



GROWING

Healthy for You!

ANNUAL REPORT 2010

Growing Healthy for You!



GROWING

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From the Development of a Crop to the Development of an Organization

9,000-member strong organization. MCGA ensures that members are well-positioned to maximize their net income, from growing canola.

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.

2008–2011 Strategic Plan

Markets and Net Returns

Relevant production practices that enhance profits

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.

Increased access to the tools required for profitable marketing

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.

MCGA is part of the 5-year Prairie Canola Agronomic Research program along with Agriculture and Agri-Food Canada, Canola Council of Canada, Saskatchewan Canola Development Commission, and the Alberta Canola Producer Commission. MCGA pools their producer dollars along with the other groups to do prairie wide agronomic research. Projects are bigger and span Western Canada and will provide better results as we can see how the agronomic projects are affected by different soil types and regions. MCGA is maximizing the AAFC research stations in Manitoba and one research project is "Legume Crops to Improve Soil Fertility for Enhanced Canola Yield and Quality and Soil Health."

Continuous market development to secure high value markets

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. MCGA's participation in the North American Oil Promotions Program promotes canola oil to USA consumers, chefs, dieticians, health professionals and the media. MCGA has lobbied both the Federal and Provincial Government for incentives and mandates on biodiesel.

Member Relations

Awareness activities that provide accurate, factual information about canola

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 is their website. Not only is this website for members but for consumers.

Building Influence

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

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, the Saskatchewan Canola Growers Association, 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

MCGA is guided by a set of bylaws which are reviewed yearly to ensure the bylaws meets the needs of its members. MCGA has a Board of Directors training session that was developed to help new Directors to understand MCGA and the canola industry. MCGA supports programs that promote agriculture as an attractive 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.

MCGA employs three full time staff and one half time staff. The full time staff consists of an Executive Manager, an Executive Assistant, and an Education and Promotion Coordinator. The half time staff member is the Project Coordinator who manages our website. The staff is directed by a Board of eight Directors who are elected from throughout the province of Manitoba. Directors serve a 4-year term. Elections for four Directors happen every two years.

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.

President's Report

MCGA is always looking for members who are interested in working with Agriculture in the Classroom. If you are interested, Please contact MCGA.



As we look back at the past year we sometimes dwell on the things that we wish we could have changed or the things we tried to accomplish but did not. The problem with this is we fail to recognize all the successes of the past and the goals we would like to

strive for in the New Year. Under Manitoba Canola Growers strategic plan that the board and staff developed three years ago, we continue to meet our targets and goals.

At MCGA we have implemented several new projects this year which the board and management feel will benefit Manitoba canola growers by informing our consumers of the benefits of using canola oil.

Some of these programs include:

- MCGA was a major sponsor of the Memorial Cup in Brandon in May 2010. This came out of our partnership with the Brandon Wheat Kings. The opportunity to be involved with a key organization that reached the players, families and fans from across Canada was valuable. The Manitoba Canola Growers were there, promoting canola oil as a healthy part of your lifestyle.
- We have signed an agreement with Assiniboine Community College in Brandon which will see the culinary arts theater named the *Manitoba Canola Growers Culinary Theatre*. Chefs, culinary arts and professional baking students, will learn about the advantages of cooking with canola oil.
- The Manitoba Canola Growers are proud to support the extraordinary efforts of **Curl Manitoba** as the title sponsor for the **Junior Men's** and **Junior Women's** Curling Championships. Canola oil plays an important role in your active lifestyle and curling is a great activity that promotes a healthy lifestyle for all ages. We encourage everyone to hit the rink and **Hurry Hard for Heart Health!**
- We have developed a plan to see if there is enough interest in western Canada to have the Canadian Wheat Board become involved as a voluntary marketing option for canola. Meetings have been held with the Canadian Wheat Board and the sister canola organizations in Western Canada. MCGA will continue to move this forward gathering details and information for the plan.
- We want to grow our membership and search for leaders, innovators and growers, who want to participate in our programming and our partners programming. If you want to get involved, contact Bill Ross.

Each year, we continue to grow with new projects and continue to support and sponsor what has worked well under our strategic plan. A few examples of programs are:

- Canola Learning Centre held at Richardson's International, Kelburn Farms where over 1300 youth, mostly from the city of Winnipeg, get to visit a farm and see where their food really comes from.
- Agriculture in the Classroom-Manitoba is also an opportunity for us to inform youth about the importance of agriculture. Agriculture in the Classroom reaches over 20,000 youth across the province. MCGA values the partnership. We are always looking for members who are interested in working with the Agriculture in the Classroom programs. If you are interested in volunteering, please contact Ellen Pruden **prudene@mcgacanola.org** for more details.
- Canola Council of Canada and CanolaInfo. CanolaInfo is the marketing program of Canola Council of Canada which promotes canola oil and its benefits to consumers in United States and key markets of Mexico and India. This is our levy dollars at work. Each year, MCGA contributes levy dollars to the Canola Council of Canada for their programming. This was the first year that we fully support CCC through core funding initiative.

In recognizing the accomplishments of the past, we can look to the future. By working together, we will ensure that canola continues to grow its share of the agricultural economy in Western Canada.

- The Manitoba Canola Grower's e-newsletter goes out quarterly right into your email box. We continue to provide key pieces of information to our growers in a timely manner on agronomic and marketing stories. If you have not signed up, I encourage you to do so. Go to www.mcgacanola.org and sign up under the Grower's e-newsletter tab.
- Of course we continue to support research; in 2010 MCGA allocated \$293,830 to research projects. The largest being the Canola/Flax Agri-Science Cluster program that will fund research in production, canola oil and meal.

As President of MCGA, I hope by recognizing the accomplishments of the past we can look to the future with a positive attitude knowing that our check-off dollars will continue to support research and market development. By working together we will ensure that canola continues to grow its share of the agricultural economy in Western Canada.

I would like to take the opportunity to thank the staff at MCGA and the board of directors for their dedication to the members, but especially I would thank the members for their continued support with your check off.

Thank You



Rob Pettinger, President

MCGA is searching for leaders, innovators and growers who want to participate. If you are interested, please contact Bill Ross of MCGA.

Executive Manager's Report

70% of Canada's canola crop is exported around the world, and has a reputation as a safe and high quality product. It is important that producers protect their canola markets.



2010 – What a year! After last year, I did not think it could get any worse, but was I wrong. That is what I said last year, and I could start my report with the same statement for 2010. The spring of 2010 started out fairly good and then it rained and rained.

