



ANNUAL REPORT 2016



TABLE OF CONTENTS

3	●	INTRODUCTION
4	●	REGIONS & BOARD OF DIRECTORS
6	●	ANNUAL GENERAL MEETING 2016
8	●	CHAIRS REPORT
12	●	CANOLA COUNCIL OF CANADA REPORT
14	●	CANADIAN CANOLA GROWERS ASSOCIATION REPORT
22	●	RESEARCH REPORT
28	●	GROWER RELATIONS & EXTENSION
32	●	MARKET DEVELOPMENT, PROMOTIONS & EDUCATION
36	●	GOVERNMENT & INDUSTRY AFFAIRS
40	●	GOVERNANCE & FINANCE REPORT
42	●	INDEPENDENT AUDITORS REPORT
58	●	GENERAL STATISTICS
63	●	CONTACT INFORMATION

A Case IH combine harvester is shown in a field, harvesting crops. The harvester is white with black accents and has "CASE IH" written on its side. It is moving from left to right, leaving a trail of harvested material behind it. The background shows a line of trees and a cloudy sky.

OUR MISSION

To improve the long-term profitability of Alberta's canola producers.

OUR VISION

Providing leadership in a vibrant canola industry for the benefit of Alberta's canola producers.

REGIONS & BOARD OF DIRECTORS

Kelly McIntyre



Region 1, Fairview, AB

Greg Sears, Chair



Region 2, Sexsmith, AB

Denis Guindon



Region 3, Falher AB

Daryl Tuck



Region 4, Vegreville AB

Terry Young



Region 7, Lacombe AB

Steve Marshman



Region 8, Strathmore AB

Kevin Serfas



Region 9, Turin AB

Stuart Holmen



Region 10, Paradise Valley AB

John Guelly



Region 5, Westlock AB

Renn Breitkreuz, Vice Chair



Region 6, Onoway AB

Dale Uglum

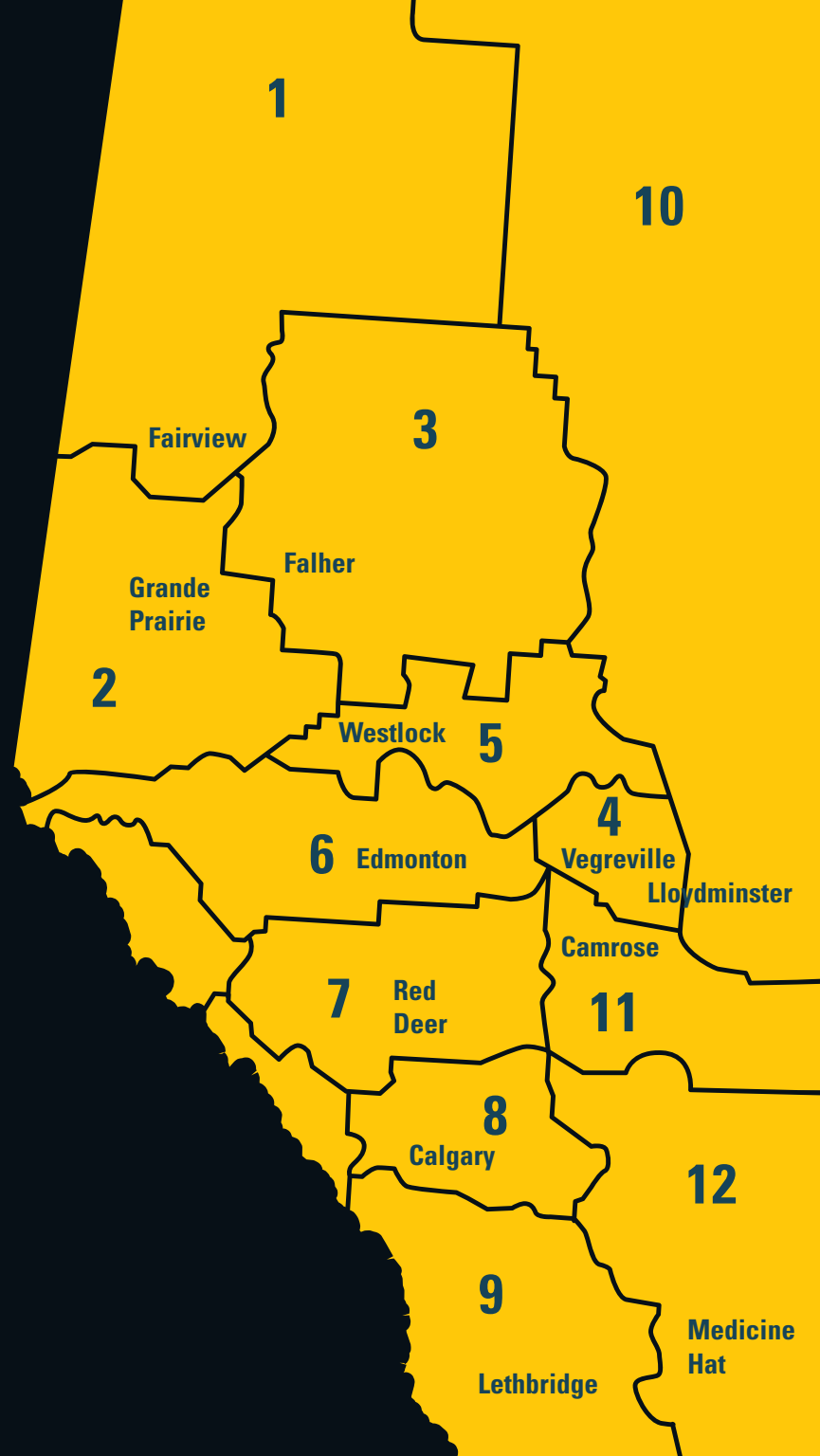


Region 11, Bawlf AB

Vacant



Region 12



ALBERTA CANOLA PRODUCERS COMMISSION

26TH ANNUAL GENERAL MEETING

January 26, 2016 | Edmonton Expo Centre – Northlands | Chair: Lee Markert

Recording Secretary: Simone Demers Collins

