

PROFITABLE

Maximizing
net income!

ANNUAL REPORT 2011



Maximizing net income!





PROFITABLE

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FROM THE DEVELOPMENT OF A CROP TO THE DEVELOPMENT OF A ORGANIZATION

The Crop

Baldur Rosmund Stefansson is “The Father of Canola”.

He recognized the potential of rapeseed as an edible oilseed crop early in his remarkable career as an oilseed plant breeder at the University of Manitoba. However, the future of this crop was threatened when it was determined that the high erucic acid content in its oil was a probable health risk to humans.

Enlisting collaboration of others from several fields, Baldur Stefansson delved further into the study of rapeseed. Measuring, assessing and understanding erucic acid in the crop. After surveying 4,000 genetic lines accessed from many places, Dr. Stefansson found a variety of rapeseed with wide variability in erucic acid content. He and Agriculture Canada colleague Dr. Keith Downey, manipulated erucic acid in rapeseed oil, to eliminate erucic acid, through traditional plant breeding of new varieties. They then set to work on glucosinolates, as this was another anti-nutritional factor. Drs. Stefansson and Downey found that they could improve rapeseed meal nutritionally by eliminating glucosinolates as well, thereby producing cultivars low in both erucic acid and glucosinolates.

Dr. Stefansson produced the first “Double Zero” variety “Tower”. It was low in both erucic acid and glucosinolates.

It was then, that this new crop with improvements in both oil and meal was assigned the new term “Canola”, a word from combining Canada and Oil. Canola oil is recognized as one of the world’s healthiest vegetable oils.

Dr. Stefansson also developed cultivars of the rapeseed crop for specialized uses such as the world’s first low linolenic acid canola variety “Stellar” and high erucic acid rapeseed cultivars for special industrial applications. Baldur Stefansson released seven cultivars of Rapeseed, two cultivars of Soybeans and one cultivar of Turnip Rape.

The Organization

The Manitoba Canola Growers Association (MCGA) was originally established as the Manitoba Rapeseed Growers Association in 1970. July 8, 1982 the organization was incorporated under the authority of the Manitoba Corporations Act as the Manitoba Canola Growers Association. At this time

the organization was funded by a membership. In 1996, MCGA was granted a check off of 50 cents per tonne for every tonne of Manitoba canola sold. MCGA continued to be funded in this manner until 2008 when the check off was increased to \$1.00 per tonne.

MCGA’s mission statement is “MCGA is a member organization committed to maximizing net income from canola.” MCGA represents approximately 9,000 members.

MCGA uses the canola check off dollars for “seed money” to grow the future. Every dollar spent is leveraged at the local, national, and international levels, and studies show that every dollar invested by growers results in an impressive return on investment. Through the strategic, thoughtful investments of grower check off contributions, MCGA ensures that our members are well positioned to take advantage of opportunities to maximize their net income from growing canola. Together, we are supporting:

2008-2011 Strategic Plan

Markets and Net Returns

Relevant production practices that enhance profits

Example: If you delay swathing until 50% seed colour change, it is worth an extra 5 bushels in yield with no additional cost. Increasing plant stand to 8-10 plants per square foot can increase yield almost 7 bushels per acre. Early seeding of canola can lead to an almost 4 bushel per acre yield advantage over later seeded crops. If you have not set your combine properly you could lose more than 5 bushels per acre and at today’s prices that can add up quickly.

Increased access to the tools required for profitable marketing

Example: Every grower dollar from MCGA provides almost \$6 in direct funding for the High Erucic Acid Rapeseed (HEAR) Industrial Research Chair at the University of Manitoba and a further \$1.4 million in additional investment in Manitoba public canola research. Untreated, canola can lose over 30% of its yield to sclerotinia. MCGA’s support for research on genetic resistance to this disease will mean Manitoba growers can increase yields

and lower their input costs. All research done on HEAR can be applied to canola. So if a resistance is found in HEAR it can be put into canola very easily. The MCGA's Board of Directors has determined sclerotinia and blackleg as top priorities for research.

Canola Agri-Science Cluster is a \$20 million dollar project and is 75% government money and 25% grower and industry money. For every dollar growers and industry put in, government put in \$3. Growers alone put \$600,000 into this project. For every dollar growers put in, the government put in \$25. The research projects are focused in three primary areas; the health benefits of canola oil, improving canola meal and crop production research for improved grower profitability.

The Export Ready Program is supported by MCGA. This is a program that is proactive in protecting our markets for canola. Producers are told which varieties are not registered and if de-registered varieties are grown and found in a shipment to one of our markets, it could close that market down.

Example: Every \$100 million in new demand for canola generates an additional \$83 million in Canadian gross domestic product and more than 730 direct jobs in value-added industries, many located in rural areas.

Member relations

Awareness activities that provide accurate, factual information about canola

Example: MCGA supports the next generation of producers and consumers through Ag in the Classroom programs and by providing scholarships and bursary support to the University of Manitoba's Faculty of Agriculture, Red River College and Assiniboine Community College. 12,000 school children each year receive accurate, factual information about canola through MCGA's Canola Learning Centre at Kelburn Farms. "Great Tastes of Manitoba" Manitoba's highly rated locally produced cooking show, showcases Manitoba food products, including canola to over 40,000 consumers each week. One tool MCGA is using to communicate with their members as well as consumers is their website. MCGA uses e-newsletters, blogs, and twitter to connect to its members. MCGA has hired a Member Relations Coordinator who looks for ways to communicate with our Members.

Building Influence

Develop and maintain influential alliances, and collaborate with industry and government.

Example: MCGA is working with industry to identify innovations beneficial to all farmers. Through both Federal and Provincial Government outreach programs, MCGA stays in contact with MPs and MLAs. MCGA has strong ties to our sister organizations the BC Grain Producers Association, Alberta Canola Development Commission, the Saskatchewan Canola Development Commission, and the Ontario Canola Growers Association. MCGA has working relations with the Northern Canola Growers Association, the Minnesota Canola Council, and the US Canola Association. MCGA is a member of the Canola Council of Canada and the Canadian Canola Growers Association.

Enhance Leadership

Build trust and confidence through visionary planning, unified governance, and effective decision-making focused on the best interest of Canola Growers.

Examples: MCGA is guided by a set of bylaws which are reviewed yearly to ensure the bylaws meets the needs of its members. MCGA has developed a New Board of Directors training program that helps new Directors to understand MCGA and the canola industry. MCGA supports programs that promote agriculture as an attractive career option to young farmers and young people.

The Office

MCGA's office is located at 400-167 Lombard Avenue, Winnipeg, Manitoba. MCGA is in the same office as the Canola Council of Canada. This great arrangement allows CCC and MCGA to work together very closely.

MCGA employs five full time staff and one half time staff. The full time staff consists of: an Executive Manager, an Executive Assistant, an Education and Promotion Coordinator, a Project Coordinator/Web Controller as well as a Member Relations Coordinator (who came on board in July 2011). The half time staff member is the Assistant Education and Promotion person. The staff is directed by the strategic plan that was developed by the Board of directors. There are 8 Directors who are elected from throughout the province of Manitoba, to a 4 year term. Elections for 4 Directors occur every two years.

MCGA works with industry to identify innovations beneficial to all farmers.

MCGA is committed to developing a greater awareness of canola.

PRESIDENT'S REPORT



This is my last opportunity as president, to bring greetings from the Board of Directors of the MCGA.

The Board of Directors at MCGA administers the check-off and strives to add value to canola through research, market development and improved agronomics. Our strategic plan continues to focus on four key areas:

- Enhanced leadership,
- Markets and net returns,
- Member relations,
- Building influence.

MCGA continues to provide leadership, develop strategies and relationships, and to work for the growers that we represent. In 2011 the board developed a new plan for two of these areas:

- Enhanced leadership.
- Member relations. I am excited about the future at MCGA, as we have expanded our staff to include a Member Relations Coordinator who will help to communicate with our members. I hope some of you were able to attend one of the grower events Roberta Galbraith organized this past fall and winter. One of Roberta's goals is to establish a focus group for younger producers who would get together a couple of times a year and share their perspectives on Canola production, marketing and technology. It is our hope that through building a stronger relationship with our members, there will be an increased interest to serve as a director of your association.

MCGA is committed to developing a greater awareness of canola, the health benefits of canola oil, and the value of canola oil to the biodiesel industry by funding various projects that support these causes. Some of these projects are:

- Major sponsor of the Jet Funny Car, the only race car to burn canola biodiesel. Canola biodiesel demonstrates very large greenhouse gas emissions reduction.
- Continue our support at Assiniboine Community College in Brandon through the culinary arts program.

