



2018 ANNUAL REPORT



Ontario's Agri Business Sector - With it....Ontario will grow!

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Upcoming "Key Dates"
(see back cover)



ONTARIO AGRI BUSINESS ASSOCIATION

Board of Directors

PRESIDENT

Cassandra Loomans, Sylvite

PAST PRESIDENT

Dave Bender, B-W Feed & Seed Ltd.

VICE-PRESIDENT

Richard Smibert, London Agricultural Commodities Inc.

TREASURER

Nadine Schwandt, New-Life Mills, a div. of P&H Ltd.

DIRECTORS

Dawn Betancourt, Thompsons Limited
Jim Campbell, AGRIS Co-operative Ltd.
Andrew Coghlin, Molesworth Farm Supply Ltd.
Matt Gardner, Parrish & Heimbecker Ltd.
Claude Gauthier, GROWMARK, Inc.
Justin Merner, Cargill Limited
Rick Martin, Wallenstein Feed & Supply Ltd.
John Taylor, Collwest Grain Ltd.

MEMBER EX-OFFICIO

Chair, GRAIN SECTION COMMITTEE
Paul Sharpe, Sharpe Farm Supplies Ltd.

MEMBER EX-OFFICIO

Chair, FEED SECTION COMMITTEE
Sandra Wolfe, Cargill Animal Nutrition

MEMBER EX-OFFICIO

Chair, CROP INPUTS SECTION COMMITTEE
Jim Regan, South West Ag Partners Inc.



ONTARIO AGRI BUSINESS ASSOCIATION

ANNUAL MEETING

December 6, 2018

Graydon Hall A, Hilton Mississauga/Meadowvale

1. Call to order - 1:00 p.m.
2. President's Report - Cassandra Loomans
3. Treasurer's Report & Adoption of Audited Financial Statement
4. Appointment of Auditors
5. Report of Nominating Committees:
 - (a) Board of Directors
 - (b) Section Committees
6. New Business
7. Adjournment

President's Report



I would like to take this opportunity to welcome delegates and guests to the 19th Annual Meeting & Convention of the Ontario Agri Business Association. This is the third year of hosting this event at the Hilton Mississauga/Meadowvale in Mississauga, and we certainly appreciate the continued support of the membership through both delegate attendance and sponsorship. Once again, the 2018 Convention Committee has done an excellent job in organizing this year's event that will provide excellent value. We hope that those members in attendance will enjoy what it has to offer.

It has been a great pleasure for me to serve as President of the Ontario Agri Business Association during the 2017-2018 year. Over this past year, I have had the privilege to work with a group of people whose commitment and dedication to the industry is second to none. OABA staff, directors and section committees have put in countless hours to identify and deal with several industry issues and challenges, and to represent the interests of the entire association membership. Our three section committees, including Crop Inputs, Grain and Feed have been extremely active throughout this past year. They have been proactively addressing section specific matters to ensure that the association is dealing with issues on behalf of members. I would encourage you to read through the Section Committee Reports contained in the 2018 Annual Report for full details on their activities.

On the Government Relations front, we continue to work toward developing positive relationships with MP's, MPP's and senior government officials. Ontario's political landscape changed significantly in June of this year, with the election of a Progressive Conservative majority government under the leadership of Premier Doug Ford. The first few months of the new provincial government has been focused on "undoing" a number of legislative initiatives of the previous government – these include cap and trade legislation and provincial labour legislation. OABA is very well positioned to represent the interests of the agri business sector, and the broader industry with the new Ontario government, and can effectively utilize ongoing political relationships with a number of key rural MPP's who



have assumed ministerial duties. Across Ontario's entire agriculture and food sector, there is a renewed enthusiasm, and we look forward to working with the government during their term of office. OABA continues to place a priority on government relations as a necessary strategic initiative, and it remains imperative that you, as members, also become politically active. Reach out to your local MPP and MP, educate and inform them on the agri-business sector, and show them that the issues impacting your business are vital to Ontario's growth and prosperity.