In attendance: individuals, producers, friends of the industry. A total of 164 producers, registered and were in attendance. More than 40 guests also signed in for the meeting.

1

At 2:22 p.m., Chair Lee Markert opened the meeting by welcoming producers, guests and canola industry representatives. Markert then provided an overview of the 2014-15 production year.

3

INTRODUCTION OF ALBERTA CANOLA DIRECTORS

Region Chair, Lee Markert (Region 9) introduced each of the current directors – Kelly McIntyre (Region 1), Greg Sears (Region 2), Raymond Blanchette (Region 3), Daryl Tuck (Region 4), John Guelly (Region 5), Renn Breitzkreuz (Region 6), Terry Young (Region 7), Streve Marshman (Region 8), Stuart Holmen (Region 10), Dale Uglem (Region 11), and Marlene Caskey (Region 12). Markert then proceeded to introduce the two new directors elected by acclamation this fall - Denis Guidon (Region 3), and Kevin Serfas (Region 9).

5

AGENDA MOTION

Kevin Bender/Daryl Tuck moved the adoption of the agenda as presented with the option of adding items as required.

6

MINUTES OF THE 2014 ANNUAL GENERAL MEETING

MOTION: Albert Wagner/John Guelly that the minutes from the 25th Annual General Meeting be approved as circulated in the Alberta Canola Annual Report. Carried.

2

INTRODUCTION OF ALBERTA CANOLA STAFF

General Manager, Ward Toma; Market Development & Promotions Coordinator, Simone Demers Collins; Grower Relations & Extension Coordinator, Rick Taillieu; Policy Analyst, Karla Bergstrom; and Communications staff member, Megan Madden were introduced to those in attendance.

4

INTRODUCTION OF GUESTS

Representatives from the Canola Council of Canada, the Canadian Canola Growers Association, SaskCanola, the Manitoba Canola Growers and the Alberta Marketing Council were welcomed to this the 26th Annual General Meeting.

