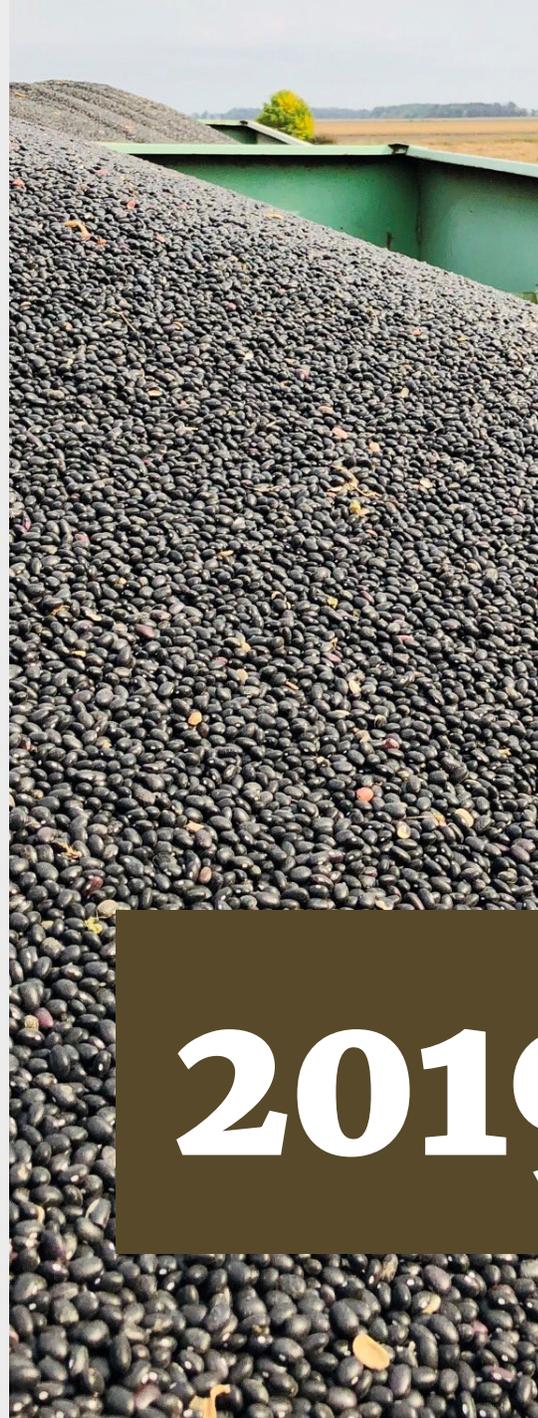


Annual Report

ONTARIO
Bean
GROWERS



2019-20



ONTARIO Bean GROWERS

Vision

Innovative leaders, growing and promoting high quality dry edible beans, contributing to a healthy world.

Mission

Our mission is to collaborate with industry partners through research and development, to build an innovative, sustainable business environment and promote the consumption of dry edible beans, contributing to healthy growth for all stakeholders.

Management



Ryan Koeslag
Executive Director



Jennifer Mitchell
Project Manager

Board of Directors



Mike Donnelly-Vanderloo
Chair



Jamie Payton
Vice Chair



Tyler Vollmershausen
Research Chair



Brendan Louwagie
Market Promotions &
Communications Chair



Nick Cressman
Director



Adam Ireland
Director



Maitland Underwood
Director



2021 Ontario Bean Growers
Annual General Meeting

February 23, 2021

Zoom Meeting

9:45am - 12:00pm

AGENDA

- 9:45am Pre-meeting networking/technology check
- 10:00am Welcome & Call to Order
Election overview/voting instructions
- 10:05am Approval of Agenda
Approval of 2020 AGM Minutes
- 10:10am 2019-20 Auditor's Report & Questions
- 10:20am Chair's Report
- 10:25am 2020 Crop Report – Meghan Moran
- 10:45am Global Market Update— Scott Cottenden, The Andersons
- 11:05am Weed Management Report – Peter Sikkema
- 11:25am Pest Management Report – Chris Gillard
- 11:45am Announcement of Election Results - District 1, 2 & 3
Director-at-Large Election
District 1, 2 and 3 Delegate Elections
Resolutions
- 12:00pm Adjourn

Chair's Message

On behalf of the OBG Board of Directors and Koeslag Consulting Management Team I'd like to virtually welcome you to the 2021 Annual General Meeting in "the Cloud".

Last year I commented on our efforts to stream this annual meeting live to growers who couldn't make it to Stratford; ironically that includes all of us this year! Who would have thought this possible?

Forbes: Risk Management and Black Swan Events

A "black swan occurrence" is defined as an extremely rare event with severe consequences. COVID-19 has been called this by many. These events are difficult to guard against since you don't know what or when it is coming.

