

Western Canada Canola/Rapeseed Recommending Committee

The Western Canada Canola/Rapeseed Recommending Committee (WCC/RRC) meets twice a year. The November/December meeting is a business meeting to review testing criteria and examine preliminary test results. The February meeting takes two days and focuses on business issues, and reviewing and recommending canola cultivars for registration. Following these recommendations, the Canadian Food Inspection Agency handles registration.

The WCC/RRC business meeting was held December 11, 2007 in Saskatoon, SK and the committee received a summary of this year's research trials. The purpose of the public trials is to evaluate the quality and disease resistance attributes of canola cultivars. The collected data is combined with data derived from the previous year(s) private trials. Merit scores are taken from the data on the basis of yield, oil, protein, and blackleg resistance, as well as other minimum criteria. A total of 86 WCC/RRC research trial locations were co-ordinated and 14 trials were cancelled for a variety of reasons, such as snow, poor establishment, drought, gophers, hail, and blackleg. Of the 86 trials, 65 (4 were cancelled) were agronomic and quality, 21 (10 were cancelled) were blackleg disease reaction trials.

On February 20, 2008 in Winnipeg Manitoba, WCC/RRC met to recommend canola cultivars for registration. There were a total

of 71 canola cultivars up for recommendation, and of those, 57 canola cultivars were recommended for registration. Of that total, 2 were Clearfield cultivars, 9 (3 low linolenic) were Liberty Link cultivars, 32 (6 low linolenic) were Roundup Ready cultivars, 12 canola cultivars were withdrawn by their respective companies for a variety of reasons, and 2 canola cultivars were set aside for the committee to review. After the review, the committee voted to accept these two canola cultivars. One of the cultivars showed signs of sclerotinia resistance but was a little high in saturated fats.

The Canola Council of Canada is reviewing canola quality. This review is to analyze current canola value and potential improvements in value, followed by recommended changes in breeding objectives and industry incentives.

WCC/RRC consists of 14 members. The make-up is as follows: four industry representatives, one breeder representative, one pathology representative, and three grower representatives (one from each provincial grower organization), three commercial representatives, one seed grower representative, and one nutrition representative. These committee members are also on the board of directors.

Barry Chappell, Director





Manitoba Canola Growers Association

2007-2008

ANNUAL REPORT



Manitoba
Canola Growers

President's Report

Wow! What a year this has turned out to be. At this time last year, we were experiencing record canola prices (in fact reaching record prices for many commodities), and we were told that the party would last for years. Fortunately, there were many profitable pricing points for canola. I sincerely hope that you took advantage of those opportunities for at least a portion of your canola crop.

Considering the beginning of 2008, Manitoba, and in fact the entire canola growing area of Canada except the Peace region, produced an excellent crop. For many farmers, this was the big one!

The Board of Directors and staff of Manitoba Canola Growers Association have continued to work very hard on your behalf. The board of directors also welcomed Barry Chappell of Hamiota, and Robert Pettinger of Elgin to our Board.

Barry is a seed grower and retailer as well as a producer. His background and knowledge of the seed and chemical industry will serve us well. Barry has worked in the chemical sales end of the ag business as well. He has served on the board of directors with his local Manitoba Pool Elevator, the ACC Agri-Business advisory committee and the WADO (Western Agricultural Diversification Organization) board. Barry is also a member of MIA and AIC.

Robert has an extensive background in farm organizational involvement. He has served on the Board of Manitoba Pool Elevators, Agricore, Agricore United, Western Grains Research Foundation, as well as operating a successful farming operation. Rob was a member of the Western Grain Research Foundation Board from 2001-2007 serving on their executive, investment, and communication committees.

As you are no doubt aware, MCGA moved to increase the levy collected on canola sales this past year. We now have a \$1.00/t (2.2 cents/bushel) levy on all canola sales. This brings us into line with other grower groups across Western Canada, and will allow us to better meet the needs of our members.

In light of the new levy, the Board and staff of MCGA held a strategic planning session in April of 2008. During that time, extensive discussions took place as to how to best make use of a budget that will approach \$2 million on a go forward basis. We have continued the deliberations throughout the summer, and will have a completed plan over the course of the winter.