- Canola Learning Center at Kelburn Farms where youth, mostly from the city of Winnipeg, get to visit a farm and see where their food really comes from.
- Major sponsor of Junior Curling in Manitoba.
- Agriculture in The Classroom is also an opportunity for us to educate youth about the importance of agriculture.
- Promote canola to consumers around the world.
- Research; over \$475,000.00 dollars toward research projects.
- Provide Advertising and promotion of Canola, which had a budget of \$396,000.00 in 2010-2011.
- This past November the MCGA Board approved the 2011-2012 budget of \$2,863,188.00.

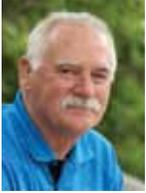
I would like to take this opportunity to thank the staff at MCGA. It has been a pleasure working with you over the past four years. To the board members, "Thank you for the opportunity to serve with you and to learn from you." My years of involvement on various boards and committees have given me the opportunity to develop skills required around a board table. My strengths lie in the ability to build consensus when making decisions. I strive to keep an open mind in decision making processes, and I strongly believe that it is important to respect everyone's opinion even when it differs from the majority. The strength of a board comes not from all members thinking alike, but by using its' diversities to build good decisions.

I would especially thank the members for the opportunity to represent them for the past four years. When first elected to a board, a long time director gave me some advice. He said "Always remember you are a farmer and that your peers have given you the privilege to represent them at the Board Table". I thank you for that privilege.

A handwritten signature in black ink that reads "Rob Pettinger". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rob Pettinger
President

EXECUTIVE MANAGER'S REPORT



I was hoping to be able to say that 2011 was a great year but I cannot. It will go down as one of the worst years I have seen in my ten years as Manager of the Manitoba Canola Growers Association. Manitoba had an extremely wet spring. At the end of June it quit raining and hot and dry conditions followed for July and August. Manitoba canola growers only seeded 2,725,000 million acres and of that 2,630,000 million acres were harvested. This year, the average yield was 27.8 bushels per acre compared to last year 31 bushels per acre. There were a few bright spots in the province with yields over 50 bushels per acre but there were not many. The canola quality was good with low amounts of green count.

We are into the second year of the Agriculture and Agri-Food Canada's \$14.5 million funding for agronomic and nutrition research under a new Canola/Flax Agri-Science Cluster. This funding will be matched by industry and farmers for a total amount of nearly \$20 million. An additional \$4.6 million of government funding will support the Clubroot Risk Mitigation Project, which seeks to identify best management practices and breed clubroot-resistant canola varieties. All research funding will help the canola industry increase production to 15 million tonnes by 2015.

Production research will target ways to improve crop establishment, nutrition and protection; harvest and storage management; integrated crop management; and sustainability. Nutrition studies will look at canola and flax oils' impact on heart disease risk markers; the effect of canola oil on the prevention and treatment of insulin resistance, inflammation and obesity; canola oil's influence on glycemic control and heart disease risk factors in people with type 2 diabetes as well as on blood vessel function in people with healthy and compromised arteries.

Canola meal studies will focus on the best formulations for dairy cow milk production, the impact of high levels of different types of canola meal in swine and poultry feeds, and improving the carbohydrate composition and energy content of canola meal.

The canola industry's portion of the research funding is derived from Canola Council of Canada's (CCC) core funds as well as SaskCanola, the

Manitoba Canola Growers Association and Alberta Canola Producers Commission. The Flax Council of Canada will provide funding and administration for two flax-related nutrition studies.

This was the first year of the newly developed Canola Performance Trials (CPT) formally known as the Prairie Canola Variety Testing (PCVT). These trials are funded by Alberta Canola Producers Commission (ACPC), SaskCanola, Manitoba Canola Growers Association, and the Canola Council of Canada. Results of the first year of data will come out in late November or early December. To read more about CPT see the R & T report in the annual report.

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, new and exciting articles, and provide producers with information on their provincial organizations.

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 2010 the tax credit was 11.65% and for 2009 it was 10.74%. 2008, 11.27% of MCGA's research funding qualified for the tax credit. The tax advantage in 2007 was 23.087%, 24.67% in 2006, 18.72% in 2005, 23% in 2004, 36% in 2003, 22% in 2002, and 27% in 2001. 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 which canola varieties can be exported and which pesticides can/cannot

"The strength of a board comes not from all members thinking alike, but by using its' diversities to build good decisions."

Producers are entitled to obtain taxable benefits on canola check-off deductions that are used to support Research and Development.

EXECUTIVE MANAGER'S REPORT (CONTINUED)

be used on canola. Everyone has a role to play in protecting the future of our great industry.

MCGA funds a Manitoba Canola Growers Association Scholarship and a Bursary for the Faculty of Agricultural and Food Science Degree programs of the University of Manitoba. We also fund a bursary to the Faculty of Agriculture Diploma program, Assiniboine Community College Agribusiness Bursary, and a Red River College bursary. This is MCGA's way to invest in the future of Agriculture. People are the key in making agriculture successful.

MCGA has hired Roberta Galbraith as the new Member Relations Coordinator. The Board of Directors felt this position was necessary in order to inform our members of what MCGA does and how we invest grower's money. Roberta will be working with the Board and staff to roll out many exciting programs. Communication is the key to any successful organization.

In the spring of 2011 with most of Manitoba very wet, MCGA, MAFRI, and CCC saw a need to do a research project "Canola response to waterlogged soil." Anastasia Kubinec the oil seeds specialist for Manitoba was the lead on this project. Nine fields were surveyed from July to August. The research was to answer the question "Are the wet areas in my canola crop worth keeping?" At the time of writing this report, the data is being reviewed and will be reported during Ag Days. MCGA plans to fund this research for at least another two years. We feel the results will be very beneficial to canola growers.

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

EDUCATION AND PROMOTIONS COORDINATOR REPORT



Each year when I pause and look back on the activities, programs and projects that the Education and Promotions

team executed for consumers, educators, culinary and health professionals, I am proud that we contributed to our message of Canola Growers Growing Healthy for You! Here at MCGA, we strive to do our best for our members and to connect to our target audiences, build ambassadors to share the health benefits about canola oil and the culinary attributes of this great local oil. We also partner with so many organizations to help spread the news about canola and also to connect consumers and educators to canola growers, the plant and the seed.

Partnerships

This year, the Canola Learning Centre celebrated 15 years! We reached over 15,000 children and educators through fun, interactive, real activities that connect back to our growers. Some of our favourites are crush canola, sweeping for bugs and talking to farmers who grow this local, healthy product in Manitoba. I started the Canola Learning Centre all those years ago and I am proud that it remains one of our flagships to connect with students and educators. Richardson International Kelburn Farm has been the home to the Canola Learning Centre and we thank them for this and their support.



Our long standing partnership with Agriculture in the Classroom continues to thrive as we partner with them on their activities, projects and programs. Agriculture in the Classroom is the go to organization on agriculture, education and students. Their mandate is to teach the ABC's of agriculture. MCGA is there at their Amazing Agriculture Adventures crushing canola, we are there at teacher in-services and we are there at Made in Manitoba breakfasts. Agriculture in the Classroom reaches over 10,000 students yearly and we continue to be a major sponsor.



Each year on Saturdays at 6:30 pm, you can tune in along with over 40,000 other Manitobans, to the Great Tastes of Manitoba TV show. If you missed the show, check out Great Tastes of Manitoba YouTube to watch past episodes. MCGA has been cooking live on TV, showcasing to Manitoba tips and culinary tricks to make great local food all with the special ingredient – canola oil.



Our food section of the website continues to be a favourite of Manitobans. So much so, that we have expanded to send out an electronic newsletter called Be Well. Be Well is a monthly update including recipes and articles from experts to keep your mind, body and soul working at its best. Live Well, Keep Well, Eat Well.....Be Well!

Saturdays at 6:30 pm, tune in to the Great Tastes of Manitoba TV show along with over 40,000 other Manitobans.

Be Well is
a monthly
newsletter
– sign up at
mcgacanola.org

EDUCATION AND PROMOTIONS COORDINATOR REPORT (CONTINUED)

This monthly e-newsletter has doubled its exposure this past year and has become a great tool. We are continually growing the distribution list at our events to allow for consistent follow-up and marketing opportunities with our community members.

Be Well has over 500 subscribers and many more followers on our Face book fan page, Twitter and now our new blog www.canolarecipes.com



The Be Well blog began as a place to host articles from the newsletter and now it's growing into a virtual canola community where MCGA can share information, stories about our industry, growers and canola oil in an inviting, interactive, fun format.

Live Well, Keep Well,
Eat Well.... Be Well!

Sign up today!



