

Annual Report



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Alberta Pulse Growers'

Mission, Vision, and Values

Mission

To provide leadership, increasing the competitiveness, profitability, and sustainability of pulse production as well as promoting the health and environment benefits of pulses.

Vision

To have Alberta pulses recognized by consumers as environmentally friendly, healthy, and nutritional, and by all producers as being an essential element in a sustainable cropping system.

Values

Accountability

Optimism

Innovation

Collaboration

Sustainability



August 1, 2016 to July 31, 2017

Highlights

Overall

- High pulse acreage in Alberta
- 900 new pulse producers added to membership

Agronomy

- Information for growers featured on new APG website
- Collaborated with other commissions on AGMs in four zones
 - Shared best practices through CanolaPALOOZA, Making the Grade and in-house agronomist



Research

- Record APG research investment with current projects totalling \$8.9 million
- Partnered on projects such as Increasing Pulse Intake in Primary Care Patients: The CHANGE Cancer Intervention's increase pulse model and toolbox
 - Canadian pulse industry worked to set common research priorities
 - Plot to Field project launched with eight trial locations



Education

- International Year of Pulses 2016 wrapped up with impressive impact
- New Cooking and Baking with Beans, Peas, Lentils & Chickpeas books developed featuring some original recipes
- @albertapulse surpassed 5,000 followers
- APG Facebook page relaunched as part of larger consumer campaign
- New Wheel of Pulses education tool featured at City Slickers, Aggie Days and Amazing Agriculture



Policy

- Worked with Team Alberta on issues including unharvested acres
- Addressing India market access and other challenges through Pulse Canada
- Worked alongside GGC to oppose re-evaluation decision on Imidacloprid
- Hosted Value Creation/Capture workshop for pulse industry



Marketing

- Partnered with Alberta Agriculture and Forestry on The Alberta Pulse Showcase
- Mission: ImpULSEible celebrated 10th annual student competition
 - Pulse Innovator Award presented to Blair Roth



D'Arcy Hilgartner

Chair's Report



I am pleased to report that great strides were made for Alberta pulses in the past year, which was also my first as Chair of Alberta Pulse Growers.

During the first half of the fiscal year, Alberta joined the world in celebrating International Year of Pulses 2016, which was designated by the United Nations. APG continued the momentum throughout the year with many other projects and programs that aim to increase producer profitability through research, extension, communication, marketing and policy work.

APG's policy work comprised a large portion of the organization's time and resources over the course of the year. The board heard from members that felt it was vital to get farmer messages to the decision-makers on a number of critical fronts. These included re-evaluation decisions of the Pest Management Regulatory Agency, and government policies including sustainability, carbon tax, farm safety, cash ticket deferral, and others.

APG members share many of the same concerns as the members of other Alberta crop commissions, pulse organizations across the country, and Canadian grain producers in general. As a result, we are able to maximize resources and amplify our voices as members of groups like Team Alberta, AgCoalition, and Pulse Canada.

APG's goals for the industry as we are halfway through a five-year strategic plan (2015–20) continue to be sustainable, measured growth and expansion.

APG hosted a Value Creation Workshop during the year to start the conversation about various mechanisms for value capture, and to look at new ways to create additional value through collaboration between breeders, pulse growers and end users. As an industry, we have to be ready to work collaboratively for the entire value chain. We knew there wouldn't be any conclusions at this meeting, but we needed to start the dialogue.

APG continues to encourage other stakeholders to discuss how they envision the value chain moving forward in their own segments. Education will be a significant component of the work. Grower groups like APG will continue to prepare for the next opportunities for value creation for the industry.

Another key activity for APG that was worked on during the year and will continue in the future relates to seizing opportunities in research. This past year set records for research both in number of projects that APG currently supports, as well as a record in the committed funds. Currently, 44 projects are underway worth \$8.9 million. Field trials began during the year for the multi-year Plot to Field

project, which focuses on moving small plot research towards applicability on an individual farm basis.

All of these activities are communicated with APG members and other stakeholders through a variety of channels, including the quarterly Pulse Crop News magazine, bi-weekly Pulse Check, Twitter, and a strong presence at trade shows and events. APG's website was redesigned and updated with accessible grower information during the year, and the organization increased its social media presence.

In 2016–17, APG thanked outgoing Zone 1 Director Robert Weisgerber for his advice and dedication over the years as he completed his second term, as well as expressing gratitude to Zone 3 Director James Jackson whose guidance was relied upon by the board for a shorter time. Though both will be missed, the board has already started to benefit from the fresh perspectives and enthusiasm of new two new members: Greg Stamp in Zone 1 and Chris Allam in Zone 3. I am proud to be a member of such a progressive and optimistic board that is dedicated to finding new ways to increase the profitability of Alberta farmers.

Leanne Fischbuch

Executive Director's Message



I am pleased to highlight the activities of this organization in a report to the members as we close another successful year.

The 2016–17 crop year can be described as optimistic, exciting and challenging. For the pulse industry, we were fortunate. Our crops were off earlier than most others and farmers were challenged with completing their harvest and preparing for the planting season.

For Alberta Pulse Growers, we pushed optimistic thinking to December 2016 with celebrations of the International Year of Pulses 2016. We were bolstered by the consumers' interest and curiosity about a crop that farmers have known for many years as being good for the soil, the rotation and sustainability and good for their economic bottom line. Health and utilization conversations were had by many and the attributes of pulses were shared far and wide. The impressive coverage and outreach about pulses was sustained into the new year and even now, we continue to have more and more people talk about this fabulous crop for all its attributes. Farmers can be proud of the celebrations and continue to see where the discussions take us.

The Alberta industry saw high acres of pulses planted across the province with almost \$2.3 million.

This included a surprisingly large number of lentil acres planted and, overall, the message was that there were many new growers trying different pulse crops for the first time. APG membership increased to over 6,000 farmers who grew and sold the crop this past year. This led to the most significant collection of service fees ever for the organization amounting to \$9.6 million.

In addition to the increased funding, the organization was also looking to the research investment side of the ledger where the significant portion of the service fees area focused. With funding coming in, thoughtful and appropriate funding decisions must be made. APG participates with a variety of other organizations in the Funding Consortium model which looks at a one-stop call for proposals from the research community and, in addition, this past year worked with other pulse grower organizations to set Canadian pulse industry targets in preparation for the next Science Cluster. Through the various funding calls the board supported current project investment totalling \$8.9 million for research projects in the areas of agronomics, genetics, health, sustainability and utilization categories.

Policy continues to flourish throughout the organization, whether it is with the creation of new internal policies for a

growing company, or more importantly for the membership and policy positions that address how government legislation and directives are impacting farmers. APG addresses this policy work in two ways: nationally with our support and guidance to national organizations Pulse Canada and Grain Growers of Canada, and provincially through working with our colleagues in Team Alberta, Crop Sector Working Group and on the AgCoalition. I feel that APG has made an impact within the policy corner in coordinated and amplified responses that reflect where our national organizations are headed. Keeping in lock-step to strengthen our messages is important. At times, we do not always agree but if we can work towards common messages, the steps we can take can be significant for the industry.