However, while we can't predict when pandemics will occur we *can* have mitigation strategies in place such as stockpiles of N95 masks and domestic vaccine production. Similarly, as growers, we are at the mercy of weather, markets and politics.

Ontario Bean Growers is presently making an unprecedented effort to mitigate some of the risk



The OBG Board of Directors held a socially distanced board meeting in July...in the rain. No one complained.

factors in growing dry beans. Via conference calls and zoom meetings our board of directors along with Ryan and Jennifer are in discussions with

OMAFRA and Agricorp to find ways to make risk management programs and crop insurance more responsive to all bean growers regardless of what market class they grow.

In addition, our breeding programs in Guelph and



Harrow are continuing to make genetic advances in bacterial blight and anthracnose resistance that will lead to increased domestic seed production. Furthermore, breeding for enhanced nitrogen fixation is an objective in our breeding program with the goal of reducing fertilizer costs and improving the environmental footprint of growing beans.

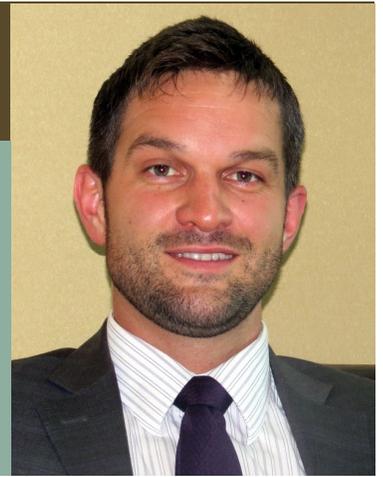
Regarding OBG's 2019-20 financial position, we realized \$920,670 of license revenue based on \$6.80/MT, up from \$841,522 in 2018-19. This revenue, combined with other income, including research grants resulted in \$1,210,255 total revenue. With expenses for the year coming in at \$927,950, we saw a \$282,305 surplus at year end. Using data provided to us by Agricorp, we calculated an acreage for all market classes of approximately 137,204 acres with production of 3,185,729 cwt bags. This would indicate a yield of approximately 23.22 cwt bags per acre.

To deal with this surplus, the OBG Board of Directors has adopted a Reserve Fund Policy, the purpose of which is to ensure the stability of the organization and to provide a source of internal funds. Fifty percent of any surplus that is accumulated at year end will be directed to an operational reserve with the remaining fifty percent going into a research reserve. These are uncertain times, in terms of government funding, so OBG needs to be prepared in case it becomes necessary to operate with less leveraged dollars.

We can't predict when the next drought, seed shortage, market crash, fertilizer restriction, border tariff, excess rainfall or pandemic will occur but if we have measures in place to mitigate risk it will help us weather the storm.

Mike Donnelly-Vanderloo, Chair

Executive Director's Message



This past year could likely go down as one of the most unique years in modern history. For the dry bean industry, the pandemic has had its ups and downs. At the onset of the pandemic some food processors, providing beans to grocery stores, indicated a five-fold increase in demand. This solidifies the belief that beans are considered a staple in the Canadian diet and viewed as a nutrient provider when Canadians were uncertain for the future of the food supply. However, knowing that the food supply chain was and continues to remain strong, OBG must ensure that those people who bought beans, eat them. Jennifer and her promotions team ramped up engagement efforts, promoting recipes and ideas for incorporating beans into the everyday meal planning. Better with Beans continues to be the campaign motto for our promotional efforts as we build our social and traditional media presence.

On the research front we were pleased to see field research placed as an essential service and all research trials continued throughout 2020. Breeding work was able to continue at both University of Guelph (UofG) and Ag Canada. Last summer, a Memorandum of Understanding was established for OBG and UofG to work together to identify opportunities for making new and superior Ontario varieties more readily available to our growers. OBG entered into this MOU with a goal of ensuring growers are able to access the varieties they invest in, as well as to provide intelligence to UofG on areas where competition may be of concern.

The Board was very adaptable throughout 2020 conducting meetings virtually, cancelling the Annual Research Day, held at the Huron Research Station near Exeter, and holding a socially distanced Board/Delegate field day. It was important for the Board and Delegates to review the research being conducted and make assessments in order to plan for future projects.

This year the Board also maintained a strong financial position, as well as the adoption of a surplus reserve policy, placing 50% of any annual surplus into a Research Reserve. This reserve will help support OBG

research in the future and ensure research continues if government funding programs reduce or change focus. This is just one example of how your Board of Directors works on planning for the future.

