



SUSTAINABILITY

TABLE OF CONTENTS

President's Report	02
Executive Manager's Report.....	04
Education and Promotion Manager's Report	06
Member Relations Report	08
Events & Communications Coordinators Report.....	10
Agronomic Research Report.....	12
From the Development of a crop to the Development of an Organization	15
Canola Statistics.....	16
Financial Report.....	19
Canadian Canola Grower Association's Report	32
Canola Council of Canada Report.....	34
Canola Council of Canada's Crop Production Report for 2012.....	35
2012 Board of Directors	36
2012 Staff.....	37

CPT Trials reveal the best Canola varieties for farmers.

PRESIDENT'S REPORT



This is my first year as President of your organization, Manitoba Canola Growers Association, and I must say it feels to me like it has gone well. And no, I don't think my wit and good looks are leading contributors. Rather, our organization's great strengths can be found in three main areas; our staff, my fellow directors, and you the canola farmer.

In any great organization, there must be a constant. In MCGA's case, our very professional employees are our great constant. Many of you will never really get to chat at length to our Executive Manager, Bill Ross, or Ellen Pruden, our Education and Promotion Manager. You will likely meet Roberta Galbraith, who joined us recently as Member Relations Coordinator, somewhere in Manitoba at a meeting she is hosting or attending because Member (you) Communications is her stock-in-trade. Then there is the balance of the team, and I use the word team deliberately.

Our staff is the great, often hidden strength of your MCGA. They give us consistency, corporate memory, and a great professional look. They are perhaps mentioned too infrequently, so a great Thank-You to them.

The Board of Directors deserves mention as well. They shoulder many tasks with great competence. I am proud to note that two current and one former director of MCGA were awarded the Queen's Diamond Jubilee medal at the Lieutenant Governor's residence in October for significant contributions to the Province of Manitoba. Congratulations to Bruce Dalgarno of Newdale, Ernie Sirski of Dauphin, and Brian Chorney of East Selkirk.

In the canola world, themes come and go, but the current theme of sustainability is one that is going to stick around—in my opinion—for a good long while. Back in the beginning of April your Board and staff came together in Gimli to hammer out a strategic plan for a positive future consisting of three pillars. As a result, you will notice a change to our mission statement. The words 'through sustainable production' were added. Much more than individual words, 'sustainable production' is an important objective and a strategic pillar.

Many of our initiatives will be driven by this

objective. One example of this will be the canoLAB segment of our AGM which will highlight the diagnosis of canola production issues such as fertility, insects, disease, herbicide issues and environmental stresses.

One of sustainable production's goals will be to utilize new and existing technology to maximize return on crop input. One research project consists of using precision planting equipment to reduce seed costs. We will report to you as soon as our findings are in. A first pillar objective relating to cost of production is an investment of \$25,000.00 towards a board seat on Northern Plains Nitrogen. This board seat gives our members a window into the world of anhydrous ammonia manufacturing and revenues. Although I am not allowed to go into detail, suffice it to say that nitrogen producers won't be lined up in front of a soup kitchen any time soon. More on this as we are able.

A word or two about seed varieties. You should have received a pamphlet entitled Canola Performance Trials, or CPT. This is a collaborative effort between three provincial canola organizations: Alberta Canola Producers Commission, Saskcanola and MCGA. Canola Council of Canada is also a partner. The CCC worked tirelessly with the life science companies to design fair and meaningful trials to bring to life the best of everyone's varieties and systems, head to head. In addition, it has not gone unnoticed by your directors and many MCGA members that some of today's seed varieties seem a tad finicky if the weather isn't just right. Your directors are on this file, as best we can.

That brings me to the remaining of the three pillars—you the canola farmer. You need sustaining as well. To that end MCGA is up to its elbows in the Canola Digest, our great website, Ag Days, our AGM's which get better every year, grower meetings and a new initiative we are sorting out right now—developing our young farmers' leadership skills.

Thank you for listening. It is a privilege to serve you.

A handwritten signature in black ink that reads "Ed Rempel". The signature is written in a cursive, slightly slanted style.

Ed Rempel
President

2012-2016 Strategic Plan

Mission Statement: Manitoba Canola Growers is committed to maximizing net income of canola farmers through sustainable production.

Values Statement:

How we achieve this is governed by the values, ethics, and beliefs that we hold. We shall be responsible stewards of the resources entrusted to us by our members. We will do this through:

Leadership: Encourage and mentor suitable individuals to serve and act on the Board of Directors.

Learning: Ensure MCGA provides an environment of continuous learning for members, staff, and directors.

Contributing: ensuring each day we make a positive contribution to canola and agriculture.

Maximizing Value: In our grower contributions by leveraging MCGA involvement with sister organizations, industry, and governments.

The three strategic pillars are:

Maximizing Net Income

- Maximizing net returns for farmers by improving canola marketing and risk management opportunities.
- Work with our partners to build demand for canola through market development, education and promotion.
- Work with our partners to support, influence and advocate for positive policy development.

Canola Farmers:

- Continue to build stronger relationships with farmer members and ensure we are meeting their needs.
- Work with our partners to support improved and sustainable crop production management.
- Continue to develop effective board governance focused on the best interests of canola growers.

Sustainable Production:

- Work with our partners to support farmer driven research priorities and sustainable production systems.
- Education and awareness of sustainable production practices.

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 is a great arrangement as CCC and MCGA 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 Manager, Member Relations Coordinator, and Events and Communications Coordinator. The half time staff member is the Education and Promotion Coordinator. 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. Directors can serve 3 consecutive four year terms or for 12 consecutive years.



Maximize value by building relationships with farmers and sister organizations.

EXECUTIVE MANAGER'S REPORT



This crop year 3.6 million acres of canola were seeded. The year started out not too bad but quickly turned bad. Some early crop damage and re-seeding occurred due to a prolonged cool period in early May which slowed canola development and made it vulnerable to seedling disease complex and flea beetle feeding. Extreme wind events in May caused damage by blowing seeds and seedlings out of fields. Aster leaf hopper population soared in May and caused aster yellows in many fields. The extent of the damage was not known until flowering was almost completed. It turned wet for a few weeks late May and June and there was some drowning out of canola in fields where the water took days to soak in. Late June to early September were hot and dry. This impacted the amount of flowering, seed set and seed size in canola. Sclerotinia, blackleg, and aster yellows took their toll on canola yields as did bertha armyworms and lygus bugs. There were some quality issues such as very small seeds but 87% of the canola was number one. The yields were very disappointing. The average yield in Manitoba will be in the 25 to 30 bu/acre. The main yield limitation for the crop was the prolonged hot temperatures combined with the low precipitation.