It is a pleasure to work for the Alberta Pulse Growers leadership—a strong voice in the agriculture industry. The APG board of directors challenges their staff, sets direction and works to diligently oversee the organization and their marching orders help to bring the industry forward. It is up to the staff of the organization to make the vision come to fruition. I am proud to serve the board and equally as proud to have dedicated, creative and knowledgeable staff.



Board of Directors

Back row, left to right:

DON SHEPERT, Zone 5
JOHN KOWALCHUK, Director-at-Large, Non-Bean
CAROLINE SEKULIC, Vice-Chair & Zone 4
ALLISON AMMETER, Past-Chair & Zone 2
FRASER ROBERTSON, Zone 4
D'ARCY HILGARTNER, Chair & Zone 5

Front row, left to right:

TIM VANDERHOEK, Director-at-Large, Bean
RYAN KUBINEC, Zone 3
GREG STAMP, Zone 1
DOUG SELL, Zone 2
RODNEY VOLK, Zone 1

Missing:

CHRIS ALLAM, Zone 3



Staff

Left to right:

JOLENE WATSON, Finance & Planning Assistant
RHONDA LAFRENIERE, Office Manager
LEANNE FISCHBUCH, Executive Director
NEVIN ROSAASEN, Policy & Program Specialist

DEBRA MCLENNAN, Food & Nutrition Coordinator
JENN WALKER, Research Officer
RACHEL PETERSON, Communications Coordinator

Progress on APG's **Five-Year Strategic Plan**

The following shows the progress made towards the goals outlined in APG's five-year strategic plan for 2015 to 2020.

Progress continued to be made during 2016–17 in Marketing, Grower Support and Producer Profitability. As the world continued to celebrate International Year of Pulses 2016, Alberta enjoyed an increased number of pulse growers and record investment.

Marketing

- 25,877 copies print resources sent out to consumers
- 10,619 print resources and gift cards worth \$6,850 for classroom use sent to 66 schools and/or community programs
- Facebook account relaunched as part of larger consumer campaign
 - Celebrated IYP with The Alberta Pulse Showcase

Producer Profitability

- Record \$8.9 million invested in current research projects
- 10% arable land planted to pulses
 - Dramatic increase in soybean and chickpea acres
 - Plot to Field included three independent agronomists and eight producer cooperators

Grower Support

- Met with governments to highlight climate impacts/unharvested acres
- Continued strong support of FarmTech
- 4th annual Alberta Crops Breakfast hosted
- Up-to-date grower info available on new website and Pulse Check e-newsletter
 - Participated in CanolaPALOOZA and Making the Grade
 - Strong RVT programs

AAFC Pathologist Syama Chatterton looks at intercrops and pathology.

Extension

The Extension Committee had a record year, allocating just over \$100,000 to extension and adult education within the province.

Nine Applied Research Associations (ARAs) across the province received over \$85,000 to deliver extension events. An additional \$15,000 was used to fund and sponsor collaborative events such as Making the Grade, the combined Agriculture and Forestry-Agriculture and Agri-Food Canada Field Day in Lacombe, Alberta Outstanding Young Farmer, Farm Business Management and again participating in CanolaPALOOZA. The Extension Committee also sponsored the Beaverlodge School Field Day, a great inaugural success, bringing insects, their lifecycles and parasitoids to life for school-aged children in the Peace Region.

Alberta Pulse Growers also reviewed extension efforts of the past, and included an extension re-invention session at the March combined director and advisor meeting. Staff, directors and advisors

looked at extension channels including ARAs, Twitter, website-directed internet searches, crop walks, newspaper and radio to assess where our membership is getting up-to-date crop production and extension information on which to base business decisions. The opportunity to reflect on what has worked, and where improvements can be made is an important check-up.

APG's directors, advisors, staff and selected industry participants make up the committee and are committed to using traditional while pursuing new channels of communication to ensure all members have the most up-to-date and complete information for growing pulses in the province.

As with all of APG's committee work, members who have attended extension events are encouraged to provide feedback either formally through surveys or directly to staff, advisors and directors. APG's primary contact with our members is through extension efforts, whether it be adult education regarding the latest technologies, best management practices or information pertaining to Maximum Residue Limits. The Extension Committee is charged with providing the tools and information pulse growers need to make the most informed business decisions on their farm.

Research



The Research Committee is responsible for instigating and evaluating research as it pertains to the priorities that address key issues faced by our pulse growing membership across the province.

The committee focuses on research that enhances profitability and sustainability of all pulse types, recognizing the need for flexibility to address new issues and support the growth and expansion of the industry.

To maintain strong connectivity with the priorities of growers, a survey was conducted in August 2016. The survey identified key areas where continued funding was supported, research funding was no longer needed and gaps in knowledge need to be addressed in future research. This information formed the foundation for the strategic planning for research priorities initiated as part of the planning for the next five years of federal government programming in agricultural research.

Part of the planning process was first a review of where APG has been and is currently as a research partner. In the last six years (2010–16), annual research investments have more than doubled reaching over \$1 million. This past year was a record year for research both in number of projects that APG currently supports as well as a record in the committed funds. At present, the Alberta Pulse

Growers is supporting 44 research projects (in all strategic priority areas) with total committed funding of \$8.9 million. Partnerships with Alberta Crop Industry Development Fund (ACIDF), Western Grains Research Foundation (WGRF), Alberta Innovates, Pulse Science Cluster (AAFC), Saskatchewan Pulse Growers, Manitoba Pulse and Soybean Growers and the Ontario Bean Growers, as well as several private industry partners allows our investments to achieve maximum leveraging.

Success of research investments is measured by actual gains to growers. The return on this investment is pivotal for continued support and on the investment decisions of the committee and board. For a complete list of current research projects supported, please refer to the summer edition of Pulse Crop News or go to the Research section on the website pulse.ab.ca.

APG has seen significant growth in annual research investments, and 2016–17 was a record high in number of investments with committed funding reaching \$8.9 million.

Research Expenditures

Marketing

The Marketing Committee works to review and provide recommendations on projects focused on pulse food, nutrition and health, processing development and use of pulses as ingredients.

The Alberta Pulse: A key project showcasing pulse ingredient incorporation was highlighted as a signature event celebrating IYP. The project was led by a team from the Food Processing Development Centre. The objective is to show how versatile pulse ingredients are to use and to encourage Alberta's small and medium food processors to commercialize new products with pulses to take advantage of a locally grown product.

The showcase focused on 11 food products and seven industry partners looking at the innovative uses.

Meanwhile, Dr. Douglas Klein at the University of Alberta is leading a project to increase pulse intake of patients in the CHANGE Cancer Alberta project. Using the Primary Care Networks and creation of information like Pulse Modules, a toolbox is being created and shared allowing patients to learn how to recognize pulses in the grocery store, how to cook with them and what the benefits are of consumption. Alignment with the Half Cup Habit promotion will also be critical to the success of the project. This is a fantastic opportunity to introduce pulses to another community which can learn about the healthy benefits pulse inclusion has for any diet.