We will continue to focus on four main areas that are important to our members. They are:

- Profitable production – to improve markets and net returns from canola,
- Member relations – to ensure that MCGA continues to meet members needs,
- Building influence – to build and maintain alliances, influence and identify economic, political and environmental trends, and
- Enhance leadership – to ensure that MCGA's leadership is effective, visionary and value driven.

Our mission statement remains the same: "MCGA is a member organization committed to maximizing net income from canola."

We will continue to strive to best serve you by meeting the objectives laid out in our strategic plan. We realize full well the challenges that we have as growers going forward. As I mentioned in my opening comments, the party was to last for years. Reality has set in, in the form of increased costs, decreased market returns, and with all of it, increased risk for the producer.

MCGA is also pleased to have presented the first Canola Growers Award of Excellence to Dr. Baldur Stefansson. Baldur is well known as the father of canola, having developed the variety "Tower" at the University of Manitoba. The award will be presented annually to an individual or organization that contributes significantly to the betterment of canola in Manitoba.

MCGA continues their involvement in related canola organizations, including Canola Council of Canada, Canadian Canola Growers Association, as well as related educational and promotional groups that include Agriculture in the Classroom, CanolaInfo, as well as continued bursaries and scholarships at various Manitoba colleges and universities.

This past year has shown the need for continued strong producer representation in this diverse and exciting industry. The development of markets, market promotion, and consumer education is an integral part of MCGA's mandate.

Thank you for your continued support.

Ernie Sirski, President



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Research & Technology WCC/RRC Committee

Research and technology (R&T) encompasses a variety of MCGA activities. As Chair of the Manitoba Canola Growers Association (MCGA) R&T Committee, I offer the following report on the Canola Agronomic Research Program (CARP) as well as a brief description of our research processes.

MCGA funding for R&T 2007/08 is as follows:

Category	Funding
CARP (Ongoing Projects)	\$ 26,900.00
CARP (New Projects)	\$ 8,726.00
Canola Advantage	\$ 70,000.00
Canola Product Research Foundation	\$ 25,000.00
Prairie Canola Variety Testing	\$ 5,000.00
Performance On-line Database (POD)	\$ 5,000.00
Biodiesel Research	\$ 32,077.00
Export Ready Program	\$ 10,000.00
Canola Meal Research	\$ 10,000.00
U of M Research Associate Chair	\$ 25,000.00
Total	\$217,703.00

Canola Agronomic Research Program (CARP)

The goal of this program is to increase the profitability of canola production. The funding groups of CARP are the Canola Council of Canada, Saskatchewan Canola Development Commission, the Alberta Canola Producers Commission and the Manitoba Canola Growers Association.

CARP projects are selected by the Board of Directors of MCGA. The projects that are selected are brought to the larger funding group (the ones named above) and this group decides who will fund what projects based on the organizations priorities. Most of the projects are co-funded so that each organization can maximize their dollars.

In 2007/08 the following projects were funded in part by MCGA:

2007/08 CARP Ongoing Projects

Impact of Timing, Rate, and Application Technology on Biological Control of Sclerotinia Stem Rot of Canola Caused by Sclerotinia Sclerotiorum – The biocontrol agent *Coniothyrium minitans* reduces sclerotinia disease and may have long-term benefits for sclerotinia susceptible rotational crops such as canola and beans. Timing, rate

selection and application strategies for *C. minitans* may have the potential to become important IPM tools for management of stem rot of canola caused by sclerotinia sclerotiorum. Dr. Debra McLaren, AAFC, Brandon, MB

Investigation on the Individual Genes of Brassica carinata in Canola for their Resistance to Different Blackleg Pathotypes – The effect of three blackleg resistance genes of *B. carinata*, introgressed into canola *B. napus*, on resistance of *B. napus* to a range of blackleg pathotypes including PG3. Dr. Habibur Rahman, University of Alberta, Edmonton, AB

Development of Reduced Risk Strategies through Coordinated Monitoring, Forecasting and Risk Warning Systems for Insect Pests – This project will develop a coordinated pest monitoring program designed to keep the canola industry informed of the risks to crop production from insect pests. Timely and accurate forecasts and risk warning are a priority for decision making and for implementation of commodity specific risk reduction strategies. Dr. Owen Olfert, AAFC, Saskatoon, SK