MCGA is into the third year of the Agriculture and Agri-Food Canada's \$14.5 million funding for agronomic and nutrition research under the Canola/Flax Agri-Science Cluster. This funding was matched by industry and farmers for a total amount of nearly \$20 million. An additional \$4.6 million of government funding went to 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.

Organizations are now planning for Growing Forward 2 science clusters and are determining research needs.

This was the second 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. Canola producers were asking that the information from these trials come out sooner. As a result the data from the trial were out in mid-October. To view the results go to <http://www.canolaperformancetrials.ca>.

The Canola Digest, funded jointly by the CCC, ACPC, SaskCanola, 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. Our goal for the Canola Digest is to have informative content and less 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 2011 15.93% of MCGA's research funding qualified for the tax credit. For 2010 the tax credit was 11.65%. For 2009 it was 10.74%. In 2008 the tax credit was 11.27%. The tax advantage in 2007 was 23.087% and 24.67% in 2006. The tax credit was 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.

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.

It has been a year since we hired Roberta Galbraith as our new Member Relations Coordinator and it has been a great move. Roberta's report can be found in this Annual Report so I will not go into what she has accomplished. Ellen Pruden our Education and Promotional Manager is the face of MCGA to our consumers and now Roberta is the face of MCGA to canola growers. Roberta's goal is to bring new technology to members and to bring in programs that will help canola growers with their bottom line. Roberta is looking into how we can bring a leadership program to our young farmers. I look forward to see what program Roberta will suggest next.

MCGA and MAFRI started a research project on precision seeding. There is a great deal of interest in precision seeding and we need to find out how it stacks up to conventional seeding. We started small this year and hope to expand this project next year. We need to answer these questions, "What are the canola stands like with precision seeding? Also, is there any truth that the seeding rates can be cut back with a precision seeder?" I look forward to what the data looks like this year and in future years. ACPC are doing a similar project in Alberta. I look forward to sharing research data.

In my last report, I said that MCGA was funding research on how canola is affected with extreme moisture condition. Since we really did not have extreme moisture this crop year, we have had to take this research to the green house. Anastasia Kubinec the Oilseeds Specialist is the lead on this project and will be informing MCGA's Board of the results at our November Board meeting. I hope to have these results for Ag Days.

All projects undertaken by MCGA must live up to the mission statement: "MCGA is committed to maximizing net income for Canola farmers through sustainable production."



Bill Ross
Executive Manager

The Canola
Digest
Magazine
informs
producers
with new
and current
information.

EDUCATION AND PROMOTION MANAGER'S REPORT



At the Manitoba Canola Growers, Be Well is about passion. Our farmers commit their best to Be Well for their families and business. They want the best from their land and they do their best to take care of the land to pass down to the next generation. We know that our farmers love what they do and are passionate about growing a healthy product for not only Manitobans but for people around the world.

Be Well...It's the whole of the parts. It's about passion, balance and a strong foundation. Living a passionate life inspires others to do the same and when you can operate at your best, it seems like everything is possible

Live Well...when you look at living well, it may look like a huge task but it's the simple things that we do daily to live well, from eating breakfast every morning to getting outside for a walk or laughing with family and friends.

Eat Well...Eating well is a foundation that supports living well. We use simple whole ingredients to get the best flavour and for health. Of course, eating well is about balance.

At the Manitoba Canola Growers, this past year, we tried to Be Well at everything we did. We are inspired by our farmers and our partners. We are passionate about what we do and love to hear about what drives you.

Share with us on the blog www.blog.canolarecipes.ca

Twitter: @canolagrowers

Facebook: <https://www.facebook.com/BeWellCanola>

Be Well

BE WELL NEWSLETTER



The Be Well online newsletter reached its goal of 1000 subscribers. This monthly newsletter arrives the first Tuesday of the month in your inbox. Jammed with great articles on health, wellness and recipes all linking back to our blog, recipes and partners.

BE WELL MAGAZINE



The first edition of the Be Well magazine made its launch in the spring of 2012. It's a great tool that feels and looks like the newsletter and the blog and is used at tradeshow and consumers events.

BE WELL BLOG

The Be Well blog is a great communication tool to allow us to connect with our consumers. It allows us to stay in regular contact, organize content and create a dialogue with our audience. It also allows us, and the audience, to share the information easily, in a timely, cost effective manner. The Core Be Well team contributors include: Ellen, Jenn, Wendy, Phyllis, Kristy, Rebecca and Judy. We also have guest bloggers such as Getty Stewart.



BE WELL STORIES

MCGA has been sharing on the Be Well blog (www.blog.canolarecipes.ca) stories about passionate people in the canola industry along with passionate people through our partnerships. Two of the most popular posts were about Bruce Dalgarno, a passionate canola grower and Johanne Ross, a passionate Ag ambassador. Check out the blog to read more about them and many others.

MCGA continues to partner and support key organizations in Manitoba from the Manitoba Farm Women's conference to rural fairs, key partnerships helps MCGA reach its targets and deliver the message about canola oil being local, healthy and good for you. At the Farm Women's Conference, Mairlyn Smith spoke about "How to live to be 100 years old" and the importance of a heart healthy diet. Mairlyn can also be seen cooking here: www.canolarecipes.ca



BE WELL HEALTH

MCGA continues to partner with the Heart and Stroke Foundation of Manitoba on a recipe book and heart healthy cooking videos. Launched in March for Nutrition Month, this partnership and resource

delivers key messages to consumers in Manitoba.

Manitoba Canola Growers partners with passionate people about health. We work with foodManitoba, a collective and collaborate partnership with the other commodity groups. foodManitoba presents Great Tastes of Manitoba for 30 weeks a year on CTV to over 40,000 consumers.

Our website canolarecipes.ca continues to be very popular with nearly 1000 recipes to choose from along with links to health, community partners and our Be Well newsletter.

BE WELL STUDENTS

Canola Learning Centre is our signature program for students and educators. This past year we saw a 1109 students and educators visit Kelburn Farm owned and operated by Richardson International.

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.