Acreage in Ontario saw an all-time high (since the inception of the OBG in 2013) with over 150,000 acres planted in 2020. This could be, in part, a result of the increased demand brought on by the pandemic. Yields were about average in 2020 thanks to favourable weather conditions in late summer and fall and timely rain throughout most of Southwestern Ontario. Looking towards 2021 we hope acreage does not drop down too drastically with fluctuating/favourable prices in other crops competing for acreage in Ontario.

In closing, and in tradition with past years, I want to extend my gratitude to Jennifer Mitchell, Project Manager for OBG. OBG must recognize her passion, unfailing dedication, and hard work that accelerates the good work of, and for, OBG. Whether coordinating research projects or promoting the health benefits of beans her dedication is unwavering. We would also be remiss if we did not mention the valuable insight provided by Meghan Moran, Canola and Edible Bean Specialist with OMAFRA, who is always available to share her knowledge and has taken leadership on research projects in partnership with OBG.

I want to wish everyone good weather in 2021 and look forward, with optimism, to closing the chapter on this pandemic.

Ryan Koeslag
Executive Director

Research

OBG's goal for agronomic research is to invest in projects that contribute to the productivity and profitability of farmers growing dry edible beans in Ontario.

We will achieve this goal by focusing on the following objectives:

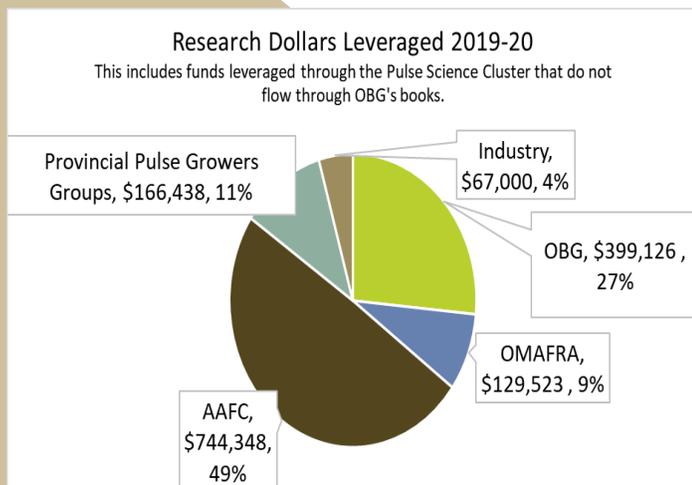
- To be continuously working toward sustainable and cost-effective pest and weed management strategies.
- To support work in bean breeding that develops varieties with improved agronomic traits including yield and disease resistance.
- To evaluate the need for research related to organic production.
- To develop a tool for measuring the success of Research strategies.

What will success look like (long term outcomes)?

- Growers have the tools and knowledge they need to grow a profitable and sustainable crop.
- Ontario growers have access to the world's best varieties developed in their own breeding programs.
- Seed borne disease resistance has been achieved and seed production is happening in Ontario
- Investment into health-related research pays off as people increase their consumption of bean to improve their health.

Due to the amount of information we have to share on research projects, we have created a stand alone report annual research report. It has always been a challenge to summarize the great work of our researchers into a few shorts pages in the annual report. It is our intent, through this new report, to fully paint the picture of how your grower dollars are being invested into research.

Overall spending



Total Research Spending including leveraged dollars \$1,506,435

Large Seeded Trial near Dundalk, Grey County

Board member, Nick Cressman, took the lead on a small project in 2020, to determine whether kidney beans could finish in this unique growing region.

Dundalk has the highest elevation in Ontario south of

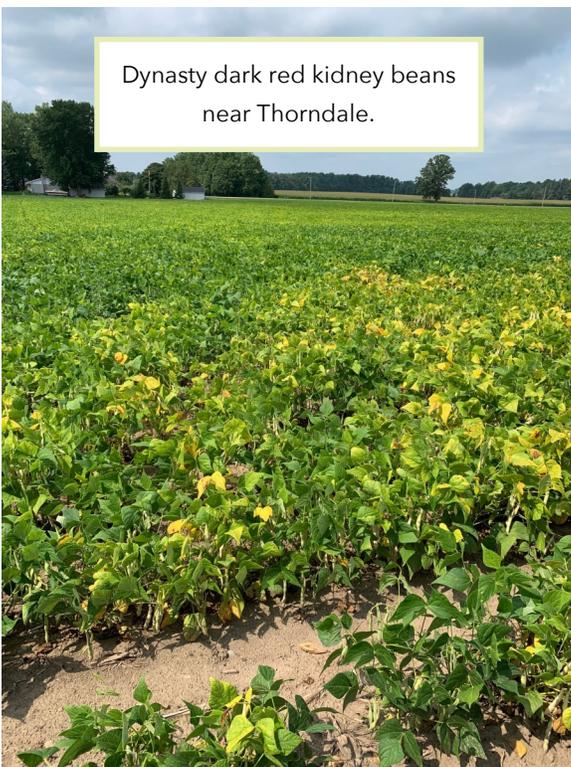
Algonquin Park. Ferguson's Fancy Beans and Hensall Co-op very generously donated the seed for the trial, which was planted on June 2nd. The plants grew well and looked good all season, but took a long time to mature. In the end, current kidney bean varieties with their longer days to maturity aren't suited for the short season in the Dundalk area.



