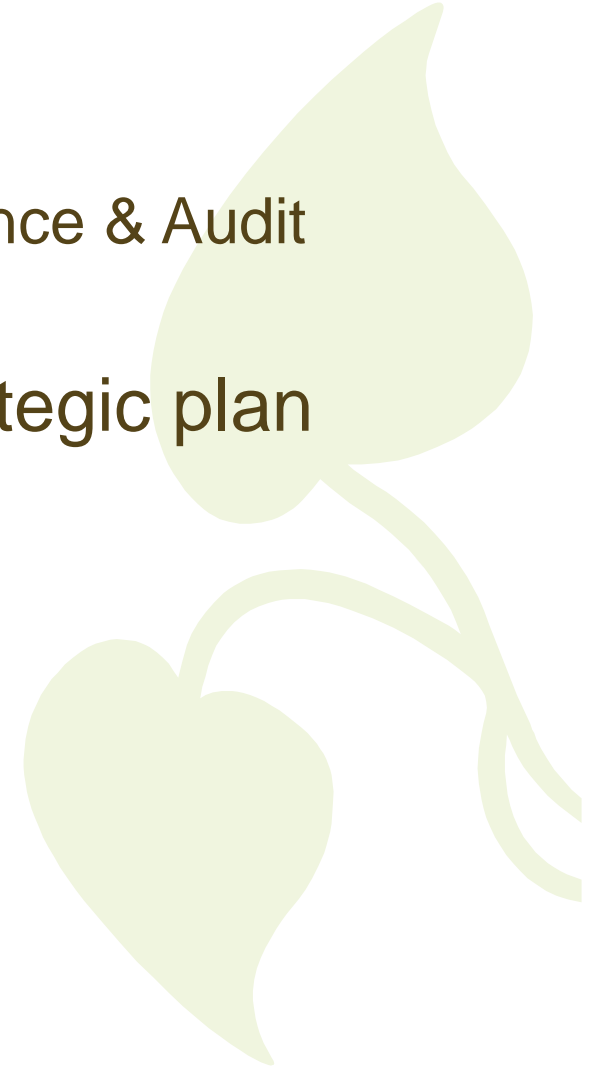


Ontario Bean Growers General Manager's Report 2015



A successful first year

- Priorities set by committees of the board
 - Research, Market Development, Governance and Finance & Audit
 - Based on the strategic plan
- First stages of successful implementation of a strategic plan
- Positive industry relations
- Consistent grower communication
- Under budget for 2013/14 fiscal year



Vision

To be the first choice partner supporting innovation in production, products, and markets for dry edible beans



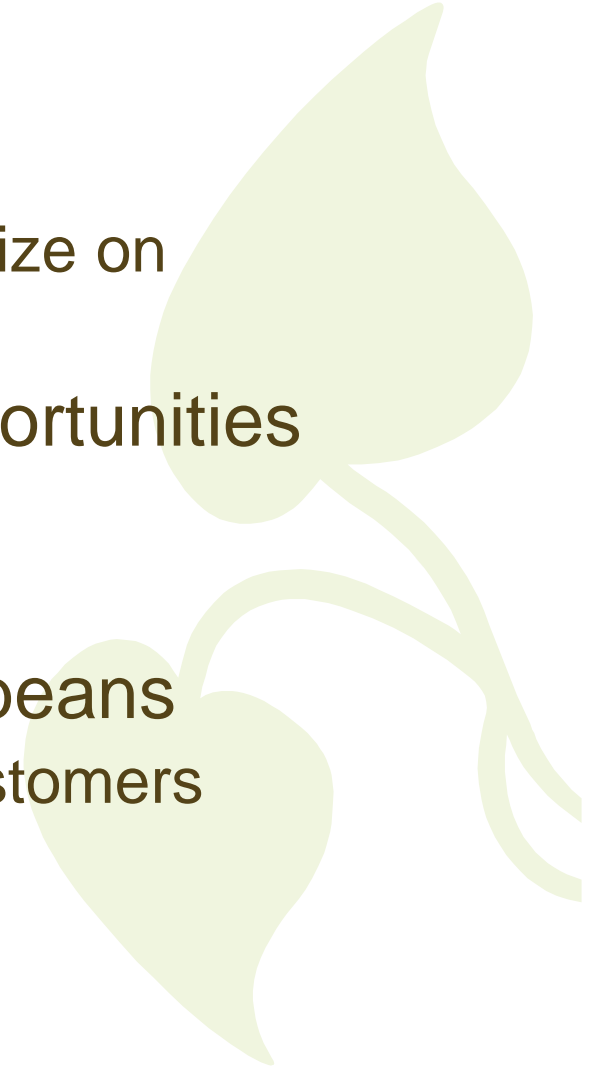
Mission

To facilitate strategic expansion of the Ontario dry edible bean industry, through partnership and production excellence



