

Chairman's Report

Bob Fotheringham

It has been an honor serving as chairman for the past year and I want to thank office staff, directors, committee persons and our General Manager for all their help and support.

The 2004 crop was in the 59,000 to 62,000 acres and in spite of a very dry and hot summer yields and quality have been excellent. Yields for a lot of producers is the highest they had for many years so we will likely be over a 20 bag average. This year a lot of new producers have enrolled which is great. Our pool numbers have been decreasing in the last few years but the pool price this year was \$28.57 and the nonpool was \$27.89. With the pool now its harder to know just how many beans are ours until after harvest which makes it difficult to sell and therefore sometimes missing the opportunity on the higher prices offered early on in the year by dealers and canners.

Cruiser a seed treatment has been registered for 2005 crop year this will give control for leafhoppers for 4 to 6 weeks after planting this should be a big help for healthier plants and better yields.

Your research committee along with the General Manager, Tino Breuer, spends a lot of time pursuing research opportunities for dry bean and for other use like health products. In the spring we did a Strategic Plan and the three main areas were chosen as Research, Grower Communications, and Promotions. The Ontario White Bean Producers Marketing Board have been along with the other six commodities making up the Grains and Oil Seeds Groups trying to come up with a new Risk Management Program (RMP) for Ontario Farmers.

Our Directors and staff of the Board spend a great deal of time working with associated organizations for the betterment of agriculture and the white bean industry in Ontario.

General Manager's Report Crop 2004

Tino Breuer

2004 was good year, the second consecutive good production year following on the heels of 2003. Derived yields (actual deliveries reported divided by calculated acres) came in second highest (after 2003) in the past 20 years. The provincial average was just over 19.7 bags (cwt. – hundred weights) or 0.89 tones (metric tons) per acre. See the Ontario Provincial Statistics at the back of the report.

Both growers and the Board experienced much better revenues than expected from this larger crop. Board revenues came in at just over five hundred and fifty thousand dollars. This was not a record but better than originally budgeted and the second largest in the past five (5) years. A thirty percent (30%) larger than budgeted crop allowed the Board to actually add to its surplus instead of drawing it down. This is also the second year where none of the board's line expenses (primarily marketing) were 'charged' to the pool.

Total expenses also came in slightly below budget and about 15% below that of five (5) years ago.

The Board continues to work with 2 full time staff and one part-time staff in an effort to keep expenses down. In the category of Admin/overhead expenses have been held steady. Expenditures have crept higher in the areas of Research and Producer relations. In the areas of Promotions and Marketing, expenses here have been maintained at slashed levels (50% +below that of 5 years ago).

For a more detailed financial analysis refer to the treasure's report and review the auditor's statements found in this report.

The Board undertook a strategic planning session in the winter of 2005 to develop and prioritize those areas it felt were of importance to white bean growers in the province. In descending order of priority these areas were: Research, Grower/Producer Communications, Promotions, One Pulse voice (merger), and lobbying. Work plans will have to be developed for these areas. Many of the specific topics or activities referred to in the past such as: promotions, sponsorships, research projects, grain financial protection, one Ontario pulse voice and communications fall under the new framework.

These activities will continue but with perhaps re-assigned priorities. Under communications the semi annual publication of the Emerging Bean was targeted. The budgeted resources here may and could be better spent towards an updated communication's strategy that uses the Internet (e-mail) and other print media, to simultaneously reach both a targeted and broader audience.

Looking ahead we see more and more that "health and wellness" will come to encompass "Food and Ag." Since beans have been called the "original unsung, unnoticed functional food" the industry will need to address this. Our challenge – your Board and staff will need to use finite resources to better position beans as "THE functional food of the future". This will mean judiciously increasing expenditures in those areas that have been kept under a tight rein. However consecutive good cash flow years are never guaranteed so prudence will be the watchword.