2007/08 New Projects

Effect of Non-Host Crops and Host Management on Clubroot of Canola – To develop a management strategy for clubroot of canola, use of bait crops and timing of seeding to reduce infection success of clubroot spores will be investigated. Dr. Stephen Strelkov, University of Alberta, Edmonton, AB

Survey and Evaluation of Soil Micro-Organisms for Control of Clubroot on Canola – Endophytes and rhizosphere-competent microbes from canola roots will be isolated into pure cultures and evaluated for control of clubroot on canola. The best candidates will be developed for potential applications. Dr. Gary Peng AAFC Saskatoon, SK

Managing Canola for Sustainable Biodiesel Platform for their Resistance to Different Blackleg Pathotypes – This project will look at constraints to canola production and pest management implications of shortened canola rotations and the impact of the environment, rotations, and varying inputs levels on percent of oil content, canola oil profiles, and canola biodiesel quality. Dr. Neil Harker, AAFC, Lacombe AB

Barry Chappell, Director (Research Chair)



Education & Promotion

Co-ordinator's Report

Canola Oil, Heart Healthy and Good for You!

What a year it was, with increased media impressions, strengthened partners and relationships with health and food organizations, and the increased demand for a local product by consumers.

Manitoba Canola Growers continue to partner with other organizations to get out the message of canola oil; where it comes from, how it is processed and the healthy attributes.

One of our strongest partnerships is with other commodity groups under the banner of Foodmanitoba.ca and the Great Tastes of Manitoba cooking show. Over the year, over 2 million impressions were created by Great Tastes of Manitoba TV show, Winnipeg Free Press, recipe requests and CTV commercials. Continued long standing partnerships that help facilitate awareness about canola oil to consumers are with the Winnipeg Sun Nutrition month insert, Heart and Stroke nutrition month partnership through videos and recipes books, Red River Exhibition and the Brandon Winter Fair. A new partnership this year was with the Winnipeg Folk Fest helping to spread awareness of canola oil, local, heart healthy and good for you to a new group of people.

The Manitoba Canola Growers work with local writers and media such as Ciao!, Travel Manitoba, CAA, Big Breakfast on CITY TV and local chefs to deliver the message about canola oil and its healthy attributes.

MCGA accesses and utilizes multimedia from the websites of www.mcgacanola.org, www.canolarecipes.ca and www.canolakids.ca along with video clips posted on www.YouTube.com. More than just Manitobans are checking out canola and the producers that grow it. With the launch of the new website, we have seen an increase in traffic on to site.

The Canola Learning Center (CLC) operates in partnership with Richardson International at Kelburn Farm, and this year the CLC celebrated its 12th anniversary. The program saw over 1,000 participants attend the farm and our educational program. The CLC also participated in the Amazing Agriculture Adventure in Brandon and Winnipeg. This AITC-MB program is extremely successful in reaching over 10,000 students from across the province.

Directors and staff continue to support the CLC, the Red River Ex in Winnipeg, the Calgary Stampede in Alberta, and this year the 100% canola based biodiesel Jet Funny Car appeared at the Royal Agricultural Winter Fair in Toronto, Ontario. Kevin Therres, driver and owner, did multiple media interviews on both TV and radio. The jet funny car appeared on the Discovery Channel and overall there were 1 million media impressions made. The biodiesel page on our website continues to be the top page searched.

CanolaInfo works to influence the influencers in North America. CanolaInfo is the information source for consumers, health professionals, chefs, media, and educators who want to know more about the world's healthiest oil, Canola! The CanolaInfo team is supported by North America's canola growers, crop input suppliers, exporters, processors, food manufacturers and government. www.canolainfo.org is the go to website for the North American program.

MCGA aligns its strategies and programming with community programs, projects and activities. MCGA continues to target its key audiences of consumers, health professionals, growers, educators, students and the foodservice industry by creating awareness and promotion of the world's healthy cooking oil – Canola oil!