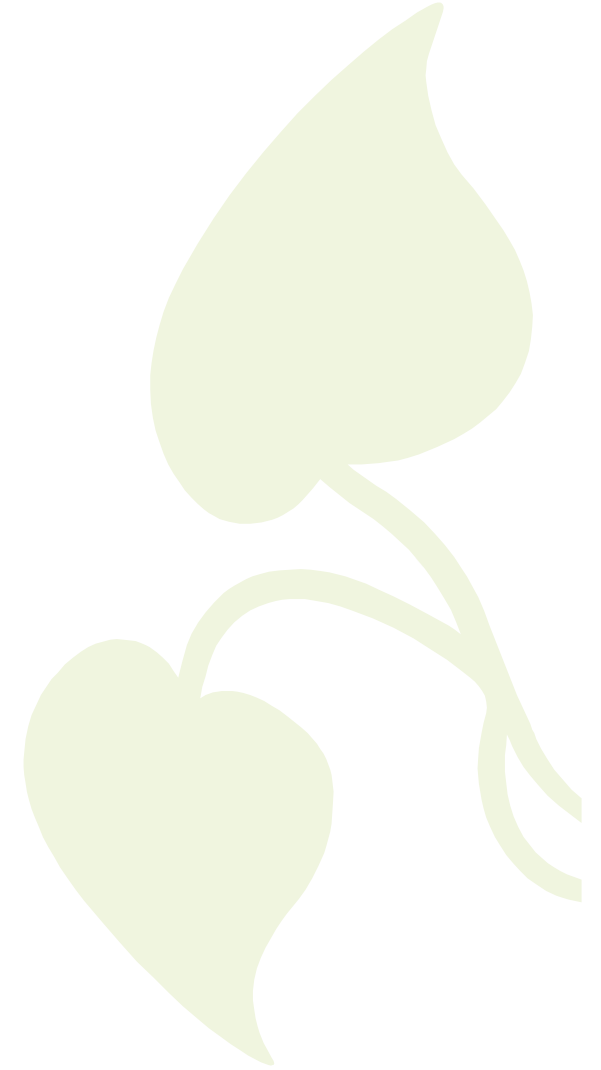
Priority 1 – Increasing sales of beans

- Understanding market demand and opportunities
 - Work with buyers and processors to identify and capitalize on opportunities
- Developing new products to meet new market opportunities
 - Deepen the relationship with Pulse Canada
 - Support new product competitions
- Ontario seen as a reliable supplier of high quality beans
 - Support branding Ontario beans to buyers and their customers



Understanding Market Demand & Opportunities

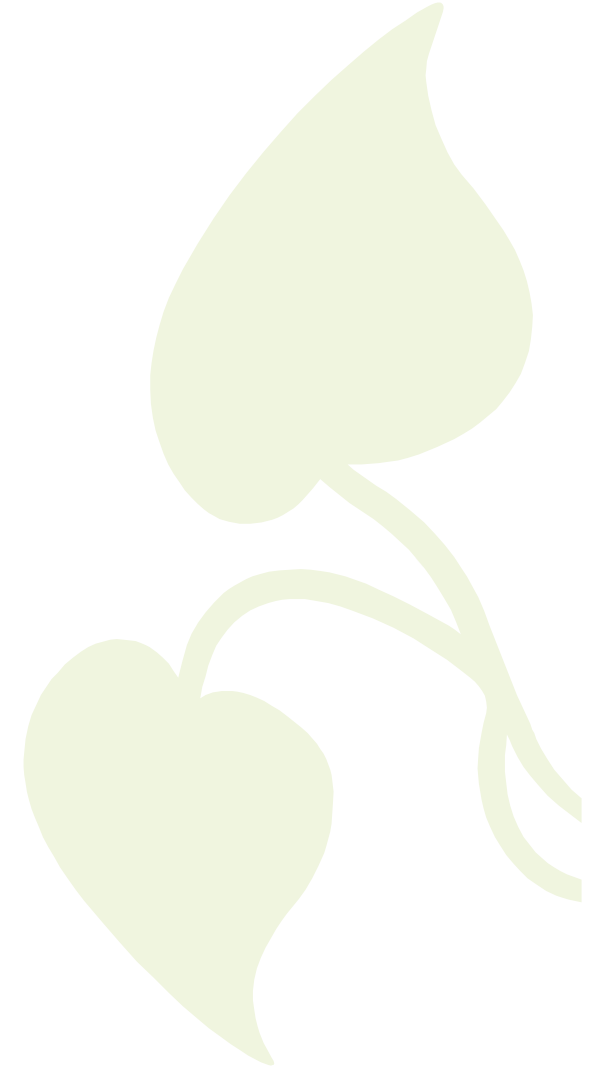
- Trade mission to Mexico
 - Identified opportunities for black beans
 - Ongoing communication with importers
- Trade mission to the EU
 - Met with existing buyers
 - Identified research opportunities
 - Promoted Ontario beans at second largest food show
 - Ongoing communication with buyers
- PIRT trade matrix
 - Identify opportunities for Ontario beans



