

Annual Report

ONTARIO
Bean
GROWERS

2016-17

**2016-17
BOARD
of
DIRECTORS**

District 1

Mike Donnelly-Vanderloo
Tyler Vollmershausen

District 2

Jim Gowland, Chair
Adam Ireland

District 3

Dave Vandewalle
Warren Wolfe

At Large

Larry Jenner, Vice Chair

VISION

To be the first choice partner supporting innovation in production, products and markets for dry edible beans.

MISSION

To facilitate strategic expansion of the Ontario dry edible bean industry, through partnership and production excellence

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Koeslag Consulting Inc.



Ryan Koeslag
Executive Director



Jennifer Mitchell
Project Coordinator



Nicole Horn
Communications & Promotions



2018 Ontario Bean Growers Annual General Meeting

February 22, 2018, 9:00am
The Festival Inn, Stratford

AGENDA

Registration Begins at 8:30am		
9:00am	Call to Order Welcome, Housekeeping, Appointment of Secretary, Introduction of Chair	Jim Gowland
9:10am	Approval of the Agenda Approval of the 2017 AGM Minutes	
9:20am	2016-17 Auditor's Report	RLB
9:35am	Questions Approval of Auditor's for 2017-18	
9:45am	Chair's Report	Jim Gowland
10:00am	Market Promotions & Communications Report Presentation of Ontario Bean Growers consumer video	Dave Vandewalle
10:10am	Research Report	Mike Donnelly-Vanderloo
10:20am	2017 Crop Update	Meghan Moran, OMAFRA
10:30am	Break	
10:45am	Farm Products Marketing Commission	Valerie Hobbs, FPMC, Board of Directors
10:55am	Announcement of 2018 Board of Directors	John Fitzgerald, FPMC
11:00am	Review of Duties of Delegates Election of Delegates	John Fitzgerald, FPMC
11:30am	Gowan Canada FCC Delta Power Equipment/Picket Equipment	Ray Janssen Ted Oke Mike Macko
12:00pm	Lunch and Trade Show	
1:00pm	Heirloom Beans and Nitrogen Fixation: Could old varieties hold promise for improving Nitrogen Fixation in dry beans?	Jennifer Wilker, PhD Candidate, Dry Bean Breeding and Genetics, Department of Plant Agriculture, University of Guelph
1:30pm	Promising new white mold fungicides vs the current champs	Mervyn Erb, CCA, ECMS Inc, Agri-Solve Inc.
2:00pm	Microns and Mold: Optimizing fungicide penetration in dense canopies	Ralph Walker, Application Specialist, Hypro (with materials from Jason Deveau, Application Technology Specialist, OMAFRA)
2:30pm	Break	
2:45pm	Resolutions	John Fitzgerald, FPMC
3:00pm	Door Prizes	
3:15	Adjournment	

Jim Gowland Chair's Report



It is my pleasure to share greetings from the Ontario Bean Growers' Board of Directors and the Koeslag Consulting Inc (KCI) Management Team, with those of you who are joining us at the new venue in Stratford for the 2018 OBG Annual General Meeting.

I would like to recognize Ryan Koeslag of KCI and his team Jennifer Mitchell, Nicole Horn, Marianne Muth, and Caleb Smith for all the great work they have done for the province's bean growers this past year. The OBG board of directors has now entered into a 3-year agreement with KCI for continued contractual administrative services for OBG. This arrangement continues to be very efficient and has increased our capacity to do work, especially in the area of market promotions and communications. At the same time KCI's contract services with Mushrooms Canada and Ontario Agricultural Commodity Council continues to bring synergies and efficiencies between OBG and fore mentioned parties.

Regarding OBG 2016-17 financial position, we realized \$678,328 of license revenue based on \$6.80/MT, down from \$843,235 in 2015. This revenue, combined with other income, including research grants resulted in \$1,015,076 total revenue. With expenses for the year coming in at \$952,220, we saw a \$62,856 surplus at year end. Using data provided to us by Agricorp, we calculated an acreage for all market classes of approximately 112,475 with production of 2,199,080 cwt bags. This would indicate a yield of approximately 19.6 cwt bags per acre.

OBG continues to have a close working relationship with Pulse Canada and its staff, as well as with our counterparts in the western provinces. Management teams from all of our organizations check in on a regular basis to ensure we are avoiding duplication of work and sharing resources whenever possible. Along with numerous board meetings and Pulse committee meetings, OBG continues to have a strong voice for beans nationwide.

This past year saw KCI management work with the other pulse grower organizations to apply for the new 5-year Canadian Agricultural Partnership (CAP) program to fund the Pulse Science Cluster. This application allows OBG and other provincial Pulse stakeholders to apply for up to 70% matching funding on research projects. This 5-year application represents a \$1,000,000 investment for Ontario. OBG should be hearing shortly about the success of

our application. At the same time provincially, CAP dollars will be available for provincial scope projects with application through the Agriculture Adaptation Council.