Our key partnership for Ag Education is with Agriculture in the Classroom Manitoba

In 2011, Ag in the Classroom reached over 10,000 students with their programming. We are proud to work with such a passionate group. We continue to support all of their programming and encourage our canola farmers to participate at key events such as Made in Manitoba breakfasts.

A new agriculture literacy program was launched last year. For one week, schools across the province and Canada read agricultural based books and in Manitoba performed our signature kid/consumer activity canola crush.



Minister Ron Kostyshyn canola crush at a local Winnipeg school

For more information on how to get involved check out www.aitc.mb.ca



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 winning recipe was Sticky Toffee Date Mini Pudding Cakes from Kimberly Cowan

Kimberly's recipe was featured in the Great Tastes of Manitoba TV show. Watch it at www.mcgacanola.org and learn more about Kimberly at www.blog.canolarecipes.ca

Please check out our website www.blog.canolarecipes.ca and sign up for the Be Well monthly newsletter at <http://eepurl.com/bBqD5>. Connect with the organization that keeps canola and canola oil on the mind of consumers, chefs, students and teachers.

Be Well



Ellen Pruden
Education and
Promotions Manager

Jennifer Dyck
Education and
Promotions Coordinator

MEMBER RELATIONS COORDINATOR REPORT

Support MCGA and your dollars by sharing your email address & cell numbers. Email: roberta@mcgacanola.org



MCGA is committed to maximizing net income for Manitoba canola growers. This mantra provides the guidance for what my role as the Member Relations Coordinator entails. Basically if we can connect it to Canola production, promotion, research or programming we are interested in exploring opportunities on behalf of our growers. Opportunities that will put more dollars back into the pockets of our members.

Partnerships:

MCGA values our partnerships and sees the importance of sharing resources and time to build and strengthen already existing relationships to meet our grower's needs. Some of the partnerships that we have developed this past year are with the U of M Faculty of Agriculture, Assiniboine Community College (ACC) Agriculture School, Farm Credit Canada (FCC) and the Young Farmers of Manitoba to name a few.

Events:

In the 2011-2012 year we held some new events that were targeted at getting resources into the hands of growers and promoting our existing partnerships. On July 11th, 2012 we hosted an MCGA Day at the Crop Diagnostic School at the Dr. Ian Morrison University of Manitoba Research Station in Carman. We combined crop diagnostics with smartphone and tablet technology and shared

applications that put more resources into the hands of growers. We also hosted 9 grower meetings around the province in November and December 2011 targeted at getting the word out about our partnership with the Canola Council of Canada and the team of agronomists that growers have at their disposal.



Also included in those days were presentations from the Canadian Canola Growers Association about their policy work for agriculture in Ottawa and overseas and also the cash advance program that puts millions of dollars into the hands of growers.

We held two very successful 2 day Marketing meetings facilitated by ICE Futures. Meetings were held in Starbuck and Brandon. Participants had the opportunity to interact with ICE Futures staff and other growers to learn the finer points of marketing their crops.



Communication

This past year we developed a communication plan to try and reach more growers with digital communication. We put more emphasis on Facebook, Twitter and website materials and resources and we launched a new look for the electronic newsletter in July. We developed Canola Crush and Canola Blast to meet these needs. Canola Crush is the newsletter and Canola Blast is a short burst of information with a specific topic.



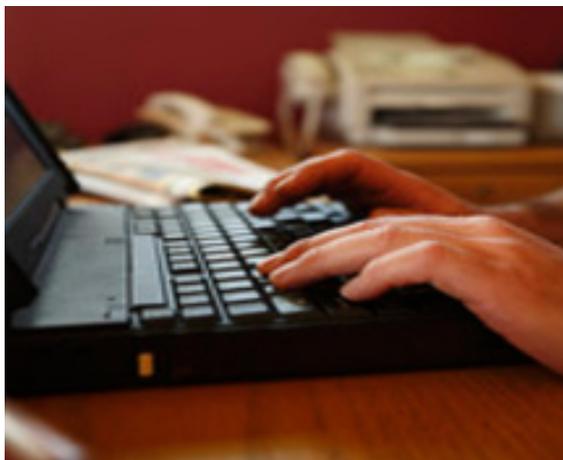
Both intended to get in time information to you on events and topics that are important for you and your farm. In addition, we spend time and resources through our publications and radio spots with CKDM, CKLQ and Golden West Radio to bring to you information on agronomics and events.

Our partnership with the Canola Council of Canada and timely Canola Watch e-publication reaches over 5000 growers across western Canada following this feed of valuable information. Canola Digest which is a quarterly publication funded through grower check off dollars has earned high regard amongst agronomic publications in terms of accurate, unbiased information that is well respected by growers. Canola Watch and Canola Digest are examples of grower dollars working for growers through our partnership with the Canola Council of Canada.

Young Farmer Programing:

We sponsored 12 young farmers to participate in the Young Farmers of Manitoba conference in March 2012 held in Headingly. MCGA also provided sponsorship to 8 young Dairy Farmers of Manitoba leadership conference participants. We support the dairy industry as part of our commitment to our Canola Meal users in the Dairy industry. In February we supported two young farmers to attend the Young Farmers of Canada conference that was held in Halifax. Both producers gained valuable insight into agriculture from other participants that attended from across Canada. They then shared this information with the Young Farmers of Manitoba.

More bang for our growers buck!



Our goal for 2013 is to establish and launch a data base that will cut down drastically on paper communications for some notifications to growers of timely information. We want to make our growers dollars go as far as possible and one way we can do that is by using electronic communication tools to reduce postage and print materials. The savings to MCGA and our growers could be substantial, so please support the organization and your dollars by sharing your email addresses and cell numbers.

Overall we had a great year of planning and programming for our membership and we look forward to an even fuller year in 2012/2013 building on the partnerships and conversations that we had in 2011/2012. Spread the word, join the conversation and participate with the membership of MCGA.