Developing New Products

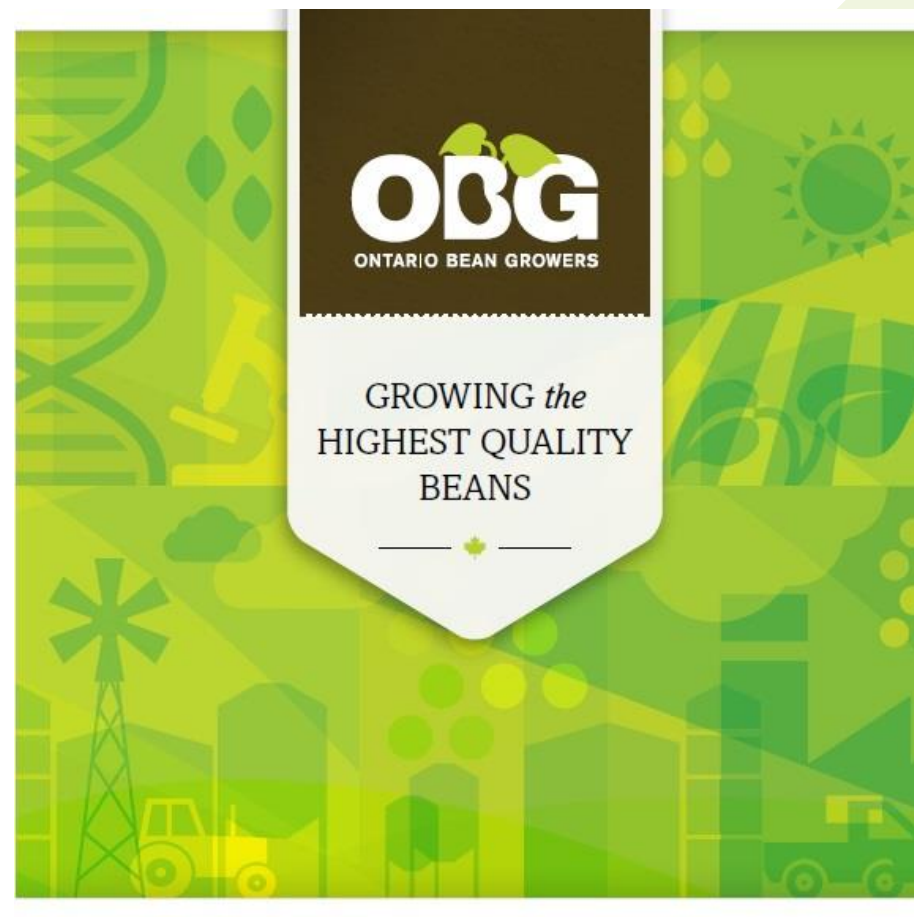
Working with Pulse Canada

- Mission ImPULSEable
 - New product competition
- International Year of Pulses (IYOP)
 - Branding pulses
 - New product integration
 - Pulse promotion
- Sustainability



Reliable Supplier of Quality

- Consistent branding of Ontario Bean Growers
- Working with largest buyers to meet their quality needs
- Research focused on improved quality and consistency
- Dealer relations to identify opportunities to improve

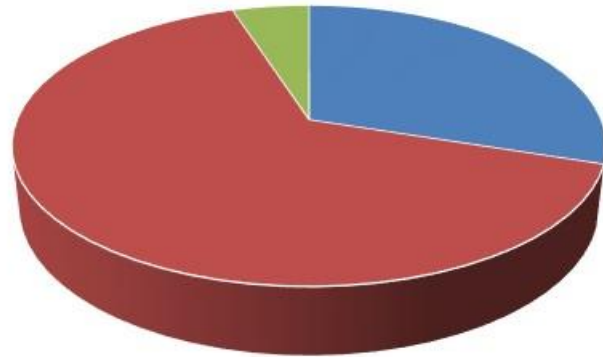


Priority 2 – Increasing supply and quality

- Invest in bean research
 - Main focus on increasing yield through disease, insect and root disease management and on plant architecture
- Regulations
 - Access to neonicotinoids
 - Harmonization of maximum residue levels with the United States
 - OMAF, AAFC and CFIA are all undertaking regulatory modernization activities – an opportunity for OBG to submit suggestions for regulatory change

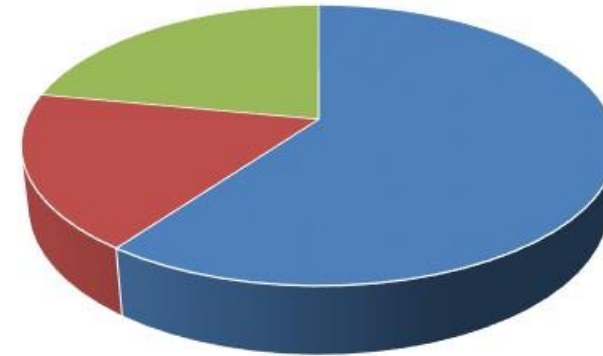
Investment in Bean Research

Percentage based on \$ invested



■ Agronomy ■ Breeding ■ Health / Nutrition

Percentage based on # of projects



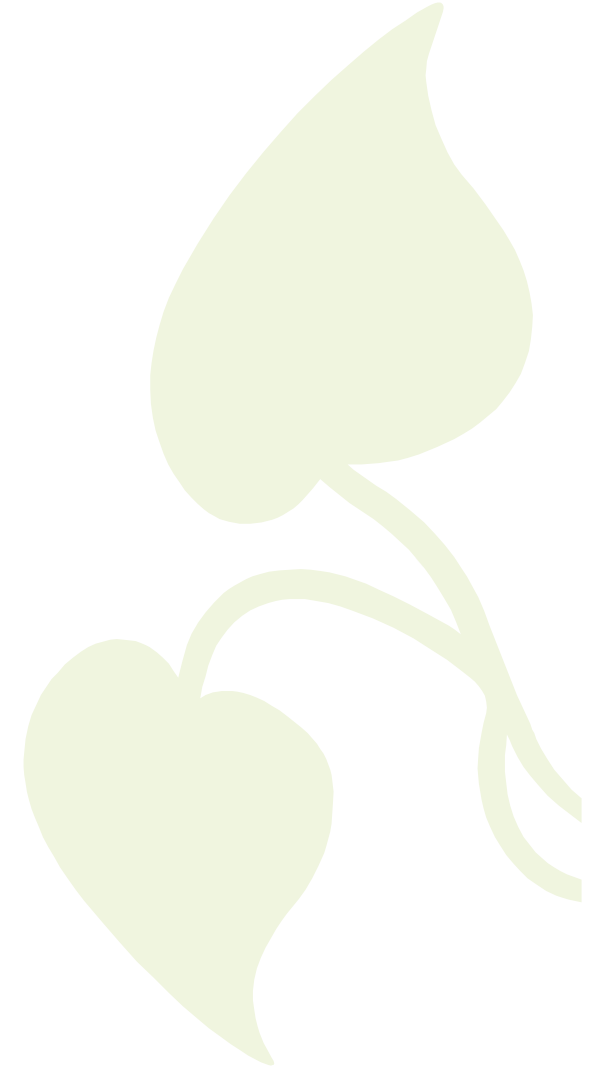
■ Agronomy ■ Breeding ■ Health / Nutrition