OABA continues to maintain membership in "The Presidents' Council", an Ontario-based agriculture and food organization that was formed in 2004 to serve as a forum to discuss the broad issues and challenges facing the industry. As an agri-food sector, we continue to see significant changes in urban/rural population demographics, and the influence of the 'urban-centric' consumer has become increasingly evident. Within this changing environment, the reputation and overall "brand" of agriculture is coming under increased public scrutiny, as consumers are exposed to strategic marketing campaigns produced by non-farming, and in some cases, anti-farming stakeholders. These campaigns can create uncertainty and confusion about farming that can ultimately result in consumer fear. As agriculture loses control of its "brand", we run the risk of leaving it to be redefined by well-funded special interest/activist groups or corporate interests with strong and narrow focused agendas. Within this changing environment, it is essential that all segments of the agri-food value chain can unite and deliver clear and consistent messaging that focuses clearly on consumers. OABA is very supportive of the initial steps of the Presidents' Council to respond to this current environment by examining the opportunity to build a strategic "Ontario-Wide Food Movement" that will target gaining support and trust of consumers of modern day agriculture and food production.

During 2018, OABA entered year six of our Environmental Compliance Project, a collaborative initiative with the Ministry of Environment, Conservation and Parks (MOECP), targeted to develop a better process that would allow agri business facilities to meet Ontario's compliance standards for dust, odour and noise in a more streamlined and cost-effective manner. The steering committee is now pursuing the development of 'technical standards' as a possible solution to address airborne emissions for agri business operations, and we are cautiously optimistic that the change in government may be positive to our discussions with MOECP in this process.

During the fall of 2017, Fred Spiro, OABA's Health & Safety Specialist for the past seven years, announced his retirement from the Association effective December 31, 2017. Recognizing that workplace health and safety is key priority of OABA, the board successfully transitioned health and safety services to a new delivery model. On January 1, 2018, OABA announced a partnership with ACUTE Environmental & Safety Services in Waterloo that provides the membership with access to expanded health and safety resources and training. With this new partnership, ACUTE offers OABA members access to full-day and half-day training opportunities at their Waterloo training facility, as well as on-site training at member locations. In both methods of training, ACUTE Safety Training provides preferred pricing to all OABA members. Member

feedback of this new delivery model has been excellent, and we look forward to continuing this value-added partnership with ACUTE. Please refer to the Health & Safety Committee report in the Annual Report for more detailed information.

From a Human Resources perspective, OABA continues to place a priority on the area of Human Resources within the industry. OABA maintains a licensing agreement with TwoGreySuits, an HR consulting firm that allows OABA members access to their HR website resources and HR hotline. Access to the services of TwoGreySuits continues to be included as an OABA member benefit.

In support of agri-food education, OABA makes available \$6,000 in annual bursaries and \$2,750 in annual scholarships and awards to support agri-food education at the University of Guelph campus and the U of G Ridgetown Campus. In support of rural youth development, OABA also makes a \$1,000 donation to the Ontario 4-H Foundation.

Leading, strategizing and organizing the many activities and initiatives of our Association takes a coordinated effort between our volunteers and staff. Our Association is extremely fortunate to have a very talented and dedicated staff in Dave Bутtenham (CEO), Ron Campbell (Operations & Member Services Manager), Tracey Forrester (Education & Communications Co-ordinator), and Joanne Buell, (Office & Financial Co-ordinator). Through the effective combination of volunteer leadership from the Board of Directors, Section Committees and Sub-Committees, and the clear purpose and commitment from staff, OABA is well positioned to represent the membership.

It has been a great experience and a privilege for me to serve as your president over this past year. I would like to thank the staff and the Board of Directors for their support and guidance over this past year. I have enjoyed the challenge and sincerely hope that the crop input, grain and feed sectors of Ontario agri business are all a little further ahead for our collective efforts. We sincerely appreciate your continued support of the association and its efforts. People are the strength of our industry and of this association - your continued support and participation is essential to our future success.

*Respectfully submitted,
Cassandra Loomans, President
Ontario Agri Business Association*

Feed Section Report



It is my honour to report on the activities of the Feed Section Committee. Members serving on the committee represent various feed mills and associated suppliers from across Ontario. The committee provides leadership on various issues which impact Ontario's livestock and poultry feed sectors, and liaises with a wide range of livestock and poultry producer organizations.

The Committee receives regular updates from the Animal Nutrition Association of Canada (ANAC). Feed regulatory modernization continued to be a primary focus for ANAC in 2018. ANAC is still in negotiations with CFIA regarding maximum nutrient levels and new contaminant standards. ANAC has advised that these negotiations are going well and that CFIA is trying to work with them to develop a system that meets the needs of both government and industry. ANAC expects that the new Act will be entered into Gazette I sometime in early 2019.