Scan the QR code with
your smart phone

Top Recipes from Jan-Dec 2011



1. Quick Dough and Pizza Sauce – 212 views
2. Super salmon salad - 169 views
3. Warm goat cheese salad – 156 views
4. Chocolate cake – 119 views
5. Cool canola pastry – 112 views
6. Brown sugar & Cinnamon cupcakes with Nutella and cream cheese icing – 83 views

One of our most popular posts/articles was about the key health and culinary attributes of canola oil written by Jenn Dyck, who was hired as my replacement while I was on maternity leave and will continue to provide leadership in this area. Here is a sample of "When can I use Canola oil? For the Health of it, For the Heat of it, For the Taste and it can even replace a solid fat"

When can I use Canola Oil?

Posted on 15. Feb, 2011 by Jenn in Featured Post, What's New

This question seems to keep surfacing on the web, in print and when we visit with consumers. I thought it would be great topic for discussion.

A: Basically you can use canola oil to replace any type of oil in any recipe. Here's why...

For the Health of it!

With the lowest amount of saturated fat of any leading oil in your supermarket, it also contains a good amount of heart healthy monounsaturated fat and omega-3 fatty acid. It is an excellent choice for a healthy kitchen. Check out the fat comparison chart to see how it shapes up when compared to other leading oils. Visit http://www.mcgacanola.org/food_oil101.html.

For the Heat of it!

Boasting a high smoke point of 242C (468F), it is an excellent choice when doing and high heat frying or deep frying. You can check out a smoke point comparison chart that compares canola oil to other leading oils at http://www.canolacouncil.org/food_oil_smoke.aspx.

For the Taste of it!

Generally speaking, canola oil has a very mild or neutral flavour, making it an excellent carrier for other ingredients in your dish. It allows for seasonings to shine and for key ingredients to be showcased. However, if you are looking for an oil

to pack a punch you should try out a cold pressed canola oil. Cold pressed canola oil packs flavour and is excellent for bread dips, salad dressings or a quick drizzle to finish a dish for great presentation.

Yes, even to replace a solid fat!

Did you know you can make some of your favourite recipes even healthier by replacing solid fats with canola oil? Not only do you make the type of fat in the recipe healthier you also decrease the caloric content of the recipe because you will decrease the amount of fat needed. Basically anytime a recipe calls for a solid fat to be melted you can replace with canola oil. Follow the chart below for exact measurements.

CANOLA OIL CHANGE CHART	
Solid Fat (melted)	Canola Oil
1 cup (250 mL)	3/4 cup (175 mL)
3/4 cup (175mL)	2/3 cup (150 mL)
1/2 cup (125 mL)	1/3 cup (75 mL)
1/4 cup (50 mL)	3 Tbsp (45 mL)

Experiment, have fun. Many of your favourite recipes that don't ask for the solid fat to be melted can be partially replaced by canola oil. Next time you are making those muffins, cookies or squares grab that bottle of canola oil and give it a try. Your heart will thank you for it!

If you want to read the whole article, check out the blog www.canolarecipes.com



Boasting a high smoke point of 242C (468F), canola oil is an excellent choice when doing and high heat frying or deep frying.

This year, the Canola Learning Centre celebrated 15 years – reaching 15,000 children & educators through fun real activities.

EDUCATION AND PROMOTIONS COORDINATOR REPORT (CONTINUED)

Assiniboine Community College and Manitoba Canola Growers partnered this past year to announce the Manitoba Canola Growers Culinary Theatre at the prestige Manitoba Culinary Institute College in Brandon. As part of our sponsorship, MCGA connects with the culinary students, the agriculture department and the student run Grey Owl dining room. Last year and for the next 4 years, MCGA will host an evening of leadership, partnership, growth and opportunity. MCGA's goal is to grow its community of influencers to continue to spread the message about health and our farmers. This past year, we featured Phyllis Reid-Jarvis as a speaker and she connected to our canola growers the importance of doing what's right and not what is easy in the Manitoba Canola Growers Culinary Theatre.



MCGA continues to partner with the Heart and Stroke Foundation of Manitoba on a recipe book "Quick and Healthy recipes for the whole family to enjoy" and supplementary videos shown on Shaw TV, canola growers You Tube Channel, and Westman TV.



At MCGA, we continue to be connected and setting the trend on what consumers are asking for and needing in their recipes and resources. We are one of the partners in foodManitoba. www.foodmanitoba.ca



foodManitoba is not for profit coalition whose core members are made up of many of the commodity groups. MCGA maximizes its partnerships by ensuring our recipes, information and blog is connected on the site.

Our target audiences love to connect with canola fields and the flowers as well as our growers, so most of the year we can't make this happen until we launch the interactive at key consumer events. Since January, the Canola Photo Booth touched over 4,000 guests. The guests stop for a unique experience and learning opportunity while they have their photo taken in our very own canola field.



A popular event where MCGA connected with consumers was at the Ag in the City, held at The Forks Market in Winnipeg this past March. The photo booth was there over the three days and we also partnered with our Culinary Team Manitoba member Chef MJ Feeke. She gave a culinary demonstration on the cooking stage, showcasing tips and tricks for cooking gluten free and how canola oil fits into a gluten free diet.

Winning Gold with Canola oil – the golden ingredient

Each year, MCGA runs baking and culinary competitions at Red River College and Assiniboine Community College targeted to up and coming culinary stars, exposing them to canola oil health and kitchen functionality benefits. Students compete for scholarships.

MCGA loves to partner and build communities to get our message out about our growers and the health and culinary aspects of canola oil. Become a Be Well member and stay in touch with where you can find us at the local community events. If you want us to come to your community, email Jenn jenn@mcgacanola.org or myself at prudene@mcgacanola.org

Be Well

Ellen Pruden & Jennifer Dyck
Education & Promotion Team

MCGA
connected
with
consumers
was at the Ag
in the City,
held at The
Forks Market
in Winnipeg
this past
March

Be sure to see the list of activities MCGA has planned for 2012.

MEMBER RELATIONS COORDINATOR REPORT



I do not have much to report as I have just started this position in July 2011 and have only had a few days on the job. It is wonderful to be back in the ag industry in a professional capacity and I am looking forward to the next year and discovering opportunities where my new role can find a fit.

This newly created position with Manitoba Canola Growers provides a fair amount of entrepreneurship to develop opportunities whereby the organization can support our Growers with a range of resources that meet our Mission Statement of maximizing net profits from Canola for producers. I am looking forward to finding and developing partnerships and opportunities to communicate with our Growers. Some of the activities we have planned are as follows:

- 9 Grower Meetings around the Province (fall of 2011) - focusing on Agronomics
- Quarterly Electronic Newsletter out to Growers
- Build Resources on the website specific to Growers
- Developing partnerships that benefit Growers
- Liaison with a group of younger growers to find out what they need from MCGA
- Build opportunities for growth for potential new board members
- Engage with other media to enhance connections with Growers - specifically through Internet, website, Facebook and Twitter.
- Work with other members of the MCGA team to develop programs that Growers can engage with.
- Continue to find opportunities with existing partners to engage with Growers - specifically with Ag in the Classroom, Canola Council of Canada, Canadian Canola Growers Association, MAFRI etc.
- Marketing meetings March 2012 - Partnership with ICE Futures and Canadian International Grains Institute (CIGI).
- Harnessing Smartphone technology March 2012, sponsored by MCGA.
- Delivering information on Research developments that MCGA is involved in to Growers through the Website, E-Newsletter and other avenues.

The rest of the 2011 calendar year and into 2012 should be exciting and I am looking forward to the opportunities that are going to be available for MCGA and this new role.

A handwritten signature in blue ink that reads "Roberta Galbraith".

Roberta Galbraith
Member Relations Coordinator

PROJECT COORDINATOR & WEB CONTROLLER'S REPORT



MCGA continues to grow our online presence. Our main website, www.mcgacanola.org remains our main resource, providing information for both consumers and growers. Real-time market prices, agronomic, marketing and research information are some of the resources to growers; while www.canolarecipes.ca contains a database of over 500 recipes that connects us to our consumers.

We also continue to build our online community via our social media platforms, which in the past year has seen some growth. Facebook, Twitter, Be Well blog, and YouTube allow us to engage with consumers and share our canola messages with them (using recipes, videos, articles) in real time. One of the sites we have a profile on, ifoodtv.com, has created its very own app for smartphones, bringing us to a new milestone –providing consumers with access to our recipes and videos through their mobile phones.

Join us online to see how we are sharing information about canola, not only in Manitoba, but also worldwide.

