

ONTARIO BEAN GROWERS

Annual General Meeting

Kirkton-Woodham Community Center

DATE: Feb 25, 2014

1. The meeting was called to order at 9:18 A.M. by Larry Jenner.
2. Approval of Agenda.
'Moved by Grant Jones, seconded by Marinus Bakker that the agenda be accepted as circulated'. Carried.

'Theresa Brydon appointed as secretary for the OBG Annual General Meeting.'
3. Welcome form OBG Chair and Introduction of Current Board and Staff.
4. Presentation of OBPMB Financial by Mike Stover, Graham Scott Enns.
5. Presentation of OCBGA Financials by Jeff Skubowius, Famme & Co.
6. Presentation of OBG Financials by Mike Stover, Graham Scott Enns.
'Moved by Mark Jenner, seconded by Jim Poel that the OBPMB, OCBGA & OBG financials be accepted as distributed.' Carried

'Moved by Bob Luyben, seconded by Grant Jones to appoint Graham Scott Enns as auditor for 2014/15 year.' Carried.
7. Guest Speaker – Martin Chidwick
8. Reports
9. New website announcement – Brian Hall. www.gobeans.ca and www.beanyieldtrials.ca
10. Chairman's report and review of Strategic Plan.
Vision Statement: To be the first choice partner supporting innovation in production, products, and markets for dry edible beans
Mission Statement: To facilitate strategic expansion of the Ontario dry edible bean industry, through partnership and production excellence
SWOT: Strengths - Stability of returns, Role in rotation, High levels of farmer skills and scale, Customer perception of quality, and Identify preservation. **Weakness** - Additional equipment needed, Very flat sales, Beans are the high end for price, Higher risk, Secondary market difficult and unprofitable, More expertise and effort needed, and Little presence in

ready to eat, convenient foods. **Opportunity** - Health profile of beans, Working more closely with Pulse Canada, Market up to 50% more production, Building on reputation of Ontario beans, Expanding vegetarian and ethnic markets, Specialty beans, and Foodland Ontario.

Threats - Profitability of competing commodity crops, Traditional markets are not growing Other pulse crops less expensive, Customer consolidation, and Potential loss of neonicotinoids.

Key Trends Demand: End users consolidating fairly rapidly in recent years and Market power shifting from growers to buyers, Some individual buyers/processors closely aligned with specific end users, Buyers need strong traceability systems, Processors use long term contracts and sourcing diversification to reduce supply risk, and Competition with soy a significant challenge. For white beans - Limited product range, Stable, flat sales with highly concentrated end uses, UK for 85% of Canadian exports, Canada meets 85% of UK market and two companies buy most of the imports, and Limited number. For coloured beans - Many different varieties, Markets for specialty/coloured beans are much less mature and offer the most opportunities for growth, Smaller volumes to Japanese, Mediterranean, Western European, Mexican and Australasian markets, and Smaller, more varied and much more fragmented.

Key Trends Supply: Consolidation at the grower level, Overall production remained fairly consistent, Productivity growth 0.8% per year, Cost structure for Ontario beans is higher than for other regions, Commodity crops have been very profitable in recent years, reducing incentives to switch to beans, Buyers are concerned about sourcing enough beans in Ontario and attracting new growers to bean production, and The recent decline in commodities should make growing beans more attractive in the near future.

Priorities: Priority 1 – Increasing sales of beans: Understanding market demand and opportunities, Developing new products to meet new market opportunities, and Ontario seen as a reliable supplier of high quality beans. **Priority 2 – Increasing supply and quality:** Invest in bean research, and Regulations.

Office location review

11. GM Report. **Market Update:** Approximately 100,000 acres planted in 2013. Average yield reported from AgriCorp: 5,350 reported acres black beans – 2,029 lb/acre yield, 11,736 reported acres cranberry beans – 2,182 lb/acre yield; 9,771 reported acres kidney beans – 1,625 lb/acre yield; 42,019 reported acres navy beans – 2,229 lb/acre yield; 15,463 reported acres Japan/other beans – 1,554 lb/acre. A look ahead to 2014 appears to be bullish market conditions for white beans and some classes of coloured beans, Prices remain strong, Combined area in Canada and US expected to rise at least 13%, and Acreage in Ontario expected to increase significantly. **Amalgamation:** The OBG has completed Farm Products Marketing Act, General Regulations, Marketing Regulations, By-laws, Policies, and Code of Conduct. **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 2013 crop. White bean pool only in 2013 and 2014. For 2014 pool will be ‘opt-in. **New Committees:** Finance and Audit, Governance, Market Research, and Market Development. **Budget.** Projected license fee revenue of \$550,000. Budgeted Expenses: Marketing \$53,000; Director \$65,000; Communications \$35,000; Promotion \$40,000; Research \$200,000; Administration/overhead \$352,000; Total Expenses \$745,000. **Special Reserve Fund:** \$1 million invested in GICs. \$150,000 available per year for white bean investments. 2013/14 \$60,000 invested in white bean breeding