Roberta Galbraith
Member Relations Coordinator

Exploring
opportunities
for our
growers that
put more
dollars back
into their
pockets

EVENTS AND COMMUNICATIONS COORDINATOR REPORT

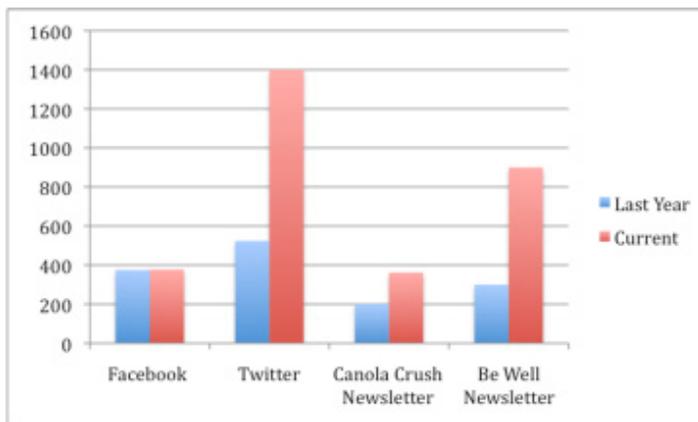


This year we saw substantial growth in our website traffic and engagement in social media. Our website received close to 1.5 million hits; and we maintained a strong connection with grower members and consumers through our various social media channels. Social media engagement is on the rise and we took the opportunity to explore a few new popular options with success.

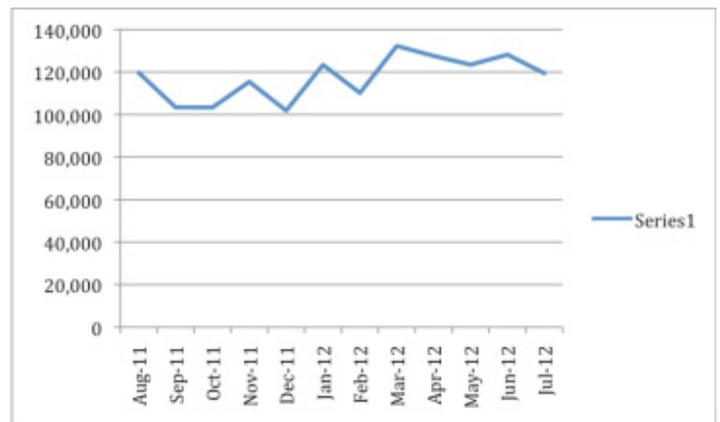
	LAST REPORT	CURRENT	LINKS
MCGA Website			www.mcgacanola.org
Be Well Blog			blog.canolarecipes.ca
Facebook profile	300	390 friends	www.facebook.com/ManitobaCanolaGrowers
Facebook fanpage	98	152 likes	www.facebook.com/pages/BeWell/95923739264
Twitter	524	1,526 followers	www.twitter.com/CanolaGrowers
Youtube	27,500	46,911 views	www.youtube.com/user/CanolaOilGrowers
iFoodTV	45,614	1,055,454 Views	www.ifood.tv/canolaoilgrowers
Flickr	2,894	3,094 views	www.flickr.com/photos/canolagrowers/sets/
Pinterest	0	62 followers	www.pinterest.com/liveeatbewell/
Be-Well E-newsletter	300	933 subscribers	http://eepurl.com/bBqD5
Canola Crush E-newsletter	200	373 subscribers	http://eepurl.com/f-5H

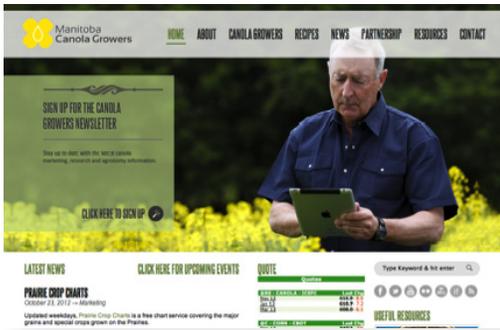
WEBSITE	PAGE HITS
August 2011	119,693
September 2011	103,421
October 2011	103,314
November 2011	115,425
December 2011	101,830
January 2012	123,369
February 2012	110,156
March 2012	132,246
April 2012	127,569
May 2012	123,428
June 2012	128,170
July 2012	119,432
TOTAL	1,408,053

SOCIAL MEDIA GROWTH



WEBSITE STATS FOR www.mcgacanola.org





FACEBOOK – MANITOBA CANOLA GROWERS PAGE



WEBSITE

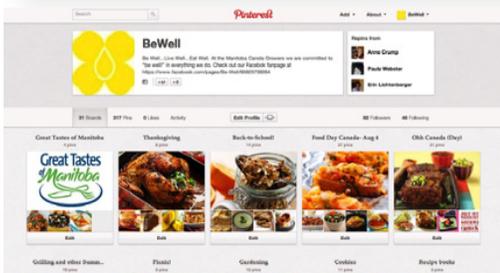
TWITTER



FACEBOOK – BE WELL PAGE



CANOLA CRUSH NEWSLETTER



PINTEREST



MCGA is proud to be the title sponsor of the Canola Junior Curling Championships. Each year 16 Junior Women's and 16 Junior Men's rinks face off over 5 days of competition for the chance to represent Manitoba at the national level. These curlers represent the best that our province has to offer in youth sport. Their competitive spirit and drive will guide them to be the leaders of tomorrow both inside and outside the realm of sport.

We encourage you to connect with us online or at one of our several events to see for yourself how we are spreading a positive canola message both locally and nationally

Leanne Campbell

Leanne Campbell
Events & Communications Coordinator



Canola
Junior Championships

Research funding increases profits for farmers.

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 2011/12 is as follows:

Category	Funding
CARP ongoing projects	\$90,844.00
CARP new projects	\$91,966.00
Prairie Canola Agronomic Research	\$10,000.00
Science Clusters	\$0
Canola Performance Trials	\$90,355.00
Excessive Moisture project	\$15,442.83
Protein fractionation project	\$25,000.00
Clubroot Research	\$42,256.00
Pod Shattering research	\$11,025.00
U of M Research Associate Chair	\$25,000.00
Disease survey soil testing with AAFC	\$5,000.00
Strategic Model-Managing Canola Disease	\$7,863.00
Review of Canola Meal Usage	\$3,000
Development of Germplasm Resource	\$10,000
Total	\$427,755.83

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 research priorities. Most of the projects are co-funded so that each organization can maximize their research dollars.

