



ANNUAL REPORT
2018-19



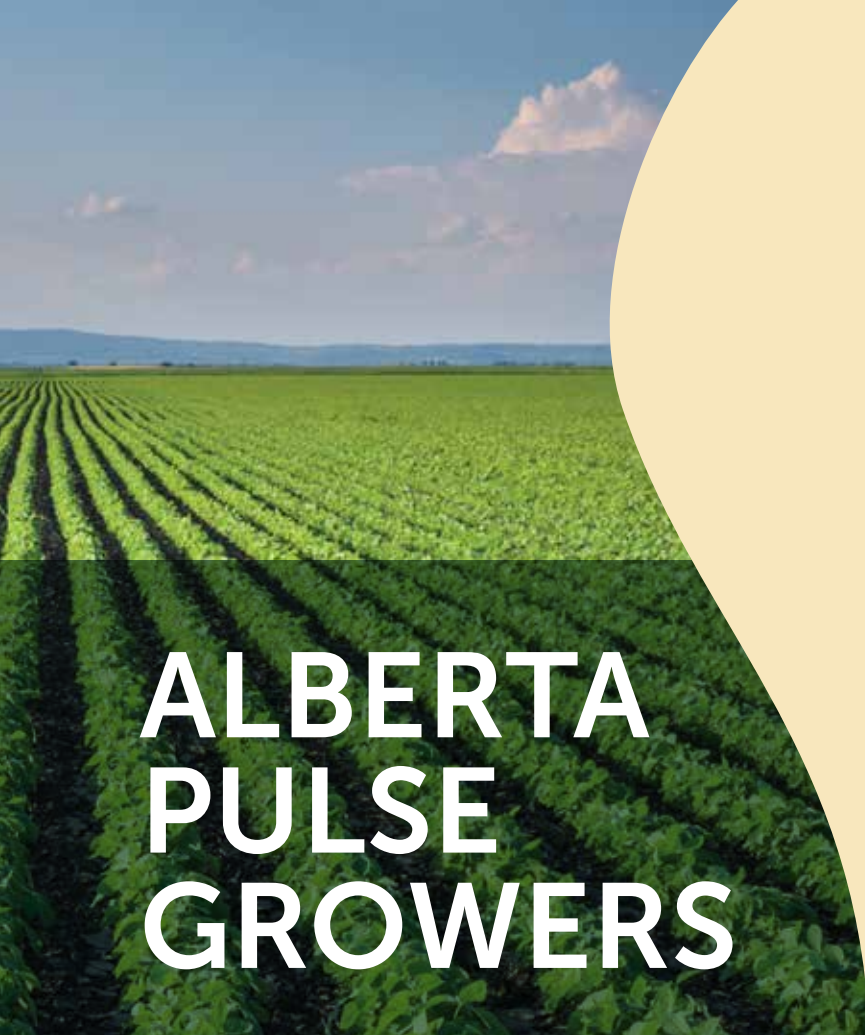
**ALBERTA PULSE
GROWERS**

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30 YEARS



Contents

1 – Vision, Mission, and Values	15– Financial Statements
2 – Chair’s Report	16– Management’s Responsibility
3 – Executive Director’s Message	17– Independent Auditor’s Report
4 – Progress on APG’s Five-Year Strategic Plan	18– Statement of Financial Position
5 – Agronomy & Extension	29– Board of Directors & Staff
6 – Research	
7 – Marketing	
8 – Policy & Advocacy	
9 – Partnerships	
10– Zone Reports	
12– Pulse Canada	
12– Soy Canada	
13– Grain Growers of Canada	
14– Alberta Pulse Growers App	
15– Audit and Finance Committee	



ALBERTA PULSE GROWERS

Vision: 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.

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

Values

ACCOUNTABILITY

OPTIMISM

COLLABORATION

INNOVATION

SUSTAINABILITY



Don Shepert **CHAIR'S REPORT**

It seems like there are weather challenges every year, and 2018-19 was no exception.

As growers, we try our best to mitigate the elements we can't control by managing the factors we can control with good planning, utilizing the best information and resources available. Despite continued uncertainty in the markets, seeding estimates show that Alberta producers planted more pulses this spring than in the previous year.

This was the first year that APG members benefitted from a reduction in service fees to 0.75%. Good fiscal planning for reserved funds allowed APG to continue investing in research activities, Pulse Canada and other national voices for the industry. This allowed farmers to keep more money for their own operations during what turned out to be a challenging year. The Board decided to reduce the check-off from 1% by reviewing APG's commitments, goals and finances, and determined that the organization can continue making meaningful investments in priority areas with a reduced levy.

We continue to work with our partners on market access issues. Advocacy has become an important component of the services that APG provides for farmer members. It is critical that we continue working with our national partners and other Alberta commissions to amplify our voices. Fragmenting our advocacy messages at times is necessary, but if we can find common ground, the message has more impact.

Diversification of our markets is a necessity as farmers rely on a dependable market to grow the industry. The increased demand for pea protein that made news throughout the last year is one of many reasons to advocate for domestic processing facilities and increasing pulse consumption here at home.

APG's goals for the industry as we approach the latter part of the 2015-20 strategic plan continue to be sustainable, measured growth and expansion, though progress was not as aggressive in some areas due to the recent trade issues.

APG continues to invest in research projects targeting disease resistance and other improvements in genetics, yield, sustainability and health to help farmers grow and market their pulse crops. The organization maximizes grower dollars by partnering on projects when possible. We are very proud of the new regional variety trial (RVT) website which was added to APG's resources for growers during the year, in addition to a new smartphone app for news and RVT updates.

APG's 6,500 members and other stakeholders also receive extension information and other updates through the *Pulse Crop News* magazine, Twitter, and a strong presence at trade shows and events like CanolaPALOOZA, WheatStalk and FarmTech.

Meanwhile, a full third of the Board transitioned during the year and selected me as APG Chair. At the annual general meeting in January, we thanked outgoing Chair and Zone 5 Director D'Arcy Hilgartner, Zone 2 Director Doug Sell, Director-at-Large (Non-Bean) John Kowalchuk, and Director-at-Large (Bean) Tim van der Hoek for their years of service guiding the organization and helping to shape the industry.

The Board welcomed Zone 2 Director Kelisha Archer, Zone 5 Director Robert Semeniuk, Director-at-Large (Bean) Will Muller, and Director-at-Large (Non-Bean) Peter Konstapel, who eagerly filled the vacant positions.

This was a good year to have new Directors join the Board providing fresh perspectives as discussions began about APG's next five-year strategic plan that will be implemented starting in 2020.



Leanne Fischbuch EXECUTIVE DIRECTOR'S MESSAGE

The last 30 years for the pulse industry was a period of growth and opportunity.

When innovators grew the first varieties of pea and bean crops in the province, small acreage and limited markets didn't deter the farmers who knew that there were benefits, rotation opportunities and a future. Present trade issues aside, there have been increases in acres, export, and strong growth in the sector including new uses for production. The emergence of flour and fractions from the past five years is leading to the opportunity that is more than a fad, and pulse ingredients are leading the plant protein push.