Under the purview of the Marketing Committee, Alberta's Feed Pea and Faba Bean Benchmarks were also reviewed in 2016–17 with revisions to the feed ingredient make-up. The feed benchmarks were created to provide a point of reference for the economical use of pea and faba bean ingredients in a swine diet. Data is collected across western Canada and provided for growers to see how their crops compare as they are replaced in the ration. The tools are reviewed periodically for relevance and changes to the common swine diet components.

Nationally, in 2016–17 the grower groups and Pulse Canada came together to identify priority areas for Agri-Science Cluster funding.

Health and utilization were two areas of focus that will impact APG's Marketing Committee work in 2017–18. There are numerous projects that will be reviewed in fall of 2017 for funding support. In addition, work continues to strategically look at China as a market for development of increased pulse use. Plans are in place to travel to China to see the progress on previous work researching pulse ingredient use and market development and see how adaptive pulse ingredients are to the Chinese marketplace.





Food and Nutrition Highlights

APG Recipe Booklets: For the first time, APG produced its own Cooking with Pulses recipe booklet featuring 20 recipes, of which eight were new recipes developed by APG. The Baking with Pulses recipe booklet also came out this year featuring recipes from APG along with pulse partners from across Canada. Targeted to both educators and consumers, the booklets have received very positive feedback and further APG's goal to increase use and consumption of pulses with key influencers and consumers.

Alberta Culinary Tourism Alliance Partnership (ACTA): Building upon the success of 2015–16, the final ACTA/APG signature event took place in October during the Taber Pheasant Festival. Three Calgary chefs, APG Director Rodney Volk, and the ACTA reps joined Viterra's Director of Beans and Special Crops, Blair Roth, and APG on a tour of the Taber Bean Plant. The plant was in full production with pinto beans and everyone heard about bean production from planting and harvesting to processing from the experts. Chefs each walked away with 50 lbs of beans and a better understanding and new appreciation of Alberta's pulse industry. That evening, the chefs incorporated Alberta beans into their creations at the Pheasant Festival's successful dinner event.

Classroom Pulse Food Demonstrations: Bringing pulses to classrooms in Alberta through education consultants working with Ag in the Classroom and

IYP, pulse food demonstrations were completed in high school Foods classes in Lethbridge, Coaldale, Taber, Medicine Hat and Edmonton. A total of 15 demonstrations were completed in seven schools to 442 students. The sessions focused on IYP, pulse production, sustainability and then how to cook/include pulses in a variety of recipes. The sessions were a big hit with students and teachers alike and many commented that they didn't know we grew the variety of pulses in Alberta and that they were tasty in something other than a soup or stew.

Northern Lands: Canada's largest all-Canadian wine and culinary festival took place May 2–6, 2017 in Edmonton. APG was a proud sponsor of the May 6 event, "Meet Your Makers", that included a blend of food and beverage experts from across Canada. Over 30 of Canada's best chefs from coast-to-coast were challenged to include pulses in their culinary creations that evening and the winning creation received a cash prize. The winning dish, a green pea pancake with fermented onions, crème fraiche and house cured and smoked bacon was created by Edmonton's own Chef Kelsey Johnson from Café Linnea and will be featured in Culinare magazine. APG could not have made this event possible without the support from Best Cooking Pulses, Inc., Columbia Seed Company, Viterra, W.A. Grain & Pulse Solutions and St. Paul Municipal Seed Cleaning Association which generously supplied the top-quality pulses for the chefs to use. This project supported APG's efforts to showcase the variety of pulses grown in Alberta as well as show the 1,000 guests who attended this event the versatility of pulses in the hands of one of our key consumer influencers, chefs.

Zone Reports

Zone 1

ADVISORS:

Richard Pepneck (Chair), Thomas Lievaart, Will Muller, Brad Proud, Will Van Roessel, Robert Weisgerber

The year 2017 for Zone 1 can be characterized as hot and dry. Those that started seeding early had good germination. Also, there were some areas that did receive early spring showers that enhanced germination. However, there were pockets that received almost no rain during that crucial time period. June brought some moisture and things were looking more normal. However, July was extremely hot and dry. It will go down as one of the hottest on record. We had 21 days in July over 30°C when the normal for the whole year is about nine days. Dry-land crops had been hit hard in many areas because of lack of rain. Also, the heat reduced yields in crops susceptible to heat stress during blooming. The stress also affected many other crops that cannot handle continuous high temperatures. The exception is the bean crop on irrigation, which can handle the heat. It will do well, as long as the irrigation was kept on during those scorching hot July days. The result is one of the earliest starts on record for harvest to commence. Early reported harvest yields are proving disappointing. Too hot and too dry.

Six aerosol samplers were placed in dry bean fields in Lethbridge, Cranford, Vauxhall and Bow Island in mid-June to early July. Particulates from the air were deposited into sample tubes on 24-hour cycles and daily samples collected two to three times per week until mid-August. The samplers all worked well, except for an unfortunate incident in Vauxhall, where the sampler was mysteriously knocked over on July 16, and no longer functioned. The DNA was extracted from the daily aerosol samples and screened via realtime PCR for the presence of *Sclerotinia sclerotiorum* ascospores, which were quantified by comparing to a standard curve. Weekly surveys for white mold incidence and severity began at the end of July. Weather data (temperature, total precipitation and relative humidity) was also collected at each site. Because it was a hot, dry summer, there were very few ascospore peaks and very little white mold observed over the season. We saw the largest spore release peaks in mid-late June, but there were cyclical peaks throughout the growing season, that may have coincided with irrigation. Now the fun begins, where we will correlate ascospore release, weather data and white mold development using statistical modeling to determine the major driver of spore release and infection. We hope to continue the project for another four years, and in future years, will try to communicate real-time spore levels to interested dry bean producers in southern Alberta.

Zone Legend



ZONE 1



ZONE 2



Zone 2

ADVISORS:

*Sarah Hoffmann (Chair), Les Bell,
Gerry Good, Barry Grabo, Noel Flitton,
Peter Hoff, Curtis Hoffmann, Kevin Steeves*

As with much of the province, pulse growers in Zone 2 experienced a challenging harvest in 2016 with wet conditions delaying harvest into the late fall. Most field pea crops were off earlier in the season, which is a great advantage to growing pulses. However, it wasn't completely stress-free as many of us ran our headers along some fairly muddy ground, trying to harvest as many peas as possible while leaving the dirt and rocks behind. Some faba bean and lentil crops in our zone were not combined in the fall.

Spring brought good seeding conditions. Most of our zone had adequate moisture for germination. Hot temperatures in July affected yields, with some combines even rolling before the end of the month. Combining in July in Alberta is not usually a sign of a great crop, but in the back of many growers' minds there is the glimmer of hope that at least it may be a much shorter harvest than last year.