On December 1st, 2018, changes to federal livestock drug regulations came into effect. Medically important antimicrobials now require a veterinary prescription and feed mills are only allowed to sell scripted medications as part of a complete feed or premix. OABA has worked with ANAC over the past year on a number of issues related to these changes.

OABA worked with ANAC to ensure that feed dealers would continue to be able to sell medicated feeds, manufactured by a Commercial Feed Mill, to their customers. In October, Health Canada finally updated guidance documents that incorporated the feed dealer.

OABA has been working with the Chief Veterinarian of Ontario (CVO) within OMAFRA, the Ontario Veterinary Medical Association, the College of Veterinarians and various producer groups over the year to discuss the implementation of these regulations in Ontario.

Last month, representatives from the Feed and Nutrition Committees met with the Ontario Association of Poultry Veterinarians to discuss how these new regulations impact the timing and content of prescriptions and to explain how this changes the relationship between the veterinarian and the feed mill. OABA also provided feedback on Chicken Farmers of Ontario's

implementation of a national program to eliminate the use of class 2 antimicrobials for preventative use.

During the past year, OABA made comments to OMAFRA regarding the future role of Livestock Medicine Outlets (LMO's) under Ontario's livestock medicines regulatory framework. OABA has taken the position that there is a continued role for licensed vendors in Ontario. The Feed Section Committee has submitted the names of three candidates to be considered for appointment to the Ontario Livestock Medicines Advisory Committee. This advisory committee is responsible for review of the provincial legislation and will determine how LMO's will look into the future.

The Nutrition Committee, Chaired by Angela Fairfield, continues to be active in meeting with livestock and poultry practitioners, marketing and research groups, and providing guidance to the Feed Section Committee and the Animal Nutrition Association of Canada on various regulatory and policy issues as required. OABA also works with OMAFRA to offer the annual Ruminant Feed Industry Day – this year's sessions were held in Elora and Spencerville.

The Nutrition Committee identified improving communications with the Department of Animal Bioscience at the University of Guelph to be a focus for 2018. The Committee receives an update from the Department at every meeting and extended an invitation to Animal Bioscience faculty to attend the Nutrition Committee meeting held in May. On November 13th, OABA representatives were invited to participate in a 2nd year Animal Production class lecture. This class is mandatory for all Animal Science and Animal Biology students, and several feed industry representatives participated in the lecture by making presentations on their job responsibilities that outlined many of the different career opportunities available within the feed industry.

The Feed Section Committee receives reports from OABA's representative on the Ontario Livestock and Poultry Council. The reports include updates on activities by OMAFRA, CFIA, Ministry of Health and Long-Term Care and Producer groups to prevent foreign animal disease outbreaks in the province. OABA also participates on the Advisory Committee for the Feather Board Command Centre which coordinates disease response amongst the poultry producer groups.

The outbreak of African Swine Fever in Europe and China this year is being closely monitored by the feed industry. Producers and processors have expressed concern that feed or feed

ingredients could be a vector for spreading the disease in North America. OABA has distributed information to members from ANAC and other industry groups stressing the importance of

having a supplier approval program in place to manage risk.

It has been my pleasure to serve as the Chair of the Feed Section Committee during 2018. I want to thank all members of the Feed Section and Nutrition Committees for the time, work and effort this past year. I would also like to thank the hard working OABA staff who provide excellent leadership to the Association.



***Respectfully submitted,
Sandra Wolfe, Chair
OABA Feed Section Committee***

Grain Section Report



It is my pleasure to report that the Grain Section Committee has been very active over the past year, and has taken a leadership role in a number of issues that impact Ontario's country and terminal elevators, and the commercial grain trade.

This past year has seen a record setting soybean crop and a high quality wheat harvest, however, 2018 will most likely be remembered for a very high yielding corn crop that has presented significant challenges and risks due to the presence of deoxynivalenol (DON). Once it was determined that there was going to be potential issues with the corn harvest, the OABA Grain Section Committee has been very active, meeting regularly with stakeholders and communicating timely information to the membership. OABA representatives have participated in many meetings with industry stakeholders, including government, Agricorp, GFO, the seed trade and end users. Information from these meetings was distributed to members through Member Alerts, email notifications and a webinar. OABA provided members with current information on how production insurance claims for high DON corn are being handled by Agricorp, a reminder on best sampling practices, information on DON testing, and information related to worker health and safety issues associated with handling high DON corn.