Whether you support plant-based food products or not, if you grow pulses, you need to be championing this evolution and understand that it brings much needed alternative markets for a portion of the Canadian pulse production and an option for many consumers. Farmers know that their pulses are top quality, and the industry is working on finding the specific criteria that will make the Canadian product distinctive, desired and in-demand in the global market.

Aside from the opportunity provided by pulse flours and fractions, our organization is moving to a greater emphasis on collective representation and efforts to work closer with others in the industry to accomplish goals. Collective representation includes advocacy and our work with partners such as Team Alberta (with Alberta Canola, Alberta Barley and Alberta Wheat), as well as with our pulse colleagues in Saskatchewan, Manitoba and Ontario and with national organizations (Pulse Canada, Grain Growers of Canada and Soy Canada). The objective of these collaborations is to bring valuable information to elected officials regarding industry issues like business risk management, pesticide re-evaluations, transportation and market access, as well as communicate to the public via education and outreach.

Research is still at the core of organization investment. Pursuit of answers to significant agronomic issues like management of *Aphanomyces* and other root rot complex pathogens, herbicide residues, white mould, and chocolate spot all remain important areas of investigation. This year APG committed over \$2.4 million to address research activities. APG also hosted the 11th Canadian Pulse Research Workshop bringing together pulse research scientists from across disciplines and

across Canada to Edmonton for two and a half days of presentations, tours and networking. APG last hosted the conference in 2010.

Extending research knowledge has also been a priority, and this year APG worked to create an app to deliver regional variety trial information as well as convey timely information regarding crop staging and other pertinent agronomic information. Acceptance of the new way of sharing regional variety trial information has been welcomed by farmers as well as the seed industry. The app also provided an opportunity for APG to push information such as press releases and market information out to the membership in an easy to access format. As we continue with the app, we are looking to enhance what we can bring to the grower community on the platform.

APG is also pleased to be working with Alberta colleagues on projects funded by the Canadian Agricultural Partnership to address extension to the general public.

Other key activities in 2018-19 included three on the administrative side of the organization specifically with the regularly scheduled review of the APG regulations: Marketing Plan Regulation, Marketing Regulation and Authorization Regulation. These three documents outline the rules around the organization's existence and fall under the Marketing of Agricultural Products legislation in Alberta. Small changes were approved by the membership at the 2019 AGM. The process for adaptation of the revised regulations is still underway and APG is hopeful that there will be implementation of the changes in 2019-20.

There is a lot of work that needs to be done and I wish to acknowledge and thank the highly-skilled and dedicated staff at APG who aim to support the directors and membership in the work of the organization. I'm also grateful to the directors and advisors who engage, direct, challenge and celebrate the efforts of the team. For the past 30 years, the organization has worked to grow the industry and we will continue to work to provide leadership, increase the competitiveness, profitability, and sustainability of pulse production, as well as promote the health and environment benefits of pulses for the future.



Progress on APG's Five-Year Strategic Plan



GROWER SUPPORT

- Launched APG news & RVT app to deliver timely updates
- Met with governments to highlight market access, sustainability and other issues
- Co-hosted 7th annual Chops and Crops Reception for MLAs
- As a host, celebrated 20 years of FarmTech Conference
- 6th annual Alberta Crops Breakfast hosted
- Increased participation in CanolaPALOOZA
- Participated in WheatStalk and many other field days and events



MARKETING

- Updated APG recipe booklet featuring 22 "Tried & True" pulse recipes
- *New Pulses: from Farm to Table* workbook for food demonstrations and workshops
- Shared 44,702 print resources with health professionals and consumers
- Shared 11,303 print resources and 205 gift cards worth \$5,125 with 66 schools/programs and 10,270 students
- 7,192 followers on @AlbertaPulse Twitter account
- 1,025 followers on Facebook account for consumers
- Launched Instagram account for consumers



PRODUCER PROFITABILITY

- Acres planted to pulses increased for a second year in a row
- Significant research investment with many partners to amplify grower investment
- Hosted 11th annual Canadian Pulse Research Workshop (CPRW) in Edmonton
- APG's farmer-driven Plot to Field program was expanded to 11 sites across the province
- Participation in pulse research projects to receive \$2.4 million in federal Science Cluster funding
- Continued strong participation in Keep It Clean program
- Levy decrease to 0.75% took effect

The above chart shows the progress made towards the goals outlined in APG's five-year strategic plan for 2015 to 2020. Progress continued to be made in several areas during 2018-19 in Grower Support, Marketing and Producer Profitability.

Agronomy & Extension

FARMTECH

APG continued with a larger island display and had great participation between concurrent sessions with directors, advisors, staff and members. New grower questions, RVT updates as well as the APG app were all highlights.

ALBERTA PULSE GROWERS APP

The APG app has introduced agronomy info alongside market updates and videos for producers. There were numerous agronomy information releases and more are coming soon!

CANOLAPALOOZA

Another highlight of the Extension programming this year. Many new and interested growers, agronomists and seasoned growers visited the plots and discovered pea leaf weevil, Aschochyta blight, and chocolate spot, saw chickpeas, lupins and more!

WHEATSTALK

APG participated as a sponsor of Alberta Wheat Commission's WheatStalk at Teepee Creek in the Peace Region of Alberta. It was the first year of participation and although it was a rainy day, many eager producers came out to look at the APG plots, RVT demonstrations and engaged in information and learning.

MAKING THE GRADE

A sold-out event at Olds College in Alberta. Highlights included Mac Ross from Pulse Canada who attended and discussed the Keep it Clean campaign and MRLs. Nevin Rosaasen and Larry Michta co-hosted grain grading, agronomy and grain storage consideration in pulses.

APPLIED RESEARCH ASSOCIATIONS

Pulses continue to be highlighted in demonstrations and RVT trials across the priority areas.



APG Policy & Program Specialist Nevin Rosaasen demonstrating how to use a sweep net to capture adult pea leaf weevils at CanolaPALOOZA in June 2019.





Research



APG's **"Living Lab" plot to field scale research program** has expanded to include 11 locations representing five soil zones across Alberta. Two new trials have begun looking at phosphorus fertilizer rates and placement on yield, and the impacts on the soil microbiological community. Trials focused on seed treatment efficacy on pea leaf weevil are in their final year. Ideal seeding rates to maximize yield, protein and seed size has completed its field portion and is currently being statistically analyzed.

Plant protein continues to be incorporated into our research portfolio. Breeding for higher protein content, as well as a focus on how to effectively extract and best use this sought-after ingredient are components of several projects (five projects, \$1.5 million APG investment for \$3.8 million total project value).

Aphanomyces and root rot continues to be a primary research focus. APG has committed \$1.1 million towards four comprehensive projects (\$2.5 million total value) targeting understanding the disease complexes, breeding for resistance, and management strategies to avoid or mitigate loss. We are grateful for the dedicated team of scientists working diligently with us to address perhaps the biggest challenge in pea and lentil production.