In 2011/12 the following projects were funded in part by MCGA:

Continuing CARP projects, totaling \$90,844.00 are outlined below:

- 2011.2. Dilantha Fernando. University of Manitoba; Blackleg Resistance Stewardship: Improving our management of host resistance. \$13,033.33. Year 2 of 4
- 2011.3. Gary Peng, AAFC; Dilantha Fernando, University of Manitoba, Ralph Lange, AB Innovates. Mitigating blackleg disease of canola using fungicide strategies. \$23,027.00. Year 2 of 4.
- 2011.7. Ludovic Capo-Chichi. AB Innovates. Assessment of seed germination and seedling performance of spring canola at low temperatures. \$15,000.00. Year 2 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. \$9,361.66. Year 2 of 2.
- 2011.9. Anita Brule-Babel. University of Manitoba. Advanced statistical analysis of small-plot canola variety trial data. \$18,522.00. Year 2 of 2.
- 2010.3. Stephen Strelkov, University of Alberta. Effects of clubroot-resistant Canola lines on soils infested by *Plasmodiophora brassicae* \$3,333.34. Year 3 of 4.
- 2010.20. Hector A. Carcamo. AAFC Lethbridge. Management of lygus and seedpod
- Weevils in canola farms. \$8,566.67. Year 3 of 4.

New CARP Projects, totaling \$91,966.50 are outlined below:

- 2012.1. Dr. Kevin Floate. AAFC Lethbridge. Detection, identification and control strategies for management of cutworms (Noctuidae) on the prairie provinces. \$57,385.00. Year 1 of 3.
- 2012.5. Dr. Paul Holloway. The University of Winnipeg. Biocontrol of Clubroot and Blackleg by the Endophytic Microorganisms of Canola. \$4,000.00. Year 1 of 1.

3. 2012.18. Dr. Barbara Sharanowski. The University of Manitoba. Biocontrol of canola cutworms: identification and attraction of parasitoids. \$13,081.50. Year 1 of 3.
4. 2012.19. Scott Meers. Alberta Agriculture and Rural Development. Improving crop risk assessment tools for bertha armyworm. \$5,500.00. Year 1 of 3
5. 2012.20. Dr. Malcolm Morrison. AAFC Ottawa. Screening for Flower Blasting Tolerance in Canola (Extension of 2010.4). \$12,000.00. Year 1 of 1.

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 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.

Pod shattering research will be useful for anyone considering straight combining canola.

Research funds comparative data on leading and newly introduced varieties.

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 group, 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 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 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.

Development of a Germplasm Resource to Dissect Complex Traits in Brassica napus

This project will build on research at AAFC Saskatoon Research Centre that has developed a number of genetic and genomics resources for Brassica crop improvement.

Strategic model to sustainably manage Canadian Canola Disease Threats

- Objective is to have a comprehensive long-term research and knowledge transfer plan to deal with current diseases and for emerging disease threats. This project is being funded by all three provincial groups.

Review of Canola Meal Usage in Livestock and Aquaculture Diets Globally

This project is to see what the usage of canola meal is and to see where research is needed to increase that usage. This is a joint project with SaskCanola.



Brian Chorney (Director)
Research Chair

FROM THE DEVELOPMENT OF A CROP TO THE DEVELOPMENT OF AN 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 committed to maximizing net income for Canola farmers through sustainable production.” 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.

MCGA is committed to maximizing net income for Canola Farmers through sustainable production.

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	547.92	546.33	546.33	555.72	12.60
2012	557.11	583.24	628.25	667.83	657.49	662.82									

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	2010	2011	2012
	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	3.37	2.72	3.54
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	31.4	27.8	26.7*
% 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%	38.4%	40.3%	39.0%
	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	127.5	97.7	73	91.0*

Source: Field Crop Reporting Series - November Estimates of Crop Production, Statistics Canada. Catalogue No. 22-002-X1B

* Field Crop Reporting Series - September Estimates of Crop Production, Statistics Canada.

Farm Cash Receipts - Canola in Manitoba

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	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	1019.6
% 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%	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	2009	2010	2011
	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 2011/12

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	2010-11	2011-12
Opening Stocks (Aug 1)	10	80	250	110	90	50	49	166	151	101	65	120	176	120
Production	1803	1708	1488	1134	1452	1769	1746	1261	1826	1950	2576	2828	2216	1656
Total Supply	1813	1788	1738	1244	1542	1819	1795	1427	1977	2052	2642	2948	2391	1776
Marketings	1580	1418	1584	1073	1450	1846	1591	1185	1793	1933	2521	2723	2127	1600
Seed	1	1	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	120	100
Feed/Waste/Dockage	152	119	43	81	41	-77	37	91	82	53	72	225	143	75
Total Disposition	1813	1788	1738	1244	1572	1819	1795	1427	1977	2052	2642	2948	2391	1776

Source: Manitoba Canola Sector, May 2012. http://www.gov.mb.ca/agriculture/statistics/pdf/crop_canola_sector.pdf



D.F. GEORGE
CHARTERED ACCOUNTANT INC.

113 Second Street S.W.
Box 567, Carman, MB.
R0G 0J0
Bus: (204) 745-3380
office@dfgeorge.ca

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, 2012, 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Carman, Manitoba
January 7, 2013

D. F. George
Chartered Accountant Inc.



**STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2012**

ASSETS

	2012	2011
CURRENT ASSETS		
Bank	\$ -	\$33,947
Investments (note 4)		
Reserve (note 6)	500,000	235,000
Contingency (note 6)	40,000	40,000
Unrestricted	3,494,826	3,820,872
Receivables		
Check-off (notes 2 and 7)	187,240	328,315
Other - interest	-	7,599
Prepaid expenses	32,741	11,241
	<u>4,254,807</u>	<u>4,476,974</u>
CAPITAL ASSETS, net (notes 2 and 3)	17,356	16,671
	<u>\$4,272,163</u>	<u>\$4,493,645</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

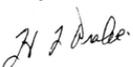
Bank indebtedness	\$33,628	\$ -
Accounts payable and accruals (note 5)	119,829	119,166
Deferred check-off revenue (notes 2 and 7)	1,933,247	2,377,606
	<u>2,086,704</u>	<u>2,496,772</u>

NET ASSETS

Net assets invested in capital assets	17,356	16,671
Net assets internally restricted (note 6)	540,000	275,000
Unrestricted net assets	1,628,103	1,705,202
	<u>2,185,459</u>	<u>1,996,873</u>
	<u>\$4,272,163</u>	<u>\$4,493,645</u>

Approved on Behalf of the Board

Director: 

Director: 