Ontario Bean Breeder

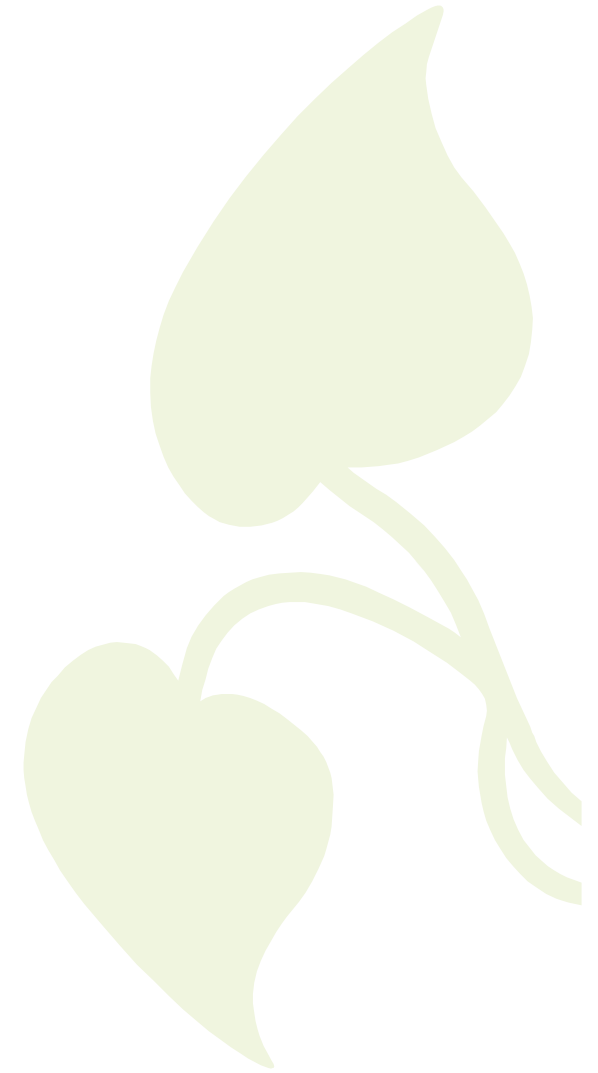
- Bean breeder resigned in May 2014 and AAFC not filling position
- OBG involved in a \$2.5 million Cluster project for bean breeding
- Dr. Peter Pauls at U of G to fill the breeding position to fulfill the Cluster obligations
- Decision about future of bean breeding in Ontario needs to be made before 2018 when Cluster is complete
- The solution will require collaboration with Ontario dealers and bean breeders, both public and private on both sides of the border
- Discussions have begun with industry, U of G, AAFC and Michigan

Monitor Regulations

- Working with Pulse Canada
 - Monitor trade agreements
 - Minor use pesticide registrations
 - MRLs
- Working with Farm Action Now (FAN)
 - Began with pollinator health
 - Future goal is a policy blueprint for Ontario



Operations

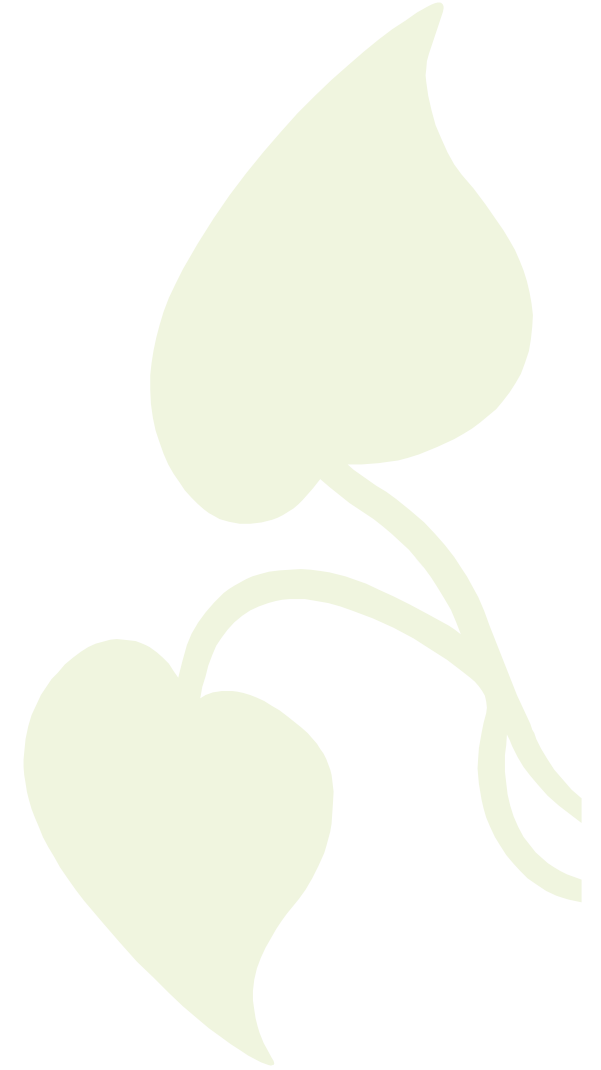


2014/15 OBG Budget

- Projected license fee revenue of \$738,000
- Budgeted Expenses:

• Marketing	\$56,000
• Director	\$73,000
• Communications	\$35,000
• Promotion	\$40,000
• Research	\$248,000
• Administration/overhead	<u>\$288,000</u>

\$740,000



Special Reserve Fund

- \$1 million
- Invested in GICs
- \$150,000 available per year for white bean investments
- 2014/15
 - \$60,000 invested in white bean breeding program
 - \$63,000 proposed for white bean market development