A list of Board activities continuing and undertaken – grouped according to the 2005 priority list:

A. Research:

- i. Hosted the bi-annual Canadian Pulse Research Workshop in London Ontario Nov. – Dec. 2004 after nearly 2 years of planning by the conference committee.
- ii. Worked with Pulse Canada to successfully secure their Science and Innovation funding for a national Pulse¹ research initiative.
- iii. Involved with developing a national, multi year project administered and based out of Ridgetown, to address a re-emerging bean disease (Anthracnose) issue.
- iv. Continue to lobby government for a single comprehensive dry bean science research program, in the public sector, based in Ontario and focused on Ontario growers' needs.

¹ Pulses include: Peas, Beans, Lentils, and Chickpeas

- v. Dry bean value added research – completed a literature review, completed a value chain analysis for Industrial, Nutraceuticals, and Food applications for beans and or bean components. This is on going.
- B. Communications
 - a. Producer focus groups spring of 2004.
 - b. Grower survey to gage receptiveness to a single pulse organization
 - c. Newsletters and reports.
 - d. Negotiations with dealers – held the line on a proposed 30% increase in drying and pick charges. Incorporated an ever-greening clause into the ‘Dealer Agreement’ so that the agreement automatically renews unless one party asks for a change. An agreement has been reached for the 2006 crop as well.
 - e. Two ‘Producer Relations’ meeting
 - f. An Agronomy ‘Spray day’ held and hosted at the Huron research station
 - C. Promotions
 - a. Reprint of recipe booklet
 - b. Staff attended numerous health and food conferences and meetings to showcase beans
 - c. Support of various Agricultural fairs and the Zurich Bean Festival.
 - D. One Ontario Pulse Organization
 - a. Numerous joint meetings with the Ontario Coloured Bean Growers association primarily to better co-ordinate research efforts in dry beans.
 - b. Grower surveys
 - E. Lobbying
 - a. Working with and funding the Grains and Oilseeds group “Farmers Feed Cities” campaign
 - b. Continue to give input to develop a better long term safety net program – BRM (Business Risk Management) to enhance the CAISP (Canadian Agricultural Income Stabilization program)
 - F. Miscellaneous
 - a. Grain Financial Protection – no movement because of OMAF pre-occupation with internal matters. Work will continue in 2005/06
 - b. Update and upgrade computing capabilities for better IT (Information Technology) management.

2004 Crop Re-View

Tino Breuer

Below and in italics are excerpts of what was written nearly a year ago in last year's annual report entitled a "pre-view" about the crop under review (not the one we just harvested) – 2004 crop. Regular text will denote 'points to ponder' for the future or updates to the earlier text.

Global commodity prices sky rocketed just in front of the planting season almost 'shutting out' dry beans. As soybean prices were hitting \$10.00 per bushel white beans had not moved and were not competing to buy acres. The value chains had max'ed out their ability or willingness to buy acres.

Growers should be asking themselves what happened here? And then ask a rhetorical question: Who will carry the risk of future crops?

A backwards spring across North America allowed the great lakes basin (MI & ON) to plant some incremental acres. But acres were still below historical averages. Such a spring also prevented the Red River valley from hitting the optimum window for a bean crop. Early frost and other weather problems cut the western Canadian growing season off at the knees. An unseasonably warm September in Ontario was the billion-dollar savior that 'made' the Ontario crops and white beans come through with flying colours delivering legendary returns to growers. Reached as high as \$800 gross per acre.

At harvest posted prices for white beans spiked sharply higher and then drifted lower for the balance of the season.

Most if not all growers took the money and ran. Those growers that opted to store expecting even higher prices (based on supply and demand analysis) were disappointed. Others that listened to their crop consultants and signed up for full production contracts missed the brass ring of optimal acre (gross\$) returns.

The 'Short' 2004 White Bean crop that never was!

Benchmarking the white bean market's supply and demand statistics suggests a looming shortage.

Global utilization has been static and is estimated at between 6 to 7 million bags - averaging around the 6.2 million-bag mark. This year's production is variously guessed at between 3.4 and 4.2 million bags. Estimates for carry-over stocks range from 800,000 to 1.5 million bags. The math suggests that total supplies may fall short of utilization by at least 500,000 to possibly well over 1 million bags.