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JULY 31, 2012**

	Invested in Capital Assets	Internally Restricted	Unrestricted	2012 Total	2011 Total
<i>NET ASSETS</i>					
Balance, beginning of year	\$16,671	\$275,000	\$1,705,202	\$1,996,873	\$1,235,273
Acquisitions	6,478	-	(6,478)	-	-
Transfer of funds	-	265,000	(265,000)	-	-
Excess of revenue over expenses	(5,793)	-	194,379	188,586	761,600
Balance, end of year	\$17,356	\$540,000	\$1,628,103	\$2,185,459	\$1,996,873

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2012**

	2012	2011
REVENUES		
Check-off (net of refunds - notes 2 and 7)	\$2,377,606	\$2,652,752
Investment income	182,863	128,293
	<u>2,560,469</u>	<u>2,781,045</u>
EXPENSES		
Administration		
Board	146,056	103,649
Office	277,708	238,827
Extension	471,497	380,428
Technical education and promotion	396,898	290,304
Research and technology	483,799	481,494
Canola Council of Canada core funding (note 8)	550,247	492,900
Investment fees	39,885	27,454
Amortization of capital assets	5,793	4,389
	<u>2,371,883</u>	<u>2,019,445</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$188,586</u>	<u>\$761,600</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2012**

	2012	2011
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Excess of revenues over expenses	\$188,586	\$761,600
Amortization of capital assets	5,793	4,389
Decrease (increase) in check off receivables	141,075	181,397
Decrease (increase) in other receivables	7,599	(6,245)
Decrease (increase) in prepaid expenses	(21,500)	1
Increase (decrease) in accounts payable	663	(4,530)
Increase (decrease) in deferred check-off	(444,359)	(275,146)
Cash from (to) operating	<u>(122,143)</u>	<u>661,466</u>
<i>FINANCING AND INVESTING ACTIVITIES</i>		
Change in investments	326,046	(1,109,409)
Change in restricted funds	(265,000)	(100,600)
Purchase of capital assets	(6,478)	(11,364)
Cash from (to) financing and investing	<u>54,568</u>	<u>(1,221,373)</u>
Net increase (decrease) in cash	(67,575)	(559,907)
Cash beginning of year	33,947	593,854
Cash end of year	<u>\$(33,628)</u>	<u>\$33,947</u>

**SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JULY 31, 2012**

	2012	2011
<i>ADMINISTRATION - BOARD</i>		
Election	\$41,150	\$ -
Mailings - bylaws and legal	27,985	34,283
Professional fees - audit and legal	23,765	24,731
Board operating	53,156	44,635
	<u>\$146,056</u>	<u>\$103,649</u>
<i>ADMINISTRATION - OFFICE</i>		
Office operating	<u>\$277,708</u>	<u>\$238,827</u>
<i>EXTENSION</i>		
Memberships and subscriptions	\$4,320	\$5,155
Advertising	4,023	2,359
Ag Days	21,446	13,945
Annual general meeting	44,014	31,147
Extension meetings	99,954	66,555
Canola learning centre	40,091	61,478
Marketing meetings	24,368	21,258
Member relations and communications	115,543	28,224
Sponsorships	53,578	93,678
Market development	-	20,509
Strategic planning	20,699	-
Web page	43,461	36,120
	<u>\$471,497</u>	<u>\$380,428</u>

**SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JULY 31, 2012**

	2012	2011
<i>TECHNICAL EDUCATION AND PROMOTION</i>		
Co-ordinator budget	\$186,236	\$113,165
Co-ordinator office	115,653	85,606
Ag in the Classroom	20,000	20,000
Culinary Kitchen - ACC	60,000	60,000
Canola Digest	7,693	3,068
Canola utilization meetings and newsletter	2,316	3,465
Richardson International project	5,000	5,000
	<u>\$396,898</u>	<u>\$290,304</u>
<i>RESEARCH AND TECHNOLOGY</i>		
CARP, ongoing	\$90,844	\$24,889
CARP, new	107,409	64,102
Clubroot research	42,255	42,257
Canola Performance Trials	63,338	135,083
Protein Fractionation	25,000	25,000
Soil tests	10,000	10,000
Meetings	17,052	9,206
Biodiesel	36,013	35,957
PCARP	10,000	10,000
Science clusters	-	100,000
Long term research	25,000	25,000
Germplasm resource	10,000	-
Canola meal usage	3,000	-
Managing canola disease	7,863	-
Pod shattering	11,025	-
US canola meal promotion	25,000	-
	<u>\$483,799</u>	<u>\$481,494</u>

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2012

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 accounting standards for not-for-profit organizations in Part III of the CICA Handbook. 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.

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%

Contributed services

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

Cash and cash equivalents

Cash and cash equivalents are made up of unrestricted cash.

NOTES TO THE FINANCIAL STATEMENTS
July 31, 2012

2. Significant Accounting Policies cont.

Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, investments and accounts receivable. The financial liabilities measured at amortized cost include bank indebtedness, trade accounts payable and accrued liabilities.

3. Capital Assets

	COST		ACCUMULATED AMORTIZATION		NET BOOK VALUE	
	2012	2011	2012	2011	2012	2011
Office equipment	\$5,740	\$5,740	\$4,722	\$4,467	\$1,018	\$1,273
Presentation	6,743	6,743	6,326	6,222	417	521
Computers	34,526	28,048	18,605	13,171	15,921	14,877
	<u>\$47,009</u>	<u>\$40,531</u>	<u>\$29,653</u>	<u>\$23,860</u>	<u>\$17,356</u>	<u>\$16,671</u>

4. Investments

The investments are held with CIBC Private Wealth Management consisting of Canadian and International bonds and Canadian and International equities. The market value as at July 31, 2012 is \$4,140,239.

NOTES TO THE FINANCIAL STATEMENTS
July 31, 2012

5. Accounts Payable and Accrued Liabilities

	2012	2011
Trade payables	\$35,354	\$45,704
Wages payable	9,850	5,857
Government payables	7,392	-
Check-off refunds	67,233	67,605
	<u>\$119,829</u>	<u>\$119,166</u>

6. 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.

The Board of Directors have increased the reserve 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.

7. Deferred Check-off Revenue

	2012	2011
Gross check-offs	\$2,103,942	\$2,562,375
Check-offs refunded to producer	170,695	184,769
Net check-off revenue deferred	<u>\$1,933,247</u>	<u>\$2,377,606</u>

Accrued check-offs due but not yet received as at year end is \$ 187,240 (\$328,315 in 2011).