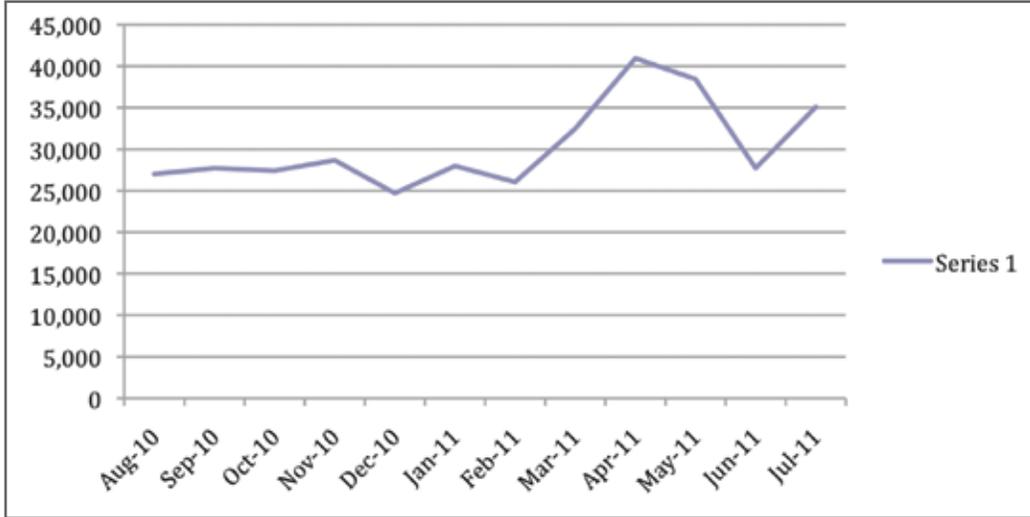
Wendy Elias-Lopez
Project Coordinator & Web Controller

WEBSITE	LINK
Main	http://www.mcgacanola.org
Consumer	http://www.canolarecipes.ca
Kids	http://www.canolakids.ca
Facebook	http://www.facebook.com/ManitobaCanolaGrowers
twitter	http://www.twitter.com/CanolaGrowers
Youtube	http://www.youtube.com/canolaoilgrowers
Be Well e-newsletter	http://bit.ly/w51fOi
Grower e-newsletter	http://bit.ly/pEGBQx
Be Well Blog	www.canolarecipes.com
Flickr	www.flickr.com/canolagrowers
ifood.tv	http://www.ifood.tv/canolaoilgrowers

Find MCGA on Facebook, Twitter, Be Well blog, and YouTube.

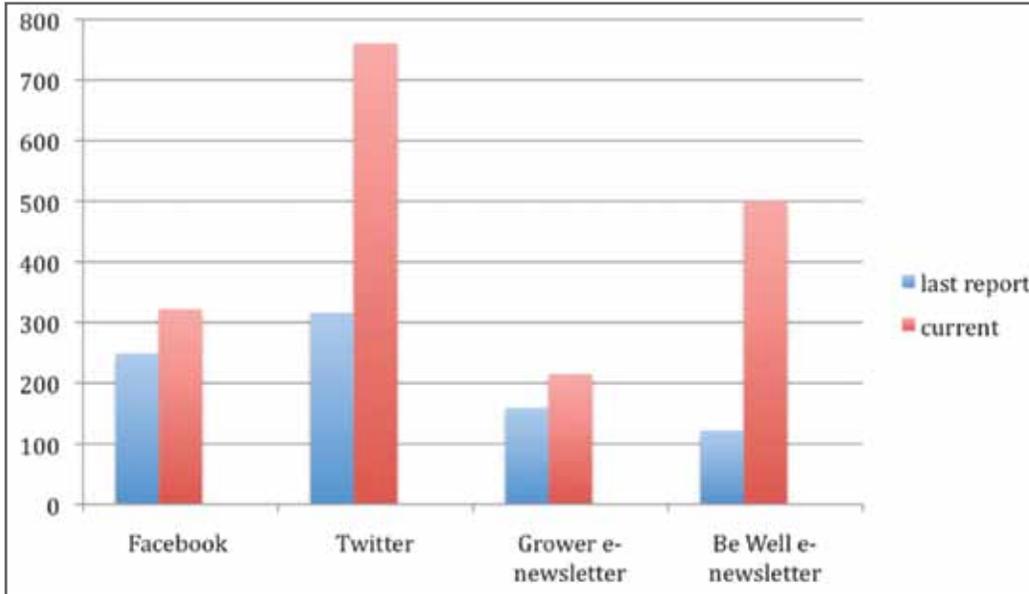
PROJECT COORDINATOR & WEB CONTROLLER'S REPORT (CONTINUED)

WEBSITE STATS FOR www.mcgacanola.org



WEBSITE STATS	PAGES VIEWED
10-Aug	27,015
10-Sep	27,915
10-Oct	27,515
10-Nov	28,665
11-Dec	24,701
11-Jan	27,981
11-Feb	26,046
11-Mar	32,489
11-Apr	40,951
11-May	38,445
11-Jun	27,721
11-Jul	35,090
TOTAL	336,619

SOCIAL MEDIA GROWTH



PLATFORM	LAST REPORT	CURRENT
Facebook	249	322 friends
Twitter	316	761 followers
Grower e-newsletter	159	215 subscribers
Be Well e-newsletter	122	500 subscribers

WEBSITE



BE WELL BLOG



FACEBOOK



TWITTER



YOUTUBE



OUR PROFILE ON THE ifood.tv app



The goal of the Canola Agronomic Research Program is to increase the profitability of canola production

AGRONOMIC RESEARCH REPORT



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 other research projects.

MCGA funding for R&T 2010/11 is as follows:

Category	Funding
CARP ongoing projects	\$ 31,556.01
CARP new projects	\$76,908.50
Prairie Canola Agronomic Research	\$10,000.00
Science Clusters	\$100,000.00
Canola Performance Trials	\$135,083.32
Excessive Moisture project	\$6,000
Protein fractionation project	\$25,000.00
Clubroot Research	\$42,257.00
Pod Shattering research	\$11,025.00
U of M Research Associate Chair	\$25,000.00
Disease survey soil testing with AAFC	\$5,000.00
Total	\$467,829.85

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 Producer 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 which projects based on the organizations priorities. Most of the projects are co-funded so that each organization can maximize their dollars.

In 2010/11 the following projects were funded in part by MCGA:

2010/11 Ongoing Projects

- 2007-10. Owen Olfert. AAFC. Development of reduced-risk strategies through coordinated monitoring, forecasting and risk warning systems for insect pest. \$7,200. Year 5 of 5.
- 2009-06. Julie Soroka. AAFC. Potential flea beetle species composition shift in prairie canola. \$5,000. Year 3 of 3
- 2010-3. Stephen Strelkov, University of Alberta, Edmonton. Effects of clubroot-resistant Canola lines on soils infested by *Plasmodiophora brassicae* \$3,333.34. Year 2 of 4.
- 2010.4. Malcolm Morrison. AAFC ECORC, Ottawa. Screening Canola for 'Flower Blasting' Tolerance. \$6,250. Year 2 of 2.
- 2010-8. Wayne T. Buckley, AAFC Brandon, ISTA method validation of a 24-hour canola seed vigor/deterioration assay. \$1,206. Year 2 of 2.
- 2010-20. Hector A. Carcamo. AAFC Lethbridge. Management of lygus and seedpod Weevils in canola farms. \$8,566.67. Year 2 of 4.

New CARP Projects for 2010/11

- 2011.2. Dilantha Fernando. University of Manitoba; Gary Peng. AAFC (formerly Randy Kutcher). Blackleg Resistance Stewardship: Improving our management of host resistance. \$13,991.66. Year 1 of 4
- 2011.3. Gary Peng, AAFC (formerly Randy Kutcher); Dilantha Fernando, University of Manitoba. Mitigating blackleg disease of canola using fungicide strategies. \$21,083.50. Year 1 of 4.
- 2011-7. Ludovic Capo-Chichi. AB Innovates. Assessment of seed germination and seedling performance of spring canola at low temperatures. \$15,000. Year 1 of 3.
- 2011.8. Anita Brule-Babel, University of Manitoba. Advanced statistical analysis of strip-plot canola variety trial data and comparison to small-plot variety trial data. \$8,970. Year 1 of 2.
- 2011.9. Anita Brule-Babel. University of Manitoba. Advanced statistical analysis of Small-plot canola variety trial data. \$17,863.34. Year 1 of 2.

Prairie Canola Agronomic Research Program

Most of the projects from this agreement have been rolled into the Canola/Flax Agri-Science Cluster Research project. The projects left are being funded by ACPC, SaskCanola, MCGA, and AAFC.

Canola/Flax Agri-Science Cluster

Agriculture and Agri-Food Canada announced \$14.5 million in funding for agronomic and nutrition research under a new Canola/Flax Agri-Science Cluster. This funding will be matched by industry and farmers for a total amount of nearly \$20 million. An additional \$4.6 million of government funding will support the Clubroot Risk Mitigation Project, which seeks to identify best management practices and breed clubroot-resistant canola varieties. All research funding will help the canola industry increase production to 15 million tonnes by 2015.

The Canola/Flax Agri-Science Cluster and Clubroot Risk Mitigation Project are part of the Canadian government's "Growing Forward" initiative, which will run from April 2010 until March 2013. The cluster will fund production, oil and meal studies of industry-wide benefit that are not already covered by the private sector.