Manitoba producers seeded 3.3 million acres and harvested 3.1 million acres. For most of the growing season, Manitoba stayed wet. Thankfully, Manitoba did not get the killing frost and by the end of October, most of the crop was off of the fields. Stats Canada says the average yield was 31.4 bushels/acre. The canola crop was better than expected. Some producers had very poor yields, while producers from other areas had average to above average canola yields. What could have been a total disaster, ended with a below average to average canola crop.

This year Agriculture and Agri-Food Canada announced \$14.5 million in funding for agronomic and nutrition research under a new Canola/Flax Agri-Science Cluster. Industry and farmers will match this funding 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 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.

MCGA's research priorities are as follows: Disease, (specifically sclerotinia and blackleg) the effects of shorter rotations, clubroot, (find ways to keep it out of Manitoba or how to deal with this disease if it comes to this province) pest control, (keying on flea beetles) and agronomic practices (how to cut cost and increase productivity). This crop year, sclerotinia and blackleg could be found in most fields. This shows the need to fund research for these two diseases. MCGA is also looking at how to straight combine canola. MCGA entered into a three year contract with Ag Canada and MAFRI to provide funding for soil testing for clubroot. We have participated for the last two years already, and to date, clubroot has not been found in Manitoba.

The Prairie Canola Variety Testing (PCVT) data, the mainstay of the various provincial seed guides, is administered by the Canola Council of Canada (CCC) and is the only source of independent, science based, third party canola variety comparison data in Canada. The PCVT have been cancelled for 2010 as not enough canola varieties were entered into the trials by the canola developers. Some of the canola developers have issues with the size of the plots (they do not like small plots) and there are concerns that the canola varieties are not sprayed with their own chemical systems, (i.e. roundup ready varieties, are not being sprayed with roundup). The CCC is now in the process of developing a whole new PCVT. They have consulted the grower groups and have put together a document outlining a new program. The canola developer companies are now reviewing this document. Once they review this document, there will be a meeting to discuss the pros and cons of this new program. It is hoped that through these discussions, we can come up with a program all parties can agree to.

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 2009 the tax credit was 10.74% and for 2008, 11.27% of MCGA's research funding will qualify 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 be used on canola. Everyone has a role to play in protecting the future of our great industry.

Two issues that presented themselves in 2010 were salmonella in canola meal that was being shipped to the USA and the blackleg issue in China. There were a number of crushing plants shut down as a result of the salmonella found in the meal. The Canola Council of Canada (CCC) and Canadian Oilseed Processors are working with the Canadian Food Inspection Agency to come up with

a solution to this problem. CCC and the Canadian Government are working with China to solve the blackleg issue. It was felt that canola shipments to China would be down this year and this was a real concern. What actually happened was that the shipments of canola seed went down, however, the shipments of canola oil and meal were up. China will be our biggest customer this year.

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.

MCGA's communications committee is concentrating on improving member communications. MCGA now has radio spots in Altona, Winkler, Boissevain, and Dauphin. We are also looking at the Yorkton market since it provides advertising coverage in the Russell and Swan River areas. These are daily and weekly radio spots that we use to get messages out; i.e. "How to deal with high moisture in canola," "When MCGA elections are happening," "Date and/or time of the AGM," and other timely canola messages. MCGA "Canola Days/AG Days" in Brandon each January is another way we are communicating with our members. During the three day event of Ag Days, MCGA talks to many producers that stop by our booth. MCGA uses the traditional media like newspapers, radio, Canola Digest, and TV. Now we are using the non traditional media like facebook and twitter. Our website is updated daily and is linked to other important websites. To view the markets go to our website at www.mcgacanola.org.

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

Remember:
Talk to your accountant to determine if you are eligible for tax credits on CheckOff deductions used to support Research and Development.

Education and Promotion Coordinator's Report

Canola oil is a great choice for a healthy diet because it's the lowest in saturated fat, has a good balance of omega-3 and omega-6 fatty acids and is trans fat and cholesterol free.



Canola Oil. Local. Healthy. Good for You! We continued this theme and it will be our last. We used this theme to brand our consumer, educational resources and activities. It was again, another great year talking to consumers, media, students and teachers about canola, canola oil and its benefits to consumers and for growers.

At Manitoba Canola Growers, our signature program for students continues to be the Canola Learning Centre. This past year we saw a record breaking 1,328 students and educators visit Kelburn Farm.

The Canola Learning Centre is a free farm tour and learning experience aimed at urban students and their teachers. Our goal is to use hands on activities in a farm-like setting to teach participants about canola and other Manitoba crops.

This year the Canola Learning Centre saw changes to its program as new activities were introduced. The Manitoba Canola Growers in partnership with Richardson International launched the "Canola gives back" project. Throughout the season, students earned "canola money" by completing the various activities at CLC. They were then able to use their earned money to send canola oil to one of three charities in Winnipeg. An impressive 200 litres of canola oil were earned by the learning centre participants. The three charities, Winnipeg Harvest, Agape Table and WISH Foundation received their donations during World Food Day on October 15, 2010.

This year groups also had a chance to cook with canola oil. Students and educators chose their favourite herb and combined it with canola oil to make their own marinade for carrots. Everyone really enjoyed this snack while learning about healthy fats. Other new activities included an animal poster where students fed various animals their canola meal strips and an importing/exporting physical activity game that included hoops and bean bags.

Students and educators also enjoyed activities from previous years. The canola crush remains one of the favourites. Inside the classroom students enjoyed other fun and educational games such as:

- the seed puzzle, matching fields to seeds;
- non-edible game show, learning about which commodities are found in various non-edible products;
- canola is people, an activity teaching students about the steps it takes to get canola oil from the field to the store;
- field to plate, an activity matching seeds to different food products;
- sweeping for bugs;
- exploration of the canola plant;
- learning about the farm equipment.

Our partnership with Agriculture in the Classroom Manitoba continues to grow. We work with them at all of their events such as Amazing Agriculture Winnipeg, Brandon and new for this year was an Amazing Agriculture in Russell. A signature event for Agriculture in the Classroom is their Made in Manitoba breakfasts, which are held across the province. As well, MCGA participates in their teacher PD days, SAG In-service day and Amazing Agriculture Race during Ag Days. MCGA participates by providing the canola crush activity, promoting canola oil as a local, healthy, good for you choice and providing resources. Agriculture in the Classroom continues to reach over 10,000 students every year.