program; \$50,000 proposed for white bean promotion; and \$40,000 remains unallocated to date. **Market development & advocacy.** Market research project, Industry summit, Upcoming trade mission to Mexico, Variety testing with end users, Pulse Canada, Korean FTA, Application to GF2 for international market development, and Proposed local food promotion. **Crop payments to Producers.** 2012 Pool: 49,000 bags in the pool. Initial payment of \$24.45/cwt, Interim payment of \$3.57/cwt, Final payment of \$7.15/cwt, Total pool payment of \$35.17/cwt. 2013 Pool: Initial payment of \$24.14/cwt, Interim payment \$9.98/cwt to be paid in early March.

12. Research Report. A review of completed research projects: Anthracnose Movement in the Environment, A novel method for the production of highfunctional protein from white bean flour, The assessment of a food health claim in beans, The assessment of the food health claim potential in beans, Weed management in Beans: Permit Applied Postemergence, Permit (PPI, PRE, POST) in Dry Bean, Permit Tankmixes (PPI) in Dry Bean. Future projects: Continuation of the bean breeding program, Imazethapyr tolerance in beans, Root rot detection, Insect/disease management, Nitrogen management strategies, New herbicide registration for beans, Western bean cutworm, Applied dry bean pest management, Dry bean planting date and row width study.

13. Q&A

14. Review of election process by John Fitzgerald.

15. Introduction of director candidates.

District 1: Larry Jenner, Steve Twynstra, Mike Donnelly-Vanderloo.

District 2: Marinus Bakker, Jim Gowland, Grant Jones.

District 3: Warren Wolfe.

***'Moved by Mike Donnelly-Vanderloo, Seconded by Larry V to destroy ballots.'* Carried**

16. Elections including Delegate Elections:

District 1 : Dave Woods, Matt Aerts, Tom Harris, Lawrence Mclaughlin, Tyler Volmershier, John Walls, Gerry Brelott (decline). Acclimated.

District 2: Sean Erenwien, Jeff Allan, Bill Murray, Dave Cronin.

District 3: Wayne Wolfe, Dave Vandervault, Brad Luigi,

17. Announcement of director election results.

District 1 – Mike Donnelly-Vanderloo

District 2 – Jim Gowland

District 3 - Warren Wolfe.

18. Resolutions:

Whereas the federal Growing Forward 2 Agri-Invest program is in place for 5 years (2013-2018)

And whereas as the Agri-Invest is the most “bankable and predictable” farm support program in place for the last 5 years, and the next 5 years,

And whereas it is a simplistic program utilizing an ENS calculation where each producer dollar is matched by government dollar

And whereas it is simple for administration both by government and producer and accessibility to funds is simplistic through producer held accounts

And whereas since 2006 the concept of a fully funded RMP has not or will not come to fruition because of rejection to fund by federal government,

And whereas there will never be enough funding by the provincial government to enable RMP to be “bankable and predictable”

Therefore be it resolved that the Ontario Bean Growers board of directors along with the OACC investigate and alternative such as utilizing the Ontario funds destined for RMP into an Ontario provincial enhancement or top up for the Agri-Invest program.

Notes: Agricultural receipts for 2012 in Ontario for “all” agriculture were approximately \$10 billion. Currently the province has a cap of \$100 million for the RMP for all sectors. This \$100 million in simplistic terms is a 1% blanket of provincial government contribution for the \$10 billion Ontario production

‘Moved by Jim Gowland - District 2 Huron Bruce, seconded by Murray Vincent to accept resolution. Yes - 9, No – 15.’ Defeated.

19. Adjourn. 3:55