Production research will target ways to improve crop establishment, nutrition and protection; harvest and storage management; integrated crop management; and sustainability. Nutrition studies will look at canola and flax oils' impact on heart disease risk markers; the effect of canola oil on the prevention and treatment of insulin resistance, inflammation and obesity; canola oil's influence on glycemic control and heart disease risk factors in people with type 2 diabetes as well as on blood vessel function in people with healthy and compromised arteries.

Canola meal studies will focus on the best formulations for dairy cow milk production, the impact of high levels of different types of canola meal in swine and poultry feeds, and improving the carbohydrate composition and energy content of canola meal.

The canola industry's portion of the research funding is derived from Canola Council of Canada's (CCC) core funds as well as SaskCanola, the Manitoba Canola Growers Association and Alberta Canola Producers Commission. The Flax Council of Canada will provide funding and administration for two flax-related nutrition studies.

Protein Fractionation Project

The Protein Fractionation project is a joint effort with SaskCanola and AAFC that will test Brassica protein fractionation process under large scale processing, execute economic analysis of the process and market positioning of the products.

Clubroot Research project

The Clubroot research project is a 4 year project, to build a durable clubroot resistance. This is funded by Alberta Crop Industry Development Fund (ACIDF) and Alberta Canola Producers Commission, SaskCanola, and MCGA.

Pod Shattering project

This is a two year project that will look at different varieties to see which ones have a better tolerance to pod drop and pod shattering. This information will be useful for anyone looking at straight combining canola.

Excessive Moisture project

This is a project that MCGA, MAFRI, and CCC started in 2011 to look at canola under different moisture conditions such as canola underwater, canola in excessive water, and canola under good conditions. This initiative is trying to determine at what point the canola plant cannot recover. This will be good information for Crop Insurance.

MCGA, MAFRI, and CCC started in 2011 to look at canola under different moisture conditions.

AGRONOMIC RESEARCH REPORT (CONTINUED)

Canola Performance Trails

Canola Performance Trials represent the next generation in variety evaluation for Western Canadian canola growers. The trials provide:

Relevant, unbiased and timely performance data that reflects actual production practices.

Comparative data on leading varieties and newly introduced varieties.

Detailed reporting on agronomic characteristics such as yield, height, lodging, maturity, and economic performance, and site specific performance variables including weather, soil type, crop nutrition, seeding, and harvest management.

The three Prairie canola grower groups, Alberta Canola Producers Commission, SaskCanola, and the Manitoba Canola Growers Association, fund the program. Seed trade companies that participate pay entry fees. The B.C. Grain Producers Association is conducting trials in the Peace River Valley as their means of participation.

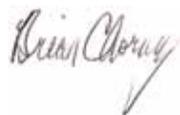
Haplotech, led by Dr. Rale Gjuric, coordinates the trials under the guidance of a governance committee which oversees approval of varieties, protocol design, data collection, analysis and reporting and financial management. Governance committee members include representatives from the provincial grower groups including B.C.; provincial oilseed specialists from Manitoba, Saskatchewan, and Alberta; three commercial Canadian Seed Trade Association representatives; and the Canola Council of Canada. The CCC is delivering the program on their behalf.

U of M Research Associate Chair

The Associate Chair of the HEAR project at the U of M looks at blackleg and sclerotinia disease and is working to find a resistant genes or eliminate these diseases altogether.

Disease survey soil testing with AAFC

MCGA provides AAFC and MAFRI with funding to do soil testing. AAFC and MAFRI do a yearly disease survey of Manitoba canola fields. While doing the surveys, they do soil samples of those fields to see if clubroot is present.



Brian Chorney (Director)
Research Chair

CANOLA STATISTICS

Canola Seed Average Prices – Updated October 29, 2010 Cdn. \$/Tonne – Basis In Store Pacific Coast, #1 Canada

Source: Cereals & Oilseeds Review - Statistics Canada

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	CROP YEAR	AUG	SEP	OCT	NOV	DEC	CALENDAR YEAR	\$/bu
1983	316.41	299.41	303.4	314.14	317.64	303.67	317.71	307.03	368.64	422.39	413.42	400.01	393.96	347.57	7.88
1984	418.55	398.99	426.2	457.36	607.99	632.5	525.26	455.44	401.59	379.95	393.64	400.69	380.64	451.95	10.25
1985	381.66	387.69	385.37	398.63	393.49	375.23	353.93	386.04	330.11	335.24	313.57	314.19	321.75	357.57	8.11
1986	321.27	304.17	295.17	283.29	282.19	267.8	252.73	301.79	234.96	239.2	246.01	252.73	244.59	268.68	6.09
1987	242.6	227.73	219.03	221.65	243.97	256.27	247.85	239.72	235.68	243.24	257.53	266.94	281.15	245.3	5.56
1988	302.56	303.16	294.22	305.27	336.31	413.98	395.28	302.94	381.19	379.83	336.68	333.82	344.35	343.89	7.80
1989	317.88	321.73	333.29	331.44	334.85	306.1	300.49	335.14	289.4	297.1	293.79	303.1	302.54	310.98	7.05
1990	300.01	301.6	311	318.47	322.24	303.89	300.99	303.68	299.43	292.74	295.22	290.08	290.01	302.14	6.85
1991	285.01	280.35	291.29	298.66	294.28	277.26	258.12	287.7	269.42	274.95	270.34	262.86	261.65	277.02	6.28
1992	261.65	264.15	282.7	276.9	288.08	279.35	280.05	272.68	282.46	321.09	302.08	326.67	331.43	291.38	6.61
1993	343.33	329.48	328.83	324.97	305.85	306.23	331.31	319.48	322.85	311.29	311.86	331.44	366.93	326.2	7.40
1994	408.15	412.9	422.23	454.9	481.44	484.95	387.77	391.39	382.54	380.9	379.89	401.38	432.79	419.15	9.51
1995	431.37	440.41	456.13	425.82	403.81	414.31	426.49	414.65	405.94	405.9	413.29	416.07	423.77	421.94	9.57
1996	424.07	422.6	417.55	443.94	473.04	470.47	470.79	432.29	453.77	453.54	444.01	432.3	439.54	445.47	10.10
1997	441.96	441.8	458.22	449.64	446.89	428.47	395.58	440.48	400.68	390.84	398.81	419.12	410.21	423.52	9.61
1998	416.52	429.12	434.68	441.44	450.56	443.11	404.86	420	348.3	391.6	400.4	386.55	416.83	413.66	9.38
1999	402.74	369.19	363.67	362.16	353.21	356.53	317.94	372.43	306.35	302.94	302.68	297.76	287.62	335.23	7.60
2000	286.09	277.92	280.97	287.34	284.67	274.12	265.32	287.82	262.24	269.18	265.2	267.69	259.61	273.36	6.20
2001	280.22	285.14	302.04	299.6	310.04	320.79	357.17	289.91	368.32	351.01	336.04	361.92	357.51	269.7	6.12
2002	357.77	353.72	354.55	341.73	345.84	358.98	409.1	358.04	439.9	444.3	449.7	474.6	450.52	342.6	7.77
2003	429.39	410.84	383.44	397.63	380.01	365.77	358.6	415.39	356.02	357.03	376.72	378.66	373.36	426.7	9.68
2004	381.7	413.5	437.5	432.43	398.33	407.47	374.07	390.57	364.87	342.03	311.67	303.37	291.17	371.51	8.43
2005	283.13	294.6	300.97	304.97	311.13	310.33	311.2	310.79	291.23	275.6	265.37	263.6	251.93	288.67	6.55
2006	261.57	264.67	275.17	280.74	296.26	291.56	307.48	277.1	298.43	304.38	327.64	367.74	382.14	304.82	6.91
2007	393.03	394.59	386.79	382.02	395.62	405.17	413.37	370.91	422.49	453.38	442.84	456.85	494.72	420.07	9.53
2008	568.18	659.13	656.34	632.12	607.27	646.59	633.46	556.11	552.03	490.25	423.02	429.52	405.05	558.41	12.66
2009	449.5	447.65	447.85	468.71	501.22	503.15	464.98	465.24	473.3	430.57	421.25	422.55	425.85	454.72	10.31
2010	410.26	408.91	406.37	406.26	403.45	434.05	471.57	426.2	457.28	491.8	513.11	554.29	584.4	461.81	10.47
2011	606.19	604.06	588.13	595.98	594.39	607.83	595.99	558.57	578.59	569.6					