Food and Health

Great Tastes of Manitoba launched its first hard cover cookbook in celebration of its 20th anniversary. The best of the best recipes are captured in the book. With over 6,500 copies sold, the Great Tastes of Manitoba cookbook is a Canadian Best Seller! This is part of the collective and collaborate partnerships that MCGA participates with the other commodity groups under the banner of foodManitoba.ca

The Great Tastes of Manitoba TV show, continues to promote local, healthy and good for you recipes to over 40,000 consumers each week. Consumers can watch Saturdays at 6:30 on CTV or they can watch all past shows on the Canola Growers YouTube Channel.

Our website www.canolarcecipes.ca continues to be very popular with over 500 recipes to choose from along with links to health, community partners and our Be Well newsletter.



From these results, we know that it is through our involvement with Great Tastes of Manitoba TV show, and our partnership with Heart and Stroke Foundation that drives people to the website to access recipes and health information on canola oil.

Another driver to the website is the Be Well newsletter and blog. It 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! Through Be Well, MCGA promotes and connects consumers with our recipes from Great Taste of Manitoba, our partnership with Heart and Stroke of Manitoba along with our videos, and other opportunities to participate with the organization.

Our Top 10 Recipes

1. Apple Strudel
2. Pizza Dough (GTOM 2010)
3. Super Salmon Salad (GTOM 2008)
4. Chocolate Cake (GTOM 2010)
5. Oatmeal chocolate Chip Cookies (Heart and Stroke)
6. Cool Canola Pastry (GTOM 2010)
7. Coconut Raspberry Cake (GTOM 2006)
8. Judy Chocolate Chip Cookies (GTOM 2009)
9. Gazpacho Soup
10. Apple Bundt Cake (GTOM 2005)

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 that are shown on Shaw TV, canola growers You Tube Channel, and Westman TV.

This past June, MCGA participated at the National Celiac Conference in Winnipeg. A Gluten free baking recipe resource was distributed. With over 2,000 people in attendance at the show, we distributed over 2000 resources, and we were captured in a spot on CTV highlighting canola oil.

Going for Gold

MCGA along with Alberta Canola Producers Commission (ACPC) sponsored the Canadian Paralympics Committee "Power of the Prairies Program." The grower organizations developed the *Be A Star! Be a Winner with Canola Oil* recipe contest and school program. The program ran prior to the Vancouver 2010 Olympics connecting students and teachers on what it takes to win. The school program combined the importance of mind, body and spirit and how good health impacts all of these parts collectively. A perfect fit for canola oil.

MCGA worked with Kevin Haywood, athlete and CPC Ambassador for the Power of the Prairies Program.

Celiac Disease is a gastrointestinal intolerance to food products that contain gluten. It is challenging to live with due to the number of ingredients containing Gluten. Pure Canola Oil is Gluten Free and non-allergenic.

Education and Promotion Coordinator's Report (continued)

At MCGA, we continue to be connected and setting the trend on what consumers are asking for and needing in their recipes and resources.

Winning Gold

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. This past year at Red River College Koeksisters – a syrup-drenched, slightly spicy, crunchy fried donut took first place. Professional Baker Anna Badenhorst made these, as they are a South Africa favourite. Media releases were sent and we had great pick up on this unique, winning recipe.



Powered by Gold

MCGA along with the other sister canola organizations in Alberta and Saskatchewan fund the Prairieland 100% Jet Funny Car. The jet engine funny car runs on a 100% canola based biodiesel and travels all over North America telling the story about canola based biodiesel.

In Manitoba, the Jet Funny Car came to Brandon for Ag Days in January and participated at Folk Fest, In Bird's Hill Provincial Park for the weekend in July. Driver and owner Kevin Therres continues to be a great ambassador for the canola industry. Folk Fest continues to push for renewable and sustainable fuel – a perfect fit for canola based biodiesel. With over 70,000 people in attendance the awareness of canola based biodiesel and the connection of canola oil as a healthy local product in the kitchen makes the Folk Fest a key target for canola growers. With the news, that a jet engine funny car was attending Folk Fest, MCGA was able to secure a TV spot on CITY TV and a 30 minute radio interview on CJOB during a daytime prime time spot.

MCGA continues to partner and support key organizations in Manitoba from the Manitoba Farm Women's conference to rural fairs, key partnerships help MCGA reach its targets and deliver the message about canola oil being local, healthy and good for you.

We will continue to expand and reach our consumers and work diligently with our partners. Please check out our website www.canolarecipes.ca, sign up for the "Be Well" monthly newsletter and connect with the organization that keeps canola and canola oil on the mind of consumers, chefs, students and teachers.



Ellen Pruden, Education and Promotions Coordinator



Scan the QR code with your smart phone.



MCGA's e-newsletter is a monthly update including recipes and articles from experts to keep mind, body and soul working at its best. Live well, keep well, Eat well...Be well!

Sign up at www.mcgacanola.org

Web Controller's Report

In 2009, 13.4% of the canola acres were specialty canola as compared to 2006, when specialty canola made up 11.6% of the canola acres.



MCGA is occupying all corners of the Internet, with several websites, each with a different target.

MCGA's main webpage www.mcgacanola.org is a great resource for growers

offering real time market prices, agronomic information, and program information. The www.canolarecipes.ca site is targeted towards consumers and the www.canolakids.ca site is where kids can play games while they learn about canola and agriculture in general.

On-line Library

Website	Link
Main	www.mcgacanola.org
Consumer	www.canolarecipes.ca
Kids	www.canolakids.ca
Facebook	http://www.facebook.com/Manitoba-Canola-Growers
Twitter	http://twitter.com/#!/CanolaGrowers
YouTube	http://www.youtube.com/user/CanolaOilGrowers
Be Well E-Newsletter	www.mcgacanola.org/food_eupdate.html
Grower E-Newsletter	www.mcgacanola.org/growers_eupdate.html
Be Well Blog	http://www.blog.canolarecipes.ca
Flickr	http://www.flickr.com/photos/canolagrowers