Pea leaf weevil, **intercropping**, herbicide residues, white mould and chocolate spot are also receiving attention through various research projects. Through partnerships with other provincial grower organizations, we are active participants in two cluster programs that have identified knowledge gaps across the prairies and seek to address them.

APG is **proud to partner** with Alberta Wheat and Barley and Alberta Canola to fund a position at the University of Alberta focused on Agricultural Entomology.



Collecting samples for Plot to Field research.

Marketing

Updated APG recipe booklet featuring **22 "Tried & True" pulse recipes.**

New Pulses: from Farm to Table workbook for food demonstrations and workshops.

Five pulse food demonstrations reaching 439 students, teachers and consumers.

Four pulse workshops with 138 educators, health professionals and consumers.

Ag education for 4,850 children through Aggie Days, Amazing Ag and City Slickers.

Highlighted pulses at food events like Canada Agriculture Day, Prairie on the Plate, Christmas in November, Global Edmonton, Global Calgary and CTV Calgary.

Shared 44,702 print resources with health professionals and consumers.

Shared 11,303 print resources and 205 gift cards worth \$5,125 with 66 schools/programs and 10,270 students.



The winning dish for most creative use of pulses at NAIT's Toque Demagney, Chorizo Raviolo in Creamy Tomato Sauce featuring black beans, red beans and crispy bean skins.

APG COLLABORATING ON PUBLIC TRUST PROJECTS WITH FUNDING FROM THE CANADIAN AGRICULTURAL PARTNERSHIP

Alberta Pulse Growers (APG) is participating in two projects for young people under the Public Trust theme of the Canadian Agricultural Partnership. The *Crop Literacy* project is under *Youth Agriculture Education* and the *Be Assured* project is under *Public Agriculture Literacy*.

The Canadian Agricultural Partnership is a five-year, \$3 billion federal-provincial-territorial investment in the agriculture, agri-food and agri-based products sector.

The *Youth Agriculture Education* program stream supports the development and delivery of effective agriculture education programs that are science-based, topic-driven, curricular-linked and help students use critical thinking to engage in meaningful and informed conversations about issues that affect public trust in agriculture. The approved *Crop Literacy* project is a collaboration between APG, Alberta Barley, Alberta Canola, and Alberta Wheat. The first phase of this project includes teacher and student focus groups and gap analysis at the junior high level with the goal of identifying evidence of current knowledge and understanding about the impact of crop-based agricultural production, seeking insights about what is most valuable and relevant for student learning in consideration of current curriculum, and identifying gaps in current resources that support both teacher and student learning.

The *Public Agriculture Literacy* program stream supports initiatives that build industry communication capacity to increase public and consumer awareness and understanding of agriculture and the food production system. The *Be Assured* Initiative was developed by Taste Alberta, a working group of advisors and partners that use communication, education and engagement to connect consumers with the facts about Alberta food and help consumers explore the amazing range of products in Alberta. This working group includes APG, Alberta Canola, Alberta Chicken, Egg Farmers of Alberta, Alberta Turkey, Alberta Pork and Alberta Milk.

The *Be Assured* Initiative is a consumer-focused communication program that builds trust in Alberta's food industry. The agriculture industry has various regulations, standards, codes of practice and certification programs that provide assurance to consumers that food is produced in a sustainable, ethically responsible, safe manner. The goal of this project is to increase public and consumer understanding and trust in agriculture, specifically when it comes to environment, animal welfare, health, transparency and traceability through targeted and simplified, non-technical key messages. In doing so, consumers can "be assured" that the agriculture industry is "doing the right thing".

Policy and Advocacy

APG is registered as an official lobbyist with the Ethics Commissioner in Alberta.

APG provided input, feedback or sought out elected official engagement to maintain and enhance the policy environment in which your farm operates. APG is a member of or contributes through the following organizations.

- Team Alberta continues to be a priority for advocacy focus including
 - New! – **TeamAlbertaCrops.com** website highlighting the policy work of the collective commissions
 - **FarmSustainability.com** - Helping growers improve sustainability and supply chain readiness
 - Continued provincial and federal advocacy on the collective issues of our Team Alberta members
- Agri-Environmental Partnership of Alberta (AEPA) and Crop Sector Working Group (CSWG) – Wetland, Water and Climate Change Adaptation policy. Working dialogue between Alberta Agriculture and Forestry, Alberta Environment and Parks, municipal government, federal government, environmental NGOs and Alberta's commissions.
- Continued advocacy for retention of crop protection products – Initiated and was successful in implementing a seminar with the Pest Management Regulatory Agency (PMRA) staff in Ottawa. Partners who answered how seed treatments are used in western Canada included representation from the Canola Council of Canada, Grain Growers of Canada, Alberta Wheat and Barley. PMRA staff were able to ask any and all sorts of questions of agronomists in the room on how farmers make decisions and use these tools.
- Continued CSWG funding for Alberta Agriculture and Forestry water quality monitoring for neonicotinoids.
- Continue to work with various partners on Business Risk Management.
- Continued funding and representation at AgSafe Alberta to build the culture of safety on Alberta farms and ranches.
- Labour and WCB – Working with the new Alberta government in helping advertise cross-province consultations on farm safety at local regions.
- Alberta Pulse Growers continues to bring key priorities to the forefront through our membership in the following organizations and associations: Pulse Canada, Grain Growers of Canada, Soy Canada, Prairie Pesticide Minor Use Consortium, Pulse Value Chain Maximum Residue Limit committee and Keep It Clean. APG is also providing input into the Canada Grains Council and is a member of the Canadian Free Trade Alliance through association of our membership to our national organizations.



Partnerships

Alberta Pulse Growers works with counterparts in the agriculture industry to address common issues through several organizations. Below are some of the accomplishments achieved this year through participation in four such groups.

TEAM ALBERTA

- Continued advocacy for members of the four largest Alberta crop commissions (Pulse, Barley, Canola, Wheat) in the retention and addition of crop protection products, international trade agreements, transportation and taxation policy as well as business risk management. Work was done to maintain public trust and retain social license to operate through many forums.
- Met with more than 35 MLAs and 20 MPs and many government staff at the senior level to discuss important issues such as climate change, transportation and international trade.
- Continued promotion of the Farm Sustainability Readiness Tool at **farmsustainability.com** to help farmers increase the sustainability of their operations and increase their readiness to sell into sustainably sourced supply chains for end users.
- Communicated, coordinated and collaborated on a complete policy position by finding policies common to all four crop commissions.
- Team Alberta has successfully branded itself and remains a key source for the provincial government for information, policy positions and feedback pertaining to everything related to crops. Senior managers, policy staff and communications staff are communicating and collaborating on many issues and continue to speak with one voice where possible to improve the profitability of cropping systems in Alberta.
- Team Alberta worked diligently to launch a policy focused website at **TeamAlbertaCrops.com** where commissions publicly post their collective policy positions and other information.