The Grain Financial Protection Board (GFPB) was busy this year processing a number of claims resulting from the financial failure of two organic grain dealers. Most of the claims submitted to the GFPB were made outside of the timelines established by the regulations, and adjudication of these claims identified that some grain producers may not be as aware of this program and how it works as they should be. The GFPB also had to determine how to assess and adjudicate claims for non-payment that originated from outside of province. In response to the 2018 claims, the GFPB has reviewed the claims process to ensure that it is clear and transparent to all claimants. OABA is well represented on the GFPB with Dave Buttenham serving as Chair, and Darcy Oliphant, Nadine Schwandt and Ron Campbell serving as 'dealer' representatives.

The Grain Section Committee receives regular updates from Agricorp on elevator and dealer licensing. Jim Zavitz retired as Chief



Grain Inspector earlier this year, and we wish him well in his retirement. Debbie Brander has replaced Jim in providing reports to the Committee. This past year, the Grain Section Committee requested that Agricorp improve how they communicate to the trade and producers when a dealer license expires or is revoked. The committee also asked the Chief Inspector to give consideration to placing additional financial requirements from those dealer license applicants that are known to have defaulted in the past.

The Committee also receives reports from Robert Foster, who serves as the dealer representative on the Financial Responsibility Review Committee (FRRRC). The FRRRC reviews all dealer license applications and renewals and provides recommendations to the Chief Inspector regarding any additional requirements for financial security.

During the past year, two long awaited decisions were implemented that directly impacted Ontario's grain elevator system. OABA was pleased to see the Pest Management Regulatory Agency (PMRA) make changes to the labels for phostoxin pellets earlier this year. The changes as announced addressed grain industry requests to reduce the size of the buffer area and reduce restrictions for working within the buffer areas during fumigations. In the spring of 2018, the U.S. government finally established maximum residue limits (MRLs) for chlormequat chloride. This decision allowed Ontario elevators to lift bans on handling cereals that were grown using this product.

The committee continues to work closely with Grain Farmers of Ontario. Our two organizations have worked together on a number of issues over the year and we are able to present a united voice on a variety of issues to the benefit of the Ontario grain industry.

OABA has two representatives on the Canadian Grain Commission's Eastern Standards Committee. Gord Hyndman represents country elevators and Riley Verhelst represents terminal elevators. This committee provides recommendations to the CGC on potential changes to the Canadian grading system. An ongoing concern of the Grain Section Committee is the challenge faced by grain buyers, who purchase grain from producers based on a visual grading system, but sell to end users based on technical specifications.

The Eastern Standards Committee is continuing to address OABA Grain Section concerns over the role of fusarium damaged kernels (FDK) as a grading factor. As part of the CGC's strategic initiative, they are conducting research on the relationship between FDK and vomitoxin to determine how to incorporate analytical testing into the grading system as it will offer increased objectivity and eliminate subjectivity.

OABA is also being represented on two national grain committees. One committee is looking at modernizing the structure of wheat classes for eastern Canada in order to strengthen the end use characteristics of the varieties within the class and the possibility of establishing a special purpose wheat class for varieties which no longer meet the functionality of their current registered class or newly developed wheats which do not hold the



proper characteristics of current classes. The second committee is examining the overall modernization of grain grading and the associated material/information used to determine grades.

In closing, I would like to thank all members of the Grain Section Committee for the time and effort they have taken to make our committee successful. I would also like to thank the OABA staff for all of their hard work and commitment to the Association.

Respectfully submitted,
Paul Sharpe, Chair
OABA Grain Section Committee

Crop Inputs Section Report



It has been a privilege to Chair the Crop Inputs Section Committee throughout the past year. I would like to take this opportunity to share some of the activities we have been involved in. The Crop Inputs Section Committee has been very active this year addressing a number of issues.