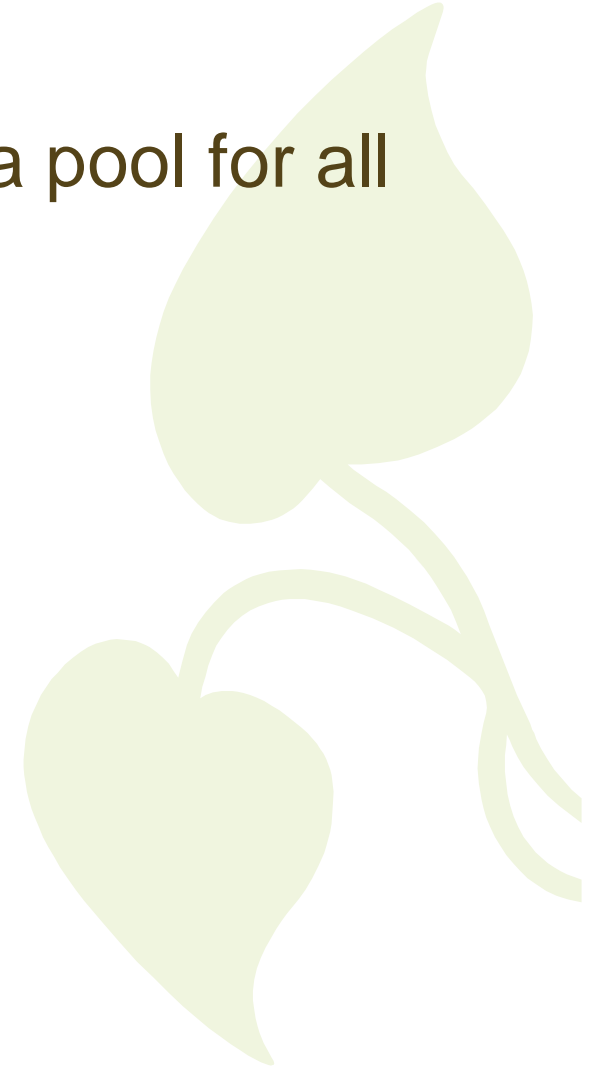


The Pool



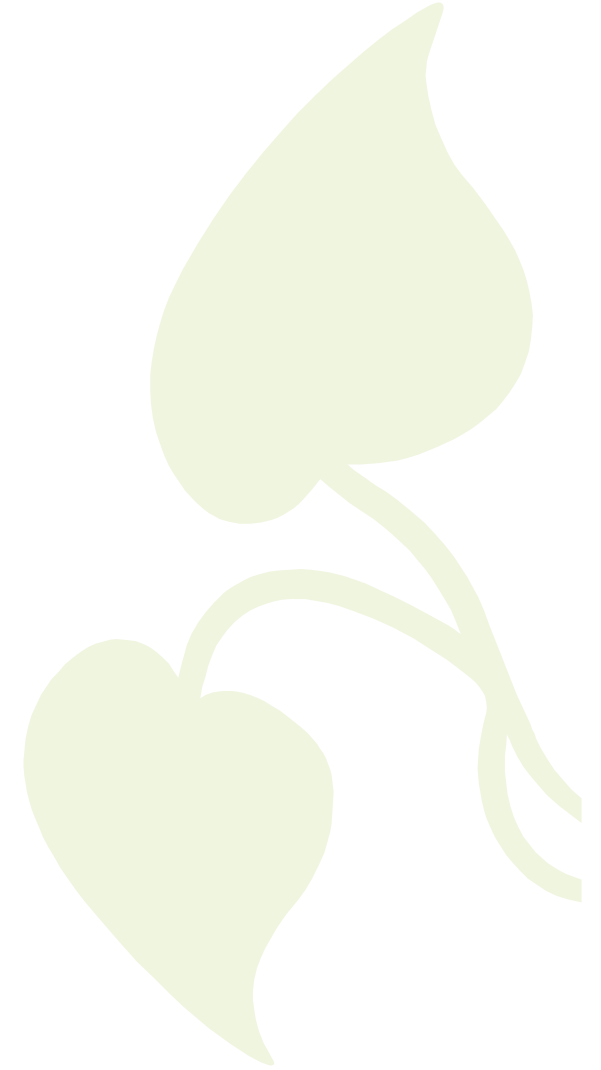
The Pool

- The board has the authority under the Act to offer a pool for all edible bean market classes
- No changes to the pool structure for 2014 crop
- White bean pool only in 2015
- For 2015 pool will be 'opt-in'