This never developed and pundits were sent back to redo their homework and "shoehorn" the known numbers to fit the story that prices were telling us – obviously there were enough beans for the market! Demand had to be scaled back an unbelievable 30%

White Pea Beans are/were the price appreciation laggard in the dry bean spectrum falling well behind other classes by some 30%, with pitiful laments of 'surprising lack of demand' as a rational - and explanation. Meanwhile end users draw on contracts, well assured by their upstream value chain partners

(dealer/processors) that (grower produced) supplies are forth coming. The grower base has been well conditioned on how good cash crop white beans are when compared to alternatives. Growers trust their advisors to put them into the “best paying crop”. Now ... that’s ... good management....

As this paradigm of “White Pea Beans as a Managed Market” (see our website www.ontariobeans.on.ca) evolves and matures, and once the glow of phenomenal returns (great yields coupled with good prices and very good quality) wears off, growers will want to think about: “How can, or will I proactively participate in this ‘managed’ market in the future?”

AGCare Summary

Gilbert Vansteelandt

AGCare continues to speak out on environmental issues that effect Ontario's crop and horticulture sector on behalf of our membership.

We have assembled a 'Speak Up' team made up of Sixteen farmers from a variety of commodity types and geographical areas were given media training over 1.5 days. They are kept up to speed on issues and have been representing agriculture very well in the media.

AGCare assisted the Ontario Farm Animal Council (OFAC) with a media tour for food writers. Journalists and food writers ranging from LCBO’s Food and Drink publication to Today’s Parent and Canadian Living learned about different crop production systems (organic, conventional, biotechnology).

In April we held our second very successful annual general meeting with OFAC with the theme “Communicating with Consumers-What is the cost of doing nothing?” which attracted close to 150 people.

A *Town and Country* episode was created regarding the reduction in agricultural pesticide use. AGCare supported University of Guelph agricultural communications students creating “info-breaks” for Town and Country. A Town and Country episode on agricultural biotechnology is in progress.

AGCare has continued to assist in the maintenance of www.farmissues.com, which receives 8,000 unique visits per month. In partnership with the Land Improvement Contractors of Ontario (LICO), we produced a resource for Grade 7 student’s titled “Food Production and Soil Management”. The resource assists students in understanding the complexity of agro-ecosystems and the importance of environmental management skills in farming. We are currently working on resource for Grade 10 science students on agricultural pesticide use.

AGCare spoke at numerous conferences, such as the Latomell Conservation Symposium, the Rural Ontario Municipal Association, Crop

Nutrients Council, Ducks Unlimited, FarmSmart and the Ontario Pesticide Education Program training session.

AGCare worked with OFAC to develop a professional, interactive and fun display depicting "Farmers Hard at Work Every Day to Put Food on Your Table" that has been used at the CNE, Western Fair, The Royal and the Outdoor Expo. The estimated reach at these events combined is close to 2 million people.

News releases, op-eds, and letters to the editor from AGCare and its Speak Up team have appeared in publications ranging from the Toronto Star to Kitchener Waterloo Record and the Vancouver Sun as well as agricultural media and dozens of small town publications. AGCare staff and board members have also appeared on radio and television from AgVision to the Weather Network.

AGCare continues to publish its Update newsletter, which is distributed to nearly 3,000 farmers, government staff, politicians, libraries, students, interest groups, the media, and other individuals.

AGCare is currently busy promoting the Environmental Farm Plan program and the Ontario Waste Agricultural Pesticide Collection Program.

O.F.A ANNUAL REPORT

Al Futcher, Director

The Board of Directors of O.F.A. met on the third Wednesday of each month at the International Doubletree Hotel in Toronto. Meetings are not held in the planting month of May or the harvest month of September and the winter month of December. November is Annual Convention time with about 500 to 600 delegates attending.

O.F.A. memberships have declined in '08 to under 40,000. The Federation Board consists of around 100 directors. They represent counties and regions, commodities and other organizations. Every year huge challenges face Ontario Farmers. The main role of the following is to lobby governments to try and solve the huge issues that face agriculture today:

O.F.A. President Ron Bonn~ Vice Presidents Geri Kamenz and Paul Mistele, the Executive, the Committee Members and the rest of the Board, along with other Farm Organizations.