Another cross-Canada initiative involved the review by Health Canada's Pest Management Regulatory Agency on neonic seed treatments for beans and pulses. OBG contributed to this submission, spear-headed by Alberta Pulse Growers (APG), to the federal government on the importance of neonicotinoids to pulse growers. We are continuing to work with APG, SaskPulse and the Manitoba Pulse and Soybean Growers on this matter "to ensure the best case is put forward based on peer reviewed, scientifically defensible grounds, to retain modes of action, technology and tools for members."

We hear from our counterparts at APG that the PMRA has decided to revisit some of the modelling used to estimate risk to aquatic invertebrates and to refine their approach. The expectation is that they may use a more sensible estimation when they conduct their risk assessment on Thiamethoxam, the second of three neonics that are being revisited and the one of greatest importance to bean growers.

Ryan Koeslag and I attended The Canadian Pulse and Special Crop and Global Pulse Convention held in Vancouver in July 2017. This 3-day event attracted over 1200 international traders, exporters, importers and pulse representatives from more than 50 different countries. The conference covered many topics including world production and marketing updates of all pulse classes, right through to regulatory hurdles globally. As a grower entity representative, the networking opportunities were infinite to discuss and better understand global consumer market trends.

Closer to home OBG continues to support Farm and Food Care Ontario (FFCO). This is my second, 2-year term as a board member where for the last 2 years I have held the Executive position of Treasurer. This past year the FFCO board, in conjunction with its membership, completed a new strategic plan that focuses less on delivery of government programs to that of increased promotion within the area of "Public Trust" to consumers.

Although most of my report deals within the 2016 / 2017 OBG marketing year, I would just like to mention that at time of writing, expectations of budgeted income are exceeding projections set in July/August of 2017. By harvest of 2017 I think the majority of growers in most bean market

classes were pleasantly surprised with yields and quality despite the very challenging 2017 growing season.

Wishing everyone the best in the 2018 growing season,

Jim Gowland
Chair, OBG



Ryan Koeslag Executive Director's Message

Greetings from the OBG Office and KCI Management Team and welcome to the 2018 Ontario Bean Growers (OBG) Annual General Meeting.

The OBG office has been steadily working to meet all obligations and provide the most current information to our Board of Directors. This past year saw the first full and complete year of KCI providing administration services to OBG. Rhythms are being established and familiarity of procedures and duties are settling into the office.

In 2017 we saw the end of the Growing Forward 2 funding for variation agronomic research projects which had staff assemble project reports, financials and verification of expenses in order to access the funding reimbursement. OBG staff commend the Agricultural Adaptation Council for their diligence, timeliness and assistance resulting in all funds being accessed and forwarded to OBG. 2017 also saw the wrapping up of the Pulse Cluster in which OBG invested \$850,000 plus over five years towards collaborative research projects with other Pulse growing provinces. As these projects were wrapping up, Jennifer has been busy lining up the 2018 Pulse Cluster submissions which will continue the Pulse Cluster research initiatives. Once again OBG will be committing to a large investment to the Pulse Cluster which will fund projects like the University of Guelph Bean Breeding Program and foster stability towards Beans research in and for Ontario. On February 13, 2018, both the Federal and Provincial Governments announced the Canadian Agricultural Partnership (CAP) agreement, a \$3 Billion 5-year funding agreement for agriculture of which OBG will have to opportunity to access and fund additional research and promotional type projects. 2018 will be an exciting year for new opportunities in this regard.

OBG has been active towards encouraging greater Bean consumption in Ontario. All social media outlets are active and continually promoting health benefits, ease of use and new recipes. OBG promotions have caught the attention of

prominent chefs, retail chains and various consumers whom have begun to rekindle a love for Beans. In 2018, OBG will be developing a promotions Brand which will help clarify messaging and bring consistency to OBG promotional activities. The Brand activity has been identified through our marketing research as a method to help bring Beans towards the forefront of consumer mindsets.

This past year saw the creation of "Delegate Days" taking place in August and January at which time OBG Delegates were tasked to discuss high-level strategic policy for OBG. The August meeting included open discussion on research priorities, possible inclusion of other pulses to OBG and check-offs. The January meeting included the topics of marketing strategies and strategic visioning. These high-level policy discussions prioritized discussion away from operational and day-to-day activities and more towards strategic policy while providing more time for Delegate discussion.

Communications with members also shifted this year with newsletters being included as part of a free subscription to Country Guide Magazine for all OBG members. The aim of this pilot is to reach a larger audience, including current and potential growers at the same cost as our regular newsletter, while providing members with an informative magazine. This in addition to: tweets, email newflashes, website updates, summer BBQ events and various other modes of communication are hoped to engage members. However, please don't overlook a simple phone call to our office if you have any outstanding questions or missed one of our other messages. We genuinely like hearing from members and encourage participation.

All the best in the 2018 crop year

Ryan Koeslag
Executive Director

Dave Vandewalle

Market Promotions & Communications



It has been a great privilege to chair this committee for the third year in a row and work with a great team of committee members as well as the exceptional staff of KCI. This past year has once again seen a great deal of promotion and communication work done by OBG. In this annual report, we are pleased to share the past year's many activities and accomplishments.

As a director of OBG and chair of this committee, every so often I like to review and evaluate both our Vision and Mission statements for the organization. Our vision is "To be a first choice partner supporting innovation in production, products and markets for dry edible beans". Our mission is "To facilitate strategic expansion of the Ontario dry edible bean industry, through partnership and production excellence". I have underlined what I feel are some key words.