AGRI-ENVIRONMENTAL PARTNERSHIP OF ALBERTA (AEPA)

- Consulted with the Government of Alberta (GoA) on three initiatives related to climate adaptation, surface water allocation, and a strategy for agriculture research.
- Provided two letters of support for GoA projects that would be of benefit for members of partner organizations. The 'Building of Regional Adaptation Capacity and Expertise Program' will help increase the knowledge and skills of agricultural producers to assist them in adapting to climate change on their farm, including having access to relevant information. The 'Bioreactor Project' will test a low cost and simple technology which could be useful to reduce nutrient export from agricultural tile drainage to sensitive aquatic ecosystems.
- Increased awareness and understanding of projects and initiatives relevant to AEPA strategic priorities including those related to water, land-use, ecosystem services, and climate.

CROP SECTOR WORKING GROUP (CSWG)

- The Agricultural Plastics Recycling Group (APRG) proposal to the Government of Alberta was successful. A budget of \$1 million was approved for a three-year pilot. Cleanfarms, a Canadian non-profit organization, was selected as the program operator for the pilot to collect agricultural grain bags and twine for recycling.
- CSWG continues to collaborate with the Water Quality Unit of Alberta Agriculture and Forestry (protocols, sampling and reporting) and Agriculture and Agri-Food Canada (analysis of samples) to monitor neonicotinoids in Alberta. Some changes made this past year include no samples being taken in the Peace and North regions, as sampling last year showed no indication of having neonicotinoids present. Also, wetlands are not being sampled as Canola Council of Canada has an extensive wetland program monitoring underway. Results will be available in late 2019.
- Finally, CSWG was successful in receiving Canadian Agricultural Partnership funding for a public trust project. This first year is internally focused to allow all participating commodity groups to work on common messages around pesticide use and GMOs.

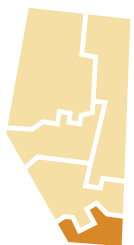
AGSAFE ALBERTA SOCIETY

- The AgSafe Alberta Society took over all the resources from the initial Growing Forward 2 project on farm safety and began the update of the FarmSafe manual.
- The Alberta Government awarded AgSafe Alberta with a grant to develop more resources and hire staff to support farm and ranch safety.
- The advisor program consulted with 60 individual farms, completed 10 workshops and presented over 20 times across the province helping to grow the culture of safety on farms and ranches in Alberta.



Team Alberta met with new provincial Agriculture and Forestry Minister Devin Dreeshen.

Zone Reports



ZONE 1

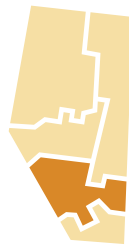
Advisors:

Tim van der Hoek, Chair
Lucas Bennen, Thomas Lievaart, Will Muller,
Cory Nelson, Brad Proud, Greg Stamp,
Rodney Volk & Robert Weisgerber

For many growers in Zone 1, the 2018 harvest was long and dragged out. About 70% of the dry beans were snowed on. Most of them did get delivered and they were better quality than expected, but it was a long process. The dryland growers were able to harvest their peas and lentils before the snow came.

Spring 2019 was dry and cool as seeding began. The year continued to be drier than average, which resulted in very little mould or disease. Late July brought hail storms that resulted in an estimated 5% production loss for dry beans.

Dr. Syama Chatterton with Agriculture and Agri-Food Canada continued her mould spore trap trials in the zone. Several crop walks took place in Zone 1 as well, including an Agronomy Field Day on July 30 at the Crop Diversification Centre South in Brooks.



ZONE 2

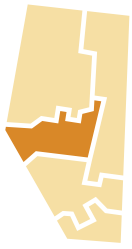
Advisors:

Sarah Hoffmann, Chair
Allison Ammeter, Kelisha Archer,
Gerry Good, Barry Grabo, Noel Flitton,
Peter Hoff, Curtis Hoffmann, John
Kowalchuk, Doug Sell & Kevin Steeves

Harvest 2018 seems like a distant memory. Pea harvest started early in many parts of the zone with dry conditions speeding up maturity and lowering yields in the south, central and eastern parts of the zone. The northwestern parts of the zone perhaps appreciated not having quite as wet a year as they have in the past. Farmers started seeding the 2019 crop in April with the threat of another year of drought certainly looming in many producers' minds. Given that Zone 2 stretches across the province, it is perhaps not surprising that we had quite a range of weather conditions for the 2019 growing season. In general, crops are later in some cases due to cooler weather or else due to later emergence as a result of prolonged dryness in the spring. Some areas have since received adequate moisture and crops look set to produce high yields. For other areas, the rains came too late or crops were hit by hail and results will be less stellar.

The Zone 2 board hosted a field day and plot tour near Three Hills in July. The main impetus for the tour was to showcase the beautiful regional variety trials of peas, faba beans and lentils that were maintained over the season by Olds College staff. We also had Robyne Bowness Davidson from Alberta Agriculture and Forestry talk about lentil production and Maggie MacDonald and Siena Achal from the University of Alberta talk about a pea leaf weevil monitoring project. About 40 producers, agronomists, and others related to the pulse industry attended the event.





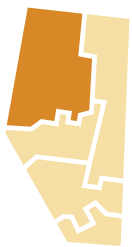
ZONE 3

Advisors:

Chris Allam, Chair
Rick Mueller, Nick Jonk, Ryan Kubinec,
Zach Olthuis, JP Pettyjohn, Shane Strydhorst
& Dan Visser

Seeding in 2019 started earlier than the past few years. A dry spring allowed for most crops to get in quickly. Overall the growing season was very wet with cool temperatures, which delayed crops by at least one or two weeks. Yields have been below average due to high disease and lodging from the excess moisture.

The advisors in this zone discuss and support research priorities. Zone 3 and the provincial Agriculture and Forestry (AF) team have conducted research trials this past year, with two site locations in the Barrhead/Namao area. The pea protein trial explores methods including seed treatments, fertilizers, foliar treatments and genotypes to increase protein and/or yield in field pea. Three lupin trials were established: a seeding rate trial on three high yielding cultivars with six seeding rates, lupin inoculation trial exploring different inoculants and inoculant rates and a trial to identify high yielding lupin cultivars. First year results are forthcoming with a summary report to be prepared. Over the growing season, several crop tours were hosted by the group to talk about these research trials. Zone 3 welcomed summer student Cassandra Walker this year and wishes to thank her for helping to conduct zone-specific research.



ZONE 4

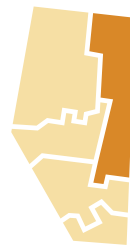
Advisors:

Peter Konstapel, Chair
Brady Bartlett, Jerome Isaac, Ernie Peters,
Martine Piebiak, Fraser Robertson,
Monica Robertson & Caroline Sekulic

Harvest 2018 was mixed for Zone 4, which is a big zone. The weather was a main thing affecting everybody up here. The far north was dry for the third or fourth season in a row. They were harvesting much earlier than the central or the south part of the zone. They were done earlier and had better quality. There was a lot of moisture in the central and south areas of the zone so it was very challenging with mud and wet conditions. Finishing dates were fairly late for the central and south part of the zone with a lot of combining done in October. A few producers had to leave a few quarters of peas out that weren't harvested.

Seeding 2019 was a little bit earlier than average for the north again. It was dry in the north and wetter in the south. We ended up being about average for a start date in the central part of the zone around May 10.