On March 2nd, a huge rally was held at Queens Park numbering more than 8000 concerned people to impress upon Government of the income crisis facing us today. This huge event was organized by O.F.A. and all other farm related organizations.

There is no end to challenges facing all of us, be it ongoing B.S.E. crisis - the Green Belt Legislation - nutrient management proposals - pending clean water legislation - the issue of food safety - the change in July of Ontario's Agriculture Minister the need of a program to replace M.R.I. (something to be commodity specific which C.A.I.S. did not provide - the new Risk Management

Program spearheaded by Grains and Oilseeds (that “Farmers feed cities”). O.F.A. along with other farm organizations must continue to lobby all governments how important the Agriculture Industry is to the economy of Ontario and indeed to all of Canada. Thanks for the opportunity to serve as your director.

Ontario Agricultural Commodity Council Report

Don McKercher

The OACC is a coalition of twenty-eight non-supply managed commodity organizations with non-voting participation by OFA and CFFO.

This year, as in the past, adequate Safety Net Programs for Ontario Farmers were the main topics of discussion. After some intense lobbying culminating in a rally at Queens Park in December, the Ontario Government announced a MRI type payment based on 2004 crop yields and prices. As well, the Federal Government also announced a payment based on each producer’s ENS between 1998 and 2002. Both these payments were received in late winter of 2005.

However, because no programs other than CAIS and crop insurance were available for 2005, it became apparent that more intense lobbying was required.

In the fall of 2004, the seven Grain and Oilseed groups formed a Grain and Oilseed Safety Net Committee with Peter Tuinema from the OWPMB acting as chairman. I became the representative from the Bean Board on this committee.

In the spring of 2005 after the Minister of Agriculture and Food formed a four person committee to study safety net programs in Ontario, we realized that we should form a producer committee to draft a preferred Risk Management Program of our own and present it to the Provincial Government.

By June, the producer committee had drafted a suitable Risk Management Program and presented it to the government. As expected, there was considerable push back because of cost and trade concerns. During this past summer, the Grains and Oilseeds Group spent a great deal of time promoting the RMP to producers in the Province. We have been joined by a number of other farm groups to promote the “Farmers Feed Cities” slogan. With this campaign, we hope to secure a greater percentage of the Provincial Government’s budget for agriculture as well as a comprehensive Risk Management Program.

In spite of weekly conference calls and numerous meetings, I found this lobbying effort to be very beneficial in raising the awareness of the importance of Ontario Agriculture to the Ontario economy.

Producer Relations Committee Report

Mac Inglis and John Walls

This year we have tried to grab the attention of the government with the “Farmers Feed Cites” campaign. Attending many different events during the fall such as the Woodstock Farm Show and The Royal Winter Fair. We have been supporting this as a direct result of the government removing the MRI program.

As well the Emerging Bean Magazine was put of hold for the time being so that the staff and directors can find a better and more effective way to communicate with its growers.

In the next year we plan on furthering our efforts and making the producers voice heard by listening to the growers at the Annual meetings and any other meeting that involves the Ontario White Bean Producers Marketing Board.

Research Report

Grant Jones & Bob Fotheringham

Research continues to be a very important part of the beans industry. Approximately \$91,000 of grower money was spent with “direct dollar” matching funds bringing the total to over \$140,000 sent bean research.

The Board supports dry bean research at Harrow, a federal facility, and Guelph (provincial) on projects such as Development of new white bean varieties, weed control and seed treatments for root rot and leafhopper control.

This past winter, The Ontario Pulse Committee, reviewed performance-testing data trying to improve white bean varieties. Although yield, plant structure and disease resistance is important to the grower, cooking quality is just as important to the canner.

Registration where granted for HR81-5, TI0306, and TI0307. Cruiser seed treatment has be registered now and will be available for the 2006 crop year this will give us 4 to 6 weeks control for leafhoppers.

The Pulse Committee had six research test sites and they where at St Thomas, Granton, Kippen, Exeter, Wingham, and Elora. All six sites look real good and some good yield reports should come for them all.