Facebook



Twitter

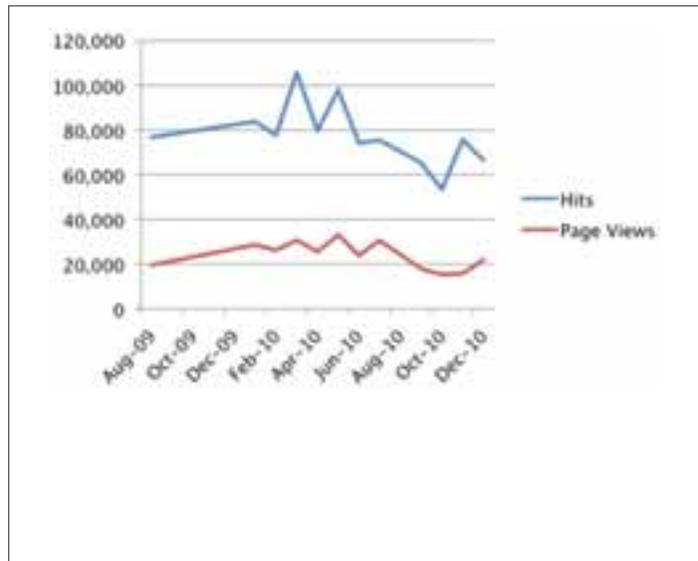


YouTube



www.mcgacanola.org Web Stats

	Total Hits	Total Pages Viewed
Aug-09	76,812	19,554
Sep-09	65,351	17,893
Oct-09	53,411	15,246
Nov-09	75,750	15,787
Dec-09	66,629	21,841
Jan-10	83,865	28,653
Feb-10	77,661	26,179
Mar-10	105,810	30,726
Apr-10	79,806	25,496
May-10	98,031	33,087
Jun-10	74,210	23,950
Jul-10	75,496	30,589
Year Totals	932,832	289,001



Website



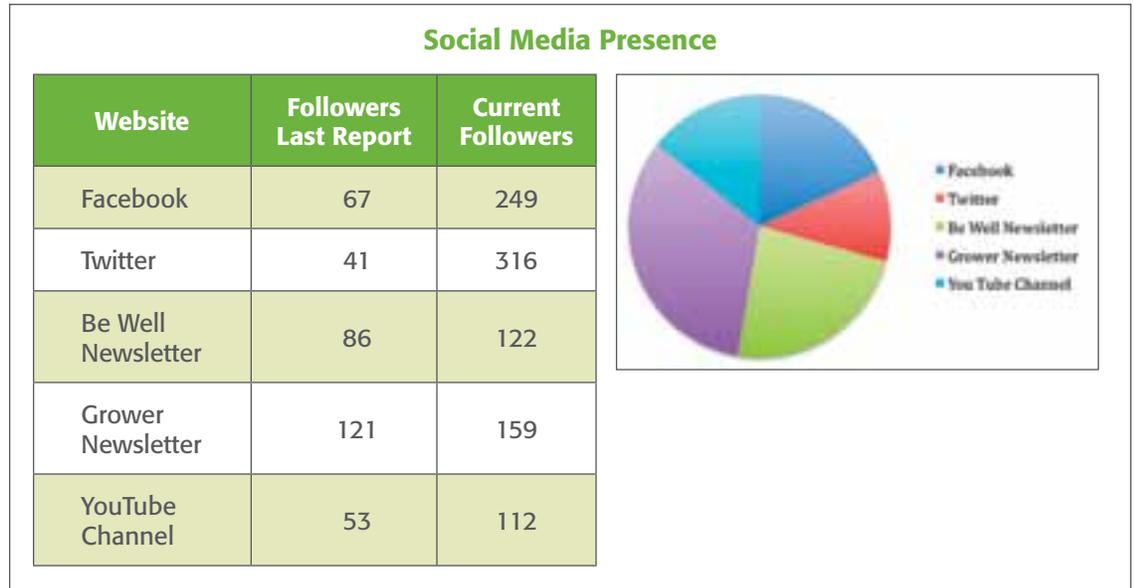
Be Well Blog



Flickr



MCGA's website is updated daily and is linked to other important websites. To view the markets go to our website at www.mcgacanola.org.



Manitoba Canola Growers Association has been growing steadily with the social media connections and include a profile and fan page on **Facebook**, a **Twitter** account, a **YouTube** channel, a **Blog** called **Be Well** and a **Flickr** account.

Join us today to keep informed on up-to-the-minute information about canola in Manitoba, Canada and around the world.

Leanne Campbell, Project Coordinator & Web Controller

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's budgeted funding for R&T 2009/10 is as follows:

Category	Funding
CARP Ongoing Projects	\$ 15,646.00
CARP New Projects	\$ 100,000.00
Prairie Canola Agronomic Research	\$ 10,000.00
Science Clusters	\$ 100,000.00
Prairie Canola Variety Testing	\$ 10,000.00
Biodiesel Research	\$ 18,184.00
Canola Meal Research	\$ 10,000.00
U of M Research Associate Chair	\$ 25,000.00
Disease Survey Soil Testing	\$ 5,000.00
Total	\$ 293,830.00

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

In 2009/10 the following projects were funded in part by MCGA:

2009/10 Ongoing Projects

1. Development of reduced-risk strategies through coordinated monitoring, forecasting

and risk warning systems for insect pests

This project will develop a co-ordinated pest monitoring program designed to keeping 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.*

2. 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.*

3. Evaluation of Potential Flea Beetles species composition shift in Prairie Canola Fields

To monitor flea beetle populations across the prairies, especially along the northern edge of the Parkland region, and determine if ratios of crucifer and striped flea beetles are changing – *Dr. Juliana Soroka, AAFC, Saskatoon, SK.*

New CARP Projects for 2009/10

1. Effects of clubroot resistant Canola lines on soils infested by *Plasmodiophora Brassicae*

To develop an integrated approach for mitigation of clubroot on canola, building on our preliminary results and focused on reduction of soil populations of *P. brassicae* – *Dr. Stephen Strelkov, University of Alberta, Edmonton, AB.*

2. Screening canola for flower blasting tolerance

To examine current canola (*Brassica napus*) cultivars and germplasm from the gene bank for flower blasting tolerance and provide the information to growers and breeder across Canada. To develop a simple test for flower blasting that can be adopted by breeders – *Dr. Malcolm Morrison, AAFC ECORC, Ottawa, ON.*

3. ISTA method validation of a 24-hour canola seed vigor/deterioration assay

To obtain ISTA (International Seed Testing Association) validation for a quantitative, ethanol-based, 24-hour canola seed deterioration/vigor assay – *Dr. Wayne Buckley, AAFC, Brandon, MB.*

Canola Digest – a quarterly publication for Canola Producers, providing up-to-date info on the latest developments affecting canola.

