowBarley* website is projected to launch in fall 2016.
- The Council is also developing a barley-focused research database. Once completed, this online database will serve as the first step for researchers looking to identify major research themes, barley researchers, and the significance and impact of historical studies.

Phil de Kemp, Executive Director, [info@barleycouncil.com](mailto:info@barleycouncil.com), [www.barleycanada.com](http://www.barleycanada.com)

---

# Cereals Canada Report

---

Farmers today, no matter what they are producing, belong to or support a number of agriculture associations and organizations, including Cereals Canada. Producers quite rightly need to know that they are getting a return on their investment of check-off dollars.

Farmers make up 37.5% of Cereals Canada's Board of Directors that has representation from producer organizations, grain handling, export and processing firms, and crop development and seed companies.

Cereals Canada has three key priority areas:

1. Build and implement a market development and support plan for Canadian cereals
2. Shape the environment for innovation in cereals
3. Be a leader for the cereals industry in Canada

The development of the "Team Canada" approach to new crop missions example of work on market development and support. For the past two years the industry has worked together to support key customers around the world by providing them with technical data on the quality of the new crop and detailed analysis of how the crop will perform in their mills and bakeries. Because wheat quality depends in large part on the weather, these technical parameters change from year to year. The new crop missions also provide "Team Canada" with an opportunity to provide customers with information on Canadian production practices and the ongoing evolution of our system.

"Team Canada" includes Cereals Canada, the Canadian Grain Commission, the Canadian International Grains Institute (Cigi), farmers and exporters. Robert Misko, MWBGA Director and Director with Cereals Canada, was part of the 2015 mission to South America. His presentation included a focus on the sustainability of Canadian production and the best management practices producers use to limit potential problems like Ochratoxin A.

The new crop missions also help all parts of the value-chain develop a better understanding of the quality characteristics that are being sought out by our customers. It is these quality characteristics that are demanded by our customers that should be the primary focus for both market development and research. Cereals Canada is helping to build the bridge between market development and innovation. To this end Cereals Canada has been working with the Grains Round Table to bring together producer, public and private research funders along with public and private researchers to develop a strategic vision for wheat research in Canada.

There is a growing focus in both North American and international markets on grain safety issues like pesticide residues and mycotoxins. This increased focus is something to which the industry, including farmers, to pay greater attention. This is why Cereals Canada launched the *Keep it Clean – Cereals* program in the fall of 2015.

---

***Keep it Clean – Cereals*** focuses on the key management practices that farmers can use to minimize the occurrence of mycotoxins like deoxynivalenol (produced by fusarium) and Ochratoxin A (a storage fungus).

*Keep it Clean – Cereals* also reviews the importance of knowing about any potential market impacts that might arise if a crop input product is registered in Canada but not in key markets. Farmers are encouraged to talk to their crop input dealers and their grain buyers before using a new product.

Cereals Canada is playing a lead role in the development of a Canadian response to consumer demands for evidence of sustainable production. Canadian agriculture has a good story to tell on the sustainability front. The dust-bowls of the 1930s don't happen anymore because of the farmers' management practices. In response to growing demand, we need to be able to demonstrate this story to customers. This must be done in a way that does not impose undue costs or administration on farmers. I am confident that we will accomplish this objective.

In its leadership role Cereals Canada facilitates the development of value chain consensus on key issues facing the industry. This work allows the industry to present a single message on key issues to governments. One example of this work from the past year this work was the development of the industry response to the Canadian Grain Commission's wheat classification review. MWBGA Directors and staff play a critical role in the development of common value-chain positions.

The ultimate goal for Cereals Canada is to help ensure that cereal grains are profitable for all involved. I want to see farmers choose to grow cereals because of strong profit margins. I want to see investment in innovation flow into Canada and our cereals industry because of a strong return on this investment. I want to see our customers coming back year after year because Canada consistently delivers what they want. This is how the long run success for Cereals Canada will be measured.

Cam Dahl, President, [info@CerealsCanada.ca](mailto:info@CerealsCanada.ca), [www.cerealscanada.ca](http://www.cerealscanada.ca)