Field peas remain the top pulse crop in this zone, and will for some time, but there is increasing interest in other types of crops. For the last two years our zone has funded a pulse regional variety trial comparing the production and agronomic characteristics of the emerging green and yellow pea, and green and red lentil varieties. Lentils are becoming more common in the east and south part of our zone. As well, several farmers in Zone 2 are experimenting with growing soybeans. From Rumsey to Standard and many places in between, progressive growers in our area are pushing agronomic boundaries to see if a nitrogen fixing oilseed can be profitable in this area. On July 19, the zone hosted a field day at our regional variety trial east of Beiseker. Mark Olson and Robyne Bowness Davidson from Alberta Agriculture and Forestry talked about agronomy. Representatives from W.A. Grain and Pulse Solutions in Innisfail brought an update on the plans they have to build a pulse processing plant in central Alberta.

Zone 2 also supported the research work of Dr. Syama Chatterton of AAFC in our zone. Dr. Chatterton is a pathologist who has been investigating the causes and potential treatments for root rots in pulses, including the devastating disease, aphanomyces. Because Dr. Chatterton is based in Lethbridge it is not always easy for her to make it up to the plots in Zone 2 in a timely fashion so our zone board decided to fund a part-time summer student to help with the field work. Katie Tainsh, from Three Hills, worked with Dr. Chatterton and her team.

Zone 3

ADVISORS:

Rick Mueller (Chair), Clifford Cyre, Nick Jonk, Justin Nanninga, JP Pettyjohn, Dan Visser

Each year the advisors elected in this zone meet and discuss research questions and priorities specific to Zone 3. A strong history of collaboration with provincial researchers has allowed this region to conduct independent research and demonstration trials. Zone 3 and the provincial Agriculture and Forestry (AF) team have conducted two trials this past year in the Barrhead/Namao area, pre-harvest product timing on faba bean and faba bean fungicide for control of chocolate spot. This was the third year of the pre-harvest product timing trial in which three pre-harvest products were evaluated at four timings (too early, early, recommended and late) on Malik and Snowbird cultivars. This was also the third year of the faba bean fungicide for control of chocolate spot trial, which included five fungicide treatments and an untreated check on the cultivar Snowbird. The preliminary results are forthcoming and will be presented at the Zone 3 annual meeting in November. Over the growing season, a total of six crop tours were hosted by the group. Zone 3 welcomed summer student Lynn DeHann this year and wishes to thank her for helping to conduct zone-specific research.

Zone 4

ADVISORS:

Caroline Sekulic (Chair), David Bosma, Kevin Finster, Troels Hansen, Jerome Isaac, Peter Konstapel, Michael Popek

Harvest in our zone was abundant but difficult. Many fields overwintered, and there were many summer fallow fields in 2017 due to wet, late or unharvested crops.

There were RVT trials across the zone, as well as SARVT (SARDA regional trials) which focused on varieties grown just in the Peace region and not recognized in province-wide RVT trials. There were crop walks and field days hosted by NPARA, MARA, SARDA, Beaverlodge research station (Agriculture Canada), and other organizations. Harvest data will be interesting and varied as many fields are up to two weeks later than usual. We are holding our breath hoping for a very late frost and an open fall.

Zone 5

ADVISORS:

Robert Semeniuk (Chair), Michael Bury, Harold Haugen, Tom Jackson, Gus Johnson, Andrew Kittle, Gordon Tuck, Zolten Yarmie

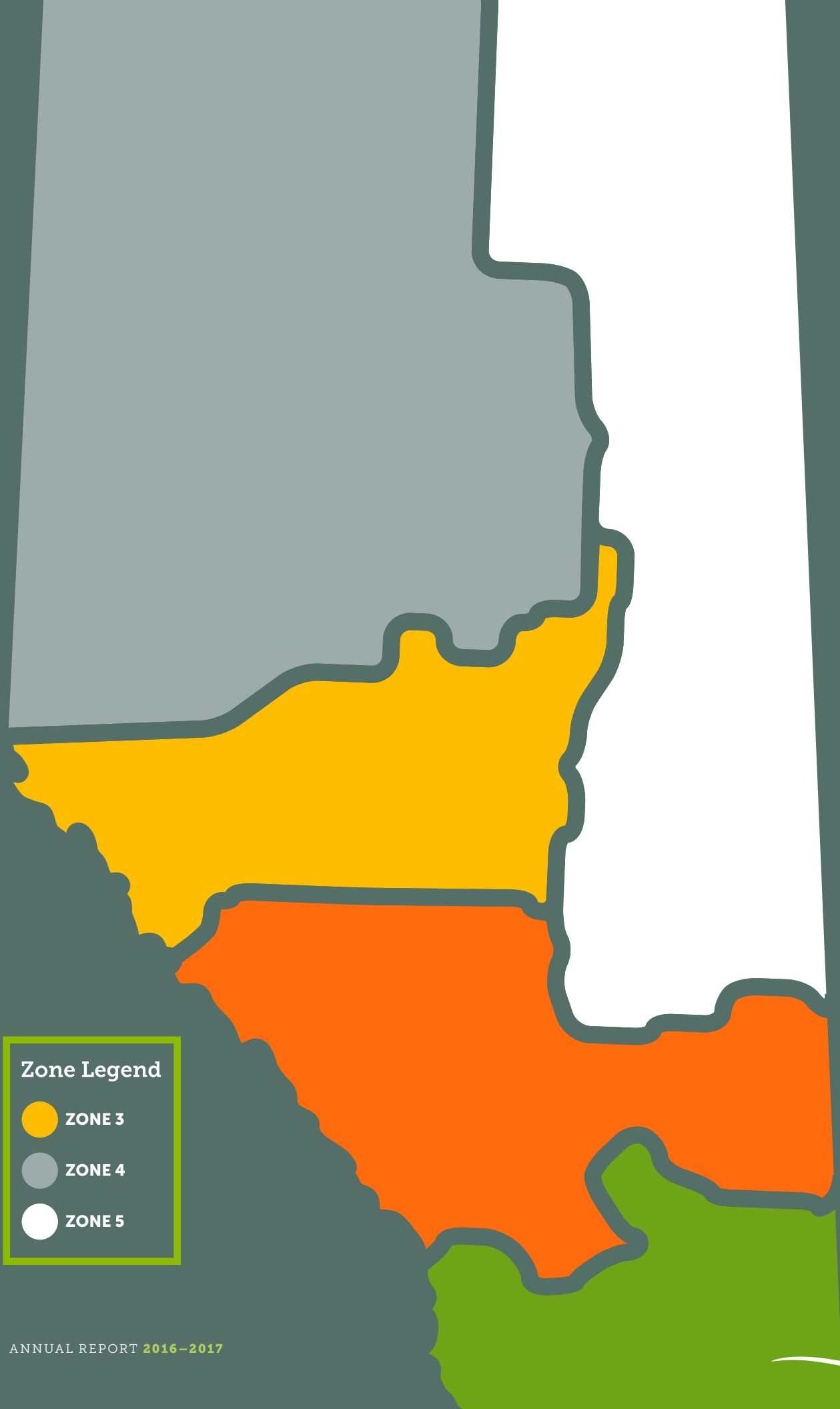
Most of the pulses were harvested on time in 2016, and the crop quality and yields were pretty good in Zone 5. However, the weather proved a major obstacle to harvesting other crops for many producers. The wet weather continued right up until July 2017, which added to the challenge of harvesting and seeding at the same time. It was amazing what the farmers were able to accomplish and anyone who was able to harvest the previous year's crop did so. There was a lot of support among producers for one another as everyone was pretty much in the same boat.