Source: <http://www.canolacouncil.org/canolaprices.aspx>

Seeded Area and Production of Manitoba Canola

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	millions of acres										
Canola Seeded Area	2.48	2.35	1.95	2.2	2.5	2.84	2.5	2.48	2.85	3.1	3.2
Average Yield (bu/ac)	30.6	28.4	26.2	28.8	30.7	30.7	25.7	32.5	26.8	36.9	39.5
% Total Manitoba Seeded Area											
(Grain, Oilseed, Pulse, Special Crops)	28.4%	24.0%	20.6%	23.2%	25.8%	30.6%	30.2%	27.3%	33.1%	33.4%	35.5%
	production in millions of bushels										
Canola Production	75.3	65.6	50.5	63.0	78.0	78.4	55.6	80.5	75.6	113.6	124.7

Source: Field Crop Reporting Series - November Estimates of Crop Production, Statistics Canada. Catalogue No. 22-002-XIB

CANOLA STATISTICS (CONTINUED)

Farm Cash Receipts - Canola in Manitoba

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	millions of dollars											
Canola	351.7	324.3	363.9	484.4	534.5	597	354.7	384.6	739.4	1004.6	1063.6	1117.3
% Total Manitoba Farm Crop Receipts (\$million)	25.3%	24.6%	24.0%	25.4%	31.4%	32.9%	27.3%	30.1%	33.8%	36.4%	37.9%	40.70%

Source: Statistics Canada - Farm Cash Receipts, May 2010 <http://www.statcan.gc.ca/pub/21-011-x/21-011-x2009001-eng.pdf>

Export Value of Canola in Manitoba

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	millions of dollars									
EXPORT Bulk Commodity Canola	345.9	254.2	281.7	200.3	450.8	427.8	311	237.2	477.1	816.9
EXPORT Semi-Processed										
Canola Oil	239.1	111.5	109.6	139.3	204.7	246.1	126.4	168.3	270.8	488.8
Canola Meal/Cake	40.3	27.2	25.3	30.2	29.4	61	36.8	32.6	51.5	84.2

Source: Manitoba Agri-Food Exports, 1999-2008. <http://www.gov.mb.ca/>

Farm Supply and Disposition of Manitoba Canola Crop, 1998/99 to 2009/10

000 tonnes	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Opening Stocks (Aug 1)	10	80	250	110	90	50	49	166	151	101	65	120
Production	1803	1708	1488	1134	1452	1769	1746	1261	1826	1950	2576	2828
Total Supply	1813	1788	1738	1244	1542	1819	1795	1427	1977	2052	2642	2948
Marketings	1580	1418	1584	1073	1450	1846	1591	1185	1793	1933	2521	2723
Seed	1	1	1	1	1	1	1	1	1	1	1	1
Carryover	80	250	110	90	50	49	166	151	101	65	120	175
Feed/Waste/Dockage	152	119	43	81	41	-77	37	91	82	53	0	49
Total Disposition	1813	1788	1738	1244	1572	1819	1795	1427	1977	2052	2642	2948

Source: Manitoba Canola Sector, May 2010. http://www.gov.mb.ca/agriculture/statistics/pdf/crop_canola_sector.pdf



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INDEPENDENT AUDITOR'S REPORT

To the Board
Manitoba Canola Growers Association Inc.

I have audited the accompanying financial statements of Manitoba Canola Growers Association Inc., which comprise the statement of financial position as at July 31, 2011, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of Manitoba Canola Growers Association Inc. as at July 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

"Carman, Manitoba"
"November 14, 2011"


Chartered Accountant Inc.

**STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2011**

	ASSETS	
	2011	2010
CURRENT ASSETS		
Bank		
Operating	\$33,947	\$593,854
Surplus (notes 2 and 4)	235,000	134,400
Contingency (notes 2 and 4)	40,000	40,000
Investments (note 2)	3,820,872	2,711,463
Receivables		
Check-off (notes 2 and 5)	328,315	509,712
Other - interest	7,599	1,354
Prepaid expenses	11,241	11,242
	4,476,974	4,002,025
CAPITAL ASSETS, net (notes 2 and 3)	16,671	9,696
	\$4,493,645	\$4,011,721

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$119,166	\$123,696
Deferred check-off revenue (notes 2 and 5)	2,377,606	2,652,752
	2,496,772	2,776,448
NET ASSETS		
Net assets invested in capital assets	16,671	9,696
Net assets internally restricted (note 4)	275,000	174,400
Unrestricted net assets	1,705,202	1,051,177
	1,996,873	1,235,273
	\$4,493,645	\$4,011,721

Approved on Behalf of the Board

Director: 

Director: 

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JULY 31, 2011**

	Invested in Capital Assets	Internally Restricted	Unrestricted	2011 Total	2010 Total
<i>NET ASSETS</i>					
Balance, beginning of year	\$9,696	\$174,400	\$1,051,177	\$1,235,273	\$300,674
Acquisitions	11,364		(11,364)		
Transfer of funds		100,600	(100,600)		
Excess of revenue over expenses	(4,389)		765,989	761,600	934,599
Balance, end of year	\$16,671	\$275,000	\$1,705,202	\$1,996,873	\$1,235,273

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2011**

	2011	2010
REVENUES		
Check-off (net of refunds - notes 2 and 5)	\$2,652,752	\$2,409,844
Investment income	128,293	50,523
	<u>2,781,045</u>	<u>2,460,367</u>
EXPENSES		
Administration		
Board	103,649	106,420
Office	238,827	199,197
Extension	380,428	205,770
Technical education and promotion	290,304	277,598
Research and technology	481,494	249,077
Canola Council of Canada core funding (note 7)	492,900	475,305
Investment fees	27,454	9,423
Amortization of capital assets	4,389	2,978
	<u>2,019,445</u>	<u>1,525,768</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$761,600</u>	<u>\$934,599</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2011**

	2011	2010
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Excess of revenues over expenses	\$761,600	\$934,599
Amortization of capital assets	4,389	2,978
Decrease (increase) in check off receivables	181,397	(113,488)
Decrease (increase) in other receivables	(6,245)	(1,354)
Decrease (increase) in prepaid expenses	1	(5,002)
Increase (decrease) in accounts payable	(4,530)	9,292
Increase (decrease) in deferred check-off	(275,146)	242,908
Cash from (to) operating	<u>661,466</u>	<u>1,069,933</u>
<i>FINANCING AND INVESTING ACTIVITIES</i>		
Purchase of investments	(1,109,409)	(2,711,463)
Purchase of capital assets	(11,364)	(3,622)
Cash from (to) financing and investing	<u>(1,120,773)</u>	<u>(2,715,085)</u>
Net increase (decrease) in cash	(459,307)	(1,645,152)
Cash beginning of year	768,254	2,413,406
Cash end of year	<u>\$308,947</u>	<u>\$768,254</u>

**SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JULY 31, 2011**

	2011	2010
<i>ADMINISTRATION - BOARD</i>		
Election	\$	\$37,582
Mailings - bylaws and legal	34,283	16,178
Professional fees - audit and legal	24,731	4,928
Board operating	44,635	47,732
	\$103,649	\$106,420
<i>ADMINISTRATION - OFFICE</i>		
Office operating	\$238,827	\$199,197
<i>EXTENSION</i>		
Memberships and subscriptions	\$5,155	\$4,812
Advertising	2,359	2,054
MCGA meetings	1,950	5,788
Ag Days	13,945	16,269
Annual general meeting	31,147	9,138
Extension meetings	66,555	57,802
Canola learning centre	61,478	29,839
Marketing meetings	21,258	
Communications and radio spots	26,274	32,672
Sponsorships	93,678	31,414
Market development	20,509	
Outreach joint projects		3,349
Web page	36,120	12,633
	\$380,428	\$205,770

**SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JULY 31, 2011**

	2011	2010
<i>TECHNICAL EDUCATION AND PROMOTION</i>		
Co-ordinator budget	\$113,165	\$106,714
Co-ordinator office	85,606	85,195
Ag in the Classroom	20,000	20,000
Culinary Kitchen - ACC	60,000	
Canola Digest	3,068	13,189
Canola utilization meetings and newsletter	3,465	
North American utilization funding		47,500
Richardson International project	5,000	5,000
	<u>\$290,304</u>	<u>\$277,598</u>
<i>RESEARCH AND TECHNOLOGY</i>		
CARP, ongoing	\$24,889	\$20,098
CARP, new	64,102	50,544
Clubroot research	42,257	
Prairie Canola Variety test	135,083	10,000
Protein Fractionation	25,000	
Soil tests	10,000	
Meetings	9,206	10,251
Biodiesel	35,957	23,184
PCARP	10,000	10,000
Science clusters	100,000	100,000
Long term research	25,000	25,000
	<u>\$481,494</u>	<u>\$249,077</u>

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2011

1. Purpose of the Association

Manitoba Canola Growers Association Inc. is a member organization committed to maximizing net income from canola. The association was incorporated under the Manitoba Corporations Act on July 8, 1982 as a not-for-profit organization and is exempt under the Income Tax Act under section 149 (1) (e) as an agricultural organization.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. Outlined below are those policies considered particularly significant for the association.