Agronomic Research Report (continued)

The Canola Watch has become the platform for distributing timely growing season information. For more information, go to: www.canola-council.org/canola_watch_link.aspx

4. Linking the FusR1 gene for fusarium wilt resistance in Brassica napus to molecular markers

The objective of the proposed project is to complete the linkage analysis of the polymorphic SSR markers identified by Dr. Rimmer by identifying sequence-related amplification polymorphism (SRAP) markers that co-segregate with FusR1 in the segregating populations – *Dr. Ralph Lang Alberta Innovates-Technology Futures, Vegreville, AB.*

5. Management of Lygus and Seedpod weevils in canola farms

Assess abundance of lygus bugs in relation to insecticide use for seedpod weevils in canola and to Determine effect of seeding date (April vs. May) on the abundance of both pests, and to Provide recommendations for sustainable management of these two pests to reduce the need to spray or avoid yield losses – *Dr. Hector Carcamo, AAFC, Lethbridge, AB.*

Prairie Canola Agronomic Research Program

MCGA along with the Alberta Canola Producer Commission, Saskatchewan Canola Development Commission, the Canola Council of Canada, and Agriculture and Agri-Food Canada have created the historical Prairie Canola Agronomic Research Program. Worth more than \$7 million, this agreement creates opportunities for AAFC researchers across western Canada to undertake large scale canola agronomy research projects to be carried out at AAFC stations across western Canada. This project has now been rolled into the Canola/Flax Agri-Science Cluster Research project.

Canola/Flax Agri-Service 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. Industry and farmers will match this funding 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 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

Protein Fractionation project is a joint project 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

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 the three grower groups.



Brian Chorney, Director (Research Chair)

Canola Statistics

Canola Seed Average Prices – Updated October 29, 2010 CAD \$/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	303.40	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	426.20	457.36	607.99	632.50	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	267.80	252.73	301.79	234.96	239.20	246.01	252.73	244.59	268.68	6.09
1987	242.60	227.73	219.03	221.65	243.97	256.27	247.85	239.72	235.68	243.24	257.53	266.94	281.15	245.30	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	306.10	300.49	335.14	289.40	297.10	293.79	303.10	302.54	310.98	7.05
1990	300.01	301.60	311.00	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	287.70	269.42	274.95	270.34	262.86	261.65	277.02	6.28
1992	261.65	264.15	282.70	276.90	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	326.20	7.40
1994	408.15	412.90	422.23	454.90	481.44	484.95	387.77	391.39	382.54	380.90	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	405.90	413.29	416.07	423.77	421.94	9.57
1996	424.07	422.60	417.55	443.94	473.04	470.47	470.79	432.29	453.77	453.54	444.01	432.30	439.54	445.47	10.10
1997	441.96	441.80	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	420.00	348.30	391.60	400.40	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	265.20	267.69	259.61	273.36	6.20
2001	280.22	285.14	302.04	299.60	310.04	320.79	357.17	289.91	368.32	351.01	336.04	361.92	357.51	269.70	6.12
2002	357.77	353.72	354.55	341.73	345.84	358.98	409.10	358.04	439.90	444.30	449.70	474.60	450.52	342.60	7.77
2003	429.39	410.84	383.44	397.63	380.01	365.77	358.60	415.39	356.02	357.03	376.72	378.66	373.36	426.70	9.68
2004	381.70	413.50	437.50	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	294.60	300.97	304.97	311.13	310.33	311.20	310.79	291.23	275.60	265.37	263.60	251.93	288.67	6.55
2006	261.57	264.67	275.17	280.74	296.26	291.56	307.48	277.10	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	449.50	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	10.13
2010	410.26	408.91	406.37	406.26	403.45	434.05	471.57	426.2	457.28					424.77	9.63

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

Farm Cash Receipts – Canola in Manitoba

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	millions of dollars										
Canola	351.7	324.3	363.9	484.4	534.5	597.0	354.7	384.6	739.4	1004.6	1057.5
% Total Manitoba Farm Cash Receipts (\$million)	25.3%	24.6%	24.0%	25.4%	31.4%	32.9%	27.3%	30.1%	33.8%	36.4%	37.9%

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/agriculture/statistics/pdf/agri-foodexportsworld2008.pdf>

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



Financial Statements July 31, 2010



Photo courtesy of Christian Herrnboeck, 1St Place Winner, 2010 Photo Contest

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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, 2010 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, 2010 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 5, 2010


Chartered Accountant Inc.

Manitoba Canola Growers Association Inc.

Statement of Financial Position As at July 31, 2010

	ASSETS	
	2010	2009
CURRENT ASSETS		
Bank		
Operating	\$ 593,854	\$ 2,339,006
Surplus (note 4)	134,400	34,400
Contingency (note 4)	40,000	40,000
Investments (note 2)	2,711,463	
Receivables		
Check-off (notes 2 and 5)	509,712	396,224
Other – interest	1,354	
Prepaid expenses	11,242	6,240
	4,002,025	2,815,870
CAPITAL ASSETS, net (notes 2 and 3)	9,696	9,052
	\$ 4,011,721	\$ 2,824,922
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 123,696	\$ 114,404
Deferred check-off revenue (notes 2 and 5)	2,652,752	2,409,844
	2,776,448	2,524,248
NET ASSETS		
Net assets invested in capital assets	9,696	9,052
Net assets internally restricted (note 4)	174,400	74,400
Unrestricted net assets	1,051,177	217,222
	1,235,273	300,674
	\$ 4,011,721	\$ 2,824,922

Approved on Behalf of the Board

Director: 

Director: 

Manitoba Canola Growers Association Inc.

Statement of Changes in Net Assets
For the Year Ended July 31, 2010

	Invested in Capital Assets	Internally Restricted	Unrestricted	2010 Total	2009 Total
NET ASSETS					
Balance					
beginning of year	\$ 9,052	\$ 74,400	\$ 217,222	\$ 300,674	\$ 275,605
Acquisitions	3,622		(3,622)		
Transfer of funds		100,000	(100,000)		
Excess of revenue over expenses	(2,978)	–	937,577	934,599	25,069
Balance, end of year	\$ 9,696	\$ 174,400	\$1,051,177	\$1,235,273	\$ 300,674

Manitoba Canola Growers Association Inc.

Statement of Operations For the Year Ended July 31, 2010

	2010	2009
REVENUES		
Check-off (net of refunds – notes 2 and 5)	\$ 2,409,844	\$ 941,479
Investment income	50,523	18,171
Gain (loss) on disposal of capital assets		(3,054)
	2,460,367	956,596
EXPENSES		
Administration		
Board	101,492	44,711
Office	204,125	210,061
Extension	205,770	168,636
Technical education and promotion	277,598	267,381
Research and technology	249,077	237,985
Canola Council of Canada core funding (note 7)	475,305	
Investment fees	9,423	
Amortization of capital assets	2,978	2,753
	1,525,768	931,527
EXCESS OF REVENUE OVER EXPENSES	\$ 934,599	\$ 25,069

Manitoba Canola Growers Association Inc.