The 2016 Yield Challenge winners were announced at the Zone 5 AGM in November. Darryl Tuck won first place for peas with 103 bushels per acre, and Matt Micklich won first for faba beans with 74 bushels per acre.

A highlight of the 2016–17 year was a crop walk at Advisor Gordon Tuck's farm near Vegreville. Topics focused on disease mitigation questions, and a good discussion about nodulation on faba beans, peas and soybeans. Soybeans were just beginning to flower at the site, which also featured a spore collection project from 20/20 Seed Labs. Sarah Foster spoke about the project and about the potential for early diagnosis and spread of disease across fields. The majority of zone advisors attended and the discussions continued after the event with most participants sharing a meal.

As of this writing, the zone was reviewing applications for the scholarship Zone 5 awards to a second-year crop tech student at Lakeland College.

Zone 5 is pleased to welcome two new advisors in Andrew Kittle and Zolten Yarmie, and thanks departing advisors Gus Johnson and Shawn Inge for their service.



Zone Legend

-  ZONE 3
-  ZONE 4
-  ZONE 5

Policy

APG continues to be actively engaged in advocacy relating to tax policy, pesticide re-evaluations, farm safety, issues of public trust, environment, best management practices, climate change and other areas impacting producers' bottom lines and livelihoods.



The organization is committed to working with Alberta Barley, Alberta Canola and Alberta Wheat, as Team Alberta to ensure coordination, consensus and amplification when engaging federal, provincial and municipal governments. APG also collaborates through a multitude of stakeholder groups provincially and federally to find alignment and consensus wherever possible, to ensure the direction and strategy set by the Board of Directors can be acted upon.

The following are highlights of policy work during the past year.

PMRA and Pesticide Re-evaluations

APG provided input to the federal government in order to protect producers' ability to combat crop pests. Work in this area includes Lambda-Cyhalothrin, commonly known as Matador®, Imidacloprid and Thiamethoxam, the two seed treatments more widely used and relied upon in integrated pest management. APG, along with Saskatchewan Pulse Growers, Manitoba Pulse & Soybean Growers, Ontario Bean Growers and Pulse Canada, continues to work 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.

Cash Ticket Deferrals and Other Tax Changes

The past year saw announcements regarding Cash Ticket Deferrals and changes for small business owners including incorporated family farms. APG worked with Team Alberta and private sector analysts to communicate the potential impact on members, and implications for intergenerational transfer.

Farm Safety

APG continues to be active in farm safety initiatives, including through AgSafe Alberta and the newly formed, industry-led farm safety association. A permanent line item in the provincial budget for farm safety reflects the board commitment to strengthening the culture of farm safety in Alberta and ensuring those most dear to us, our extended family, children, hired men and women come home safe every day.

Carbon, Provincial and National Tax

The cropping sector has never been recognized for the environmental benefits of production practices and adoption of new technologies in emission reductions. APG along with other producer commissions continued to advocate for the provincial government to conduct a secondary impact study of the indirect costs that the carbon levy will have on producers' inputs. Team Alberta is working to engage Emission Reductions Alberta, the Ministry of Environment, Biological Carbon Canada, Agri-Environmental Partnership of Alberta, the Grain Growers of Canada and others to ensure pulse growers are not disadvantaged by taxing carbon, while ensuring our members are compensated for the additional costs of the environmental services they provide.

Sustainability

APG has been working with Team Alberta to bring a self assessment tool to Alberta crop producers through a one-stop-shop website that will contain information on all the various farm plans, protocols, sustainable sourcing platforms and allow producers to see how they measure up. The National Environmental Farm Plan and the Canadian Agriculture Policy funding for environmental best practices and adoption of climate smart technology continue to be areas APG is following.

UPOV'91 and Variety Development

APG hosted a summit to look at Value Creation related to breeding in the pulse sector. The purpose of the gathering was to initiate conversation, explore the different mechanisms of value capture, and to look at new ways to create additional value through collaboration between breeders, pulse growers and end users. This remains a key initiative moving forward.



Industry Spotlight:

Pulse Canada

Pulse Canada 

1. What is Pulse Canada?

Pulse Canada is the national industry association that represents growers, processors and traders of pulse crops in Canada. Direction and funding for Pulse Canada is provided by Alberta Pulse Growers Commission, Saskatchewan Pulse Growers, Manitoba Pulse and Soybean Growers, Ontario Bean Growers and the Canadian pulse processors and exporters that are members of the Canadian Special Crops Association (CSCA).

Pulse Canada's objectives to increase the profitability of pulse production and trade fall under two main areas:

- **Creating Efficiencies:** Eliminating barriers to trade and ensuring the industry has the transportation capacity and service it needs.
- **Diversifying Revenue:** Creating sustainable demand for Canadian pulses by marketing the health, nutrition and environmental benefits of pulses to end users; accelerating research that removes barriers and creates incentives for pulse consumption; and collaborating with key private and public sector stakeholders to create food systems that prioritize health and sustainability.

2. What was the key highlight that you would want to communicate to Alberta producers this year about something that your organization did on behalf of producers?

Following signals that changes were coming to India's import policy for pulses from Canada, Pulse Canada worked with Government of Canada officials to resolve the problems foreseen with India's proposed approach to fumigation. The market access problems in India have been elevated to the highest levels of government in both countries. Pulse Canada has also been working with trade associations in India to find a workable solution. Work continues with the objective

of agreement on a long term policy that will exempt Canadian pulses from any fumigation requirement.

Market access issues have arisen with Canadian pulse exports to many countries in the last year including fumigation issues with Pakistan, detection of blackleg in canola present in pea shipments to China, a fusarium strain in peas that is of concern in Myanmar, white mold sclerotia in lentil shipments to Egypt, non-compliance due to Colombia's tolerance for soil, and detention of containers in Panama due to the presence of seeds of round-leaved mallow. Timely resolution of any delay in shipment and solutions to allow trade to continue are important to farmers and the pulse trade in Canada.

3. What are the top three things that Pulse Canada is going to do in the 2017–18 crop year that supports producers?

Pulse Canada is finalizing details of an updated strategic plan for 2018–23 that is based on a new target of "25 by 2025". Established by the Pulse Canada Board in December, "25 by 2025" targets increasing the use of pulses in new use categories to 25 per cent of production by 2025. Combining Canadian and U.S. pulse production today, the 25 per cent target translates into three million tonnes of pulses directed to non-traditional utilization. Achieving this target will require a focus of market development efforts on engaging companies in the product categories with greatest volume potential based on size of the market and realistic pulse inclusion rates. Based on a Pulse Canada analysis, these categories include bakery, biscuits, noodles, snack foods and pet food. If pulses were incorporated into 10 per cent of the products globally in these categories at realistic incorporation rates, the total new utilization would be \$1.84 million tonnes. Current usage of whole pulses in North American foodservice "scratch cooking" for soups, side dishes, meals, etc. is under 250,000 tonnes. If North American consumption of whole and split pulse products doubled from current rates, and foodservice use of pulses tripled, this would add an additional \$1.32 million tonnes of pulse use.