Revenue recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Check-off revenue is recognized in the same manner as restricted contributions. Current year check-off collections form the basis of the following year's scheduled expenditures. 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. Investment income is recognized as revenue when earned. Seminar fees are recognized as revenue when the seminars are held.

Investments

Investments are recorded at cost and are comprised as follows:

	Cost	Market Value
Guaranteed investment certificates		
Restricted	\$275,000	\$275,000
Unrestricted	425,000	425,000
CIBC Income portfolio	3,395,872	3,466,689
	\$4,095,872	4,166,689

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided on a declining balance basis over the assets' estimated useful lives at the following annual rates:

Office and presentation equipment	20%
Computers	30%

NOTES TO THE FINANCIAL STATEMENTS
July 31, 2011

2. Significant Accounting Policies cont.

Contributed services

Contributed services or materials are not recognized in the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Financial Instruments

The association applies Sections 3855 "Financial Instruments - Recognition and Measurement" and 3861 "Financial Instruments - Disclosure and Presentation" of the Canadian Institute of Chartered Accountants (CICA) Handbook. As permitted by the CICA, the association has elected not to adopt the new standards 3862 and 3863, and continues to apply Section 3861 on disclosure and presentation of financial instruments.

All financial instruments are classified into one of five categories: held for trading, held-to-maturity investments, loans and receivables, available for sale financial investments or other financial liabilities. On initial recognition, all financial instruments are recognized at their respective fair values except for investments in equity instruments that do not have a quoted market price in an active market. After initial recognition, held for trading and available for sale financial assets are measured at the balance sheet date at their fair values, and loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost.

The categories of the association's financial assets and liabilities are as follows:

Financial Assets

i) Held for trading:

Cash and cash equivalents are designated as held for trading at fair value with any subsequent changes in fair value as a charge to the statement of operations.

ii) Available for sale or held to maturity:

The association does not currently hold any financial assets classified as available for sale or held to maturity.

iii) Loans and receivables:

Accounts receivable are recorded at amortized cost less any impairment losses recognized and approximate their fair values due to the relatively short periods to maturity.

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2011

Financial Liabilities

iv) Held for trading:

The association does not currently hold any financial liabilities classified as held for trading.

v) Other financial liabilities:

Accounts payable and accrued liabilities are recorded at amortized cost and approximate their fair values due to the relatively short periods to maturity.

It is management's opinion that the association is not exposed to significant currency or credit risks arising from these instruments.

The association is exposed to interest rate risk and market risk with respect to cash and cash equivalents. The association manages exposure through monitoring financial reports received from the financial institution.

3. Capital Assets

	COST		ACCUMULATED AMORTIZATION		NET BOOK VALUE	
	2011	2010	2011	2010	2011	2010
Office equipment	\$5,740	\$5,740	\$4,467	\$4,149	\$1,273	\$1,591
Presentation	6,743	6,743	6,222	6,091	521	652
Computers	28,048	16,683	13,171	9,230	14,877	7,453
	<u>\$40,531</u>	<u>\$29,166</u>	<u>\$23,860</u>	<u>\$19,470</u>	<u>\$16,671</u>	<u>\$9,696</u>

4. Restrictions on Net Assets

In 1999 the Board of Directors established a \$40,000 contingency fund in order to supply funds to wind down staff expenses and other commitments.

In 2011 the Board of Directors increased the surplus fund to a maximum contribution level of \$500,000. The purpose of the fund is to establish a financial reserve to meet financial commitments should there be a shortfall in revenues.

The internally restricted funds are not available for other purposes without approval of the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS
July 31, 2011

5. Deferred Check-off Revenue

	2011	2010
Gross check-offs	\$2,562,375	\$2,859,628
Check-offs refunded to producer	184,769	206,876
Net check-off revenue deferred	\$2,377,606	\$2,652,752

Accrued check-offs due but not yet received as at year end is \$328,315 (\$509,712 in 2010).

6. Commitments

The association has entered a sublease for office space extending to September 30, 2013 at a rate of \$1,000 per month. Commencing in fiscal 2010 the association changed its methodology of funding certain projects and entered into a core funding agreement with the Canola Council of Canada. The 2012 core funding commitment is \$591,000. The association has also entered into funding agreements for long term research projects and sponsorships and have committed the following amounts.

YEAR	AMOUNT
2012	\$200,782
2013	119,757
2014	102,257
2015	60,000

NOTES TO THE FINANCIAL STATEMENTS July 31, 2011

7. Actual vs. Budget

The main categories comparison is as follows:

	2011 Budget	2011 Actual
Administration - Board	\$115,000	\$103,649
Administration - Office	225,000	238,827
Extension	471,000	380,428
Technical education and promotion	315,000	290,304
Research and technology	621,063	481,494
Canola Council of Canada core funding	493,654	492,900
	<u>\$2,240,717</u>	<u>\$1,987,602</u>

DIRECORS PER DIEMS

August 1, 2010 to July 31, 2011

Brian Chorney	\$10,050.00
Bruce Dalgarno	\$ 9,150.00
Dale Gryba	\$ 9,000.00
Ed Rempel	\$ 7,200.00
Ernie Sirski	\$13,200.00
Hugh Drake	\$ 2,550.00
Rob Pettinger	\$ 4,650.00
Wilfred Harder	\$ 4,800.00



Manitoba
Canola Growers

www.mcga.canola.org

CANADIAN CANOLA GROWERS ASSOCIATION'S REPORT



For nearly 30 years, the Canadian Canola Growers Association (CCGA) has represented the interests of Canadian canola farmers at both national and international levels. The association has two primary functions:

1. Finance Operating Cash Flow for Farmers:

Since 1983, CCGA has been an administrator of the Advance Payments Program, provided by Agriculture and Agri-Food Canada. Today, the association issues cash advances on more than 20 different commodities to producers across Western Canada.

2. Agriculture Policy Development and Advocacy:

The CCGA policy team researches policy alternatives and advocates for policy changes that affect the profitability of the association's 43,000 plus farm members.

CCGA's advocacy work has focused on a number of national and international policy files: rail transportation, biotechnology, biodiesel and international trade. While CCGA staff and directors undertake advocacy work within Canada and abroad, the association also works through several allied associations to advocate for change. These groups include: Canadian Agri-Food Trade Alliance, Coalition of Rail Shippers, Grain Growers of Canada, Canadian Renewable Fuels Association, Vegetable Oil Industry of Canada, Canola Council of Canada and the Canada Grains Council.

CCGA also represents farmers' interests on a number of committees and working groups including Western Grains Standards Committee, Western Grains Research Foundation. In addition, CCGA has representation on two Pest Management Regulatory Agency committees including the Pest Management Advisory Council and the Grower Requested Own Use (GROU) program.

Marketing

CCGA was a strong advocate and lobbied the government to introduce legislation amending the Canada Grains Act to modernize both the Act and the Canadian Grain Commission (CGC) prior to implementing the proposed CGC fee increases that were presented earlier this year. The proposed fee increases would have dramatically increased the

costs borne by farmers for grain handling charges. In a second grain marketing area, the association supported changes that were proposed by the CGC altering the way the moisture rebound factor was calculated for dried grain, making the calculation science-based.

Rail Transportation

The final report from the Level of Service Review Panel was released in March with the government announcing four key recommendations, including an improved process for establishing service level agreements, a dispute resolution mechanism, a means to establish and measure shipping performance metrics, and the drafting of legislation giving shippers the right to service agreements. CCGA believes that this package, if implemented properly, will simulate a more balanced commercial relationship between shippers and the railways leading to improved rail service in the country. The first steps toward implementing the recommendations were announced in November with the appointment of a facilitator who will begin the process of developing a template service agreement.

International Trade

CCGA has been an active participant in consultations, in both Canada and abroad, on the Canada-EU Trade Agreement. The consultations have provided an opportunity to continue the canola industry's efforts to call for more science-based trade rules. The association has advocated for importing nations, including Canada, to implement an international protocol for Low Level Adventitious Presence (LLP) of biotechnology events that are proven safe but may not be approved in the country of importation.

In co-operation with the American Soybean Association, CCGA co-hosted the 14th International Oilseed Producers Dialogue in Saskatoon, Saskatchewan. The conference brought together oilseed producer associations from nine countries, representing canola, soybean, palm and oilseed rape. During the meeting, the delegates discussed a wide range of agriculture policies and issues that affect oilseed producers around the world, including biofuels, trade liberalization, LLP, and environmental sustainability.

The Renewable Fuel Standard was enacted on July 1, 2011 and has the potential to create new domestic demand for one million tonnes of canola seed.