Statement of Cash Flows For the Year Ended July 31, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 934,599	\$ 25,069
Amortization of capital assets	2,978	2,753
Loss on disposal of capital assets		3,054
Decrease (increase) in check-off receivables	(113,488)	(256,940)
Decrease (increase) in other receivables	(1,354)	2,071
Decrease (increase) in prepaid expenses	(5,002)	1
Increase (decrease) in accounts payable	9,292	79,071
Increase (decrease) in deferred check-off	242,908	1,468,365
Cash from (to) operating	1,069,933	1,323,444
FINANCING AND INVESTING ACTIVITIES		
Purchase of investments	(2,711,463)	
Purchase of capital assets	(3,622)	(2,911)
Cash from (to) financing and investing	(2,715,085)	(2,911)
Net increase (decrease) in cash	(1,645,152)	1,320,533
Cash beginning of year	2,413,406	1,092,873
Cash end of year	\$ 768,254	\$ 2,413,406

Manitoba Canola Growers Association Inc.

Schedule of Expenses For the Year Ended July 31, 2010

	2010	2009
ADMINISTRATION – BOARD		
Election	\$ 37,582	\$ –
Mailings – bylaws and legal	16,178	265
Board operating	47,732	44,446
	\$ 101,492	\$ 44,711
 ADMINISTRATION – OFFICE		
Office operating	\$ 204,125	\$ 210,061
 EXTENSION		
Memberships and subscriptions	\$ 4,812	\$ 6,779
Advertising	2,054	1,992
MCGA meetings	5,788	3,997
Ag Days	16,269	18,269
Annual general meeting	9,138	16,791
Extension meetings	57,802	55,110
Canola learning centre	29,839	29,534
Strategic planning	–	788
Communications and radio spots	32,672	22,281
Sponsorships	31,414	–
Government relations advocacy	–	10,000
Outreach joint projects	3,349	–
Web page	12,633	3,095
	\$ 205,770	\$ 168,636

Manitoba Canola Growers Association Inc.

Schedule of Expenses For the Year Ended July 31, 2010

	2010	2009
TECHNICAL EDUCATION AND PROMOTION		
Co-ordinator budget	\$ 106,714	\$ 77,000
Co-ordinator office	85,195	76,940
Ag in the Classroom	20,000	15,205
Canola Digest	13,189	–
Canola utilization meetings and newsletter	–	3,236
North American utilization funding	47,500	95,000
Richardson International project	5,000	–
	\$ 277,598	\$ 267,381
RESEARCH AND TECHNOLOGY		
CARP, ongoing	\$ 20,098	\$ –
CARP, new	50,544	31,126
Canola advantage program	–	70,000
Variety tests	10,000	10,000
Canola meal research	–	25,000
Export ready	–	10,000
Meetings	10,251	14,411
Biodiesel	23,184	17,448
Canola product research	–	25,000
PCARP	10,000	10,000
Science clusters	100,000	–
Long-term research	25,000	25,000
	\$ 249,077	\$ 237,985

Manitoba Canola Growers Association Inc.

Notes to the Financial Statements July 31, 2010

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. 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 certificate	\$ 500,000	\$ 500,000
CIBC Income portfolio	2,211,463	2,214,147
	<u>\$ 2,711,463</u>	<u>\$ 2,714,147</u>

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, 2010

2. Significant Accounting Policies (continued)

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.

Manitoba Canola Growers Association Inc.

Notes to the Financial Statements July 31, 2010

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	
	2010	2009	2010	2009	2010	2009
Office equipment	\$ 5,740	\$ 5,740	\$ 4,149	\$ 3,751	\$ 1,591	\$ 1,989
Presentation	6,743	6,743	6,091	5,928	652	815
Computers	16,683	13,061	9,230	6,813	7,453	6,248
	\$ 29,166	\$ 25,544	\$ 19,470	\$ 16,492	\$ 9,696	\$ 9,052

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 1999 the Board of Directors also established a surplus fund having a maximum contribution level of \$250,000. 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, 2010

5. Deferred Check-off Revenue

	2010	2009
Gross check-offs	\$ 2,859,628	\$ 2,557,667
Check-offs refunded to producer	206,876	147,823
Net check-off revenue deferred	\$ 2,652,752	\$ 2,409,844

Accrued check-offs due but not yet received as at year end is \$509,712 (\$396,224 in 2009).

6. Actual vs. Budget

The main categories comparison is as follows:

	2010 Budget	2010 Actual
Administration – Board	\$ 153,000	\$ 101,492
Administration – Office	225,000	204,125
Extension	355,700	205,770
Technical education and promotion	262,500	277,598
Research and technology	338,926	249,077
Canola Council of Canada core funding	502,330	475,305
	\$ 1,837,456	\$ 1,513,367

Notes to the Financial Statements
July 31, 2010

7. 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 2011 core funding commitment is \$493,654. The association has also entered into funding agreements for long-term research projects and sponsorships and have committed the following amounts.

Year	Amount
2011	\$ 289,757
2012	179,757
2013	109,757
2014	102,257
2015	60,000

Directors Per Diems

August 1, 2009 to July 31, 2010

Barry Chappell	- \$	4,500
Brian Chorney	- \$	5,400
Bruce Dalgarno	- \$	6,000
Dale Gryba	- \$	4,350
Ed Rempel	- \$	3,300
Ernie Sirski	- \$	5,250
Rob Pettinger	- \$	2,850
Wilfred Harder	- \$	6,150
Hugh Drake	- \$	300



Canadian Canola Growers Association's Report

CCGA issues cash advances to more than 20 commodities. For information go to www.cpga.ca or call 1-866-745-2256



The Canadian Canola Growers Association (CCGA) has represented the interests of Canadian farmers and agriculture for 25 years.

Mission Statement: To influence national and international issues and

policies to enhance the profitability of Canadian canola growers.