As primary producers (Farmers), we are truly blessed to be able to produce beans in this great province of Ontario. Fertile soils, a favourable climate, human resources, infrastructure (bean dealers, roads, rail and waterways) and access to technology all combined allow us to produce a product whose high quality is recognized around the world. As a producer of beans for more than 25 years (longer if you include growing beans with my parents), our farm has always appreciated and sought out the new varieties, chemistries, and production information that has seen yields, on average, increase over the decades. These increased yields can be attributed to the many dollars spent on agronomic and production research, thanks to our partners in government, research institutions and industry. Over the past decades, OBG and our predecessor organizations have been instrumental in providing dollars and leadership to accomplish these achievements. As such, through partnership and innovation, we are achieving production excellence.

How do we maximize revenue per pound and expand the industry is the other part of the mission and vision statement that this particular committee and your board work's at as well. It is a smaller portion of the board's budget, but from my point of view (and hopefully yours); it is equally as important since revenue is made up of both

production and price. With regards to promotion, the focus of direct board spending and activities has primarily been focused on our domestic consumer. Since there is no historical bean consumption data for Canada, we have been working at identifying who our consumers are through a benchmarking study that was commissioned. The goal was to identify where we are today, so that in the future we can measure where our promotional dollars are best spent.

The market and the world around us is an ever changing stage. The consumer of the past is different than the consumer of today. At a recent OBG branding workshop, MacGregor Marketing Communications indicated that in 2018, it is expected that 30% of Canadians' food budgets will be spent at restaurants and this number is increasing. In 2016 our American neighbours spent 50% of their food budget at restaurants. In 1970 the average consumer was exposed to 500 marketing messages in a day, today that number has increased tenfold to 5000 per day. Where will beans fit in Canadian's diets and spending habits? OBG is working to make sure that beans are not only produced in Canada, but just as importantly that they are consumed here as well.

I am optimistic than beans will have a bright future. Indications are that Canada's updated food guide is set to promote more plant based protein. Beans are high in protein and fiber and packed with nutrients. We just have to remind Canadians to eat them more often!

Stay tuned as OBG keeps you updated on board promotional and research activities. You can keep up to date through your choice of social media, e-blasts, and our website or through traditional print. Be sure to open up your complementary editions of Country Guide magazine where you will find pages featuring the latest information about OBG activities as well as other pertinent bean information.

Dave Vandewalle
Chair
Market Promotions & Communications Committee

Market Promotions & Communications

Fifth Story

OBG invested \$20,000 into Fifth Story, a content marketing agency that provides copyright-free lifestyle content to a wide range of media outlets. Over the course of 2016-17 OBG articles and recipes appear 173 times in a number of mediums including radio, newspapers, websites, blogs and magazines. Though OBG's market is listed as Ontario, articles were still picked up by outlets in other provinces including the St. John's Telegram.

Consumer Benchmarking

OBG conducted a survey of 2000 Canadians to gain some insight into the average consumer, how often they eat beans and how they incorporate beans into their diet. This data will allow OBG to make informed decisions about what types of promotional activities it should undertake to increase consumer awareness of the health benefits of eating beans, with a goal of increasing bean consumption in the province.

This study will serve as a benchmark for future studies so the success of promotional activities can be measured and areas for improvement identified.

This project was funded in part through *Growing Forward 2 (GF2)*, a federal-provincial-territorial initiative. The Agricultural Adaptation Council assists in the delivery of *GF2* in Ontario.

Health Related Conferences

OBG attended a number of health-related conferences over the course of the year including the Dietitians of Canada Conference held in St. John's, NFLD in June 2017. Registered Dietitians were very appreciative of the participation of commodity groups as they are seeking resources not associated with a product brand.

OBG also participated in the annual Options for Diabetes, a conference for health care professionals and the Diabetes Symposium, for diabetics and pre-diabetics.

Registered Dietitian and bean grower, Lisa Mardlin-Vandewalle travelled with OBG Project Coordinator, Jennifer Mitchell, to these events, allowing for engagement at a very technical level.

FOOD



A taste of the south with beans from the north

Ontario bean growers grow some of the best white pea beans (or navy beans) in the world. Added to this Creole-inspired recipe, they bump up the protein and fibre content to make for a delicious filling soup.

Creole-Style Bean Soup
Prep time: 10 minutes
Cook time: 90 minutes
Makes: 4 servings

Ingredients:

- 2 1/2 cups (625 mL) white pea beans, soaked and drained
- 3 cups (750 mL) chicken broth
- 1/2 cup (125 mL) diced cooked ham or smoked sausage
- 2 stalks celery, diced
- 1 onion, chopped
- 1 clove garlic, minced
- 1/4 tsp (1 mL) salt
- 1/8 tsp (0.5 mL) pepper
- 1 bay leaf
- 1 tsp (5 mL) thyme
- 1 tsp Worcestershire sauce
- 1 can (540 mL) tomatoes