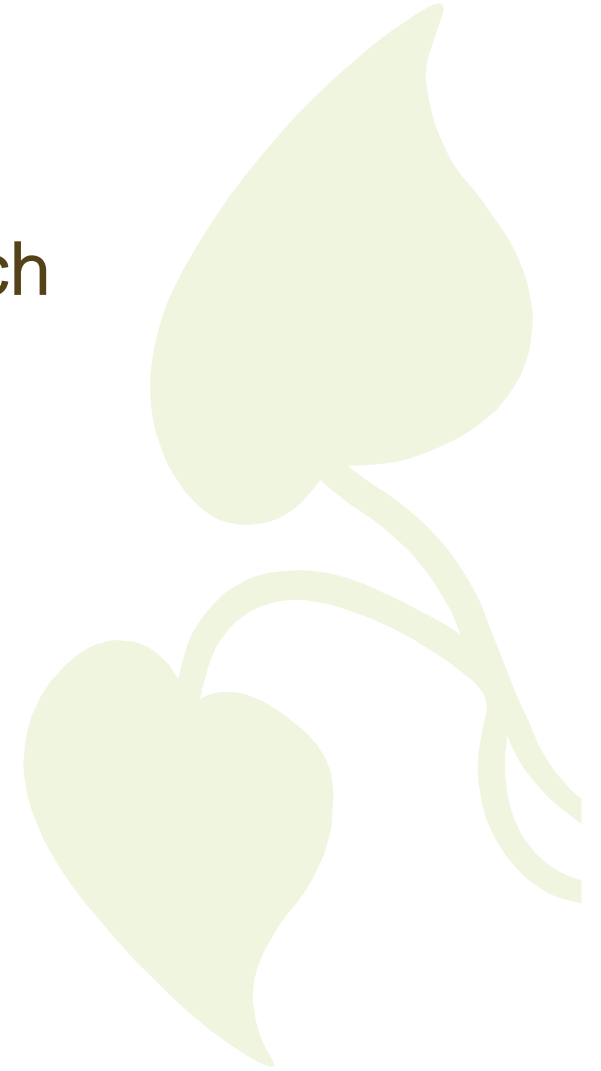
2013 crop

- 8,213 bags in the pool
- Initial payment of \$24.14/cwt
- Interim payment of \$9.98/cwt
- Final payment of \$5.26/cwt
- Total pool payment of \$39.38/cwt

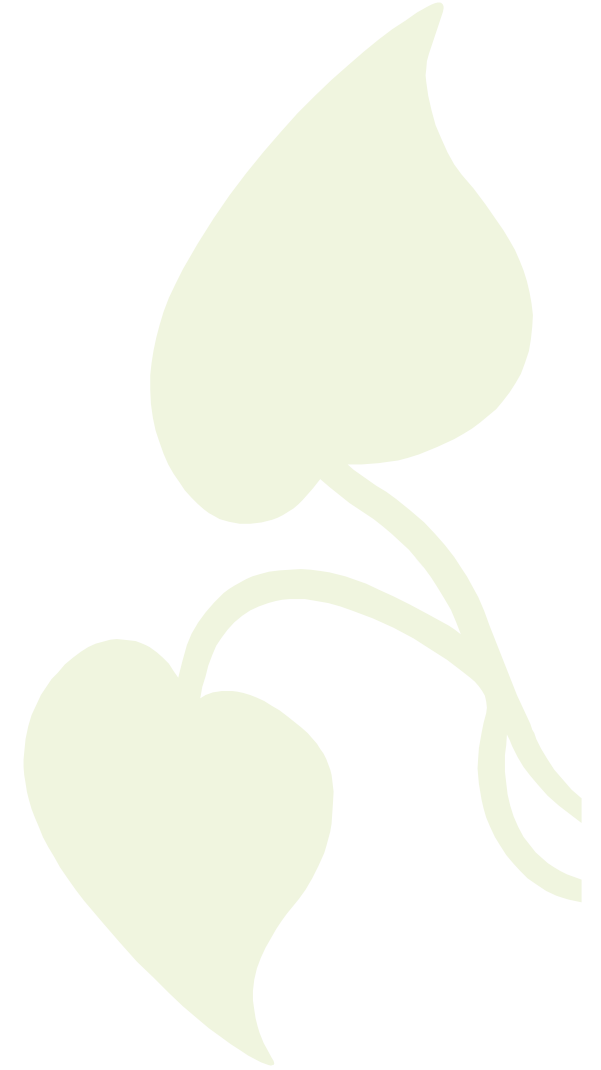


2014 crop

- Initial payment of \$24.14/cwt
- Interim payment \$6.00/cwt to be paid in early March



Market Update



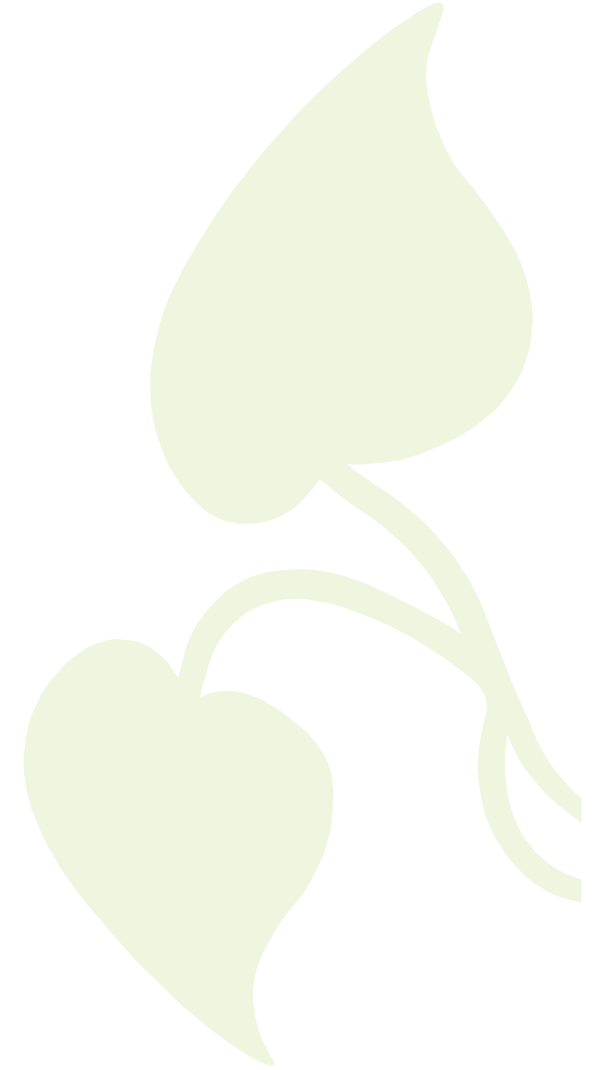
2014 Acreage – 131,500 acres total

- 9,000 acres black beans (8,462)
- 14,000 acres cranberry beans (14,014)
- 8,000 acres dark red kidney beans (12,731 all Kidney)
- 5,000 acres light red kidney beans
- 75,000 acres navy beans (66,332)
- 13,000 acres adzuki beans (18,406 Japan & other)
- 7,500 acres otebo beans