Board/Delegate research meeting

Due to the pandemic, we were unable to host our annual Research Day at the Huron Research Station.

We were, however, able to convene a smaller field day for our board members and district delegates. Sites visited included a field of Dynasty dark red kidney beans, a white mold monitoring station, and a double crop of cranberry beans. Bean breeders Dr. Peter Pauls



Dynasty dark red kidney beans near Thorndale.

and Tom Smith, of the University of Guelph were on hand to talk about Dynasty, which has been a star variety coming out of the UofG program. Sadly, the double crop of crans, that were looking fantastic the day of the tour, were hit by an early frost in September and despite best efforts (a helicopter), they suffered severe damage.

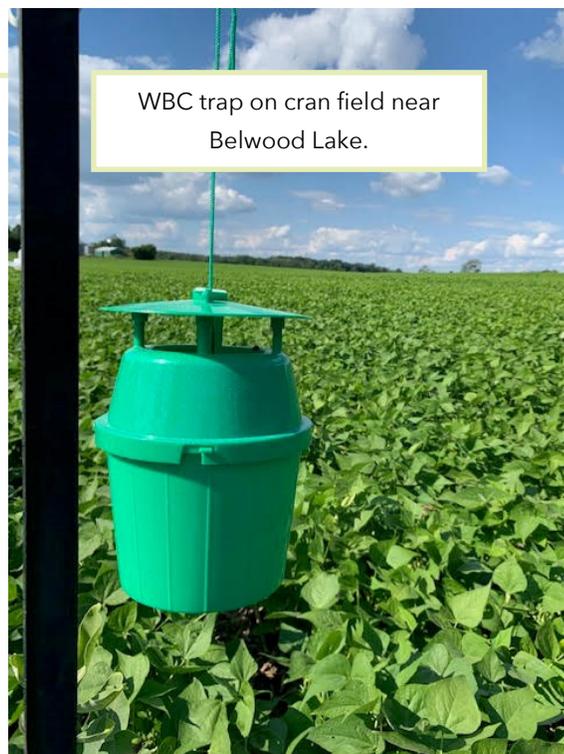
Western Bean Cutworm

In order to collect more data on Western Bean Cutworm (WBC) in dry bean fields, OBG purchased a number of traps and sought out growers to who were willing to monitor and report count via the Great Lakes and Maritimes Pest Monitoring Network. In total, there were over 600 WBC traps in Ontario.

Spray decisions are based on the time of peak moth flight, so traps are critical for understanding the risk of WBC in a given area and timing of insecticide applications. The timing of peak flight in Ontario differs

from year to year based on weather conditions, and differs across regions within Ontario in a given year

In 2020 the number of moths caught in Ontario was much higher than in 2019. Also in 2020, the number of moths caught on dry beans fields was higher than captures on corn fields, likely because of the timing of moth flight and the growth stage of corn; when corn is beyond the early tassel stage the moths will prefer laying eggs in dry beans.



WBC trap on cran field near Belwood Lake.

Ontario Pulse Crop Committee

The Ontario Pulse Crop Committee (OPCC) coordinates the variety registration trials and variety performance trials for dry beans in Ontario. The Ontario Dry Bean Tests are conducted annually by a combination of public and private trials. The purpose of these tests is to obtain agronomic, pest, disease, and quality information for use in supporting the registration of new dry bean varieties and in preparing an annual performance report of varieties in Ontario. The OPCC is comprised of representatives of the wider bean industry.

At the annual meeting of the OPCC in February of 2020, six navy, 2 black, 1 light red kidney, and 1 white kidney were put forward for registration.

Promotions

Through our promotions and communications efforts, OBG supports the profitability and sustainability of Ontario's bean growers by carrying out activities that contribute to increased consumption of dry edible beans.

Our objectives are to:

- build relationships with health professionals, providing them with the resources they need to help their clients include more beans in their diets
 - engage consumers, via multiple platforms, inspiring, and providing them with the tools and knowledge they need to include more beans in their diets
 - be cognizant of international trends and to support dealers to maintain and grow international demand.
- develop a tool for measuring the success of Market Promotions & Communications strategies.

What will success look like (long term outcomes)?

- Consumption of dry edible beans in Canada has increased by 75,000 tonnes by 2025
- International demand is growing.