- 1 can (156 mL) tomato paste
- 1 tbsp (15 mL) dry mustard
- 1 (300g) pack frozen okra, partly thawed and sliced
- 1 cup medium-sized shrimp, fresh or thawed frozen
- 2-3 drops hot pepper sauce (optional)

Directions:

1. In a large saucepan combine beans with broth. Cover and bring to boil. Reduce heat, simmer 45 minutes until beans are tender.
 2. Add ham, celery, onion, garlic, seasonings and sauces. Break up tomatoes; mix with tomato paste and mustard; stir into bean mixture. Simmer 15 to 20 minutes.
 3. Bring to boil; add okra and cook 6 to 8 minutes. Stir in shrimp, cook 3 to 4 minutes until shrimp and okra are cooked. Serve with whole grain bread or cornmeal muffins.
- Find more recipes online at ontariobean growers.on.ca. (NC)



Market Promotions & Communications

Recipe Photography Makeover

OBG has an amazing library of bean recipes at its disposal but the images associated have become quite dated. Updating the photography brings new life to these recipes, enabling them to be used in various print and online promotions.

AFTER

BEFORE



Chicken & Bean Baked Tortillas



Comfy Baked Beans



Bean Pudding with Butterscotch Sauce

Recipe Development

6 new recipes developed in 2016-17 including...



Bean & Sweet Potato Tacos



Gnocchi and White Bean Skillet



Chocolate Peanut Butter Cup Smoothie with Black Beans



Meaty Bean Burger

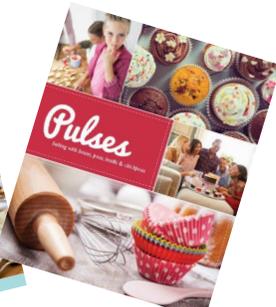


Bean Phyllo Triangles



Chocolate Brownie Truffles

Resource Development



11,000 + recipes books were distributed in 2016-17. Most of these were sent to Dietitians seeking resources for their clients.



Follow us @ontariobeans

Market Promotions & Communications

Farm & Food Care Food Influencers Tour

On October 5, 2016 thirty-seven people including writers, food editors, recipe developers, culinary instructors, home economists, chefs and dietitians descended on white bean grower John Roosendaal's farm in Eastern Ontario to learn about how beans are grown and harvested. This annual tour, organized by Farm and Food Care, gives "Food Influencers" the opportunity to see first hand where their food comes from.



Pop-Up Picnic at Yonge-Dundas Square

On June 1, as a kick off to local food week, OBG participated in Foodland Ontario and Feast On's Pop Up Picnic at Yonge-Dundas Square. Commodities were paired with chefs who prepared a dish featuring the commodity. OBG was paired with the Bruce Wine Bar of Thornbury. Chef Shaun Edmonstone served up smoked white fish with Ontario navy bean salad. Feast On™ is a certification program that recognizes businesses committed to sourcing Ontario grown and made food and drink. All of the restaurants participating in this event were Feast On™ members and pride themselves on using local food. The Culinary Tourism Alliance, which manages the Feast On™ program, reports in excess of 8000 people visiting Yonge-Dundas Square during the picnic. OBG was on hand distributing recipes and talking about bean production. The biggest attraction to OBG's booth were the packets of bean seeds handed out. Apartment dwellers were particularly excited to find out they could grow a bean plant in a pot on their balcony.



Royal Agricultural Winter Fair 2016

OBG was invited by Pulse Canada to help out at their display at the Royal Agricultural Winter Fair.

OBG Project Coordinator, Jennifer Mitchell, noted that a larger number of children than expected were able to name 3 out of the 4 Pulse types on display (split peas were not widely recognized).

Chair Jim Gowland was impressed by the number of young women, teenagers mostly, who were eager to get their hands on the recipe book.





Mike Donnelly-Vanderloo Research

2017 has been an exciting year for research at OBG and I'm proud to have been the Chair of the Research Committee.

Our fundamental goal remains to increase the competitiveness of Ontario Bean Growers. Our market is price sensitive and without international sales we would become a cottage industry within Ontario. For example, say approximately 15% of the beans we grow are consumed domestically. Therefore, less than 1/6 of Ontario's current acreage would be required for the local market. The OBG budget would be cut from \$700,000 to \$120,000 per year. Research and other projects would fade away along with the personnel that conduct them.

Could this ever happen you say?

Well it actually has just south of us. Some of the first beans in North America were grown in New York State to satisfy the booming New York and Boston market. Today NY bean growers are few and far between and not many research and extension personnel remain. The numerous times I've visited over the years have been both sad and instructive. The reasons for their industries decline are multifactorial. However, in 2006 they ranked the major threats to their industry. I'll read the two tied for top spot:

1. The need to get new varieties out into the field for testing and use.
2. Profitability of the enterprise in relation to the risk involved in terms of crop yield, price and quality.

Sound Familiar? The bottom line is that New York Bean Growers had a good market and also freight advantages but they couldn't grow the beans at a competitive price against the likes of Michigan and later on Minnesota and the Dakotas.

Enough talk of old growing regions. Let's look at a new up and comer that is pushing us hard in the UK market. Ethiopia! Yes, this is the same Ethiopia that we connect with the famines of not too long ago.