7

CALL FOR NOMINATIONS

GM, Toma presented the parameters of Region 12, and in so doing did the first call for nominations for a director to replace retiring Caskey.

AGM RESOLUTION MOTION

Terry Young/Ray Blanchette that the following resolution be presented to the members in attendance.

"Whereas the Alberta Canola Producers Commission strongly supports that its farmers receive a fair assessment of their canola's grading factors and dockage;

And whereas efficiencies and automation in grain delivery, sampling, and grading processes have caused a disconnect between the Official Grain Grading Guide, the Canada Grain Act, and common practices at the elevators;

And whereas the number of delivery locations has declined over time in Alberta thereby reducing competitive buying and delivery options for canola growers;

And whereas the Canadian Grain Commission Subject to Inspector's Grade and Dockage, which is limited to primary elevators, is an ineffective and contentious appeal mechanism to resolve grade disputes;

BE IT RESOLVED THAT the Alberta Canola Producers Commission work with the Canadian Canola

Growers Association, the Canola Council of Canada, and other provincial and national grain and oilseed groups to develop policy and take actions that will:

1. Provide 3rd party oversight of grain grading system.
2. Establish a Code of Practice for grain graders:
 - a. Require graders be trained and certified by a qualified 3rd party.
 - b. Require graders to follow the procedures in the Official Grading Guide for Canola, especially pertaining to stocking and using required sieves.
 - c. Require an annual inspection of grain sampling and grading equipment by a qualified 3rd party.
3. Move the industry to use unbiased, scientific tests to assess grading factors and dockage.
4. Move the Government of Canada to modernize the Official Grading Guide and sampling regulations.
 - a. Require the CGC to provide green count cards to canola farmers on an annual basis."

The resolution was carried.

SECOND CALL FOR NOMINATION(S) FOR REGION 12: GM Toma asked for nominations for Region 12, once again.

QUESTIONS: Chair Markert asked if there were any comments/questions from the audience. One compliment was made on the effectiveness of the Alberta Canola website: albertacanola.com

REGIONAL MEETING EVALUATION WINNER – Rick Taillieu, responsible for Alberta Canola Regional Meetings, announced that the winner of this year's \$1000 Best Buy gift card – given to a producer who had attended a Regional Meeting and completed the post-meeting survey was Victor Gauthier, Region 3.

THIRD CALL FOR NOMINATION(S) FOR REGION 12: Hearing none, Toma closed the call for nominations for Regional 3. Toma indicated the next steps for seeking a director from this region – Alberta Canola board seeks suitable candidate who agrees to join the Alberta Canola board and meets the Marketing Council approval process. Should the board not find such a candidate, the position would be open to the approved nomination process in the fall of 2017.

ACKNOWLEDGEMENT: Greg Sears acknowledged the contributions that three retiring directors have made to the Commission. Ray Blanchette, Lee Markert, and Marlene Caskey have all served the maximum six years allowed by the Alberta Canola regulations, serving in many capacities throughout the industry.

The meeting was adjourned at 3:52 p.m.

COMMITTEE REPORTS

AGRONOMIC RESEARCH COMMITTEE – Kelly McIntyre, Renn Breitzkreuz, John Guelly and Kelly McIntyre were introduced as the members of this committee by chair Darryl Tuck. He then listed all the projects that were funded, either individually or jointly with Alberta Canola partners – the other canola associations, the Canola Council of Canada, and or as members of the Alberta Funding Consortium. This committee has as its goals to 1) Find better ways to grow canola, and 2) Find better ways to control pests.

GROWER RELATIONS & EXTENSION (GRE) COMMITTEE – Stuart Holmen as chair of this committee, acknowledged his committee members, Terry Young, Dale Uglem, and Raymond Blanchette. Stuart introduced the spring courses which Alberta Canola is sponsoring as part of its extension

work for canola producers. He also outlined other activities of this committee – namely, FarmTech, grain pricing, and regional meetings as well as the Canola Digest and Alberta Connects.