Ellen Pruden, Education and Promotions Coordinator



Executive Manager's Report

As I write this report I realize that I have worked with Manitoba Canola Growers Association for six years. In those years I have seen canola yields that were affected by too much moisture, too little moisture, and frost. This year I often pondered the outcome as Manitoba began with a cool wet spring, but we still managed to plant 2,972,723 acres (according to MASC). In July I thought an August frost would be a disaster. The season is now complete and the disaster never occurred. It looks like Manitoba farmers produced an average of 31 bushels per acre which will be a new high for canola yields in Manitoba. The other good news is that oil content is on average will be around 43.5% which is great for Manitoba! This year has shown us once again how resilient canola and its producers are.

The Manitoba Canola Growers Association (MCGA) along with Alberta Canola Producers Commission (ACPC), Saskatchewan Canola Development Commission (SCDC), Canola Council of Canada (CCC), and Agriculture and Agri-Food Canada (AAFC) created the Prairie Canola Agronomy Research Program in June of this year. Worth more than six million dollars, this agreement creates opportunities for AAFC researchers across western Canada to better collaborate and undertake larger scale canola agronomy research projects. MCGA is very excited about this program. We are a small organization but this project allows us to combine our grower's money with other canola organizations for more effective research programs.

The *Canola Digest*, funded jointly by the CCC, ACPC, Saskatchewan Canola Growers Association (SCGA) and MCGA continues to improve. We are working hard to ensure the *Canola Digest* provides producers with the most updated information on canola production and provide producers with information on their provincial organizations. We have heard from our producers and we will find ways to bring them more information with fewer ads.

Each year MCGA applies for the Scientific Research and Experimental Development (SR&ED) Tax Credits. Producers are entitled to obtain taxable benefits on canola check-off deductions that are used to support Research and Development. For 2007, 23.087% of your check-off dollars went to approved research

and development. In 2006 it was 24.67%, 2005 it was 18.72%, 2004 it was 23%, in 2003 it was 36%, in 2002 it was 22% and in 2001 it was 27%. If producers have not claimed this tax credit please talk to your accountant to see if it is beneficial for you to file.

MCGA is part of CCC's Canola Export Ready Program. Since 70% of Canada's canola crop is exported around the world and its reputation as a safe and high quality product is well-known and deserved, it is important that producers protect their canola markets. The Canola Export Ready program provides growers with specific information on farm practices that can impact trade severely. MCGA feels that this is a very important program. Losing just one market because Malathion or a de-registered variety was found in a shipment is unacceptable. This is preventable and we need to make sure producers know what canola varieties can be exported and the pesticides that can be used on canola. Everyone has a role to play in protecting the future of our great industry.

MCGA, along with our sister organizations and CCC, is funding research on canola meal. With large supplies of distiller's dry grain and the increase in soybean meal availability, our group knows that we have to increase the value and usage of canola meal. This research will look into increasing meal energy for swine and poultry, maximize use in high value dairy feeds, increase practical feed inclusion rates, develop high value meals for aquaculture, and extract high value components from canola meal.

MCGA funds a Manitoba Canola Growers Association Scholarship and a Bursary for the Faculty of Agricultural and Food Science of the University of Manitoba. This is MCGA's way to invest in the future of Agriculture. People are the key in making agriculture successful. For more information on these two awards please contact the U of M Financial Aid and Awards department.

All projects undertaken by MCGA must live up to the mission statement: "MCGA is a member organization committed to maximizing net income from canola."

Bill Ross, Executive Manager



2008 Board of Directors

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Auditor's Report

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AUDITOR'S REPORT

To the Board

Manitoba Canola Growers Association Inc.

I have audited the statement of financial position of the Manitoba Canola Growers Association Inc. as at July 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the association's Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the association as at July 31, 2008 and the results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Carman, Manitoba
November 3, 2008

D. F. George
Chartered Accountant Inc.

STATEMENT OF FINANCIAL POSITION AS AT JULY 31, 2008

ASSETS

CURRENT ASSETS	2008	2007
Bank - operating	\$ 1,018,473	\$ 900,288
- surplus (note 4)	34,400	103,000
- contingency (note 4)	40,000	40,000
- long-term research (note 4)		3,716
Check-off receivable (notes 2&5)	139,284	150,622
Other	2,071	40,425
Prepaid expenses	6,241	6,241
	<u>1,240,469</u>	<u>1,244,292</u>