I recently came across an article called: "White gold" beans to beat drought in Ethiopia by Georgina Smith dated Oct 5, 2015. I'll read a portion of it:

"An international research network is preparing to deploy

the latest drought-resilient bean varieties to Ethiopia. As Africa's only major exporter and biggest producer of the white beans for processing into baked beans, Ethiopia accounts for about 10 percent of the global supply and is a growing player in the UK baked bean market." In twelve years there white bean exports have skyrocketed from 8 to 90 million US dollars. Unbelievable progress and they are still focused on developing better varieties!

Back to Ontario.

Research is a long range venture. Many projects have a ten year time horizon or more. For that reason I try to remember Walter saying to his son Wayne: "Skate to where the puck is going, not where it has been."

Of course we have no crystal ball. All we can do is make educated guesses of future concerns and opportunities and keep our batting percentage high.

Speaking of hitting the ball I'd like to mention the DRK bean variety Dynasty. In my career I have rarely seen a variety consistently outyield the checks by such a large margin over multiple years. This is just one example of many new and upcoming varieties that will improve your bottom line and competitiveness. Go to GoBeans.ca for more information. Kudos to our bean breeding program! These advances are the lifeblood of our industry.

Mike Donnelly-Vanderloo
Chair, Research Committee

Investment in Research

In 2016-17 OBG invested \$150,190 grower dollars into research, which leveraged \$268,228 in government and industry dollars. In total \$481,418 was spent on research projects.

Projects funded under Growing Forward 2 wrapped up early in the current fiscal year. In anticipation of the next round of funding via the Canadian Agricultural Partnership program, OBG collaborated with Alberta Pulse Growers, SaskPulse, Manitoba Pulse and Soybean Growers and Pulse Canada to submit a comprehensive proposal to Agriculture and Agri-Food Canada. If this proposal is approved, it will fund the majority of OBG's core research activities.

Research

Bean Breeding

The breeding work is initiated and co-ordinated by the University of Guelph in close collaboration with the Agriculture Agri-Food personnel at London and Harrow. The field trials are mostly performed at Elora and Woodstock by the Guelph group and St. Thomas and Harrow by the AAFC group. The workflow includes the creation of new combinations of materials by conventional crossing, several generations of selfing to the F5 stage to stabilize the new



lines and evaluations for yield, harvestability, disease resistance and seed quality in preliminary and advanced yield trials. More than 800 families and 4,000 lines were evaluated. The program also conducts several trials of the Ontario Registration and Performance Trials for Ontario Pulse Crop

Committee at Elora, Woodstock and St. Thomas. In 2016, 32 lines were entered into these trials. At its annual Meeting, on Feb, 16, 2017 the Ontario Pulse Crop Committee (OPCC) Variety Subcommittee supported 3 lines for registration (based on their performance in the 2015 and 2016 provincial trials), including: Cranberry Bean: 15-C1; Dark Red Kidney Bean: 15-D1 and Light Red Kidney Bean: 15-L1. These lines are available for commercialization by companies. The navy beans ACUG14-1 (named AAC Shock) and ACUG14-3 (to be named AAC Argosy), which are both resistant to CBB, will be registered by AAFC and licensed by Hensall District Co-op. The black bean ACUG10-B3 (MS Knight Rider) resistant to CBB, will be licensed by Canterra and commercialized through Meridian seeds.



In addition, various studies were conducted to gain an understanding of the genetic control of the traits and

develop tools, like molecular markers to assist in the selection of lines with traits such as common bacterial blight or anthracnose resistance, nitrogen fixing capability and seed coat nondarkening. The location of the nondarkening gene was mapped using pinto bean and cranberry bean populations. A better marker than SU91 for CBB resistance in OAC Rex was identified. The information from these studies can assist in introgressing these traits into elite lines in a shorter time period than conventional phenotyping.

Pest Management

Anthracnose and White Mold

In 2016, a total of 19 and 17 treatments evaluated for anthracnose and white mold, respectively, using small plot replicated field experiments. There was unusually low disease pressure for all studies in 2016, due to high temperature during the infection period. This underlines the importance of developing a long term data set, as conditions for disease expression can vary dramatically from year to year. Long term data from 11 white mold studies over 5 years (2011-2015) is currently being compiled, to provide further evidence of the long term efficacy and economics of key fungicide products. A new study in 2016 investigated the impact of row width/plant population on white mold disease pressure in a dry bean canopy. This research ties in nicely with leading edge production practices, as growers are currently experimenting with variable plant populations on a field scale, to manage white mold.

Common Bacterial Blight (CBB)

Plant breeders have worked extensively on genetic resistance to CBB for 15 years. Given the rate of cultivar development and grower uptake, it will take many years before genetic tolerance will have a large impact on this disease. This is particularly evident in the large seeded market classes, which are considered more susceptible than small seeded classes to CBB. Cultural methods including the production of 'disease-free' seed in dry land regions of the U.S. (e.g. Idaho) is the key for CBB management. This project looks at new foliar and seed treatment controls for CBB, as alternative control measures. Several compounds have been identified that can impact the pest, but none provide season-long disease control. In 2016, four new compounds were evaluated in navy and kidney beans.