The Board is still trying to ensure that Ontario has a science/research delivery program for producers of dry beans in Ontario. The board is also trying to find other uses for the white pea bean.

There was very little Anthracnose this year thanks to the grower treating all seed with DCT and spraying with either Headline or Quadris alone with a dry and hot summer.

The Research Committee would like to thank all of the researcher and their staff for their dedication and hard work to the white bean industry.

NOTICE
ANNUAL MEETING OF DELEGATES
JANUARY 19th, 2005

CANADIAN GRAIN COMMISSION REPORT

John Thomson

I attended the Eastern Standards Committee meeting in Winnipeg last November. A tour of the Canadian Grain Commission Building followed on the next day. The tour of the Research Lab was educational and informative for both the Western and Eastern Committees. From the milling machines to the baking ovens, DNA lab equipment, atomic absorption spectrometers and mycotoxin labs all contribute to Canadian grain and pulses being purchased worldwide. Approximately 90 people work in the research lab, of which about 30 are scientists. Most of the work in the lab deals with wheat and grains. Research will increase scientific understanding about environmental and genetic factors that affect pulse quality. An instrument called the True Grade System aids the Image Analysis team to objectively assess lentil colour. Thirty-one harvest samples were received in Winnipeg, all with excellent visual quality, although elevated pick levels (reflective of the anthracnose virus).

The Western crop however, was quite a different story. The few white beans they did have in Manitoba received frost in August and then the weather turned wet resulting in poor quality and many still in the fields at the time of the meeting. Indeed from the air as we flew in, one could see the ruts in the fields where combines had tried to harvest crops.

In June 2005 another meeting of the Standards Committee took place in Toronto. A discussion took place over differences between Canadian and US grading issues and moisture meters, grading in wheat and barley and the proper naming for those grading classes.

Grant Jones will be taking over for me at the next Eastern Standards Committee Meeting in November.

Treasurer's Report

Susan Murray

When budgeting for the 2004 Crop year the estimated crop size used was 779,662 bags or 35,365Mt. The revenue flow of 10% harvested crop as pool beans and the remaining 90% harvested crop sold through the Dealers was also included in the budget estimation. This gave the budget a predicted loss of \$95,490.

Upon completion of harvest, the actual size of the crop became 1,165,898 bags or 52,884Mt with 95% of the crop harvested by December 2004. The total amount marketed through the board was 6% while 94% went to the Dealers. This dramatic increase in crop size insured the Board of revenues not only covering the basic expenses budgeted, but unexpected expenses as well. These extra expenses consisted of: printing of both the Supreme Bean I and II Recipe Books, increased research expense, a new furnace for the office building and painting of the offices. Overall, the Net Profit for the 2004 Crop was \$111,736 with a final surplus of \$1,197,649.

The average gross price of the 2004 Crop was \$28.78/bag or \$634.45/Mt. This amounted to \$33,538,108 for White Beans in the province of Ontario. The average net price to the Producer was \$27.93/bag or \$615.81/Mt.

As for the Pool Intake for 2004, advanced sales were made at an average price of \$33.50/bag. These advanced sales consisted of 11,023 bags, and represented 16.6 % of total Pool Intake. Total charges to the overall Pool Intake included: Handling Charges - \$4.50/bag, Storage costs - \$0.72/bag and Dealer Bonus - \$0.22/bag. The Initial Payment for Pool beans was \$15.51/bag or \$342.00/Mt. The Interim Payment was paid on February 28th, 2005 in the amount of \$8.16/bag or \$180.00/Mt and the Final Payment paid on September 29, 2005 in the amount of \$4.90/bag or \$108.07/Mt. These payments totaled to the amount of \$28.57/bag or \$630.07/Mt.

It has been the Board's objective to have a \$1,000,000.00 surplus in order to self-insure advanced sales. With the 2005 Crop year having an estimated acreage of 105,000 and a surplus of over \$1,000,000, the Board of Directors elected to decrease the 2005 license fee from 0.36/bag or \$7.94/Mt to 0.30/bag or \$6.61/Mt.