CAPITAL ASSETS

net (notes 2 & 3)	11,948	10,187
	<u>\$1,252,417</u>	<u>\$1,254,479</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	2008	2007
Accounts payable and accrued liabilities	\$ 35,333	\$ 54,089
Deferred check-off revenue (notes 2&5)	941,479	848,307
	<u>976,812</u>	<u>902,396</u>
NET ASSETS		
Net assets invested in capital assets	11,948	10,187
Net assets internally restricted (note 4)	74,400	146,716
Unrestricted net assets	189,257	195,180
	<u>275,605</u>	<u>352,083</u>
	<u>\$1,252,417</u>	<u>\$1,254,479</u>

Approved on Behalf of the Board


Brian Chorney,
Director


Ernie Sirski,
Director

**OPERATING SEGMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2008**

REVENUES	2008	2007
Check-off (net of refunds - notes 2 & 5)	\$ 848,307	\$ 664,231
Interest	39,200	30,590
Transfers from restricted - interest	5,749	10,596
	<u>893,256</u>	<u>705,417</u>

EXPENSES	2008	2007
Administration -board	91,988	48,499
-office	182,010	147,398
Extension	204,168	126,107
Technical education and promotion	261,279	196,397
Research and technology	202,347	281,530
Amortization of capital assets	2,942	2,965
	<u>944,734</u>	<u>802,896</u>

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	2008	2007
	<u>\$ (51,478)</u>	<u>\$ 97,479</u>

**RESTRICTED SEGMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2008**

REVENUES	2008	2006
Interest		
-surplus	\$ 4,082	9,132
-contingency	1,526	1,464
-research	141	2,086
	<u>\$ 5,749</u>	<u>\$ 12,682</u>

EXPENSES	2008	2006
Research-HEAR project	25,000	75,000
Interest transfer to operating from		
-research	\$ 141	
-surplus	\$ 4,082	9,132
-contingency	1,526	1,464
	<u>\$ 30,749</u>	<u>\$ 85,596</u>

RESTRICTED FUNDS (DRAWDOWN)	2008	2006
	<u>\$ (25,000)</u>	<u>\$ (72,914)</u>

**SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JULY 31, 2008**

ADMINISTRATION - BOARD	2008	2007
Election	\$ 27,143	\$
Mailings – bylaws and legal	14,086	3,538
Board operating	50,759	44,961
	<u>\$ 91,988</u>	<u>\$ 48,499</u>

ADMINISTRATION - OFFICE	2008	2007
Office operating	\$ 173,674	\$ 140,796
RRSP pension costs	8,336	6,602
	<u>\$ 182,010</u>	<u>\$ 147,398</u>

EXTENSION	2008	2007
Memberships and subscriptions	\$ 7,828	\$ 7,510
Advertising	1,385	946
MCGA meetings	3,340	5,233
Ag Days	9,032	7,043
Annual general meeting	7,791	9,545
Extension meetings	45,008	48,914
Canola learning centre and Royal Winter Fair	30,221	30,385
Marketing challenge		439
Strategic planning	17,384	
Communications and radio spots	6,549	6,042
Check-off communications	35,384	
Government relations advocacy	10,000	
CCGA joint projects	20,000	
Web page	10,246	10,050
	<u>\$ 204,168</u>	<u>\$ 126,107</u>

TECHNICAL EDUCATION AND PROMOTION	2008	2007
Co-ordinator budget	\$ 66,048	\$ 63,667
Co-ordinator office	66,623	63,577
Ag in the Classroom	15,000	10,000
Managing Excellence conference	2,072	1,510
Canola Digest	-	11,736
Canola utilization meetings and newsletter	1,536	5,907
North American utilization funding	105,000	35,000
Wetlands project – Richardson International	5,000	5,000
	<u>\$ 261,279</u>	<u>\$ 196,397</u>

RESEARCH AND TECHNOLOGY	2008	2007
CARP – ongoing	\$ 26,900	\$ 54,875
CARP – new	8,726	14,400
Canola advantage program	70,000	70,000
Variety tests	10,000	10,000
Canola meal research	10,000	-
Export ready	10,000	-
Meetings	9,643	13,201
Biodiesel	32,078	94,054
Biodiesel	25,000	25,000
	<u>\$ 202,347</u>	<u>\$ 281,530</u>