A major focus of the committee has been the implementation of the 4R Retailer Certification program in Ontario. A number of OABA members have participated in this process. OABA has representatives on the 4R Ontario Steering Committee, which is chaired by Jim Campbell, and on the Science & Technical Working Group that developed the specific audit standards for Ontario, based on a similar program operating in Ohio.

Over the past year, OABA held meetings for member companies informing them of the program and what will be required. OABA also participated in a 4R tour, hosted by Sylvite in Norwich. This tour attracted attendees from government, conservation authorities and environmental groups. The tour focused on the role the retailer plays in helping the farmer manage nutrients on farm. For the many urban-based attendees, this tour provided an “up close” look at mineral fertilizers and gave them an appreciation of the financial and human capital required to provide nutrient management services to producers.

During this past year, 4R Ontario contracted with the Agrichemical Warehousing Standards Association (AWSA) to provide audit services and Warriner Ag to serve as ‘4R coaches’ for the program. This past fall, Warriner Ag conducted fifteen 4R pre-audits at OABA member facilities. These pre-audits helped crop input retail locations identify gaps they may have in operations and/or documentation required to complete the formal audit. It is expected that during this winter there will be a few retailers who will undergo the 4R certification audit. The goal is to have a significant number of acres, especially in the western basin of Lake Erie covered by 4R certified retailers by 2020.

The Memorandum of Cooperation (MoC) that OABA, Fertilizer Canada and OMAFRA currently have in place will expire at the end of the 2018. This MoC recognizes 4R nutrient stewardship as an





effective, science-based tool for helping achieve environmental and soil health goals in the province. On November 20th, a three-year extension to the MoC was signed. OABA is very pleased that Christian Farmers Federation of Ontario (CFFO), Grain Farmers of Ontario (GFO), and Ontario Federation of Agriculture (OFA) have joined as signatories of the new MoC. As part of this MoC extension, OABA has agreed to provide \$37,500 per year in funding for three years to support the activities of 4R Ontario. This agri business financial contribution comes from OABA and the TFIO Foundation.

This past year, OABA members assisted in the collection of samples for the OMAFRA pre-harvest Grain Corn Ear Mould and Vomitoxin Survey. The involvement of OABA members helped ensure that the OMAFRA survey had sufficient corn samples from an adequate geographical distribution.

On the regulatory front, OABA and the Crop Inputs Committee are working with CropLife Canada, The Canadian Seed Trade Association and Grain Farmers of Ontario to lobby government for changes to the neonicotinoid seed treatment regulations. OABA's primary objective is to remove the administrative burden that is currently placed on retailers as a result of these regulations.

The Crop Inputs Committee provided input to Fertilizer Canada regarding the development of a Calcium Ammonium Nitrate Security Code. The Code was finalized earlier this year and will come into effect in 2019. The purpose of the CAN code is to provide uniform security practices for the handling, transportation, storage and/or sale of CAN in Canada. The Code was designed as a proactive approach to expected new regulatory requirements for CAN resulting from the current review of the Explosives Regulations by Natural Resources Canada.

The Crop Inputs Section Committee also serves as the Board of Directors of the TFIO Foundation. In 2015, the decision was made to begin the process of winding down the operations of the Foundation. While the TFIO Foundation has made significant contributions to the Ontario fertilizer industry over the years, it was determined that most of the objectives of the Foundation could be achieved effectively through OABA and other stakeholder organizations. With that in mind, the TFIO Foundation board of directors made the prudent decision in 2015 to cease receiving

donations, and is continuing to take the necessary steps to wind down the TFIO Foundation over a five-year operating period. The Foundation continues to provide financial support for the implementation of the 4R Retailer Certification program.

In closing, I want to express my appreciation to the members of the Crop Inputs Committee for their assistance and input this past year. If you have not been involved in OABA, please consider volunteering your time – it is your organization. Many thanks, as well, to the staff of OABA for their professionalism and support to the committee, our success is largely due to their ability to distill and focus our efforts on the key topics we have addressed this year.

*Respectfully submitted,
Jim Regan, Chair
OABA Crop Inputs Section Committee*

Health & Safety Report



OABA's Leadership Role in Health & Safety Training and Consulting

The Ontario Agri Business Association (OABA) continues to place a high priority on workplace health and safety for Ontario's agri business sector. OABA represents Ontario firms with employees in three primary Workplace Safety & Insurance Board (WSIB) rate classification groups, including: Rate Group 226 representing feed mills and flour mills; Rate Group 524 representing crop input retail supply businesses; and Rate Group 612, representing country grain elevators, terminal grain elevators, seed processors and retail/wholesale operations.