For events in the zone during the year, January's Peace Agronomy Update, hosted by Peace Country Beef and Forage Association and North Peace Applied Research Association (NPARA), was very well attended in Fairview. In July, the SARDA Field Day in Falher was also well-attended but had to be held indoors without plot tours due to the wet weather. WheatStalk was held in Zone 4 for the first time this year. The event at Teepee Creek had a good turnout and program despite wet weather.



ZONE 5

Advisors:

Michael Bury, Chair
Harold Haugen, D'Arcy Hilgartner,
Tom Jackson, Andrew Kittle,
Matthew Micklich, Robert Semeniuk,
Don Shepert, Gordon Tuck & Zolten Yaremie

Zone 5 takes in a huge area of northeast Alberta! Harvest 2018 was a challenge with smoke delaying crop maturity and several snow events. Most producers finally finished harvest in late October.

Plant 2019 started in late April, and for the most part went uninterrupted. Dry, windy conditions prevailed until early June. Rain came just in time for most crops. Conditions across the zone varied from too much moisture to just right, with lots of disease showing up in crops.

This summer the zone Alberta Agriculture and Forestry regional variety trials (RVTs) were once again held at Gordon Tuck's farm near Vegreville. The plot tour was held in July in the rain with Zone 5 sponsoring the lunch that followed.

Zone 5 provided a \$4,950 grant to researcher Laurel Thompson of Lakeland College to explore the effects of differing rates of phosphorus fertilizer on seed safety and yield of newer pea varieties. Most previous research was performed on older, lower yielding varieties. Findings will be presented at the fall meeting. The Zone 5 Lakeland College Scholarship of \$1,000 was awarded to Kendra Schmidt.

WHAT WAS PULSE CANADA'S BIGGEST CHALLENGE IN 2018-19?

Market access barriers continue to impede pulse trade with India. While Canadian pulse exports to India increased 16% in the first 10 months of the 2018-19 crop year, that was only 20% of the total export volume to India in 2016-17.

Pulse Canada continues to work with the Government of Canada to finalize an arrangement with India on fumigation issues to allow the trade to continue with "mutually acceptable technological protocols", as committed to by Canadian and Indian Prime Ministers in February 2018. Pulse Canada is also working with the Global Pulse Confederation (GPC) to address policy concerns. A Memorandum of Understanding (MoU) was signed between GPC and the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) in June. In August, Pulse Canada joined a GPC delegation in New Delhi that met with NAFED to better understand Indian trade policy and strive for further predictability and transparency in the Indian market.

Pulse Canada continues to address other market access issues, including phytosanitary barriers into Peru and Vietnam. Pulse Canada is working with CFIA to host incoming delegations of plant health officials from Peru and Vietnam this fall to showcase Canada's systems-based approach to ensuring pulse exports meet the quarantine requirements of export customers.

WHAT WAS PULSE CANADA'S GREATEST ACCOMPLISHMENT OF THE YEAR?

Given the uncertainty in key global markets, such as India, the focus of 2018-19 was diversifying market demand for Canadian pulses. Pulse Canada worked with grower associations and the industry to collaboratively develop a plan that reflected the needs of all stakeholders and provided a return on investment for Canadian growers.

The "25 by 2025" strategy aims to move 25% of Canadian pulse production (two million tonnes) into new markets and use categories by 2025. This strategy is focused on developing inroads into food and pet food manufacturing, processing and foodservice in markets with the greatest volume potential for pulse ingredients. Pulse Canada leveraged industry investments to secure \$5.8 million in funding through the Canadian Agriculture Partnership's AgriMarketing Program (AMP), which will also support efforts to remove trade barriers.

Growing demand for plant protein and heightened interest in sustainability in markets like the U.S. and Europe are just some of the new opportunities that Pulse Canada is pursuing, focused on the ultimate goal of increasing global demand for Canadian pulses.

WHAT WAS SOY CANADA'S BIGGEST CHALLENGE IN 2018-19?

The Canadian soybean sector faced two significant challenges in 2018-19 – the weather and the global trade environment.

Focusing on Western Canada, following an exceptional leap in acreage in 2017 to 3.1 million acres, an extended absence of adequate rainfall resulted in a 26% decline in seeded area to 2.3 million acres in 2018. Nevertheless, this was still 23% higher than the 1.9 million acres in 2016. Given the dry conditions experienced throughout 2018, and particularly in the late July and August pod fill period, production retracted from 2 million tonnes in 2016 and 2.7 million in 2017 to 1.8 million in 2018. Bushels per acre also significantly receded throughout Western Canada, but it is important to emphasize that it had been over 100 years since back to back drought conditions mirroring 2017 and 2018 impacted some areas of Western Canada.

Soy Canada anticipates that, following the current pause in growth, soybean expansion will resume in Western Canada. The crop is well suited for rotation with canola and cereals and both public and private research initiatives are focused on developing new varieties that will produce well under conditions in Western Canada.

The global trade environment also placed strain on the soybean sector in 2018-19. The United States/China trade dispute severely disrupted normal trade patterns throughout the second half of 2018. China implemented a 25% import tariff on U.S. soybeans. Mirroring the evolving public rhetoric, futures price on the Chicago Board of Trade (CBOT) fell by 25% between May and July 2018. As prices in Canada are based on CBOT futures, Canadian producers were also impacted by the political decisions in the U.S. and China.

WHAT WAS SOY CANADA'S GREATEST ACCOMPLISHMENT OF THE YEAR?

- Soy Canada is most proud of its ongoing advocacy in support of the sector throughout 2018-19. Top level highlights include multiple meetings with the federal Minister of Agriculture advocating for compensatory support for the sector due to the detrimental trade and price consequences of the U.S. – China trade dispute; and participation in frequent television, radio and print interviews concerning the impact on the sector of the U.S. – China trade dispute.

MARKET ACCESS IS ON THE MINDS OF MANY GROWERS. WHAT IS SOY CANADA DOING TO ADDRESS MARKET ACCESS ISSUES?

- Market access is the focus of Soy Canada's advocacy with decision makers in the federal government dealing with everything from Maximum Residue Levels to international trade agreements. To complement this advocacy, Soy Canada will be leading market access and development trade missions to Europe in the Fall of 2019 and Asia in the Winter of 2020.



WHAT WAS GGC'S GREATEST ACCOMPLISHMENT OF THE YEAR?

2018-2019 marked an exciting time at Grain Growers of Canada (GGC). GGC acquired new members (ensuring representation in every province), which means that GGC is better positioned than ever before to deliver on its commitment to bring a united farmer voice to the nation's capital!

GGC also adopted a new policy development process which invites all members, regardless of whether they hold a seat at the board table, to actively participate in policy development through four issue focused committees.

2019 also marked the start of Erin Gowriluk's tenure as the organization's Executive Director. While new to the role, Gowriluk is not new to GGC. As one of the founders of Team Alberta, Gowriluk served as Policy & Government Relations Manager with the Alberta Wheat and Barley Commissions before moving to Ottawa for an opportunity with a GGC industry partner, Syngenta.