Member Organizations: The CCGA represents all provincial canola grower organizations in Canada on national and international issues that affect canola growers. These include:

- Ontario Canola Growers Association
- Manitoba Canola Growers Association
- Saskatchewan Canola Growers Association
- SaskCanola
- Alberta Canola Producers Commission
- British Columbia Grain Producers

The CCGA operates with two primary functions:

1. Finance Operating Cash Flow for Farmers: In 1983 the CCGA began administering the Advance Payment Program for non-board oilseeds and grains on behalf of Agriculture and Agri-Food Canada. Today, the association issues cash advances on more than 20 commodities to producers in four provinces, including parts of British Columbia, Alberta, Saskatchewan and Manitoba.

2. Policy Development and Advocacy: The CCGA policy team researches policy alternatives and lobbies for policy changes that contribute to the association's 50,000 plus farm members. Examples of policy-related activities undertaken in 2010 include:

- Marketing – supported changes to moisture rebound factor for dried grain; published "Short Situation: What to Consider if Production Comes Up Short on a Forward Priced Contract"
- Transportation – member of Coalition of Rail Shippers; strongly advocate for regulatory changes through the ongoing Rail Service Review
- International Trade – participate in Canada-EU Trade Agreement consultations
- Biodiesel – organized an Ottawa lobby day with provincial canola associations to ask for an April 2011 implementation date for the 2% biodiesel renewable fuel standard and support for canola-based biodiesel processing capacity in western Canada.
- Biotechnology – actively lobbied against Bill C-474 including appearance before the Standing Committee on Agriculture and Agri-Food
- Farm Income & Safety Nets – participate in various consultations and forums on farm income and safety nets
- Environment & Sustainability – participating in two projects: *Unilever Cool Farm Tool* and *Keystone in Canada*

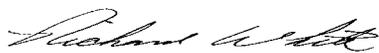
The CCGA holds memberships in a number of national organizations that carry out relevant agriculture policy-related activities. These include:

- Grain Growers of Canada
- Canola Council of Canada
- Canadian Agri-Food Trade Alliance
- Canadian Renewable Fuels Association
- Vegetable Oil Industry of Canada
- GrowCanada

The CCGA also represents canola growers on a number of government and industry committees, including:

- Western Grains Standards Committee
- Western Grains Research Foundation
- Grains Innovation Round Table
- Canadian On-Farm Food Safety Committee
- Pest Management Regulatory Agency committees (Pest Management Advisory Council and Grower Requested Own Use program)

For more information about the CCGA, go to www.ccg.ca or call 1-866-745-2256.



Rick White
General Manager
Canadian Canola Growers Association

CCGA operates with 2 primary functions:

- To finance operating cash flow for farmers.
- For policy development and advocacy.

Canola Council of Canada's Crop Production Report

Despite challenges in 2010, CCC remains focused on five primary objectives

- Increase sustainable production, consumption & value
- Improve market access, quality & understanding



This past year, our industry faced several challenges, particularly in export markets. To address these and other obstacles, the Canola Council of Canada (CCC) remained focussed on its five objectives and their role in bringing us

toward our 2015 goals.

Increase Sustainable Production

In recognition of the crucial role that farmers play in the canola industry, the CCC's crop production team took a new approach to assisting them with 2010 crops. CCC agronomists worked directly with canola growers to help them remain competitive and profitable by ensuring producers were working with the best varieties and talking to them about effective management practices. In addition, the CCC sponsored several successful combine clinics where farmers learned how to minimize harvest losses and put more canola into their bins while maintaining quality. CanolaWatch was issued on a weekly basis throughout the season to advise growers and agronomists on key issues and provide just-in-time information and management practices.

Increase Consumption and Value

2010 was a year of firsts for CanolaInfo, the CCC's canola oil promotion program. It expanded its social media presence and used a new online approach to reach out to other food bloggers and talk about canola oil. CanolaInfo also partnered with the World Heart Federation, which was its first partnership with a health organization, to put together a collection of 12 heart-smart recipes which showcase the cuisine of the United States, Canada, Mexico, India, Japan and China.

Improve Market Access

The CCC worked with the federal government to develop the Canola Market Access Plan (CMAP) 2015, which takes a proactive approach toward market access issues. Through this plan, the CCC has been:

- Conducting canola meal demonstrations on dairy farms in China
- Establishing blackleg research projects that address the key concerns of Chinese researchers
- Working with the Canadian Oilseed Processors Association's (COPA) Food & Feed Safety Committee on issues such as salmonella in canola meal
- Addressing technical issues for the use of canola biodiesel in the United States and Europe and promoting the advantages of canola biodiesel.

Improve Quality

The Canola/Flax Agri-Science Cluster (CASC) initiative, announced in late 2009, kicked off in 2010 and there are currently 38 canola-related research studies taking place in Canada and the United States: three focussed on meal, four on oil and 31 on crop production. These studies are expected to wrap up on March 31, 2013 and we are excited about the industry-wide benefit and long-term payoff that this research will present.

Improve Understanding

Canola Digest continued to keep readers up-to-date on the latest developments affecting canola and kept its content fresh by consulting with an editorial board consisting of industry members and growers. In addition, the CCC reached out to stakeholders via the Power of Yellow conference in San Francisco and several e-newsletters:

- *Canola Watch*, which provides just-in-time information to agronomists and farmers
- *Canola Ink*, which focuses on developments in the promotion of canola oil
- *Canola News*, which outlines key news stories
- *Canola Clipboard*, which provides Members of Parliament and senior bureaucrats with ways that they can contribute to the health of our industry.

Despite the challenges our industry has faced, I am confident in the abilities of canola growers, who are as resilient as the crop they grow, dedicated to our 2015 goals and essential to our overall success. The CCC will continue to concentrate its energy on supporting markets and increasing production in 2011 and wishes all canola growers a successful farming season.



JoAnne Buth, President
Canola Council of Canada

Canola
Information:

- Canola Digest
- Canola Watch
- Canola Ink
- Canola News
- Canola Clipboard

Canola Council of Canada's Crop Production Report

Canola Watch provides timely growing season information for farmers. Check it out at www.canola-council.org/watch_link.aspx



In 2010 the Canola Council of Canada (CCC) crop production staff continued their focus on extension activities, while also assisting with the development and implementation of several new agronomic research projects. 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

The Canola Watch has become the platform for distributing timely growing season information. The weekly growing season reports, distributed by email from April 28th through September 9th, 2010, summarized 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 delayed seeding, poor stand establishment, pest outbreaks, and harvest and storage challenges. 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 a less frequent winter schedule, covering planning for next year's crop and other topics of grower interest. For more information or to subscribe for next year, use the following web address: http://www.canola-council.org/canola_watch_link.aspx.