CANADIAN CANOLA GROWERS ASSOCIATION'S REPORT (CONTINUED)

Biodiesel

During the past year, CCGA organized several lobby events to advocate for the implementation of a 2% Renewable Fuel Standard (RFS) for biodiesel. The RFS was finally enacted on July 1, 2011 and has the potential to create new domestic demand for one million tonnes of canola seed. The association continues to work with the Canadian Renewable Fuels Association to advocate for the build out of canola-based biodiesel capacity in Western Canada.

Biotechnology

CCGA actively lobbied against Bill C-474, a bill that would have changed the Canadian approval process for new varieties that are created using biotechnology. "The changes proposed in Bill C-474 would have only added ambiguity and uncertainty to our seed system with the end result being a loss of innovation and competitiveness for farmers," said Ed Schafer, President of CCGA in a press release. CCGA appeared as a witness to the Standing Committee on Agriculture and Agri-Food, and the bill was voted down at Third Reading in the House of Commons in February.

For more information about CCGA, go to www.ccca.ca. Here you will find more information about the association's policy development work, as well as details about the cash advance program.



Rick White
General Manager
Canadian Canola Growers Association



The Manitoba Canola Growers Association provides core funding support to the Canola Council of Canada (CCC). The mission of the CCC is to enhance the Canadian canola industry's ability to profitably produce and supply seed, oil, and meal products that offer superior value to customers throughout the world.

These funds support the salaries and operations for programs focussed on five key objectives. The major programs of the CCC for 2011 are outlined below:

1. Increase consumption and value of canola oil and meal:

- Market promotion based on the superior health properties of canola oil in Canada, U.S., Mexico and India resulted in increased demand in the U.S. and Mexico.
- Canola meal promotion for dairy in Canada, U.S., Mexico, China and south east Asia for dairy, poultry, swine and aquaculture. Promoted canola meal in the dairy industry based on the analysis that showed canola meal in the ration of a dairy cow can increase milk production on average by one litre of milk per cow per day.
- Canola meal feeding trials in dairy in China resulting in an increase of canola meal exports to China.
- Supported the Government of Canada's renewable fuel standard that requires 2% biodiesel in diesel in Canada effective July 1, 2011 for all provinces except Quebec, Atlantic Canada and Newfoundland and Labrador.

2. Improve market access for canola and its products:

- Worked with the Government of Canada to address the technical issues related to blackleg quarantine issue in China and obtained access for canola seed for crushing for the 2011 crop.
- Provided technical support to the Canadian Oilseed Processors Association to address the issue of salmonella testing of canola meal to the U.S.

- Monitored non-tariff trade issues in Japan, Mexico and Europe.
- Obtained access for Canadian canola to be used for biodiesel production in the U.S.
- Worked with the grain trade to address the sustainability requirements for Canadian canola as a feedstock for biodiesel production in Europe.

3. Improve quality of canola oil, meal and seed.

- Communicated the need to continue to increase oil content and maintain protein content and saturated fat levels in canola to maximize the value of canola products.
- Supported increasing oil content of new recommended varieties by 0.2% through the Western Canada Canola/Rapeseed Recommending Committee.

4. Increase sustainable production of canola to meet demand:

- See detailed Crop Production report.

5. Improve understanding of the canola industry and the Canola Council of Canada.

- Support the canola growers associations across Canada by coordinating the publication of the Canola Digest.
- CCC convention held in Saskatoon in July 2011 with record attendance.

JoAnne Buth, President
Canola Council of Canada

MCGA
provides core
funding to the
Canola Council
of Canada

CANOLA COUNCIL OF CANADA'S CROP PRODUCTION REPORT FOR 2011



In 2011, the Canola Council of Canada's (CCC) crop production staff continued their focus on extension activities, while also assisting with the implementation of several new agronomic research projects that were started in 2010.

The following report summarizes the highlights of this year's program targeted at helping producers maximize the profitability of their canola crops.

Just-In-Time Information

Canola Watch has become the platform for distributing timely growing season information directly to those who need it most. The weekly growing season reports, distributed by email from May 4, 2011 to September 21, 2011, summarized the canola crop conditions and provided agronomic advice to growers, dealers, industry representatives and the media. The CCC agronomists facilitated discussions of emerging issues with provincial specialists and representatives from grower groups and industry, enabling timely responses to canola production challenges such as excess moisture, delayed seeding, poor stand establishment, pest outbreaks, insects, diseases, weeds, challenging fall conditions and storage management concerns. An evaluation survey was circulated to get suggestions for next year, along with a follow-up exam eligible for credits for those readers in the Certified Crop Advisor Program. Readers will also have noticed that the Canola Watch is still arriving in their inbox on the first Wednesday of every month, covering planning for 2012 and other topics of grower interest. We are including more and more of the preliminary research results each month for growers to be aware of the current canola research being performed. For more information or to subscribe to Canola Watch use the following web address: <http://www.canolacouncil.org/canolawatch>

We also issued several press releases throughout the growing season as relevant and timely issues arose. These press releases were issued in addition to the weekly Canola Watch reports throughout the growing season. The continued support and interest of the Manitoba Agricultural Media in utilizing our press releases and Canola Watch reports is very much appreciated by the entire industry. These reports and releases were also utilized as content for MCGA's electronic grower newsletter, as well as their weekly radio spots on CKDM and Golden West Radio and

on other radio interviews. These reports also had a key function on the MCGA website, on Facebook and on our Twitter Account. All of the CCC Agronomists are now tweeters and you can find us on Twitter at agronomists last name CCC (so Kristen's account in Manitoba is phillipsccc). The one on one interaction with producers and agronomists through email and phone calls was also a very important avenue for communication, extension and education.

General Extension

Agronomy presentations and distribution of published material at grower meetings, trade shows, field tours and crop walks continued to be an important means of sharing information. Webinars also provided some great training opportunities for agronomy training.

The Canola Council of Canada Website (www.canolacouncil.org) continued to provide canola production information, with most of the new information posted under the Canola Watch section accessed by clicking the banner on the home page for easy access.

Again this year, the Canola Council of Canada was able to assist in offering in-field training at the Crop Diagnostic School held at the U of M's Ian N. Morrison Research Farm in Carman. The Canola Council of Canada collaborated with MAFRI and the U of M staff on the oilseed demonstration plots showcasing herbicide activity of different herbicide tolerance systems on hard to kill weeds. We also highlighted on herbicide overlaps and the effects of different timings of herbicide applications with the different herbicide systems. Due to the high disease pressure conditions this season at our crop diagnostic school we were also able to visibly demonstrate early season Blackleg symptoms. A general talk on Sclerotinia was also presented as we were just approaching fungicide spray season when the school was on. Our agronomic staff was involved in 7 days of the school which ran from July 5th through to the 15th. In total approximately 400 participants attended the school over the two week period.

The Canola Export Ready program continued this year, with the goal of informing producers and industry about production practices that could impact our export markets. Messages this year focused on avoiding the use of de-registered products like vinclozolin (the active ingredient in Ronilan fungicide), and on production practices

to reduce blackleg infection. Other key messages included avoiding the use of malathion as a bin treatment, watching for pre-harvest intervals on products, and avoiding the use of de-registered varieties not approved by some export customers. Detailed information is available on our website at http://www.canolacouncil.org/export_ready

Combine Clinics targeted at helping producers to better measure and ultimately reduce their harvest losses were continued in 2011 with one in Alberta and one in Manitoba. The Manitoba Combine Clinic coincided with the MCGA AGM. Plans for next years ' MCGA AGM include a Storage Clinic on February 28, 2012.

Research

In addition to the continuation of the prairie wide collaboration between Canola Council, the Provincial Canola Grower Associations and Agriculture and Agri-Food Canada (AAFC) through the Prairie Agronomic Research Program, 2010 saw the launch of the Canola/ Flax Agri-Science Cluster Funding program resulting in over 30 new agronomic research projects in addition to projects on canola nutrition and improving canola meal value. These projects were continued into their second year of studies in 2011 and we are now receiving preliminary results. This research will help growers leverage their investment to target research at solutions for specific agronomic challenges. The crop production staff also continued to network with the researchers to facilitate communication and identify extension opportunities.

The agronomy specialists also participated in the integrated pest management program by assisting with flea beetle, bertha armyworm and diamondback moth trapping. They also assisted with a more extensive disease survey in the three prairie provinces as well.

These are some of the key highlights of our 2011 program. I would personally like to thank the Manitoba Canola Growers Association for the opportunity to work with them to help Manitoba growers achieve more successful canola crops. Although 2011 was a challenging year for our prairie province I still believe that we had some successes and it is extremely important that we look forward to 2012 and the resilient crop we can grow on the prairies – CANOLA. I look forward to MCGA's continued support of our Crop Production Staff's extension activities in 2012 and beyond.



Kristen Phillips
*Agronomy Specialist – Manitoba
Canola Council of Canada*

The Canola Council of Canada's website provides current best practices Canola information

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Regional Agronomist - Manitoba

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