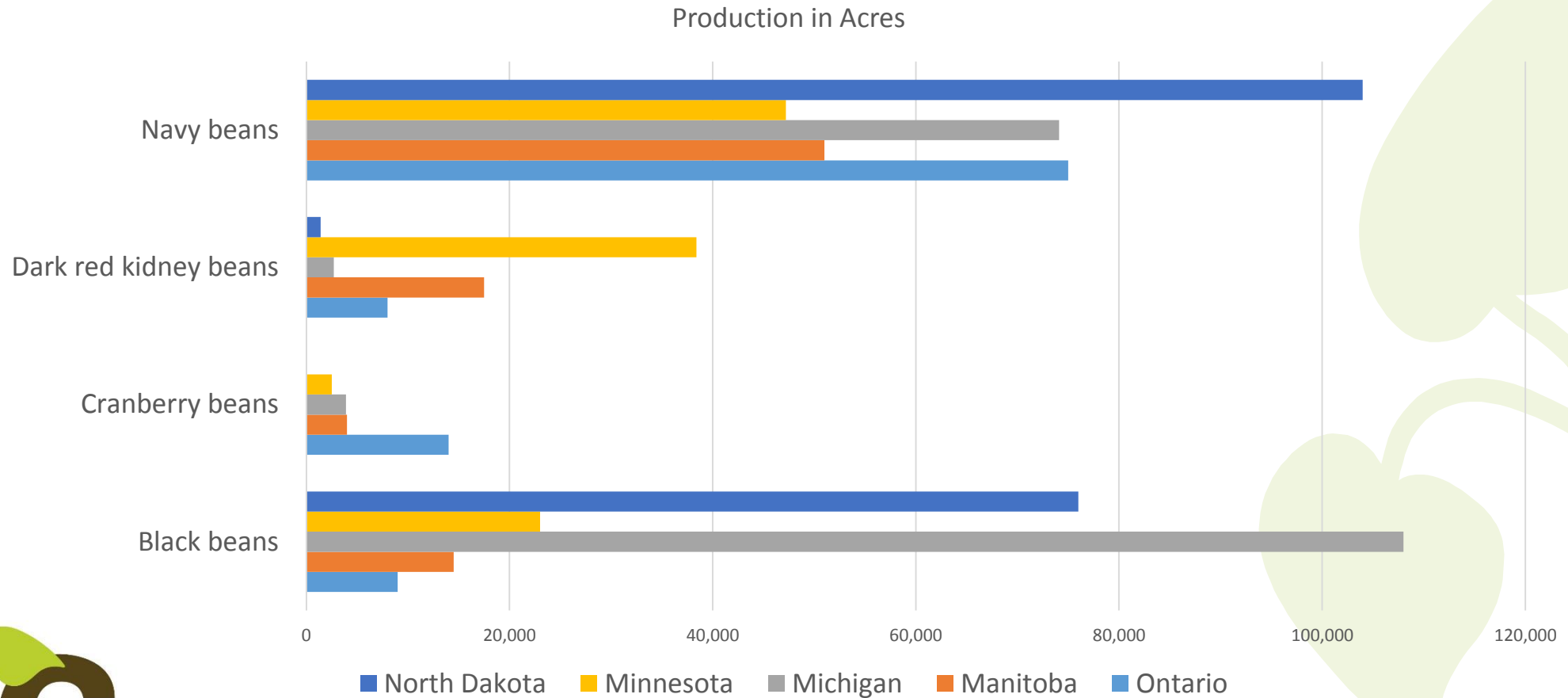


Average Yield from Agricorp

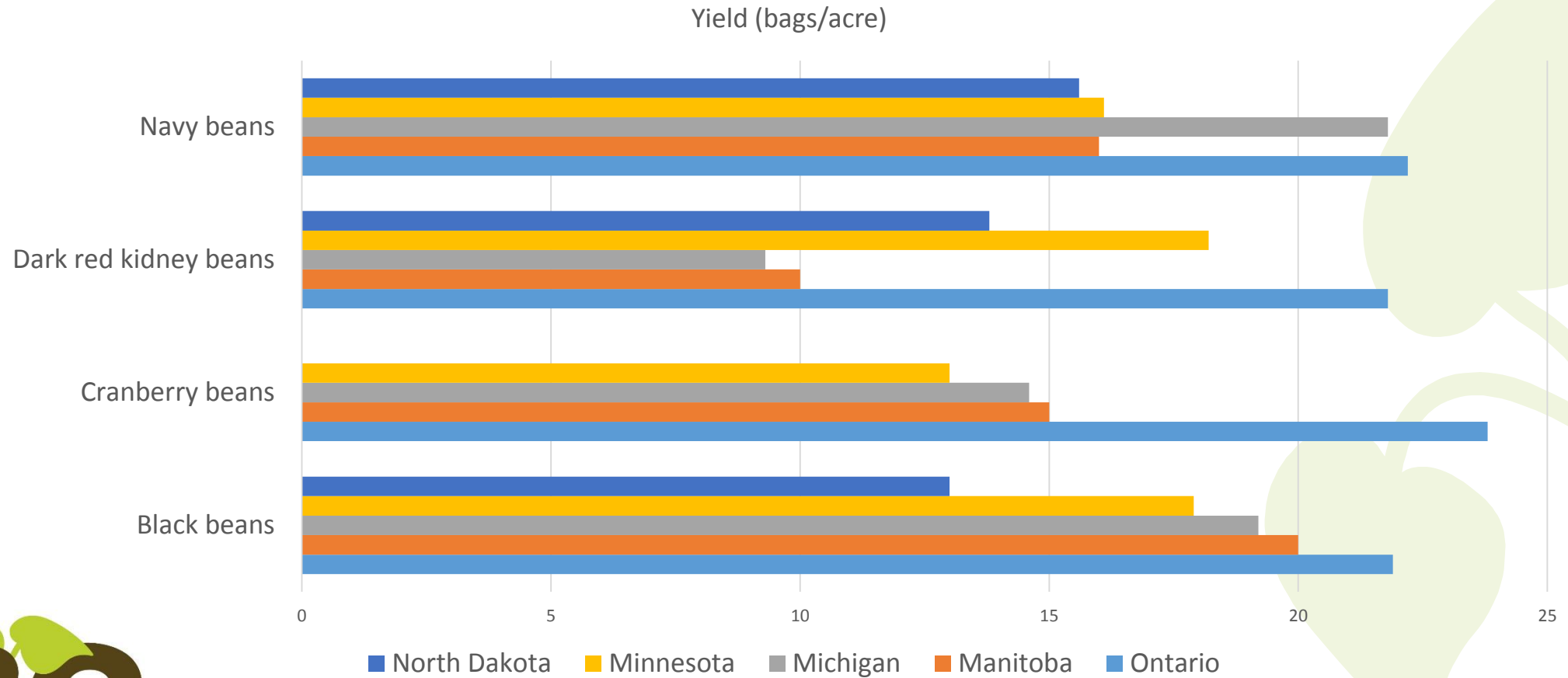
- Black beans – 2,196 lb/acre yield (2,029)
- Cranberry beans – 2,386 lb/acre yield (2,182)
- Kidney beans – 2,187 lb/acre yield (1,625)
- Navy beans – 2,223 lb/acre yield (2,229)
- Japan/other beans – 1,524 lb/acre (1,554)