NOTES TO THE FINANCIAL STATEMENTS
July 31, 2012

8. 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 2013 core funding commitment is \$472,880. The association has also entered into funding agreements for long term research projects and sponsorships and have committed the following amounts.

<u>Year</u>	<u>Amount</u>
2013	\$129,757
2014	107,257
2015	65,000

9. Actual vs. Budget

The main categories comparison is as follows:

	2012 Budget	2012 Actual
Administration - Board	\$175,000	\$146,056
Administration - Office	250,000	277,708
Extension	550,500	471,497
Technical education and promotion	377,000	396,898
Research and technology	693,243	483,799
Canola Council of Canada core funding	550,247	550,247
	<u>\$2,595,990</u>	<u>\$2,326,205</u>

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2012

10. Financial Risk

The association is exposed to various risks through its financial instruments.

Credit risk

Credit risk is the risk that the collectors of the levies (purchasers) will fail to remit to the association. The association is not exposed to significant credit risk as remittances are due monthly and the purchasers are bound to perform such services under the Agricultural Producers Organization Funding Act.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade account payables and accrued liabilities are generally paid within thirty days and bank overdrafts are settled from fund transfers from investments. This risk is reduced due to the high dollar value of investments.

Interest rate risk and other price risk

The association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the association to the fair value risk while the floating rate instruments subject it to cash flow risk. The exposure to this type of risk is the result of investments in bonds. The association is exposed to price risk with the possibility of a reduction in the market price of its investments. The association's revenues may be materially impacted by changes in market prices and interest rates on its investments. The association manages exposure through monitoring financial reports received from the financial institution, which regularly rebalances the investment portfolio.

DIRECTOR PER DIEMS

August 1, 2011 to July 31, 2012

Brian Chorney	\$ 7,350.00
Bruce Dalgarno	\$ 6,150.00
Clayton Harder	\$ 3,150.00
Dale Gryba	\$ 6,600.00
Ed Rempel	\$ 6,450.00
Ernie Sirsi	\$ 9,450.00
Hugh Drake	\$ 7,350.00
Jack Froese	\$ 3,450.00
Rob Pettinger	\$ 4,950.00
Wilfred Harder	\$ 7,550.00
Total Expenses	\$ 62,450.00

CCGA
represents
the interests
of Canadian
farmers.

CANADIAN CANOLA GROWERS ASSOCIATION'S REPORT



The Canadian Canola Growers Association (CCGA) has represented the interests of Canadian farmers and agriculture for nearly 30 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:

Alberta Canola Producers Commission

British Columbia Grain Producers

Manitoba Canola Growers Association

SaskCanola

Ontario Canola Growers Association

The CCGA operates with two primary functions:

- Finance Operating Cash Flow for Farmers: Since 1983, CCGA has been an administrator of the Advance Payments Program, provided for by Agriculture and Agri-Food Canada. The Association issues cash advances on more than 25 commodities (wheat, durum and barley added in 2012) to producers across western Canada.
- Policy Development and Advocacy: The CCGA policy team researches policy alternatives and advocates for policy changes that contribute to the association's 43,000 plus farm members. Examples of policy-related activities undertaken in 2011-12 crop year include:

Marketing

- Lobbied the government to introduce legislation amending the Canada Grains Act to modernize it and the Canadian Grain Commission prior to implementing proposed fee increases.

- Participated in consultations to formalize the Grower Requested Own Use program through regulations. The GROU program allows Canadian growers to import and use foreign versions of Canadian registered crop protection products.
- Engaged in the Regulatory Cooperation Council consultations for crop protection products – a process focused on providing equal access to pesticide products in Canada and the U.S.
- Supported the development and approval of a Canadian health claim that advises consumers to replace dietary sources of saturated fats with polyunsaturated and monounsaturated fats found in vegetable oils to lower cholesterol.

Rail Transportation

- Strongly advocated for regulatory changes through the Rail Service Review Process. Transport Canada is currently working on legislation that could bring about changes to the regulatory environment that would give shippers a more level playing field when dealing with the railways.
- Worked with other members of the shipping community to help Transport Canada understand how rail service legislation will benefit shippers.

International Trade

- Actively participated in Canada-EU Trade Agreement consultations in Canada and abroad.
- Encouraged and supported Canada's entrance into the Trans-Pacific Partnership trade negotiations.
- Encouraged Canada's participation in free trade negotiations with Japan and participated in the Standing Committee on International Trade's consultations on a Comprehensive and High Level Economic Partnership Agreement with Japan.

Biodiesel

- Helped facilitate the creation of a biodiesel working group focused on ensuring the canola industry is coordinating its efforts to expand canola-based biodiesel markets and production.
- Consulted with the Manitoba government on its proposal to increase its biodiesel mandate.
- Worked with other partners in advocating for the build out of biodiesel capacity in Western Canada.

Biotechnology

- In an effort to share information about the benefits of biotechnology, CCGA delivered a biotechnology and canola farming presentation to members of the European Parliament.
- Published a number of mainstream press articles targeted toward readers in large urban centres that discussed farming, technology and growing food in a sustainable way.
- Assisted Manitoba Canola Growers Association in its efforts to lobby against a provincial pesticide ban.

Farm Income & Safety Nets

- Participate in various consultations and forums on farm income and safety nets.

Environment & Sustainability

- CCGA is participating in the development of an on-farm sustainability calculator. The calculator will be tested through a pilot project launching in late 2012.

CCGA is an active member of the following national organizations, which carry out relevant agriculture policy-related activities, including:

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

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

- Western Grains Standards Committee
- Western Grains Research Foundation
- Growing Forward Two Agri-Innovators Committee
- 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 CCGA, go to www.ccca.ca or call 1-866-745-2256



Rick White
General Manager
Canadian Canola Growers Association

CCGA is participating in developing an on-farm calculator for sustainability.

CANOLA COUNCIL OF CANADA REPORT

All sectors of the Canola Industry sit at the same table through the Canola Council.



Through the Canola Council of Canada (CCC), all sectors of the industry sit down at the same table with the shared goal of growing our industry. As one of our core funders, the Manitoba Canola Growers Association is an important partner in what we do.

In 2011-12, the CCC made notable advances in priority areas that are critical to the success of our industry. And it is clear that there is still incredible potential for this industry to grow even more in the years ahead.