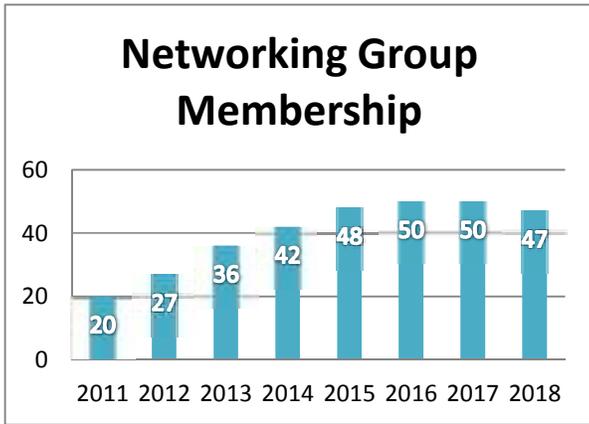
Training & Consulting

During 2018, OABA entered into a new relationship with Acute Environmental and Safety Services. Acute serves as a valuable partner in providing both training and consulting services to our members. They provide the full spectrum of training options that are tailored to our industry's unique skills and needs. In addition to providing training and consulting services, they are an integral part of our networking group. This networking participation allows OABA to continue in developing our relationship with the Acute team so they are in the best position to understand and develop sessions that are applicable to the needs of the agri business sector. This ongoing relationship has proved to be a highly valuable asset to our members. Members are encouraged to contact Acute for all their training and consulting requirements.



Agri Business Networking Group

The networking group entered its 8th year in sharing our successes and challenges. During these meetings we are focused on



If we implement the proactive steps that we should have taken in the first place, then the probability of the incident occurring is dramatically reduced. We all need to “buy out” the opportunity to pay attention before something happens. “What happens to you... affects me... and ultimately affects all of us.” Working together proactively is always the key to success!

*Respectfully submitted,
Erin Byram, Chair
OABA Health & Safety Committee*

continuing to lead the industry in best practices. The participation from the members at the networking group reinforces that our dedication to these meetings are a necessity. It is at these sessions where we learn from each other and push each other to be better. OABA strongly encourages every member to take advantage of this opportunity. To become a member of this important group, refer to the OABA website or contact the Guelph office.

Health & Safety Committee Activities

The OABA health and safety committee’s vision continues to be providing leadership, awareness and mentoring in the field of health, safety and environment to the OABA membership. As a part of this vision, this includes voicing concerns and providing input to our external governing agencies. Throughout the past year we have been a part of consultation papers looking for opportunities to influence decisions that affect our sector and businesses.

Chair’s Message

In safety, we often simply react to a situation. The challenge being held out to each of us is to instead be proactive in workplace safety. We should not have to wait until someone has been injured, a piece of equipment has been damaged, or the environment has been impacted. Realistically, though, we get caught up in the whirlwind of the day, week, month, or even year. This can cause us to “forget” that we need to continually pay attention to being proactive in our health and safety endeavors. When an incident occurs, it quickly calls to mind all of the things that we should have done or could have done differently. We think, what if....What if I had actually implemented that new process?...What if I had made sure the employee actually used the personal protective equipment I purchased for them?...What if I had completed the training before the person used that piece of equipment?

INDEPENDENT AUDITORS' REPORT

To the Members of the Ontario Agri Business Association

Report on the Financial Statements

We have audited the accompanying financial statements of the Ontario Agri Business Association, which comprise the statement of financial position as at September 30, 2018 and the statements of operations, changes in net assets and 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 judgement, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Ontario Agri Business Association as at September 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

October 29, 2018
Baden, Ontario

1457A Gingerich Road, Suite 1 - Baden, ON N3A 3J7 - Telephone: 519-634-8558 - Fax: 519-634-8388

ONTARIO AGRI BUSINESS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at September 30, 2018

ASSETS

	2018	2017
CURRENT		
Cash	\$ 18,255	\$ 6,825
Accounts receivable	15,884	17,814
Accrued interest receivable	12,175	11,331
Prepaid expenses	62,348	49,025
Inventory (Note 2b)	8,661	6,658
Investments (Note 3)	1,130,786	1,137,858
	1,248,109	1,229,511
CAPITAL ASSETS (Note 2c, 4)		
At cost less accumulated amortization	2,075	3,112
	\$ 1,250,184	\$ 1,232,623

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 4,148	\$ 3,306
Memberships received in advance	1,331	439
	5,479	3,745

NET ASSETS

UNRESTRICTED NET ASSETS	1,244,705	1,228,878
	\$ 1,250,184	\$ 1,232,623

The accompanying notes are an integral part of these financial statements.