Approximately 19 topic specific press releases were also distributed in addition to the weekly reports. The continued interest of the Manitoba agricultural media in utilizing our press releases and Canola

Watch reports was much appreciated. These reports and releases were also utilized as content for MCGA's new electronic grower newsletter, as well as their weekly radio spots on CKDM and Golden West radio and other radio interviews. One on one contact with producers and agronomists through email and phone calls was also an important avenue for communication 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 opportunities for agronomy training. The **Canola Council 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.

This year Canola Council was also 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. Canola Council collaborated with MAFRI and U of M staff on the pathology demonstration plots showcasing seedling disease issues, blackleg management and biocontrol of sclerotinia. Our agronomic staff was involved in 5 days of the school which ran from July 6th through the 16th. In total approximately 396 participants attended the school over the two week period. We were also able to provide a session on assessing crop maturity and harvest management tips during a late season clinic offered on August 18, in addition to the traditional field school.

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. New messages this year focused on avoiding the use of de-registered products like vinclozolin (the active 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.canola-council.org/export_ready.aspx.

Combine Clinics targeted at helping producers to better measure and ultimately reduce their harvest losses were another new addition to the program this year. The success of the major events at Crop Production show in Saskatoon, SK and a summer clinic in Vegreville, AB as well as a smaller local version held in the Hamiota area in March, have spawned plans for a Manitoba clinic in conjunction with the MCGA annual general meeting on March 1, 2011 in Brandon.

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 through the Prairie Canola Agronomic Research Program, 2011 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. This will help the growers leverage their investment to target research at solutions for specific agronomic challenges. The crop production staff also continued to network with researchers to facilitate communication and identify extension opportunities.

The agronomy specialists also participated in the integrated pest monitoring program by assisting with flea beetle, bertha armyworm and diamondback moth trapping. They also assisted with a more extensive disease survey in the province as well, including new sampling protocols related to several of the newly funded research projects.

These are some of the key highlights of the 2010 program. This will be my last report as CCC agronomy specialist for the Manitoba region as I am shifting to a new role in the coming year. I would like to conclude by thanking the Manitoba Canola Growers Association for the opportunity to work with them over the past years to help MB growers achieve more successful canola crops, and I look forward to their continued support of our Crop Production staff's extension activities in the future.



Derwyn Hammond
Resource Manager, Crop Production
Canola Council of Canada

Combine clinics help farmers better measure and reduce harvest losses. MCGA's AGM on March 1, 2011 will feature a combine clinic. For information, go to www.mcgacanola.org

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Photo courtesy of Wade Simpson, 2nd Place Winner, 2010 Photo Contest

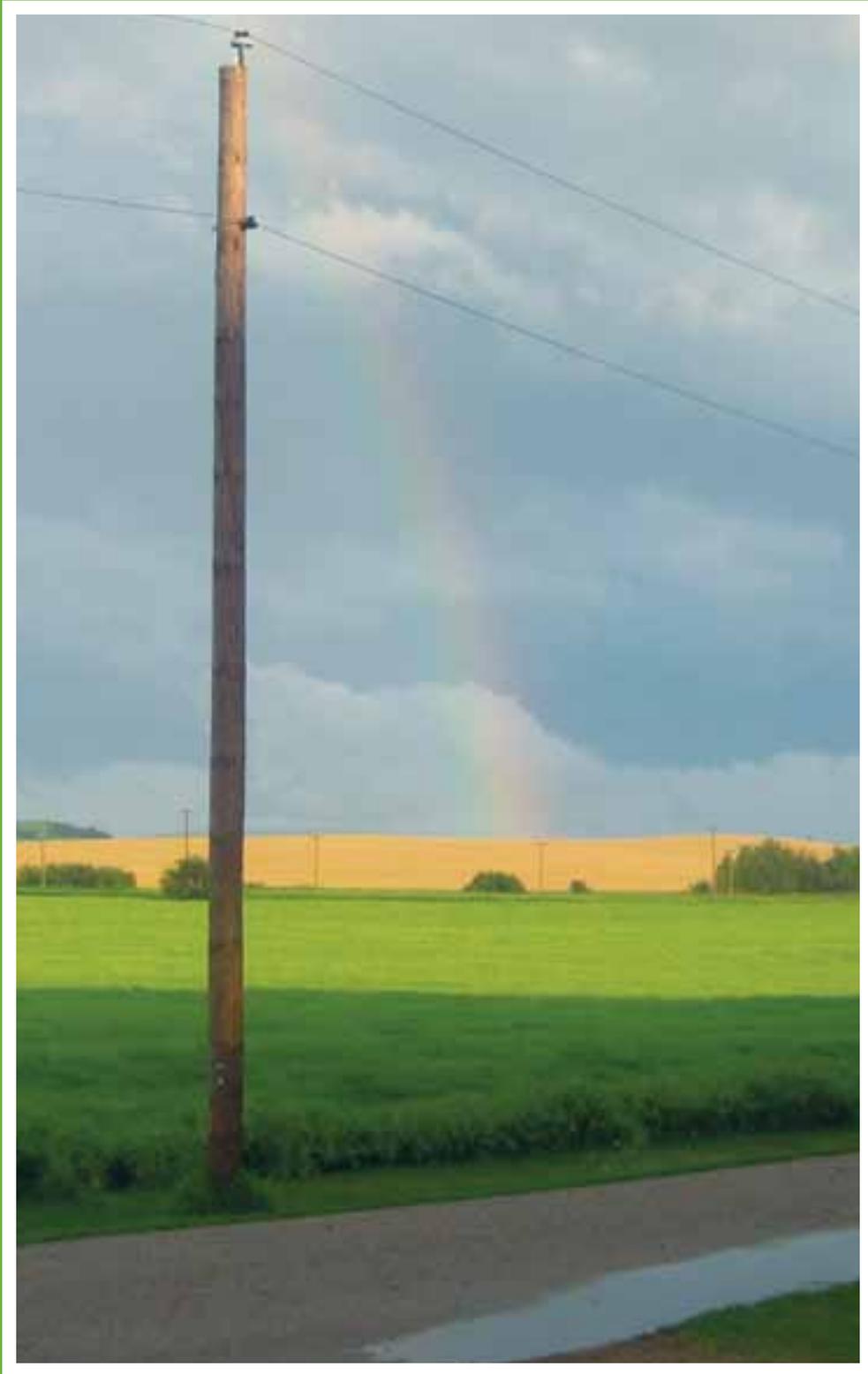


Photo courtesy of Anastasia Kubinec, 3rd Place Winner, 2010 Photo Contest

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