OBG focuses our consumers promotion efforts on projects and partnerships that move the needle, incrementally, on increasing domestic consumption. Here are just some of the highlights from the 19-20 year.

Pulse Industry 25 x 25

Perhaps one of the most valuable partnerships we have is with Pulse Canada and the other provincial pulse grower organizations. Pulse Canada continues to move forward on the 25 by 25 strategy with a goal of having 25% of pulse production utilized in new market and use categories by 2025. In the case of dry beans, the focus is on increasing domestic consumption. In Ontario, in addition to that goal, we also have an open offer of support to Ontario's bean dealers to maintain and grow international demand.

The initial focus for the 25 x 25 bean strategy was in food service, but COVID-19 quickly derailed that and our efforts shifted to focusing on strategies of promoting Canadian beans direct to consumers. We are currently working with an agency on a national study on usage and awareness of dry beans that will help to guide the development of a strategy going

forward. This work is being funded through Pulse Canada's Agri-Marketing funds.

Health Professionals

OBG continues to engage and build relationships with health professionals. In 2019 we took the lead on bringing the voice of agriculture to the Nutrition Connections Conference, Healthy and Sustainable Eating: Leading the Shift. We had observed the previous year that a good deal of the conference content focused on food production, but no one from agriculture was involved in the discussion. OBG, with support from Farm and Food Care, spearheaded a group of commodities including Ontario Apples, Beef Farmers of Ontario, and Turkey Farmers of Ontario to present a farmers' panel at the conference.

For the past few years, OBG has been invited to deliver a lecture on bean production to food and nutrition students at Brescia University College. Brescia professor, Dr. June Matthews, is a passionate advocate for agriculture and believes that all food/nutrition related post-secondary programs should include a mandatory course on food production. OBG's lecture is part of a series of lectures delivered by commodity organizations and farmers.

Recipe Development and Updated Recipe Photography

In 2019-20 we engaged with eight food bloggers to develop recipes to be shared in our recipe database and on social media. We also enlisted Real Food Creative, a food marketing agency, to develop twelve new recipes that used beans as part of a balanced plate, as per the new Canada's Food Guide. The recipes were reviewed by a Registered Dietitian created so that one serving is balanced (1/2 vegetables, 1/4 protein, 1/4 whole grains/healthy starches), or suggestions are giving for making the meal balanced (e.g. serve with a side of salad).

Real Food Creative also finished a project that we have been chipping away at for about four years. Many of the recipe photos that came over from the White Bean Producers' Marketing Board were quite dated. 2020 saw the last of the older photos replaced with modernized versions.

Professional Chef Partnership

It was an extremely hot day in July when Chef Dev, a dynamic and high energy chef from Toronto did a live Instagram cooking demo, featuring Ontario beans, on his BBQ. He prepared 3 dishes over the course of the thirty-seven minute live: Navy Bean Frittata, Rajma Tacos and a Tandoori spiked Cannellini Bean and garlic confit Dip. We provided Chef Dev with the key messages about beans that we wanted to deliver and he did a fantastic job of incorporating them into his



presentation. You can watch the video here: <https://www.instagram.com/tv/CDHMIIWhxo6/>

We look forward to working on more projects with Chef Dev in the future.

How to Videos

The launch of our How to Video series in winter/spring 2020 was perfectly timed. They were posted on our website in February and by mid-March we were promoting them in an effort to get people to use the beans purchased during their shelf-clearing panic shopping.



The videos cover what to do with dry beans, using canned beans, how to blend beans into other foods, how to puree beans and what to do with leftover beans. The animated stills will introduce consumers to non-traditional recipes featuring beans and using animation to highlight the health attributes.

To date, there have been 628,000 views of the videos. Fifth Story, the media agency leading the external promotion campaign, reported at the close of the

campaign in August 2019 4,818,886 million impressions and a “View Through Rate” of over 50%. The industry average is 15%.

This project was funded in part through the Canadian Agricultural Partnership, a federal-provincial-territorial initiative.

Traditional Media

We continue to work with Horizon Magazine on print and digital promotions. Horizon is a popular food and lifestyle magazine that is distributed in Toronto and the GTA as an insert in the Toronto Star newspaper. 100,000 copies are distributed and it has a readership of 226,000. Part of this promotion with



Horizon includes 168 x 5 second spots running on the 5,000 square foot wrap around screen in Dundas Square.

Website Update

As mentioned in last year’s annual report, one of our big projects for 19-20 was to build a new website. While the old site worked esthetically, the inner workings

were archaic (by web standards) and unsecure. We had previously engaged a Registered Dietitian to review and update the nutrition related content on the site to ensure we were communicating the most current knowledge on the nutritional attributes of beans. On the grower side, the content is better organized and hopefully, easier to navigate.