Root rot is the largest pest of dry bean, with *Fusarium* spp.

Research

Pest Management continued

and *Rhizoctonia* spp. being the most common organisms. Genetic and cultural controls do not have a large impact, while chemical controls (e.g. fungicide seed treatments) protect seedlings only for a few weeks after planting. Commercial dry bean seed typically has 4 or more fungicide seed treatments applied, with almost 100% of the seed lots treated. A number of new seed treatment compounds are available, so there are a several possible combinations to manage each fungus. This project measures the efficacy of new control measures for *Fusarium* spp. and *Rhizoctonia* spp. In 2016, several treatments increased plant stand by 50% and plant vigour by 40% at 4 weeks after planting, compared to an untreated control. This resulted in yield increases of 100% or more. Synergy has been measured repeatedly between some compounds (e.g. sedaxane and ipconazole), which is important information to develop commercial seed treatment formulations. Although seed treatments only provide short term control of root rot, maintaining early season plant health and strong plant stands are important considerations for high yielding crops.

Soybean Cyst Nematode (SCN) is the largest pest of soybean in North America. Dry bean is an alternate host to SCN, and the threat to commercial bean production has been largely ignored. In dry bean, there are no clearly defined control measures. Genetic resistance is not understood. Several chemical and biological controls have recently been registered for other field crops, but have not been evaluated on dry bean. These controls may play a key role in managing SCN, particularly when soybean and dry bean are both present in a crop rotation. Field based SCN studies were conducted by a grad student (X. Zhang), but variations in pest populations and environmental conditions resulted in few treatment differences. Controlled environment studies have commenced with a grad student (W. Zhang), and preliminary results demonstrate much less variability in treatment performance. Other graduate student projects should come on line in 2017. The first will evaluate new biological and chemical seed treatments to manage SCN. A second study will determine the tolerance of dry bean cultivars and market classes to SCN.

Weed Management

Evaluation of Permit (halosulfuron) Herbicide

Effect of application timing on weed control: Broadleaf weed control and dry bean yields were highest when Permit herbicide was applied pre-plant incorporated (PPI) or prior to crop emergence (PRE) when compared to applications

made after crop emergence (POST). Permit herbicide controlled wild mustard and common ragweed regardless of application timing, while lamb's-quarters, redroot pigweed and green smartweed were better controlled with the PPI or PRE applications. Grassy weed control with Permit was unacceptable at all application timings.

Crop safety in dry bean at different application timings: PPI and PRE applications caused the least amount of crop injury. POST application timings ranging from 1st trifoliolate to first pod caused visible injury; approximately 19 per cent at the earliest application timing, 10 per cent at first flower, and 9 per cent at first pod. There also appeared to be some delay in maturity. Yield assessments in this trial, where plots were kept weed free to focus on crop injury, indicate in-crop applications of Permit may be safest at the 3-4 trifoliolate stage.



Applications of Permit in adzuki bean cause unacceptable plant injury. Studies using radio-labelled Permit herbicide conducted at Colorado State University in Fort Collins, CO, show that compared to white beans, there is greater absorption and translocation of Permit in adzuki, as well as reduced

metabolism of the herbicide.

Tank-mix compatibility with other herbicides: Permit herbicide tank-mixed with Treflan, Prowl, Eptam, Frontier or Dual resulted in green foxtail control of 87 per cent or greater. White bean yield with any of these tank-mix partners was comparable to the weed free control.

Evaluation of Authority (sulfentrazone) herbicide

There are weed populations (e.g. pigweed, lamb's-quarters) that negatively affect Ontario dry bean production because they are resistant to common herbicide programs. This project evaluated new herbicide modes of action to see if dry beans had acceptable levels of tolerance to their application. Authority is a new herbicide that controls a number of common herbicide resistant weeds in soybean. Unfortunately PRE applications of Authority made to dry beans significantly reduced plant stand and yield, making it an unsuitable herbicide to pursue registration with.



Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of: Ontario Bean Growers

We have audited the accompanying financial statements of Ontario Bean Growers, which comprise the statement of financial position as at August 31, 2017 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Ontario Bean Growers as at August 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Other Matter

The financial statements of the prior period were audited by the predecessor auditor with an audit report dated November 22, 2016. The predecessor auditor expressed an opinion which stated that the financial statements presented fairly in all material respects.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario
November 16, 2017

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO BEAN GROWERS
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2017