ONTARIO AGRI BUSINESS ASSOCIATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended September 30, 2018

	2018	2017
REVENUE		
Annual Convention, conferences and meetings	\$ 340,032	\$ 369,506
Health & Safety Training / Consulting	4,714	45,278
Investment income	23,870	23,052
Membership fees	398,766	398,266
Other income	18,154	19,248
Safety Network	16,215	15,440
Trade Directory	60,267	66,149
	862,018	936,939
EXPENDITURES		
Amortization of capital assets	1,037	2,637
Annual convention, conferences and meetings	242,838	267,943
Association services and activities	53,678	141,449
Automobile, travelling and meetings	20,795	23,645
Office and general	28,310	26,372
Other expenses	3,841	3,001
Rent, utilities and taxes	51,660	53,723
Salaries and benefits	432,048	422,352
Trade directory	11,984	12,290
	846,191	953,412
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR YEAR	15,827	(16,473)
Unrestricted net assets - beginning of year	1,228,878	1,245,351
Unrestricted net assets - end of year	\$ 1,244,705	\$ 1,228,878

The accompanying notes are an integral part of these financial statements.



ONTARIO AGRI BUSINESS ASSOCIATION

STATEMENT OF CASH FLOWS

For the year ended September 30, 2018

	2018	2017
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures for year	\$ 15,827	\$ (16,473)
Items not requiring an outlay of cash:		
Amortization of capital assets	1,037	2,637
	16,864	(13,836)
Changes in non-cash working capital:		
Decrease in accounts receivable	1,930	2,835
(Increase) decrease in accrued interest receivable	(844)	538
Increase in prepaid expenses	(13,323)	(17,174)
Increase in inventory	(2,003)	(1,365)
Increase (decrease) in accounts payable and accrued liabilities	842	(1,433)
Increase (decrease) in memberships received in advance	892	(412)
	4,358	(30,847)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	251,431	330,825
Purchase of investments	(244,359)	(329,306)
	7,072	1,519
NET INCREASE (DECREASE) IN CASH	11,430	(29,328)
CASH, BEGINNING OF YEAR	6,825	36,153
CASH, END OF YEAR	\$ 18,255	\$ 6,825

The accompanying notes are an integral part of these financial statements.

ONTARIO AGRI BUSINESS ASSOCIATION

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended September 30, 2018

	2018	2017
Association services and activities		
4R Ontario	\$ 25,000	\$ 25,000
AgScape - Business of Food	-	8,000
Economic Impact Analysis	-	5,575
Employment and benefits survey	-	15,245
Environmental Compliance Program	213	-
Government Relations	-	683
Health and safety services	4,782	55,725
Human resources services	5,750	5,750
Internet home page	610	640
Membership fees	2,483	2,514
Membership stickers	569	569
Ontario 4-H Foundation	1,000	1,000
Ontario Precision Agri-Food	-	7,500
Postage	3,692	3,438
Safety Network	5,859	4,560
Scholarships	2,250	2,250
"The Real Dirt on Farming" booklet	1,470	3,000
	\$ 53,678	\$ 141,449
Automobile, travelling and meetings		
Directors and committees	\$ 8,254	\$ 9,658
Staff expenses	12,541	13,987
	\$ 20,795	\$ 23,645
Office and general		
Audit	\$ 3,100	\$ 3,000
Bank charges	217	7
Insurance	3,997	3,997
Janitorial service	2,794	2,842
Office expenses	13,044	11,164
Telephone	5,158	5,362
	\$ 28,310	\$ 26,372

The accompanying notes are an integral part of these financial statements.