Dry Beans and the Pandemic

One of the silver linings of the COVID-19 pandemic has been the surge in interest in cooking with dry beans. On March 16, we promoted an image on Facebook showing the empty bean/pulse section in a grocery store. The text accompanying the image encouraged our followers to use the beans they purchased, not just put them away in case of emergency. We included links to our new how to videos, our recipe videos, and our recipe database. That day,

The most view page during that period was was our “how to cook page”. Pageviews increased from 114 during the preceding three months to 12,336 from March-May, 2020.

We heard from our dealers about the challenge of keeping up with orders. Many buyers were “pulling forward” on their contracts, resulting in a lot of product needing to get out the

door in a short period of time. For the first time in many years, warehouses were empty before new crop started to come in in September. Feed Ontario was in touch with us, trying to source beans in consumer size packaging for their food bank network, but there were none to be found. Fortunately, we were able to connect them with Sprague Foods in Belleville and they were able to supply some product.



Advocacy & Government Relations

OBG's goal for this area of focus is to engage with government and industry stakeholders on issues that affect the productivity, profitability and sustainability of Ontario's bean growers.

We will achieve this goal by focusing on the following objectives:

- to engage with government on the importance of funding and business risk management programs to Ontario's edible bean industry.
- to work with government and other industry stakeholders to ensure the availability of safe, economically viable crop protections tools to edible bean growers.
- to develop a tool for measuring the success of Advocacy & Government Relations strategies.

What will success look like (long term outcomes)?

- Long term and predictable funding and business risk management programs are servicing Ontario's agricultural commodities.
- Growers have access to safe, sustainable crop protection products when they need them.

Pulse Value Chain Working Group

The Pulse Value Chain Working Group (PVCWG) proactively evaluates the MRL-related trade risk of chemistry/crop use patterns. When the PVCWG determine that the potential for an MRL-related trade disruption is unacceptable, a recommendation on the use of the chemistry/crop use pattern will be developed for the applicable crop year and communicated throughout the value chain utilizing the Keep it Clean program.

Pulse Canada and its member organizations, including OBG, participate on the PVCWG along side other pulse industry stakeholders. Growers can be assured that this group does everything in its power to mitigate risk and look out for the best interests of our members.

Responsible Grain

Most growers will have heard, by now, of Responsible Grain, an initiative of the Canadian Roundtable for Sustainable Crops (CRSC). Responsible Grain is a voluntary code of practice that includes both required and recommended practices to be followed by Canadian Farmers.

Since March 2020, OBG has been engaged along with Pulse Canada and the other provincial pulse growers groups in reviewing the modules that make up Responsible Grain.

We approached our assessment by focusing on 4 key principles:

1. Solutions should be demand-driven.
2. Solutions should provide real economic value to pulse producers and the value chain.
3. Solutions should provide Canadian pulse producers with a true competitive edge in domestic and global markets that have sustainability requirements.
4. Solutions should not include new regulations for farmers that are not already a common practice or directly tied to a market demand, unless there is a clear consensus among pulse producers.

As an industry, we submitted our comments and suggestions to the CRSC. More recently, growers have been invited to participate in a consultation process, of which we are waiting to hear the results.

Grower & Agronomist Relations

OBG's goal for this area of focus is to engage with growers, potential growers and agronomists with an aim to transfer knowledge and encourage the inclusion of dry edible beans in crop rotations across the province.

We will achieve this goal through focusing on the following objectives:

- to keep growers apprised of the activities of OBG
- to transfer knowledge generated from OBG funded and other relevant research
- to seek out opportunities to promote dry edible bean production to top crop managers

What will success look like (long term outcomes):

- Growers are invested and engaged in the activities of OBG resulting in active delegates and a healthy board of directors with a strong succession plan.
- OBG has contributed to Pulse Canada's goal of increasing domestic consumption of beans by 75,000 tonnes by increasing acres by 83,300

2020 Grower Survey Highlights

Seventy-seven growers responded to a survey that OBG issued in July to evaluate grower awareness of and satisfaction with work of OBG.

Survey Highlights:

- 46% of respondents have been growing dry beans for 21+ years
- 79% of respondents said that they were either somewhat familiar or very familiar with OBG and its activities
- 79% of respondents said that their overall impression of OBG is very positive or somewhat positive
- 66% of respondents rated the value they receive for their license fees as either good or excellent.

Survey respondents also identified that the most important work OBG undertakes is supporting research and breeding projects to develop new varieties. This was followed closely by supporting research that can boost on-farm yields by reducing disease and weed pressures. When first and second place rankings are combined, this priority moves to first place.