WHAT WAS GGC'S BIGGEST CHALLENGE IN 2018-19?

Commodities such as soybeans, wheat, barley, pulses, and canola are either directly hit by trade restrictions or have had to endure the economic ripple effects of trade wars between other countries. This is happening at a time when the realized net farm income of agricultural producers fell 45.1% in 2018 to \$3.9 billion, the largest percentage decrease since 2006.

Equally disconcerting is the rise of non-tariff barriers in an increasing number of countries that represent significant export market opportunities for Canada's grain growers. Increasing competition and a move towards non-tariff trade barriers are making it more difficult for farmers to compete on the international market. Farmers need more predictable, reliable access to export markets in order to maximize their economic potential.

The Government of Canada can play a critical role in fostering an environment of competitive liberalization and stronger rules-based trade on the global stage. While commendable, the government's work to reform the World Trade Organization's governance structure and dispute resolution mechanism should be complemented by a cogent trade strategy. The government must ensure commercially viable access to export markets both in terms of tariff improvements as well as an improved trading environment.

MARKET ACCESS IS ON THE MINDS OF MANY GROWERS. WHAT IS GGC DOING TO ADDRESS MARKET ACCESS ISSUES?

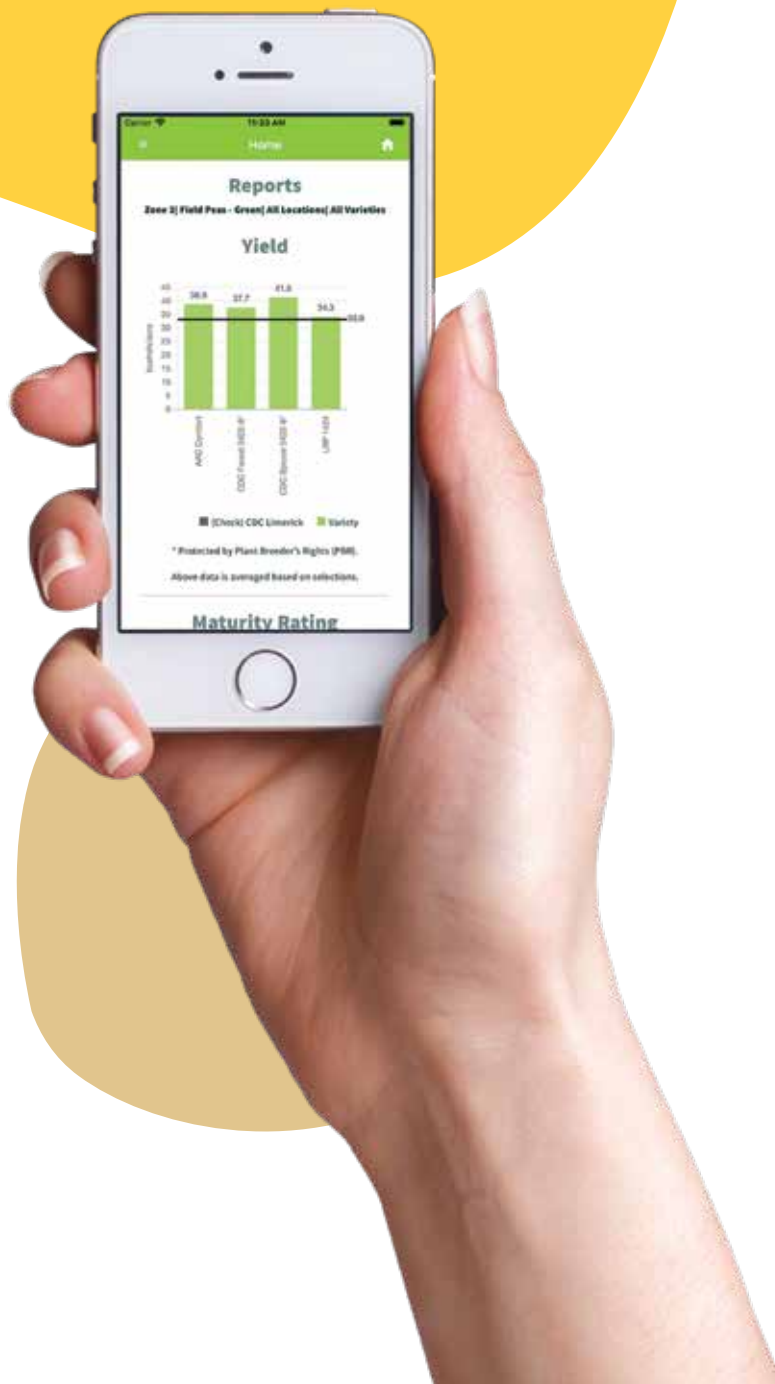
GGC will continue to encourage the federal government to work with industry to develop a comprehensive strategy to address the market access challenges facing Canada's agriculture sector. This means working with the government as a "willing partner" to mitigate trade risks for grain growers.

The core pillars of the strategy include:

- Building technical capacity in Canadian missions abroad with international organizations (i.e. Codex) to adequately recognize and address the needs of grain growers;
- Leveraging free trade agreements, international partnerships, forums, etc. to enhance market access opportunities;
- Addressing ongoing barriers to Canadian agricultural exports, notably missing or misaligned maximum residue limits (MRLs); and
- Harnessing the progressive elements of Canada-European Union *Comprehensive Economic and Trade Agreement* (CETA), Canada-United States-Mexico Agreement (CUSMA) and *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (CPTPP) to facilitate Canadian grower access to Plant Breeding Innovation.

App puts Regional Variety Trial results and pulse growing info at farmers' fingertips

Alberta pulse farmers can now download a smartphone app that allows them to search data from Regional Variety Trials (RVTs) relevant to their farm, as well as receive up-to-the-minute news and timely agronomy podcasts from the Alberta Pulse Growers (APG).



The Alberta Pulse Growers app allows farmers to easily find out how pulse varieties fared in their own areas where regional testing sites are located. Trial results will be available to growers for different varieties and areas as they are reported.

The Alberta Pulse Growers app is available for free download on the Apple App Store and Google Play. The RVT information can also be accessed via albertapulservt.com.

The app allows busy producers to receive news alerts for relevant APG updates such as news releases, timely production stories and podcasts, event notices and Chuck Penner's Pulse Market Insight column. Users can tailor their notifications to their needs by selecting their zone and specific crop interests in the app's settings.

Response to the app since its launch in time for Agri-Trade last November has been overwhelmingly positive. APG is continuing the work to keep this app relevant and timely by adding new features and exclusive app content, such as podcasts from the field.

Audit & Finance Committee

Financial Statements

July 31, 2019

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. The committee 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 their 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 include: Directors Jerome Isaac (Chair), Caroline Sekulic, Dan Visser and Don Shepert, supported by APG staff.

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.