ONTARIO AGRI BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2018

1. PURPOSE OF THE ORGANIZATION

The Ontario Agri Business Association was incorporated on May 25, 1999 as a corporation without share capital to promote and represent the interests of the crop inputs, grain and feed industry, and related agricultural businesses operating in the Province of Ontario throughout the effective delivery of products, programs and services.

The Association commenced operations on January 1, 2000 through the amalgamation of The Fertilizer Institute of Ontario Inc., the Ontario Grain and Feed Association and the Ontario Agri Business Association.

For Canadian income tax purposes, the Association is qualified as a not-for-profit organization, which is exempt from income tax under the *Income Tax Act*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) 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. 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.

Fees from Association goods and services are recognized as revenue when received or receivable.

(b) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first in, first out method.

(c) Capital assets

Capital assets are recorded at cost. Generally, capital expenditures in excess of \$1,000 are capitalized. Minor expenditures which do not extend the life of an asset are expensed.

Amortization is provided from the date the asset is put into service on a straight line basis over the expected useful life as follows:

Office furniture and equipment	5 years
Computer equipment	3 years

(d) Contributed services

Volunteers contribute numerous hours per year to assist the Association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

ONTARIO AGRI BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(f) 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, term deposits and amounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. INVESTMENTS

Details of the investments are as follows:

	Cost	Market Value
GIC - 2.70%, due November 19, 2018	\$ 67,451	\$ 69,018
GIC - 2.70%, due December 24, 2018	100,000	102,064
GIC - 2.76%, due January 15, 2019	57,000	58,103
GIC - 2.60%, due June 18, 2019	5,000	5,041
GIC - 2.60%, due June 18, 2019	95,000	95,771
GIC - 2.06%, due June 22, 2019	60,000	60,332
GIC - 2.51%, due November 12, 2019	35,000	35,770
GIC - 2.16%, due June 22, 2020	100,000	100,580
GIC - 1.80%, due July 14, 2020	53,143	53,342
GIC - 2.42%, due November 16, 2020	36,600	37,367
GIC - 1.86%, due February 10, 2021	75,000	75,879
GIC - 1.86%, due February 10, 2021	32,500	32,881
GIC - 1.86%, due February 10, 2021	40,000	40,469
GIC - 2.70%, due February 12, 2022	97,000	98,636
GIC - 3.05%, due June 20, 2022	25,000	25,213
GIC - 3.00%, due July 20, 2022	70,000	70,403
Investment savings account	182,092	182,092
	\$ 1,130,786	\$ 1,142,961

4. CAPITAL ASSETS

	Cost	Amortization	Net 2018	Net 2017
Office furniture and equipment	\$ 30,982	\$ 28,907	\$ 2,075	\$ 3,112
Computer equipment	16,788	16,788	-	-
	\$ 47,770	\$ 45,695	\$ 2,075	\$ 3,112

ONTARIO AGRI BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2018

5. COMMITMENTS

- a) The Association leases office space under a lease expiring August 31, 2023, at an annual cost, exclusive of utilities, taxes and maintenance, as follows:

2019	\$33,128
2020	\$33,128
2021	\$33,128
2022	\$33,128
Thereafter	\$30,367

- b) The Association has entered into an agreement in September 2015 to contribute \$25,000 a year over three years toward the development of a nutrient stewardship initiative in Ontario, for a total commitment of \$75,000. These financial statements reflect the third year commitment of \$25,000.

6. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, amounts receivable, investments and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise stated. Unless otherwise noted, it is the opinion of the Board that the Association is not exposed to significant liquidity, interest, currency or credit risks arising from these financial instruments.

7. CAPITAL MANAGEMENT

The Association considers its capital to be the balance maintained in its Net Assets. The primary objective of the Association is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Association with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Association is not subject to any externally imposed restrictions on its capital.

2019 Upcoming Meetings

OABA Summer Conference

JUNE 23-25, 2019

Deerhurst Resort, Huntsville, Ontario

OABA Western Ontario Golf Day

JULY 10, 2019

Craigowan Golf Club, Woodstock, Ontario

OABA Eastern Ontario Golf Day

JULY 17, 2019

Smuggler's Glen Golf Course, Lansdowne, Ontario

OABA Fall Classic Golf Day

SEPTEMBER 17, 2019

Grey Silo Golf Course, Waterloo, Ontario



ONTARIO AGRI BUSINESS ASSOCIATION

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