Consultations with targeted pulse processors (flours, fractions, whole, split, canned), food manufacturers and foodservice companies are underway. Feedback from these consultations will provide direction to Pulse Canada on activities that these leading companies see as being of greatest value and importance to support their efforts to use and sell more pulse-based products. The consultation will also determine which areas of pre-competitive research on nutrition, health, processing and utilization are most relevant and important to a broad range of stakeholders. Feedback on the research priorities will be provided to the scientific community as well as research funders, including Alberta Pulse Growers, who can use these food industry insights to help determine funding priorities.

In the area of traditional markets, Pulse Canada will continue to work on behalf of Alberta Pulse Growers to ensure that trade-enabling outcomes are reached in the areas of ongoing fumigation challenges in India and Pakistan, longer-term policies to harmonize import requirements, and free trade agreements.

Finally, Pulse Canada's transportation work plan will support producers by focusing on two key areas. First, Pulse Canada will provide analysis and offer recommendations to Bill C-49 Transportation Modernization Act, introduced in May and intended to pass in late 2017. Second, Pulse Canada will work to maintain and strengthen the railway performance measures collected by the Ag Transport Coalition. The program has allowed the pulse and special crop sector to assess whether railways are providing sufficient resources to move grain. The government funding for ATC expires in March 2018 and Pulse Canada will work with partners to ensure the value of the program continues after that date.

4. What is the value of APG being a member of Pulse Canada?

Many of the issues that are of interest and concern to Alberta pulse growers, are the same issues faced by pulse growers in other provinces and by companies in the pulse trade. Pulse Canada offers a way for farmers and the trade to work together and address the issues of mutual interest and concern in a way that is both cost and time effective. This collaborative approach also allows an organization like Pulse Canada to develop specialization in areas that may be led by the Government of Canada including food regulatory issues, transportation or market access requiring national government to government interactions.

Pulse Canada goes beyond coordination of action plans at the national level and develops partnerships on a global basis. This linkage with other groups is not limited to working with other pulse organizations. Many of the issues addressed by Pulse Canada deal with other agricultural groups and with other sectors like mining, forestry or health groups like Diabetes Canada. The Canadian and U.S. pulse industry are working together on promotion targeting consumers, and have worked together to address interest in pulses from large global food companies. Coordination of research, at both the national and international level, ensures that more work can be done and can avoid duplication of research in priority areas.

As a major funder of Pulse Canada, the APG Board has four of 12 seats at the Pulse Canada Board table. Alberta pulse grower direction and leadership delivers results at the national and international level.



Pulse Canada CEO Gord Bacon at Pulses 2017 in Vancouver.

President Jeff Nielsen:

Grain Growers of Canada



1. What is Grain Growers of Canada?

Representing 12 regional grain groups coast to coast, Grain Growers of Canada (GGC) is the recognized national voice in Ottawa for Canada's grains, oilseed and pulse producers. Founded in 2000, we are the only national farmer-run organization representing those grains collectively.

GGC advocates to the federal government for growth in international trade including the removal of non-tariff barriers, strong business risk management programs, reliable and fair grain transportation, a science-based regulatory system, and a sustainability framework that takes the needs of farmers into consideration. GGC is relied upon to provide a strong farmer voice on national roundtables and is frequently called on by government to provide input on the needs of the industry across Canada.

2. What was the key highlight that you would want to communicate to Alberta producers this year about something that your organization did on behalf of producers?

Transportation policy has always been central to the work of GGC. Following a long review of the Canada Transportation Act, to which GGC provided comments several times and appeared before the House of Commons Standing Committee on Transportation, the federal government finally announced Bill C-49, the Transportation Modernization Act on May 16, 2017. Consistent messaging from the agriculture industry as a whole meant that many of the specific asks put forward by GGC are directly reflected in the Bill. While GGC certainly has some questions around specific elements of the bill, we are hopeful that the proposed changes will lead to real improvements in grain transportation for the future.

3. What are the Top 3 things that GGC is going to do in the 2017–18 crop year that supports producers?

Having developed a three-year Vision 2020 strategic plan this summer, GGC will be focused on implementing the actions laid out and meeting the needs of members. Members can expect to see stronger communications outreach including a survey, streamlined identification of key policy areas and re-engagement of our committees. This year's federal government advocacy will be on the completion of the transportation bill, strong engagement in the recently announced review of BRM programs, ongoing PMRA reviews of crop inputs such as Lambda-Cyhalothrin, and the NAFTA renegotiation.

4. Why is it important for APG to continue to be a member of your organization?

Government prefers to hear from a united voice when it comes to advocacy and APG, in its role as a leading pulse commission in western Canada, adds true value to GGC. Working together with other grain groups helps amplify the message in Ottawa and can bring a united front on issues of common interest across the crops sector. When GGC speaks to MPs, committees and bureaucrats, we do it with the combined knowledge of our membership and a respected farmer voice. We're stronger together as we work to meet the needs of our members and move the agriculture industry forward.



Grader Wes Reid from W.A. Grain demonstrates pulse grading at Making the Grade in Olds, a hands-on grain grading day for farmers hosted by Alberta Pulse Growers in partnership with Alberta Barley, Alberta Canola Producers Commission and Alberta Wheat Commission.

Audit and Finance

The Audit and Finance Committee's objective is to oversee the financial health of the organization and make recommendations to the board on financial policy.

The committee works closely with APG staff to review and understand the financial statements and budgets, liaises with the organization's appointed auditors during the yearly audit process, and provides close scrutiny to budget and other financial plans of the organization. The committee discusses any risk and provides guidance to the board on its recommendations. Of the utmost importance is to have APG service fees being used for the advancement of the mandate of APG.

AUDIT AND FINANCE COMMITTEE MEMBERS:

Directors Ryan Kubinec (Chair), Fraser Robertson, Doug Sell and APG Chair D'Arcy Hilgartner, supported by APG staff.





Alberta Pulse
Growers Commission

Financial Statements

July 31, 2017

Management's Responsibility

To the Members of the Alberta Pulse Growers Commission:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit and Finance Committee are composed entirely of Directors who are neither management nor employees of the Commission. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Commission's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 7, 2017



Leanne Fischbuch
Executive Director

Independent Auditor's Report

To the Members of the Alberta Pulse Growers Commission:

We have audited the accompanying financial statements of the Alberta Pulse Growers Commission, which comprise the statement of financial position as at July 31, 2017, and the statements of revenue and expenditures, changes in members' equity, cash flows and schedules one to seven 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.

Auditors' 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 auditors' 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 is sufficient and appropriate to provide a basis for our qualified opinion.