October 29, 2019

(Original signed by)

Leanne Fischbuch
Executive Director

Independent Auditor's Report

To the Members of Alberta Pulse Growers Commission:

QUALIFIED OPINION

We have audited the financial statements of Alberta Pulse Growers Commission (the "Commission"), which comprise the statement of financial position as at July 31, 2019, and the statements of revenue and expenditures, changes in members' equity, cash flows and schedules 1 to 7 for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2019, 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 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, 2019 and July 31, 2018, and current assets and net assets as at July 31, 2019 and July 31, 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission 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 qualified opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission'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 Commission 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.

Leduc, AB
October 29, 2019

MNP LLP

Chartered Professional Accountants

Statement of Financial Position

As at July 31, 2019

	Head Office	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	2019	2018
ASSETS								
Current								
Cash	4,158,364	65,640	46,798	54,431	16,210	54,677	4,396,120	4,875,634
Investments	8,728,035	–	–	–	15,000	–	8,743,035	8,400,303
Accounts receivable	550,783	–	7,710	–	–	–	558,493	550,950
Prepaid expenditures	219,000	–	–	–	–	–	219,000	265,193
Total current assets	13,656,182	65,640	54,508	54,431	31,210	54,677	13,916,648	14,092,080
Capital assets (Note 4)	607,956	–	–	–	–	–	607,956	650,895
Total assets	14,264,138	65,640	54,508	54,431	31,210	54,677	14,524,604	14,742,975
LIABILITIES								
Current								
Accounts payable and accruals	624,448	–	821	12,931	–	432	638,632	519,010
Deferred revenue (Note 5)	241,683	–	–	–	–	–	241,683	–
Current portion of leasehold inducement (Note 6)	7,000	–	–	–	–	–	7,000	7,000
	873,131	–	821	12,931	–	432	887,315	526,010
Leasehold inducement (Note 6)	121,333	–	–	–	–	–	121,333	128,333
	994,464	–	821	12,931	–	432	1,008,648	654,343
Commitments (Note 7)								
MEMBER'S EQUITY								
Accumulated surplus	233,819	65,640	53,687	41,500	31,210	54,245	480,101	(433,663)
Equity in capital assets	479,624	–	–	–	–	–	479,624	515,562
Reserves (Note 8)	12,556,231	–	–	–	–	–	12,556,231	14,006,733
	13,269,674	65,640	53,687	41,500	31,210	54,245	13,515,956	14,088,632
	14,264,138	65,640	54,508	54,431	31,210	54,677	14,524,604	14,742,975

Approved on behalf of the Board

(Original signed by two Directors)

The accompanying notes are an integral part of these financial statements

Statement of Revenue and Expenditures

For the year ended July 31, 2019

	2019	2018
Revenue		
Communication and Extension – Schedule 1	24,893	23,256
Market Development – Schedule 2	6,300	6,300
Research – Schedule 3	160,821	110,192
Zones – Schedule 5	37,262	49,938
Administration – Schedule 6	4,673,502	5,901,512
Less: Zone revenue transferred from operations (Note 3) – Schedule 6	(29,500)	(31,500)
CAP Grants – Schedule 7	89,717	–
	4,962,995	6,059,698
Expenses		
Communication and Extension – Schedule 1	503,048	593,475
Market Development – Schedule 2	1,640,367	1,765,692
Research – Schedule 3	2,180,250	1,860,686
Risk Management – Schedule 4	276,907	232,747
Zones – Schedule 5	30,424	63,156
Administration – Schedule 6	814,958	935,758
CAP Grants – Schedule 7	89,717	–
	5,535,671	5,451,514
Excess (deficiency) of revenue over expenditures	(572,676)	608,184

Statement of Changes in Members' Equity

For the year ended July 31, 2019

	Accumulated surplus	Reserves	Equity in capital assets	2019	2018
Opening	(433,663)	14,006,733	515,562	14,088,632	13,480,448
Excess (deficiency) of revenue over expenditures	(572,676)	–	–	(572,676)	608,184
Purchase of capital assets	(1,762)	–	1,762	–	–
Amortization	40,948	–	(40,948)	–	–
Disposals of capital assets	3,752	–	(3,752)	–	–
Amortization of leasehold inducement	(7,000)	–	7,000	–	–
Transfer from reserves	1,450,502	(1,450,502)	–	–	–
Ending	480,101	12,556,231	479,624	13,515,956	14,088,632

Statement of Cash Flows

For the year ended July 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts	4,847,029	6,039,868
Cash paid to suppliers	(4,604,981)	(4,758,466)
Cash paid to employees	(915,511)	(822,420)
Interest paid	(26,905)	(18,557)
Interest received	379,271	245,594
	(321,097)	686,019
Investing activities		
Net purchase of investments	(156,655)	(243,816)
Purchase of capital assets	(1,762)	(408,857)
Proceeds on disposal of capital asset	–	33,561
Leasehold inducement received	–	140,000
	(158,417)	(479,112)
Increase (decrease) in cash	(479,514)	206,907
Cash, beginning of year	4,875,634	4,668,727
Cash, end of year	4,396,120	4,875,634

Notes to the Financial Statements

For the year ended July 31, 2019

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 advocate for growers, provide grower support and to promote marketing and invest in 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.

	<i>Rate</i>
Computer equipment	2 or 5 years
Office equipment	5 years
Leasehold improvements	20 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.

2. Significant accounting policies (Continued from previous page)

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

- 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 leasehold inducements.
- The accumulated surplus fund represents the funds available that are not internally restricted by the Board of Directors.
- 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	2019 Net book value	2018 Net book value
Computer equipment	76,709	69,504	7,205	12,626
Office equipment	34,069	17,812	16,257	21,302
Leasehold improvements	660,266	75,772	584,494	616,967
	771,044	163,088	607,956	650,895

5. Deferred revenue

Deferred revenue represents unexpended grant funding which is restricted to eligible program expenditures under the funding agreements, as follows:

	2019	2018
Be Assured Initiative		
Funding received	211,400	–
Recognized as revenue	(89,717)	–
	121,683	–
Sectional Control Project		
Funding received	120,000	–
	241,683	–

6. Leasehold inducement

The Commission has a ten year lease agreement expiring December 2028, with an option to extend the agreement for two additional five year terms at the Commission's discretion. The original lease agreement provided a reimbursement from the lessor of \$140,000 to offset the cost of leasehold improvements. The amount amortized in the current year is \$7,000 (2018 – \$4,667) resulting in outstanding liabilities at the year-end as follows:

	2019	2018
Total lease inducement	128,333	135,333
Less: current portion	7,000	7,000
	121,333	128,333

7. Commitments

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

	2020	2021	2022	2023	2024	Thereafter	Total
Research	1,252,090	1,104,008	743,721	486,518	6,441	-	3,592,778
Marketing	232,656	28,737	-	-	-	-	261,393
	1,484,746	1,132,745	743,721	486,518	6,441	-	3,854,171
Pulse Canada							
Core funding	1,000,000	1,000,000	1,000,000	666,667	-	-	3,666,667
Other Operations							
Office lease	93,607	94,482	98,856	99,731	104,105	361,306	852,088
Total	2,578,353	2,227,227	1,842,577	1,252,916	110,546	361,306	8,372,925

8. Reserves

	2019	2018
Committed future projects		
Research	3,592,778	2,043,108
Marketing	261,393	580,603
	3,854,171	2,623,711
Pulse Canada		
Annual support	3,666,667	4,666,667
Operational		
Office lease	852,088	955,581
Internally restricted reserves		
Plot to Field project	1,151,655	1,571,180
Projects not contracted	2,201,650	807,347
Operational reserve	800,000	800,000
FarmTech reserve	30,000	-
Science Cluster	-	2,582,247
	4,183,305	5,760,774
	12,556,231	14,006,733

The reserves include commitments above from Note 7 plus internally restricted reserves.