	General Fund	Reserve Fund	Crop Pool Fund	2017	2016 (note 9)
ASSETS					
CURRENT					
Cash	\$ 560,579	\$ 0	\$ 3,425	\$ 564,004	\$ 0
Short term investments(note 5)	301,208	243,399	0	544,607	785,240
Accounts receivable	2,133	0	0	2,133	56,080
Grants receivable	39,716	0	0	39,716	158,619
Government remittances refundable	4,612	0	0	4,612	20,148
Due (to) from reserve fund	(52,274)	52,274	0	0	0
Due from (to) crop pool fund	111	0	(111)	0	0
Prepaid expenses	1,585	0	0	1,585	3,833
	<u>857,670</u>	<u>295,673</u>	<u>3,314</u>	<u>1,156,657</u>	<u>1,023,920</u>
LONG TERM INVESTMENTS (note 5)	<u>416,025</u>	<u>583,145</u>	<u>0</u>	<u>999,170</u>	<u>1,088,790</u>
	<u>\$1,273,695</u>	<u>\$ 878,818</u>	<u>\$ 3,314</u>	<u>\$2,155,827</u>	<u>\$2,112,710</u>
LIABILITIES					
CURRENT					
Bank overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 124,700
Accounts payable and accrued liabilities	221,375	0	3,314	224,689	43,123
Deferred grant income	0	0	0	0	76,605
	<u>221,375</u>	<u>0</u>	<u>3,314</u>	<u>224,689</u>	<u>244,428</u>
NET ASSETS					
NET ASSETS	<u>1,052,320</u>	<u>878,818</u>	<u>0</u>	<u>1,931,138</u>	<u>1,868,282</u>
	<u>\$1,273,695</u>	<u>\$ 878,818</u>	<u>\$ 3,314</u>	<u>\$2,155,827</u>	<u>\$2,112,710</u>

See notes to the financial statements

ONTARIO BEAN GROWERS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2017

	General Fund Unrestricted)	Reserve Fund (Internally Restricted)	Crop Pool Fund (Internally Restricted)	2017	2016
NET ASSETS, beginning of year	\$ 990,262	\$ 878,020	\$ 0	\$ 1,868,282	\$ 1,792,721
Net revenues over expenses for the year	<u>62,058</u>	<u>798</u>	<u>0</u>	<u>62,856</u>	<u>75,561</u>
NET ASSETS, end of year	<u>\$ 1,052,320</u>	<u>\$ 878,818</u>	<u>\$ 0</u>	<u>\$ 1,931,138</u>	<u>\$ 1,868,282</u>

See notes to the financial statements

ONTARIO BEAN GROWERS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2017

	General Fund	Reserve Fund	Crop Pool Fund	2017	2016 (note 9)
REVENUES					
Licence fees (note 3)	\$ 678,328	\$ 0	\$ 0	\$ 678,328	\$ 842,235
Grants	268,228	0	0	268,228	279,373
Interest income	15,928	11,048	0	26,976	28,912
Bean pool sales	0	0	35,662	35,662	97,763
Sponsorships	4,945	0	0	4,945	0
Other	937	0	0	937	2,899
	<u>968,366</u>	<u>11,048</u>	<u>35,662</u>	<u>1,015,076</u>	<u>1,251,182</u>
EXPENSES					
Research	481,418	0	0	481,418	556,277
Promotion	128,498	10,250	0	138,748	107,883
Consulting	130,267	0	0	130,267	39,541
Directors fees	63,249	0	0	63,249	102,558
Memberships and affiliations	49,070	0	0	49,070	49,792
Pool purchases	0	0	35,662	35,662	92,705
Producer relations	12,046	0	0	12,046	14,043
Rent	12,000	0	0	12,000	8,499
Information technology	10,275	0	0	10,275	13,871
Professional fees	7,699	0	0	7,699	24,283
Office	7,376	0	0	7,376	17,119
Insurance	3,143	0	0	3,143	2,611
Interest and bank charges	1,267	0	0	1,267	4,261
Personnel	0	0	0	0	142,178
	<u>906,308</u>	<u>10,250</u>	<u>35,662</u>	<u>952,220</u>	<u>1,175,621</u>
NET REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) for the year	<u>\$ 62,058</u>	<u>\$ 798</u>	<u>\$ 0</u>	<u>\$ 62,856</u>	<u>\$ 75,561</u>

See notes to the financial statements

ONTARIO BEAN GROWERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ 62,856	\$ 75,561
Changes in non-cash working capital		
Accounts receivable	53,947	17,433
Grants receivable	118,903	(158,619)
Government remittances refundable	15,536	(17,636)
Prepaid expenses	2,248	23,667
Accounts payable and accrued liabilities	181,566	(293,231)
Deferred grant income	<u>(76,605)</u>	<u>0</u>
	<u>358,451</u>	<u>(352,825)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Repayment of bank loan	<u>0</u>	<u>(106,885)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Withdrawals from (contributions to) investments	<u>330,253</u>	<u>(846,993)</u>
NET INCREASE (DECREASE) IN CASH	688,704	(1,306,703)
NET (BANK OVERDRAFT) CASH, BEGINNING OF YEAR	<u>(124,700)</u>	<u>1,182,003</u>
NET CASH (BANK OVERDRAFT), END OF YEAR	<u>\$ 564,004</u>	<u>\$ (124,700)</u>

See notes to the financial statements

ONTARIO BEAN GROWERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

1. NATURE OF ORGANIZATION

Ontario Bean Growers is a not for profit organization formed under the Farm Products Marketing Act without share capital. The Board is regulated under the Ontario Farm Products Marketing Commission. Ontario Bean Growers is exempt from income tax. Its purpose is to record Ontario white and coloured beans, and market a portion of the crop on behalf of the producers of Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 year. Actual results could differ from those estimates.

(b) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, and grants receivable.

Financial liabilities measured at amortized cost include the bank overdraft, accounts payable and accrued liabilities and deferred grant income.