Market development and access

In China, two important agreements were signed: a memorandum of understanding on joint research related to blackleg, which helped to secure continued access to an over \$1.6 billion market, and an agreement by Tongwei, one of the world's largest livestock feed producers, to purchase up to \$300 million of Canadian canola meal each year by 2015.

We continued to invest in promoting canola oil, seed and meal in our major markets – Canada, the U.S., China, Japan and Mexico; and we continued our efforts to make inroads in the E.U.

In the U.S., the Environmental Protection Agency agreed that Canadian-produced canola and canola biodiesel do indeed meet the sustainability requirements for sales into the U.S. market.

Our convention in Washington, D.C. provided the opportunity to strengthen relationships with our largest trading partner.

Research

The Canola/Flax Research Science Cluster funded 31 projects aimed at making canola a more profitable and sustainable crop. This research is partly funded by the federal government, so this is a good example of how your levy dollars are leveraged to improve the profitability of growers and indeed the whole industry. Expect to see results of these projects in the months ahead

Production information

The first data from the new Canola Performance Trials became available, providing producers with a valuable new information tool. The data now has greater depth, and

growers can explore many site-specific agronomic factors, as well as disease ratings from the Western Canada Canola Rapeseed Recommending Committee.

A clubroot "nursery" and sanitation video were created to help growers learn more about managing the disease.

With AAFC funding, the CCC presented more webinars on production topics ranging from seeding to harvest.

Canola Watch, our just-in-time e-newsletter, added more diagnostic photos and harnessed the power of Twitter to keep the conversation going.

Canola Digest continued to provide a national communication vehicle for the CCC and all provincial grower organizations, including the MCGA.

This is an exciting time for our industry – a time when we can aim even higher and build on the great accomplishments that have brought us this far. In the year ahead, one of our most important tasks is to develop a new strategic plan as we continue to focus on innovation, market development and market access.

As the President of CCC, I look forward to working alongside MCGA as we create more value for growers and the industry as a whole.

Patti Miller
President
Canola Council of Canada

CANOLA COUNCIL OF CANADA'S CROP PRODUCTION REPORT FOR 2012



This report summarizes the activities and focus of the Canola Council of Canada's 'crop production (CP)' team for 2012.

Extension activities continued to be the CP Team's top priority this year. Canola Watch was our main avenue to extend key messages at opportune moments. Our first "in-season" watch report went out on Apr. 4 and the last was sent out Oct. 3, 2012. We also published three alerts, two media releases, and will issue the odd watch report this winter.

The fact sheets put together by the CCC continue to serve a key purpose in extension. Even with a technological shift, many still prefer to have the hard copy. Another successful extension activity was the various webinars hosted by a CP team member and/or other guest speakers.

The CP team answered many media calls this year, which we believe is important in spreading the right messages, and also for promotion of ourselves as agronomists and the CCC as an organization. We also actively use social media. Twitter is a key outlet used by all of the agronomists where we can post up to speed agronomic information. The newly designed CCC website looks great, and continues to be another resource offered by council for up to date information on not only agronomics, but trade issues, nutrition, statistics and much more.

The CCC and the provincial grower groups have been planning "CanoLAB 2013" in all three Prairie Provinces. This event saw great success in Alberta in 2012. In Manitoba, we are tying CanoLAB with MCGA's AGM. The Storage Clinic, held early in 2012, was a wonderfully planned event, but unfortunately attendance was low. There was professional video footage taken at the event that is available for viewing at any time.

The CP team has put on and been invited to many different speaking events this year. We see these events as multipurpose: They are a great way for us to extend our messages, serve as an opportunity to network, and also tend to be very educational for us.

The CP team believes it is critical to continuously educate ourselves so we can be some of the best agronomists on the Prairies and can pass on

our knowledge to others in the industry. It is our priority to be attending various agronomy meetings and research seminars. The agronomists also continue to keep strong ties with the research community across the country and internationally. We feel we are an important connection between researchers and producers.

The CCC hosted a Science Cluster Meeting on Oct. 29, 2012. This brought together researchers from the prairies to discuss their areas of study, as well as weigh in on the current relevance of the seven research pillars. The CCC also hosted their annual CPIT meeting on Oct. 30, 2012.

The CCC agronomists assisted with the Prairie Pest Monitoring Program and Canola Disease Survey once again this season. The CP team is also helping develop a Canola "diagnostics tool." We hope the future of this will be the CCC's first "app."

I thoroughly enjoyed the opportunity I was given to work alongside those in the CCC and MCGA this year. I am very thankful for the support of the Manitoba Canola Grower's Association, and appreciate the tremendous value of your organization to canola producers in this province.

Angela Brackenreed
Agronomy Specialist for Manitoba
Canola Council of Canada

Agronomists
are an
important
connection
between
researchers
and farmers.

2012 BOARD OF DIRECTORS

Brian Chorney

Box 1, Grp 23, RR 1, East Selkirk, MB R0E 0M0
Phone: (204) 482-4997
Fax: (204) 482-8069
E-mail: creekside@highspeedcrow.ca

Hugh Drake

Box 220, Elkhorn, MB R0M 0N0
Phone: (204) 845-2544
Fax: (204) 845-2399
E-mail: hdrake@xplornet.ca

Jack Froese

Box 1056, Winkler, MB R6W 4B8
Phone: (204) 325-2056 or (204) 325-7291
E-mail: jdfroese@mts.net

Dale Gryba

RR 1, Gilbert Plains, MB R0L 0X0
Phone: (204) 548-2592
Fax: (204) 548-2272

Executive

President – Ed Rempel
Vice-President – Brian Chorney
Treasurer – Hugh Drake
Secretary – Wilfred Harder

Clayton Harder

219 Emerson Ave., Winnipeg, MB R2G 1G1
Phone: (204) 470-3021
E-mail: clayrharder@hotmail.com

Wilfred Harder

Box 88, Lowe Farm, MB R0G 1E0
Phone: (204) 746-8005
Fax: (204) 746-6025

Ed Rempel

Box 7, Starbuck, MB R0G 2P0
Phone: (204) 735-2846
Fax: (204) 735-2846

Ernie Sirski

Box 121, Dauphin, MB R7N 2T9
Phone: (204) 638-5511
Fax: (204) 638-5511
E-mail: esirski@xplornet.com