Basis for Qualified Opinion

The Alberta Pulse Growers Commission derives the majority of its revenue from levies submitted on behalf of producers of pulse crops. The recognition of this revenue is initiated by the registered dealer at the time of delivery and reported to the Commission. Since it is not possible for the Commission to ensure that all revenue is reported, the completeness of revenue is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts reported by registered dealers to the Commission and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures and cash flows from operations for the years ended July 31, 2017 and July 31, 2016, and current assets and net assets as at July 31, 2017 and July 31, 2016.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Alberta Pulse Growers Commission as at July 31, 2017 and the results of its operations, changes in members' equity and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Leduc, Alberta
November 7, 2017

MNP LLP

Chartered Professional Accountants

Alberta Pulse Growers Commission

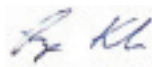
Statement of Financial Position

	Head Office	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	2017	2016
ASSETS								
Current								
Cash	4,423,016	28,987	73,871	62,212	26,129	54,512	4,668,727	4,267,831
Investments	8,251,194	-	-	-	-	-	8,251,194	4,809,134
Accounts receivable	382,830	-	-	30	-	-	382,860	235,044
Prepaid expenditures	227,505	-	-	-	-	-	227,505	173,051
Total current assets	13,284,545	28,987	73,871	62,242	26,129	54,512	13,530,286	9,485,060
Capital assets (Note 4)	291,432	28,324	-	-	-	-	319,756	30,281
Total assets	13,575,977	57,311	73,871	62,242	26,129	54,512	13,850,042	9,515,341
LIABILITIES								
Current								
Accounts payable and accruals	177,905	795	8,892	7,036	3,500	1,180	199,308	151,968
Research payable	170,286	-	-	-	-	-	170,286	466,078
Total liabilities	348,191	795	8,892	7,036	3,500	1,180	369,594	618,046
Commitments (Note 5)								
MEMBER'S EQUITY								
Accumulated surplus	(3,590,542)	28,193	64,979	55,206	22,629	53,332	(3,366,203)	2,388,511
Equity in capital assets	291,432	28,323	-	-	-	-	319,755	30,281
Reserves (Note 6)	16,526,896	-	-	-	-	-	16,526,896	6,478,503
	13,227,786	56,516	64,979	55,206	22,629	53,332	13,480,448	8,897,295
	13,575,977	57,311	73,871	62,242	26,129	54,512	13,850,042	9,515,341

Approved on behalf of the Board



Director



Director

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

Statement of Revenue and Expenditures

	2017	2016
Revenue		
Communication and Extension – Schedule 1	23,434	33,212
Market Development – Schedule 2	21,459	22,823
Research – Schedule 3	75,498	36,558
Zones – Schedule 6	46,237	44,464
Administration – Schedule 7	8,823,508	5,671,813
Less: Zone revenue transferred from operations (Note 3) – Schedule 7	(31,500)	(26,000)
	8,958,636	5,782,870
Expenditures		
Communication and Extension – Schedule 1	605,692	410,249
Market Development – Schedule 2	1,607,118	1,869,548
Research – Schedule 3	1,259,970	972,064
Risk Management – Schedule 4	97,551	81,580
Sustainability and Trace – Schedule 5	21,425	28,848
Zones – Schedule 6	50,397	41,862
Administration – Schedule 7	733,330	663,128
	4,375,483	4,067,279
Excess of revenue over expenditures	4,583,153	1,715,591

Statement of Changes in Members' Equity

	Accumulated surplus	Reserves	Equity in capital assets	2017	2016
Opening	2,388,510	6,478,503	30,282	8,897,295	7,181,704
Excess of revenue over expenditures	4,583,153	-	-	4,583,153	1,715,591
Purchase of capital assets	(309,457)	-	309,457	-	-
Amortization	19,984	-	(19,984)	-	-
Transfer to reserves	(10,048,393)	10,048,393	-	-	-
Ending	(3,366,203)	16,526,896	319,755	13,480,448	8,897,295

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

Statement of Cash Flows

	2017	2016
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
Operating activities		
Cash receipts	9,629,084	5,833,595
Cash paid to suppliers	(4,787,902)	(3,517,022)
Cash paid to employees	(693,313)	(629,333)
Interest paid	(22,352)	(14,241)
Interest received	181,478	174,007
	4,306,995	1,847,006
Investing activities		
Net purchase of investments	(3,598,798)	(3,605,521)
Additions to capital assets	(309,457)	(12,301)
Proceeds on disposal of capital asset	2,160	-
	(3,906,095)	(3,617,822)
Increase (decrease) in cash	400,900	(1,770,816)
Cash, beginning of year	4,267,831	6,038,647
Cash, end of year	4,668,727	4,267,831

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

Notes to the Financial Statements

1. Incorporation and purpose of the organization

The Alberta Pulse Growers Commission (the "Commission") is an incorporated not-for-profit organization, exempt for income tax purposes, established through the *Alberta Marketing of Agricultural Products Act*. The Commission's purpose is to provide grower support and to promote marketing and research of pulse crops in Alberta. The Commission is comprised of five zones and the head office.

2. Significant accounting policies

The financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations as set out in Part III of the CPA Handbook—Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash

Cash includes deposits with banks and investment portfolios with maturities of three months or less.

Investments

Investments are amounts invested in a low-risk diversified bond fund with quoted market values that are measured at fair value.

Capital assets

Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. The Commission's capitalization policy is for items costing \$1,500 and above.

	Rate
Automotive equipment	5 or 10 years
Computer equipment	2 or 5 years
Office equipment	5 years
Leasehold improvements	4–10 years

Financial instruments

All financial instruments are initially recorded at their fair value, excluding certain financial assets and liabilities originated and issued in a related party transaction measured at their carrying or exchange amount in accordance with Section 3840 Related Party Transactions. At initial recognition, the Commission may irrevocably elect to subsequently measure any financial instrument at fair value. The Commission has not made such an election during the year.

The Commission subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenditures for the current period. Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Commission assesses impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year excess of revenue over expenditures.

Revenue recognition

The Commission uses the deferral method of accounting for contributions. Externally restricted contributions and grants are recognized as revenue in the year in which the related expenditures are incurred and appropriate reporting has been submitted. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Service fee revenue is recognized monthly as the commission is earned. All other revenue is recognized as the related service or product is delivered.

Contributed services

Volunteers contribute significant hours per year to assist the Commission in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results may vary from current estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenditures in the periods in which they become known.

Nature of funds in net assets

- a) The equity in capital assets fund represents the net book value of capital assets held at the year-end less any related capital debt and capital deferred contributions.
- b) The accumulated surplus fund represents the funds available that are not internally restricted by the Board of Directors.
- c) The reserves fund represents funds restricted by the Board of Directors to be available for future project commitments and internally mandated operations.

3. Zone revenue transferred from operations

A portion of zone revenue consists of amounts transferred from operations. These amounts are reported as revenue in the zones with an offsetting deduction from revenue in administration.

4. Capital assets

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Automotive equipment	72,400	44,076	28,324	875
Computer equipment	104,644	89,976	14,668	25,180
Office equipment	12,977	10,361	2,616	4,226
Leasehold improvements	284,976	10,828	274,148	-
	474,997	155,241	319,756	30,281

Leasehold improvements include asset additions with a carrying value of \$274,148 (2016–nil). No amortization of this asset has been recorded during the current year because it is currently under construction.