---

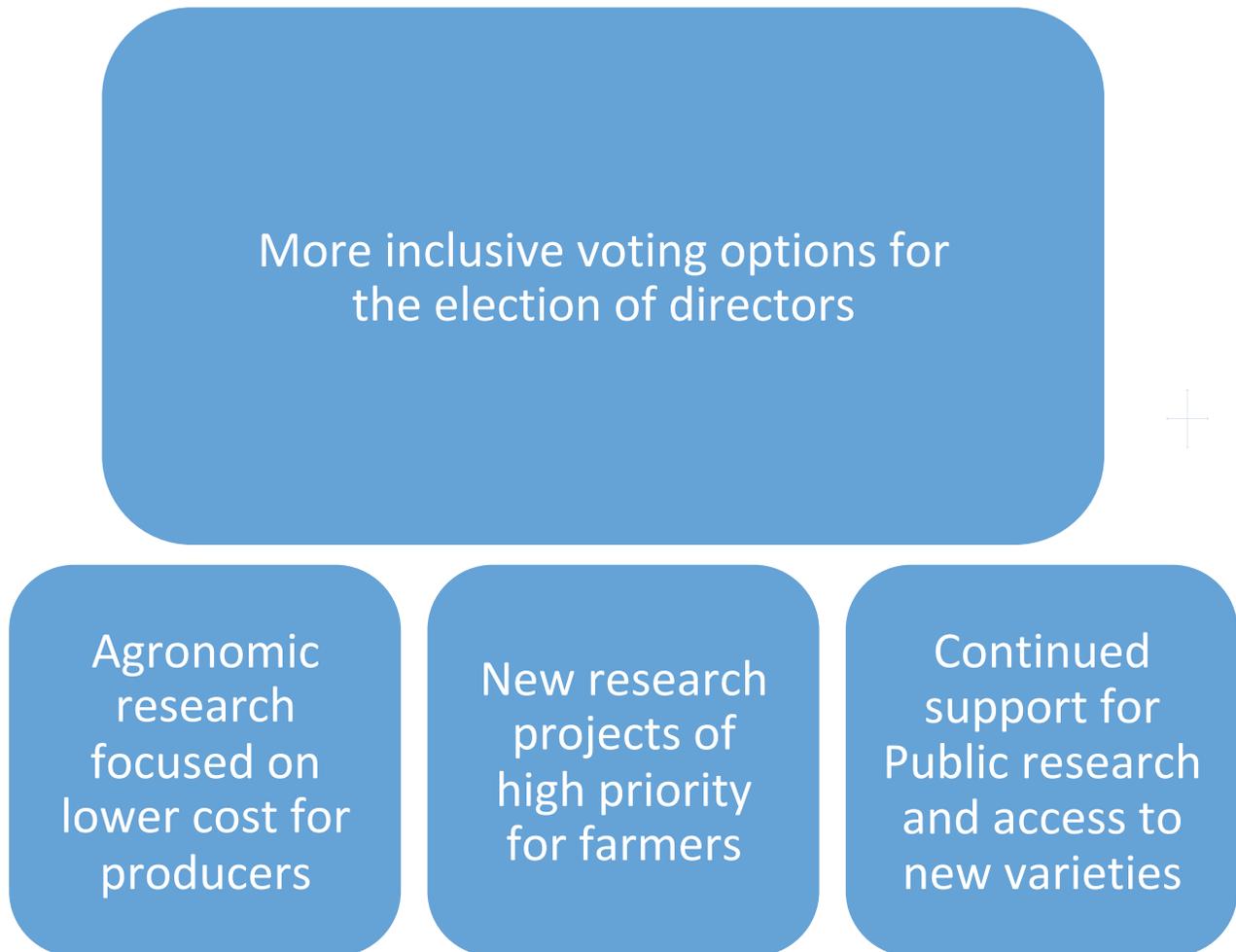
# Member feedback from 2015 AGM

## What we heard

---

MWBGA members at the 2015 AGM were asked to provide feedback on a tear off sheet at the back of the 2014 Annual Report. A similar request is made with this 2015 Annual report.

Responses last year fell almost exclusively in one of the following categories with the request for more inclusive voting options as the overwhelmingly most frequent response.



---

# Communications Report

---

With the majority of MWBGA efforts focused on research, market development and leadership, we expect to build the majority of our communication efforts around those activities as well.

Market development activities are primarily developed and delivered through our affiliations with Cereals Canada and the Barley Council of Canada. We will remain active in contributing to those organizations and will support the communication programs of those national organizations. We will also try to link brief updates and linkages to those organizations within each of our own communication efforts. You will see the reports in this Annual report and can watch for updates in our newsletters and on our website.

It takes some time to build the critical mass of an ongoing research program. As a result, virtually all of our research projects are at very early stages of establishment or still waiting approval. That will be changing and we will be adjusting our communication intensity accordingly. Beginning in March/April of 2017 we expect to begin publishing a printed and an electronic newsletter dedicated more specifically to our current research projects and future research plans. It is also our plan to create a specific feedback request to be included in that newsletter that can provide us with some focused input on priority areas. That feedback could be a brief web poll and/or a teleconference town hall discussion.