Regarding the value growers feel they are getting for the license fees they contribute, the board of directors and district delegates have set a goal to increase this percentage to 68% during the next survey. While lack of in person meetings this past year has made connecting with growers more challenging, we have focused on increasing our digital connections.

New Dry Bean Agronomy Website

Early in February of this year, we announced the launch of a new dry bean agronomy website. OBG supported the development of this site through a financial contribution and agronomic expertise. Meghan Moran, Canola and Edible Bean Specialist with OMAFRA, led the development and has taken on the role of manager of the site. drybeanagronomy.ca outlines agronomic management practices for dry bean production in Ontario and brings together expertise and research results from extension specialists and academic researchers.

This website, along with our new annual research report, will support the transfer of knowledge generated by the research projects that your grower dollars support.

drybeanagronomy.ca

ONTARIO BEAN GROWERS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

ONTARIO BEAN GROWERS
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YEAR ENDED AUGUST 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of: Ontario Bean Growers

Opinion

We have audited the accompanying financial statements of Ontario Bean Growers, which comprise the statement of financial position as at August 31, 2020 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Ontario Bean Growers as at August 31, 2020 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.

Basis of Opinion

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

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

Management is responsible for the preparation and fair presentation of the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Handwritten signature in black ink that reads "RLB LLP". The letters are stylized and cursive.

Guelph, Ontario
November 26, 2020

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO BEAN GROWERS
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2020

	General (Unrestricted)	Research (Internally Restricted)	Reserve (Internally Restricted)	2020	2019
ASSETS					
CURRENT					
Cash	\$ 719,450	\$ 0	\$ 0	\$ 719,450	\$ 71,122
Short term investments (note 5)	928,620	0	318,526	1,247,146	1,120,059
Accounts receivable	5,980	0	0	5,980	7,480
Grants receivable	125,997	0	0	125,997	83,151
Government remittances refundable	13,291	0	0	13,291	9,706
Due (to) from reserve fund	(245,946)	141,153	104,793	0	0
Prepaid expenses	<u>1,585</u>	<u>0</u>	<u>0</u>	<u>1,585</u>	<u>6,585</u>
	1,548,977	141,153	423,319	2,113,449	1,298,103
LONG TERM INVESTMENTS					
(note 5)	<u>454,748</u>	<u>0</u>	<u>155,983</u>	<u>610,731</u>	<u>1,029,062</u>
	<u>\$ 2,003,725</u>	<u>\$ 141,153</u>	<u>\$ 579,302</u>	<u>\$ 2,724,180</u>	<u>\$ 2,327,165</u>
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ <u>430,792</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>430,792</u>	\$ <u>180,567</u>
NET ASSETS					
NET ASSETS	<u>1,572,933</u>	<u>141,153</u>	<u>579,302</u>	<u>2,293,388</u>	<u>2,146,598</u>
	<u>\$ 2,003,725</u>	<u>\$ 141,153</u>	<u>\$ 579,302</u>	<u>\$ 2,724,180</u>	<u>\$ 2,327,165</u>

ONTARIO BEAN GROWERS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2020

	General (Unrestricted)	Research (Internally Restricted)	Reserve (Internally Restricted)	2020	2019
NET ASSETS, beginning of year	\$ 1,431,781	\$ 0	\$ 714,817	\$ 2,146,598	\$ 2,103,116
Net revenues over expenses (expenses over revenues) for the year	282,305	0	(135,515)	146,790	43,482
Transfer (note 2(a))	<u>(141,153)</u>	<u>141,153</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 1,572,933</u>	<u>\$ 141,153</u>	<u>\$ 579,302</u>	<u>\$ 2,293,388</u>	<u>\$ 2,146,598</u>

ONTARIO BEAN GROWERS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2020

	General (Unrestricted)	Reserve (Internally Restricted)	2020	2019
REVENUES				
Licence fees (note 3)	\$ 982,670	\$ 0	\$ 982,670	\$ 841,522
Grants	179,335	0	179,335	168,079
Interest income	40,200	14,485	54,685	53,704
Sponsorships	8,050	0	8,050	14,350
	<u>1,210,255</u>	<u>14,485</u>	<u>1,224,740</u>	<u>1,077,655</u>
EXPENSES				
Research	425,613	105,230	530,843	608,855
Promotion	191,682	44,770	236,452	104,954
Consulting	144,720	0	144,720	142,636
Memberships and affiliations	44,477	0	44,477	41,604
Directors fees and expenses	38,862	0	38,862	64,038
Producer relations	27,086	0	27,086	18,377
Rent	14,600	0	14,600	12,800
Office	14,593	0	14,593	13,391
Information technology	12,000	0	12,000	12,000
Professional fees	9,821	0	9,821	11,174
Insurance	4,144	0	4,144	3,880
Interest and bank charges	352	0	352	464
	<u>927,950</u>	<u>150,000</u>	<u>1,077,950</u>	<u>1,034,173</u>
NET REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) for the year	<u>\$ 282,305</u>	<u>\$ (135,515)</u>	<u>\$ 146,790</u>	<u>\$ 43,482</u>