9. 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 two customers (2018 – two customers) in connection with pulse crop service fees represents 52% (2018 – 45%) of total accounts receivable as at July 31, 2019. 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 Commission mitigates the risk by investing in a diversified portfolio of bonds with various maturity dates.

10. Allocation of expenses

Human resources expenses of \$586,878 (2018 – \$453,986) have been allocated based on the proportion of the employees' roles within each department, as follows:

	2019	2018
Communication and Extension	244,124	212,693
Market Development	114,291	95,450
Research	111,483	89,494
Risk Management	116,980	56,349
	586,878	453,986

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Schedule 1 – Communication and Extension Revenue and Expenditures

For the year ended July 31, 2019

	2019	2018
Revenue		
Pulse Crop News	24,893	22,644
Sponsorship	–	612
	24,893	23,256
Expenses		
Human resources, administration and travel	292,464	252,209
Projects	96,482	178,501
Pulse Crop News – postage and printing	56,933	89,194
Marketing channels	20,254	45,394
Sponsorships	19,644	14,607
Trade fair and extension initiatives	17,271	13,570
	503,048	593,475
Deficiency of revenue over expenditures	(478,155)	(570,219)

Schedule 2 – Market Development Revenue and Expenditures

For the year ended July 31, 2019

	2019	2018
Revenue		
Market income	6,300	6,300
Expenses		
Pulse Canada	1,012,194	1,017,398
Marketing projects	338,058	420,263
Human resources, administration and travel	145,346	135,346
Food and nutrition initiatives	121,508	144,064
CSCA membership and convention	11,698	21,126
Promotion	10,292	15,233
International travel	1,271	12,262
	1,640,367	1,765,692
Deficiency of revenue over expenditures	(1,634,067)	(1,759,392)

Schedule 3 – Research Revenue and Expenditures

For the year ended July 31, 2019

	2019	2018
Revenue		
Research contribution	104,156	110,192
CPRW revenue	56,665	–
	160,821	110,192
Expenses		
Research projects	1,703,607	1,520,001
Human resources, administration and travel	160,253	120,107
Plot to Field agronomic research	200,328	207,904
CPRW expenses	74,308	3,675
CPRW - 2020 contribution	25,893	–
Sponsorships	10,500	3,749
Prairie Pest Minor Use Consortium membership	5,361	5,250
	2,180,250	1,860,686
Deficiency of revenue over expenditures	(2,019,429)	(1,750,494)

Schedule 4 – Risk Management Expenditures

For the year ended July 31, 2019

	2019	2018
Expenses		
Human resources, administration and travel	151,515	101,356
Memberships	56,760	35,000
Farm safety	46,637	56,224
Team Alberta engagement	19,531	19,532
Sustainability	2,464	20,635
Deficiency of revenue over expenditures	(276,907)	(232,747)

Schedule 5 – Zones Revenue and Expenditures

For the year ended July 31, 2019

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	2019	2018
Revenue							
Allocation from operations (Note 3)	7,500	5,500	5,500	5,500	5,500	29,500	31,500
Annual general meeting	4,300	–	83	–	–	4,383	3,700
Interest	604	892	136	592	1,004	3,229	2,001
Sponsorships	–	150	–	–	–	150	7,500
Gain on disposal of capital asset	–	–	–	–	–	–	5,237
	12,404	6,542	5,719	6,092	6,504	37,262	49,938
Expenditures							
Projects	–	–	12,931	–	1,000	13,931	45,001
Zone annual meeting	4,549	993	1,307	1,313	1,459	9,621	9,748
Office	1,944	–	332	–	–	2,276	5,827
Travel and meetings	896	525	–	–	–	1,421	529
Tours, seminars and trade fairs	–	821	–	–	540	1,361	639
Sponsorship	–	–	–	712	500	1,212	1,000
Bank charges and interest	60	110	193	121	120	602	412
	7,449	2,449	14,763	2,146	3,619	30,424	63,156
Excess (deficiency) of revenue over expenditures	4,955	4,093	(9,044)	3,946	2,885	6,838	(13,218)

Schedule 6 – Administration Revenue and Expenditures

For the year ended July 31, 2019

	2019	2018
Revenue		
Service fees	4,396,265	6,038,400
Less: Services fees refunded	(223,742)	(314,289)
Interest	314,902	270,957
Unrealized gains (losses) on investments	186,077	(94,707)
Other revenue	–	1,151
Transfers to zones (Note 3)	(29,500)	(31,500)
	4,644,002	5,870,012
Expenses		
Human resources	274,555	392,315
Office lease	165,378	150,047
Director meetings and travel	80,318	97,054
Annual general meeting and FarmTech	63,863	71,862
Office expenses	69,450	60,717
Amortization	40,948	49,394
Bank charges and interest	26,905	20,003
Professional fees	25,525	26,267
Professional development	22,953	14,696
Telephone, fax and internet	10,070	10,245
Staff travel	9,989	9,987
Bad debt	8,500	11,610
Insurance	6,578	5,904
Zone advertising and travel	6,292	13,941
Advertising	3,634	1,716
	814,958	935,758
Excess of revenue over expenditures	3,829,044	4,934,254

Schedule 7 – CAP Grants Revenues and Expenditures

For the year ended July 31, 2019

	2019	2018
Revenue		
Be Assured Initiative grant	211,400	–
Sectional Control Project grant	120,000	–
Deferred revenue - current year	(241,683)	–
	89,717	–
Expenses		
Be Assured Initiative expenses	89,717	–
Excess of revenue over expenses	–	–

Board of Directors

Back Row, Left to Right:

Vice-Chair Robert Semeniuk, Zone 5
Greg Stamp, Zone 1
Dan Visser, Zone 3
Chris Allam, Zone 3
Will Muller, Director-at-Large (Bean)
Rodney Volk, Zone 1
Peter Konstapel, Director-at-Large (Non-Bean)

Front Row, Left to Right:

Executive Member Jerome Isaac, Zone 4
Kelisha Archer, Zone 2
Caroline Sekulic, Zone 4
Chair Don Shepert, Zone 5
Allison Ammeter, Zone 2



Staff

Left to Right:

Jagroop Gill Kahlon, Research Officer
Carmen Meyn, Administrator
Nevin Rosaasen, Policy & Program Specialist
Leanne Fischbuch, Executive Director
Jenn Walker, Research Manager
Jolene Watson, Levy Coordinator
Rachel Peterson, Communications Coordinator
Debra McLennan, Food & Nutrition Coordinator
Rhonda Lafreniere, Business Manager





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