A fall newsletter (similar to the past two years) will provide an update on the general activities of the organization and serve as explanation and preparation for the upcoming AGM and director election activities.

To date, newsletters have been published and distributed as a stuffer into the Manitoba Cooperator. We believe this distribution method matches closely with our membership list and provides considerable savings to members compared to a direct mail approach.

Depending on demand we are also considering a third newsletter that might be considered a mid summer update. This would be a brief update to highlight summer events that may be of interest to members.

In addition to mass communication through newsletters MWBGA continues to build relationships with media to cover issues that are of timely importance to members. We have had some good success through press releases, support materials and follow-up interviews. We also attempt to keep our website up to date and tweet highlights of activities to inform members and others.

Our interest also go beyond just outward communication, we remain committed to listening. All members should feel free to phone or email at anytime. We welcome all contacts with interest in improving our service to members. Please see the feedback sheet on the back of this annual report and provide your thoughts today and/or anytime throughout the year.

## Proposed By-law Changes – Supporting Documentation

### Advance Ballot Voting Option - Proposed

#### Background and Rationale:

MWBGGA set out to find a cost effective method to increase member engagement and remove barriers to participation in director elections.

As proposed at the 2015 AGM, a governance committee was established with directors Dean Harder and Grant Dyck doing the background work to bring forward a number of options for full board evaluation.

The Board now proposes an approach where any member who is unable to attend the AGM to participate in the election of directors, can make a special request for a mail in ballot or an electronic ballot during an advance poll period. The ballots from the advance poll period will be counted with the in-person votes at the AGM election. Some by-law changes from our current by-laws are required to accommodate this more inclusive process.

With the approval of the required by-law changes this new process could be used for the 2017 election cycle.

We believe this approach provides all members with reasonable access to participation in director elections and encourages participation in the AGM in a prudent and cost effective way.

By-law changes required to introduce a special request advance ballot are outlined in the new by-law section 6.03 attached. The current by-laws (all sections) are available on the [mbwheatandbarley.ca](http://mbwheatandbarley.ca) website for anyone who would like to review the original text. The revised section 6.03 also provides specific direction on the underlying changes required to support a new system. Those changes include:

- Early nominations and cut-off to allow for an advance ballot
- Advance ballot request procedure and timeframe
  - Mail in or electronic
- The appointment and responsibilities of a returning officer
- Methodology for conducting and reporting an in-person and advance ballot election at the AGM

### Number of Directors and Length of Terms - Proposed

#### Background and Rationale:

Based on acceptance of the new special request advance ballot procedure the board would also propose a transition from 6 directors to 7 directors and from 2 year terms to 4 year terms with a 2 year offset. It is believed that the increase in board activity and workload requires more board capacity (particularly with responsibilities for both wheat and barley). The complexity of board issues also requires greater continuity than only two years and the incremental cost of the more inclusive election procedure would be spread over every second year rather than annually. The new by-law wording is provided in the attached section 6.03.

A transition would take place as follows:

- 4 directors elected at the 2017 AGM for 3 year terms
- 3 directors elected at the 2018 AGM for 4 year terms.
- All future directors will be elected for 4 years terms every second year as the positions become available
  - o ie 2020 – 2022 – 2024 etc

## **Term Limits**

Background and Rationale:

Based on the acceptance of the new special request advance ballot procedure the board would also propose that no director serve more than two consecutive 4 year terms. It is believed that this length of service provides the appropriate continuity and turnover for the board. The new by-law wording is provided in the attached material, section 6.03.

## **BOARD RESOLUTION**

**Be it resolved that the members of the Manitoba Wheat and Barley Growers Association authorize the proposed changes to by-laws as distributed prior to the 2016 AGM.**

**Motion – Dean Harder**

**Secunder – Grant Dyck**

MANITOBA WHEAT AND BARLEY GROWERS ASSOCIATION INC.

BY-LAW NO. 1/2016

Being a By-law to amend By-law No. 1/2013 of Manitoba Wheat and Barley Growers Association Inc.

BE IT ENACTED as a By-law of Manitoba Wheat and Barley Growers Association Inc.

1. Section 6.01 is replaced with the following:

6.01 Number of Directors and Quorum. Until changed in accordance with the Act, the board shall consist of the number of directors elected in accordance with paragraph 6.03. The quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors constituting the board from time to time or such greater number of directors as the board may from time to time determine.

2. Section 6.03 is replaced with the following:

6.03 Election and Term.

(A) Upon these by-laws coming into force, the Members shall elect three (3) directors to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2014 and three (3) directors to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2015. At such annual meetings of Members, directors shall be elected to replace those whose term of office has expired and directors so elected shall hold office for a term of two (2) years until their successor takes office.