ONTARIO BEAN GROWERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ 146,790	\$ 43,482
Changes in non-cash working capital		
Accounts receivable	1,500	(2,097)
Grants receivable	(42,846)	(44,115)
Government remittances refundable	(3,585)	2,302
Prepaid expenses	5,000	(5,000)
Accounts payable and accrued liabilities	<u>250,225</u>	<u>(140,570)</u>
	<u>357,084</u>	<u>(145,998)</u>
CASH (USED IN) INVESTING ACTIVITIES		
Withdrawals from (contributions to) investments	<u>291,244</u>	<u>(357,954)</u>
NET INCREASE (DECREASE) IN CASH	648,328	(503,952)
NET CASH, BEGINNING OF YEAR	<u>71,122</u>	<u>575,074</u>
NET CASH, END OF YEAR	<u>\$ 719,450</u>	<u>\$ 71,122</u>

ONTARIO BEAN GROWERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

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) FUND ACCOUNTING

General fund

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

Research reserve

The research reserve reports resources that are not to be held as endowments and are, therefore, disbursed on a current basis for research and promotion activities. This fund is internally restricted. A motion was carried in the year to transfer 50% (\$141,153) of the general fund surplus to the research reserve.

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.

(b) 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 bean pool sales are recognized when received.

Interest income is recognized as revenue when earned.

(c) 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.

ONTARIO BEAN GROWERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) **FINANCIAL INSTRUMENTS**

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are measured at fair value.

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.

3. LICENCE FEES

Licence fees are charged to all growers. The fees were \$6.80 per tonne for the 2020 crop (2019 - \$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 the financial instruments.

The extent of the organization's exposure to these risks did not change in 2020 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, 2020

5. INVESTMENTS

Investments consist of:

	2020	2019
Meridian GIC, 2.9% interest, matured November 28, 2019	\$ 0	\$ 613,156
Meridian GIC, 3% interest, matured August 1, 2020	0	356,070
Meridian GIC, 2.2% interest, matured February 29, 2020	0	150,832
Scotiabank GIC, 2.34% interest, maturing November 20, 2020	283,097	283,080
Meridian GIC, 2.35% interest, maturing May 31, 2021	208,581	203,779
Meridian GIC, 2.35% interest, maturing May 31, 2021	346,400	338,425
Meridian GIC, 2.35% interest, maturing May 31, 2021	208,580	203,779
Meridian GIC, 1.35% interest, maturing June 26, 2021	200,488	0
Meridian GIC, 2.40% interest, maturing December 3, 2022	<u>610,731</u>	<u>0</u>
	1,857,877	2,149,121
Less current portion:	<u>1,247,146</u>	<u>1,120,059</u>
	<u>\$ 610,731</u>	<u>\$ 1,029,062</u>
General Fund	\$ 1,383,368	\$ 1,539,097
Reserve Fund	<u>474,509</u>	<u>610,024</u>
	<u>\$ 1,857,877</u>	<u>\$ 2,149,121</u>

6. COMMITMENTS

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

2021	\$ 365,104
2022	<u>277,474</u>
	<u>\$ 642,578</u>

The organization has committed to a contract for consulting and administration services. Future expected commitments are as follows:

2021	\$ <u>135,000</u>
2022	

7. MATERIAL UNCERTAINTY DUE TO COVID-19

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.

Thanks to our Sponsors!

GOLD



SILVER



BRONZE

Alpine

A & L Laboratories Canada

Ontario Social & Crop Improvement Association

Sylvite

2020-21 Delegates

Thank you to our grower delegates for their contributions throughout the course of the year. Delegates act as a voice for growers, and as such, have an important role to play in the strategic thinking process that directs the organization.

DISTRICT 1

*Brant, Chatham-Kent, Elgin, Essex,
Haldimand, Hamilton, Lambton,
Middlesex, Niagara, Norfolk,
Oxford*

Matthew Aerts

Stephen Broad

Will Chesney

Greg Cruickshank

Larry Jenner

Dave Woods

DISTRICT 2

Bruce, Huron

Marinus Bakker

Dave Cronin

Katherina Dietrich

Jim Gowland

Rob Lowry

Chris Weernink

DISTRICT 3

*Perth, Waterloo, Wellington and
all other geographic areas not
within Districts 1& 2*

Tom Bateman

Tom Feeny

Cam Hart

Walter McKenzie

Warren Wolfe

Wayne Wolfe





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