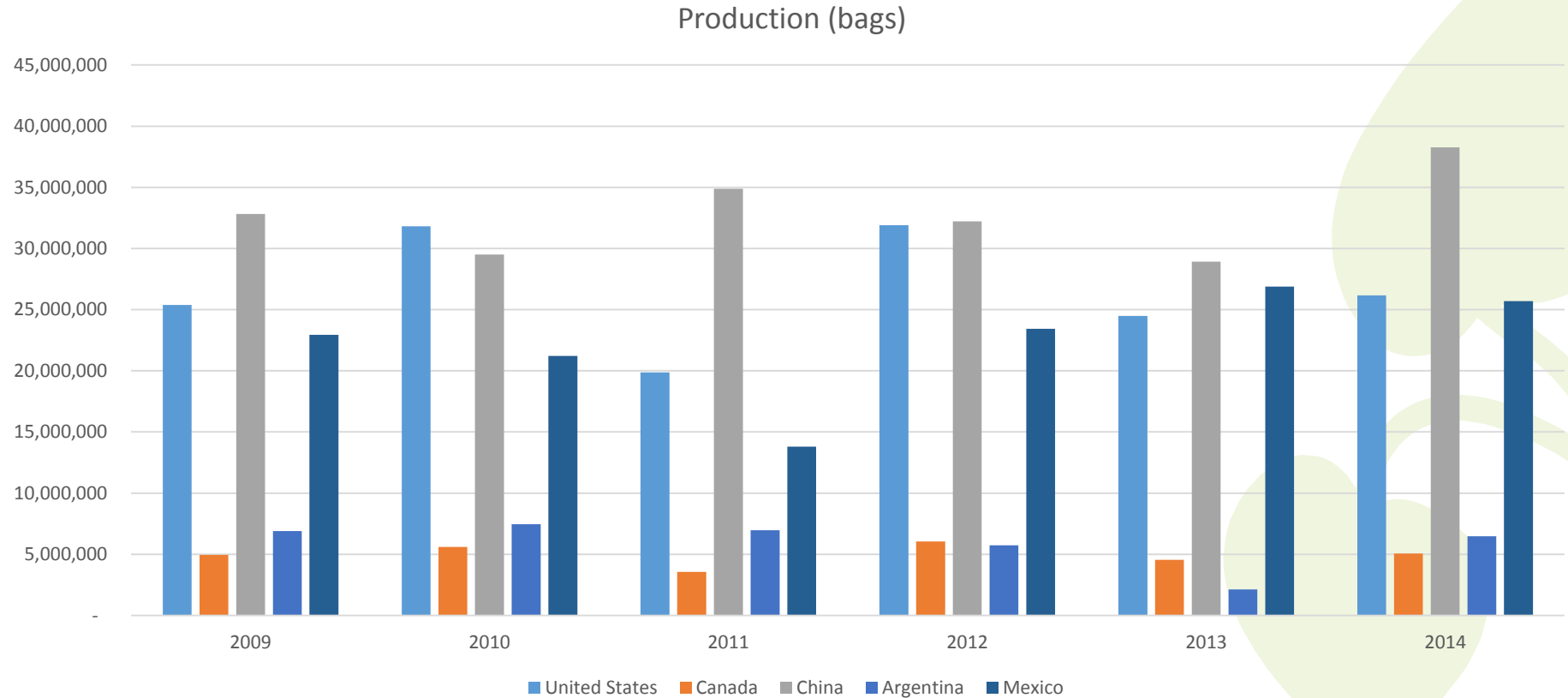
2014 Acreage Ontario, Manitoba, US



2014 Yield Ontario, Manitoba, US



World dry bean production



Edible bean market

- 2013 beans were short due to weather issues in China and Argentina
- As a result, contract prices were high
- 2014 Chinese and Argentinian crops back to average
- Canada and the US increased production in 2014 over 2013
- Bearish market conditions for white beans and some classes of coloured beans in 2015



Opportunities for Ontario producers

- Quality an issue in some higher production regions of the world
- Demand will remain strong for high quality beans
- Speak to dealers about contracts and the best market class to grow