(B) When the term of office of the three (3) directors elected to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2016 is to expire, the Members shall elect four (4) directors to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2019.

When the term of office of the three (3) directors elected to hold office until the conclusion of the annual meeting of Members to be held after July 31, 2017, the Members shall elect three (3) directors to hold office until the conclusion of the annual meeting to be held after July 31, 2021.

(C) Commencing with the expiry of the terms of office of directors elected for the terms described in clause (B), the term of office of directors shall be four (4) years with such term commencing at the conclusion of the annual meeting of Members at which they were elected, and continuing until their successor takes office.

Prior to the annual meeting of the Members to be held after July 31, 2016, and prior to each annual meeting of Members thereafter at which the election of a director is required, directors shall be elected to replace those directors whose term of office is to expire in accordance with the following process:

- (a) Prior to September 30<sup>th</sup> of the year prior to the year in which the office of a director is to expire, the board shall appoint a returning officer to conduct the election.

Prior to October 31<sup>st</sup> of each such year the secretary of the Association shall provide to the returning officer a list of individual Members and Eligible Persons as of July 31<sup>st</sup> of that year and that list shall conclusively determine the eligibility of those entitled to hold office of a director and to vote in the election.

- (b) Retiring directors, if qualified, shall be eligible for re-election, provided however that no individual who has been a director for two (2) consecutive four (4) year terms shall be eligible for re-election.
- (c) Nominations for the office of director shall be submitted to the main business office of the Association on or after the 1<sup>st</sup> day of November and not later than 4:30 p.m. C.S.T. on the 30<sup>th</sup> day of November in that year.

All such nominations shall be delivered by the Association to the returning officer conducting the election.

- (d) The returning officer conducting an election shall not accept a nomination unless:
  - (i) the nominee is an individual Member or an Eligible Person and is not an Ineligible Individual;
  - (ii) the nomination is in the form set out in Schedule "A" attached hereto, as same may be modified from time to time by a resolution of the board;
  - (iii) the nomination bears the signature and mailing address of at least five (5) individual Members or Eligible Persons;
  - (iv) the nomination bears the signature and mailing address of the nominee indicating the nominee's acceptance of the nomination; and
  - (v) the nomination was received at the main business office of the Association, not later than the time specified in this section.

- (e) Where the returning officer conducting an election is satisfied that nominations are complete, the returning officer shall forthwith provide each nominee with a list of the nominees. That list shall conclusively determine the nominees for the election.

- (f) A nominee may withdraw the nominee's nomination by Notice in writing to the returning officer delivered or mailed so that it is received at the main business office of the Association not later than the 5<sup>th</sup> day after the date of the delivery or mailing to the nominee of the list of nominees.

- (g) Where not more than the number of persons to be elected as a director are nominees, the returning officer shall declare such nominees elected as directors by acclamation.
- (h) Where more persons are candidates for election as a director than persons to be elected, the returning officer shall conduct an election. The returning officer shall advise the secretary of the Association of the holding of the election.
- (i) Where the returning officer is to conduct an election the returning officer may appoint such deputy returning officers and other persons as the returning officer considers necessary to conduct the election.
- (j) Any person listed on the list of individual Members and Eligible Persons referred to in clause (a) may, not later than 4:30 p.m. C.S.T. on the 10<sup>th</sup> day of January prior to the annual meeting of Members, present to the returning officer a request for an advance ballot in connection with the election which request must comply with the voting instructions and procedures established by the returning officer and approved by the board.

Upon receipt of such a request the returning officer must forward an advance ballot accompanied by voting instructions on the casting of the ballot to such person by pre-paid ordinary mail or by fax or e-mail if the recipient asks or agrees to receive it electronically, not later than the 15<sup>th</sup> day of January.

The advance ballot and voting instructions and procedures shall be in such form as may be established by the returning officer and approved by a resolution of the board.

Each person casting an advance ballot shall be entitled to vote for a number of the nominees equal to the number of directors to be elected.

The returning officer must ensure that all methods of advance voting preserve the anonymity of voters and the secrecy of their vote.

An advance ballot may be cast by returning the ballot to the returning officer or by the use of electronic processes, including the internet. In each instance an advance ballot must be cast in accordance with voting instructions and procedures established by the returning officer and approved by the board.

The returning officer shall not accept an advance ballot unless it is received by the returning officer in the manner, at the place, and within the time specified in the voting instructions and procedures established by the returning officer and approved by the board.