The organization's financial assets measured at fair value include investments.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

ONTARIO BEAN GROWERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) **FUND ACCOUNTING**

General fund

The general fund reports resources available for the organization's general operating activities. This fund is unrestricted.

White Pea Bean Producers' Special Reserve Fund

The reserve fund reports resources that are not to be held as endowments and are, therefore, disbursed on a current basis for the exclusive purpose of administration of the fund investments, as well as research and promotion activities related to producing and marketing white pea beans that benefit white pea bean producers in Ontario. Annual spending shall not exceed \$150,000 in any fiscal year. This fund is internally restricted.

Crop pool fund

The crop pool fund reports resources that are not to be held as endowments and are, therefore, disbursed on a current basis for the marketing of beans delivered to the Board by the producers segregated by crop year. This fund is internally restricted.

(d) **REVENUE RECOGNITION**

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the general fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the general fund when received or receivable and collection is reasonably assured.

Grant revenue is recognized when the related expenditures have been incurred.

Revenue from licences and crop pools are recognized when received.

Interest income is recognized as revenue when earned.

3. LICENCE FEES

Licence fees are charged to all growers. The fees were \$6.80 per tonne for the 2016 crop (2015 □ \$6.80).

4. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from their financial instruments.

The extent of the organization's exposure to these risks did not change in 2017 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

ONTARIO BEAN GROWERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

5. INVESTMENTS

Investments consist of:

	2017	2016
Scotiabank GIC, 1.85% interest, matured October 4, 2016	\$ 0	\$ 298,570
Scotiabank GIC, 1.15% interest, matured November 20, 2016	0	280,505
Scotiabank GIC, 1.62% interest, matured May 27, 2017	0	206,165
Scotiabank GIC, 1.50% interest, maturing October 30, 2017	243,399	239,719
Meridian GIC, 1.50% interest, maturing May 25, 2018	301,208	0
Meridian GIC, 2.10% interest, maturing November 9, 2018	150,190	0
Scotiabank GIC, 1.82% interest, maturing November 20, 2018	281,937	281,965
Scotiabank GIC, 1.82% interest, maturing November 20, 2018	283,062	284,009
Scotiabank GIC, 2.34% interest, maturing November 20, 2020	<u>283,981</u>	<u>283,097</u>
	1,543,777	1,874,030
Less current portion:	<u>544,607</u>	<u>785,240</u>
	<u>\$ 999,170</u>	<u>\$ 1,088,790</u>
General Fund	\$ 717,233	\$ 1,055,236
Reserve Fund	<u>826,544</u>	<u>818,794</u>
	<u>\$ 1,543,777</u>	<u>\$ 1,874,030</u>

6. AVAILABLE CREDIT

The organization has utilized \$0 (2016 □ \$0) of an authorized line of credit to finance advances to producers participating under the Federal Agricultural Marketing Program Act. The line of credit has a limit up to a maximum of \$2,000,000 and bears interest at prime minus 0.25%, payable monthly. The line of credit is secured by inventory and a general security agreement.

7. COMMITMENTS

The organization has an operating lease for the premises. Future minimum lease payments are as follows:

2018	\$ 12,000
2019	<u>12,000</u>
	<u>\$ 24,000</u>

The organization has committed to various research projects. Future expected research commitments are as follows:

2018	\$ 168,821
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ONTARIO BEAN GROWERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

8. RESERVE FUND EXPENSES

Motions were made and carried on November 29, 2016 and January 12, 2017 to use monies from the White Pea Bean Producers' Reserve Fund, also known as the Heritage Fund, for the following items:

Consumer Benchmarking Project	\$	5,250
Promotional materials and sponsorship of Dieticians of Canada Conference		4,000
Sponsorship of Options for Diabetes Conference and Ontario Family Health Team Registered Dieticians Conference		<u>1,000</u>
	\$	<u>10,250</u>

9. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

The prior year financial statements were audited by the previous auditor.

Delegates

District 1	District 2	District 3
Brant, Chatham-Kent, Elgin, Essex, Haldimand, Hamilton, Lambton, Middlesex, Niagara, Norfolk, Oxford	Bruce, Huron	Perth, Waterloo, Wellington and all other geographic areas not within Districts 1& 2
Matthew Aerts	Marinus Bakker	Alex Hart
Stephen Broad	Dave Cronin	Tom Feeney
Tom Harris	Sean Ernewein	Walter McKenzie
Jamie Payton	Maitland Underwood	John Norris
John Walls	Chris Weernink	Greg Penner
Dave Woods	Murray Vincent	Wayne Wolfe

Market Promotions & Communications	Research
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Dave Vandewalle
Chair
Jim Gowland
Adam Ireland
Larry Jenner
Warren Wolfe
Marinus Bakker
Sean Ernewein
Walter McKenzie
Chris Weernink

Mike Donnelly-Vanderloo
Chair
Jim Gowland
Larry Jenner
Tyler Vollmershausen
Warren Wolfe
Stephen Broad
Jamie Payton
Greg Penner
Wayne Wolfe
Dave Woods

Committees

OBG Delegates and Board discuss research priorities at the annual Research Day held on August 22, 2017 at the Huron Research Station.



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