5. Commitments

The Commission has signed research grant agreements, marketing project agreements, and operational agreements committing to the following payments over the next five years:

	2018	2019	2020	2021	2022	Thereafter	Total
Research	771,771	505,998	266,608	84,152	-	-	1,628,529
Marketing	282,405	202,247	99,906	-	-	-	584,558
	1,054,179	708,245	366,514	84,152	-	-	2,213,087
Pulse Canada							
Core funding	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	666,667	5,666,667
Other Operations							
Office lease	117,141	103,493	93,607	94,482	98,856	546,771	1,054,350
Construction contract	134,147	-	-	-	-	-	134,147
	251,288	-	-	-	-	-	1,118,497
Total	2,305,464	1,811,738	1,460,121	1,178,634	1,098,856	1,213,438	9,068,251

6. Reserves

	2017	2016
Committed future projects		
Research	1,628,529	884,199
Marketing	584,558	320,138
	2,213,087	1,204,337
Pulse Canada		
Annual support	5,666,667	1,666,667
Operational		
Office lease	1,054,350	-
Construction contract	134,147	-
	1,188,497	-
Internally restricted reserves		
Projects approved not contracted	4,629,561	1,042,929
Plot to Field project	1,779,084	1,964,570
Operational reserve	800,000	600,000
Industry research chair	250,000	-
	7,458,645	3,607,499
	16,526,896	6,478,503

The reserves include commitments above from Note 5 plus internally restricted reserves.

7. Financial instruments

The Commission, as part of its operations, carries a number of financial instruments. It is management's opinion that the Commission is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Accounts receivable from one customer (2016 – three customers) in connection with pulse crop service fees represents 48% (2016 – 49%) of total accounts receivable as at July 31, 2017. The Commission believes that there is minimal risk associated with the collection of these amounts. The balance of accounts receivable is widely distributed among the remainder of the Commission's large customer base. The Commission performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

Interest rate risk

The fair value of investments is subject to risk associated with the change in market interest rates. As market interest rates rise, the fair value of fixed income securities decline. If market interest rates remain stable, then any decline in fair value will diminish as the securities are held to maturity. The Organization mitigates the risk by investing in a diversified portfolio of bonds with various maturity dates.

8. Allocation of expenses

Human resources expenses of \$344,501 (2016 — \$314,208) have been allocated as follows:

	2017	2016
Communication and Extension	196,995	185,647
Market Development	88,229	79,314
Research	59,277	49,247
	344,501	314,208

Schedule 1: Communication and Extension Revenue and Expenditures

	2017	2016
Revenue		
Pulse Crop News	23,434	33,212
Expenditures		
Human resources, administration and travel	225,951	209,367
Projects	161,492	89,794
Marketing channels	114,165	12,117
Pulse Crop News — postage and printing	69,181	68,638
Trade fair and extension initiatives	22,211	12,192
Sponsorships	12,692	18,141
	605,692	410,249
Deficiency of revenue over expenditures	(582,258)	(377,037)

Schedule 2: Market Development Revenue and Expenditures

	2017	2016
Revenue		
Feed benchmarks	21,459	6,300
Market income	-	13,523
Mission ImPULSEible sponsorships	-	3,000
	21,459	22,823
Expenditures		
Pulse Canada	1,015,502	1,112,445
Marketing projects	263,071	466,340
Human resources, administration and travel	159,669	112,120
Food and nutrition initiatives	108,391	97,392
CSCA membership and convention	38,964	28,581
Promotion	14,766	11,295
Mission ImPULSEible	6,755	16,461
International travel	-	24,914
	1,607,118	1,869,548
Deficiency of revenue over expenditures	(1,585,659)	(1,846,725)

Schedule 3: Research Revenue and Expenditures

	2017	2016
Revenue		
CPRW start up funds	45,774	-
Research contribution	29,724	36,558
	75,498	36,558
Expenditures		
Research projects	986,521	847,421
Plot to Field agronomic research	185,487	35,430
Human resources, administration and travel	82,712	68,890
Prairie Pest Minor Use Consortium membership	5,250	14,323
CPRW sponsorship	-	3,000
Other sponsorships	-	3,000
	1,259,970	972,064
Deficiency of revenue over expenditures	(1,184,472)	(935,506)

Schedule 4: Risk Management Expenditures

	2017	2016
Expenditures		
Administration and travel	35,161	23,035
Memberships	35,000	35,000
Farm safety	23,326	23,545
Team Alberta engagement	4,064	-
	(97,551)	(81,580)
Deficiency of revenue over expenditures	(97,551)	(81,580)

Schedule 5: Sustainability and Trace Expenditures

	2017	2016
Expenditures		
Projects	15,426	28,618
Administration and travel	5,999	230
Deficiency of revenue over expenditures	(21,425)	(28,848)

Schedule 6: Zones Revenue and Expenditures

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	2017	2016
Revenue							
Allocation from operations (Note 3)	7,500	5,500	7,500	5,500	5,500	31,500	26,000
Projects	7,785	-	-	-	-	7,775	13,699
Annual general meeting	3,800	-	-	-	283	4,083	2,650
Gain on disposal of capital asset	2,160	-	-	-	-	2,160	-
Interest	9	270	-	271	69	619	2,115
	21,344	5,770	7,500	5,771	5,852	46,237	44,464
Expenditures							
Zone annual meeting	7,181	1,759	1,682	1,698	1,824	14,144	7,366
Projects	-	5,422	6,559	-	1,000	12,981	21,348
Sponsorship	-	3,000	-	4,147	-	7,147	-
Office	5,385	-	478	-	-	5,863	1,566
Amortization	3,450	-	-	-	-	3,450	-
Insurance	3,100	-	-	-	-	3,100	2,339
Tours, seminars and trade fairs	1,670	586	-	-	403	2,659	2,179
Promotional material	715	-	-	-	-	715	-
Bank charges and interest	-	121	33	91	93	338	337
Repairs and maintenance	-	-	-	-	-	-	3,226
	21,501	10,888	8,752	5,936	3,320	50,397	41,862
Excess (deficiency) of revenue over expenditures	(157)	(5,118)	(1,252)	(165)	2,532	(4,160)	2,602

Schedule 7: Administration Revenue and Expenditures

	2017	2016
Revenue		
Service fees	9,604,821	5,750,486
Less: Services fees refunded	(845,164)	(265,705)
Interest	200,438	121,324
Other revenue	20,151	-
AGM sponsorship	-	750
Unrealized gains (losses) on investments	(156,738)	64,958
Transfers to zones (Note 3)	(31,500)	(26,000)
	8,792,008	5,645,813
Expenditures		
Human resources	353,121	310,264
Director meetings and travel	117,723	118,252
Annual general meeting and FarmTech	62,597	57,761
Office lease	47,593	43,206
Office expenses	43,800	38,210
Professional fees	27,079	21,683
Bank charges and interest	22,014	13,902
Amortization	16,534	16,829
Staff travel	10,896	13,602
Professional development	10,066	4,974
Telephone, fax and internet	8,514	9,919
Zone administration and travel	7,458	8,364
Insurance	5,845	5,920
Advertising	90	242
	733,330	663,128
Excess of revenue over expenditures	8,058,678	4,982,685



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