Notwithstanding the specific times and dates set out in the above process, such times and dates may be extended to later times and dates acceptable to the returning officer and approved by a resolution of the board in order to deal with a force majeure or other extenuating circumstance.

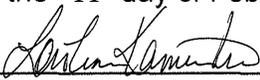
- (k) At the annual meeting of Members at which the election of a director is required, the returning officer shall distribute ballots to each person in attendance who is listed on the list of individual Members and Eligible Persons referred to in clause (a) and who has not been provided with an advance ballot under clause (j) above. Each person casting a ballot shall be entitled to vote for a number of the nominees equal to the number of directors to be elected. Voting shall be by secret ballot.
- (l) All ballots cast by individual Members and Eligible Persons (both advance ballots and ballots cast during the annual meeting) shall be counted by the returning officer in accordance with a procedure acceptable to the returning officer and approved by a resolution of the board.
- (m) Each candidate may designate a scrutineer, who must not be a candidate, to be present at the place where the ballots are counted.
- (n) The returning officer shall declare those candidates receiving the greatest number of votes, up to the number of director positions to be filled, to be elected and shall notify the candidates and the annual meeting of Members on of such results.
- (o) In the case of a tie between or among candidates to be elected, the deadlock shall be broken by a second ballot conducted at that meeting. Only those individual Members and Eligible Persons in attendance at that meeting will be eligible to vote to break the deadlock. The returning officer shall be responsible for conducting such election.
- (p) The proceedings in any election shall not be invalidated by reason of any omission or failure unless it can be shown that omission or failure unless it can be shown that such omission or failure could have reversed the result of such election.
- (q) Each director elected as provided in this section shall take office at the conclusion of the annual meeting of the Members following the holding of the election and shall hold office until the director's successor takes office.

PASSED by the board this 29 day of December, 2015.

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Secretary

CONFIRMED by the Members of the Association the 11 day of February, 2016.

  
\_\_\_\_\_  
Secretary

## New Business - Completing the Transition of the Western Canadian Deduction

### Supporting Documentation and Resolution

In 2012 the federal government established a transitional Western Canadian Deduction to provide stable funding directly to; the Canadian International Grains Institute, the Malt Barley Technical Centre and to an important selection of public research initiatives administered through the Western Grains Research Foundation. (Including public breeding/variety development, core funding agreements and cluster projects)

Prior to 2012 an export levy on grain sold by the Canadian Wheat Board provided funding to these programs. A transitional Western Canadian Deduction check-off was established with the intention to provide an operational bridge until each newly established provincial grower commission and/or association, like MWBGA, would have the organizational capacity to assume those responsibilities.

The transitional Western Canadian Deduction check-off administrative agreement sunsets as of July 31, 2017.

Over the past year MWBGA has been working with the other cereal grower organizations that will be jointly assuming these responsibilities in order to ensure a seamless transition to this new era of governance. We have been in contact with the recipients of the Western Canadian Deduction funding to provide assurance that as long as they continue to provide extraordinary value to producers, there will be stability in funding to continue important long-term work.

The MWBGA is effectively proposing that as of July 31, 2017:

For Wheat - The 48 cent/tonne western Canadian Deduction plus the 52 cent/tonne MWBGA deduction will simply be collected as a \$1.00/tonne single MWBGA check-off.

For Barley – The 56 cent/tonne western Canadian Deduction plus the 50 cent/tonne MWBGA deduction will simply be collected as a \$1.06/tonne single MWBGA check-off.

We believe the proposed changes:

- Increase efficiencies and effectiveness with no new levy or check-off
- Strengthen Manitoba producers voice through more direct representation
- Provide continued long term stability to market development and public research programs that have, and continue to, serve producers effectively.

### BOARD RESOLUTION

**Be it resolved that the members of the Manitoba Wheat and Barley Growers Association authorize the Board of Directors to proceed with the regulatory changes that would be required to complete the transition of WCD to the authority and the responsibility of MWBGA as of July 31, 2017.**

**Motion – Drew Baker**

**Secunder – Robert Misko**

---

# 2016 AGM MEMBER FEEDBACK

---

Thank-you for participating in the second annual general meeting of the Manitoba Wheat and Barley Growers Association.

**As the organization moves from a start-up to more of an operational focus**

**, are there areas where you would like more detailed reporting and/or more discussion at future AGMs?**

**Are there specific research, market development or communication priorities that you would encourage the MWBGA board to increase their attention toward?**

**Are there specific research, market development or communication activities that you would suggest MWBGA board intentionally reduce their attention toward or avoid completely?**

**Are there any other suggestions you can make that would help MWBGA serve its members more effectively in the future.**