MARKET DEVELOPMENT COMMITTEE – Chair, Marlene Caskey, started her presentation by introducing fellow committee members – Terry Young, Stuart Holmen, and Raymond Blanchette. Caskey then spoke to the goals of the committee and highlighted some of the activities of the past year – the Chase Superman Duffy books, a few CanolaInfo initiatives, as well as some of the major sponsorships like the Journey 2050 in the Western Agrium Showcase on Stampede grounds and Canada's largest food festival, the Taste of Edmonton.

GOVERNMENT & INDUSTRY AFFAIRS – chair Greg Sears, on behalf of the board, reported on the work that Alberta Canola does on transportation, trade & market access, Chops and Crops, the Agri-Environmental Partnership of Alberta, crop sustainability, farm safety, labour and municipal act review. Nationally the Alberta Canola works in partnership with the Canadian Canola Growers Association (CCGA) and the Canola Council of Canada (CCC) on international trade barriers, concerns, etc.

ADMINISTRATION AND FINANCE COMMITTEE – Chair, Greg Sears, introduced fellow committee members, Terry Young, and Renn Breitzkreuz. He then reviewed expenditures for 2014-15, and the budget for the 2015-16 fiscal year.

ALBERTA CANOLA CHAIRMAN'S REPORT

WORDS BY: GREG SEARS - CHAIR

Continuing demographic shifts now sees less than 2% of the general population active in our agriculture community, and ensuring that public policy supports sustainable agriculture has become even more critical to our future.




Looking back on Alberta Canola's 2015 - 2016 year, it is hard to grasp how much the landscape has changed for Alberta's canola producers. New governments at both provincial and federal levels have required the agriculture community to engage with policy makers and make sure that our messages are heard in all aspects of our industry.

Continuing demographic shifts now sees less than 2% of the general population active in our agriculture

community, and ensuring that public policy supports sustainable agriculture has become even more critical to our future. Alberta Canola has always been a group relied upon by governments and organizations seeking input on timely and important issues. This year, our staff and board once again proved that they are capable of developing and presenting clear, informed, and consistent messaging in support of policies that meet the needs of our producers.

This was also a year of significant collaboration, partnerships, and cooperation within our industry. Issues common to all Alberta producers have arisen and an increased level of cooperation between Alberta's agriculture sectors was undertaken in order to best serve our farmers and manage these issues effectively. In February, the AgCoalition, comprised of 29 crop and livestock commissions from across Alberta, came together to ensure that the Enhanced Protection for Farm and Ranch Workers Act was



Where possible, Alberta Canola is committed to representing producers' common interests in cooperation with other organisations to make our voices strong and messages more effective.

implemented in a fair and effective manner while respecting the needs of Alberta's agriculture community. At the same time, the AgCoalition aims to foster a culture of safety throughout the industry to bring everyone home safely. Bringing this diverse group together has been a significant and historic achievement.

Similarly, Alberta's four key crop commissions (canola, wheat, barley and pulse) have also cooperated in two other important areas. Firstly, in the area of advocacy, we have partnered with other key crop commissions to work with the government as "Team

Alberta" with common messaging on policies relating to regulation, rail transportation, and international trade. Where possible, Alberta Canola is committed to representing producers' common interests in cooperation with other organisations to make our voices strong and messages more effective.

Secondly, these same commissions have formed the Alberta Farm Sustainability Extension (AFSE) group and were pleased to hire Jolene Noble of Manning as coordinator. In many ways "sustainability" is a catch-all term that is used to describe an

industry's performance on a variety of criteria that society deems to be important. For producers, it reflects how the land, air, water, plants, people and animals are affected by our operations and how well we manage those interactions. For our customers it's a measure used to assure their stakeholders that ingredients are sourced responsibly and, like it or not, it is used to differentiate competing products in the marketplace. Understanding sustainability and how it affects producers is a big part of the Alberta Canola's mission to "improve the long-term profitability of Alberta's canola producers."



The Alberta Canola board renewed itself as three directors moved on and two new ones came aboard. Marlene Caskey, Raymond Blanchette and our past chair Lee Markert all retired from the board after serving for the maximum six years. New to the board were Denis Guindon from Falher and Kevin Serfas from Turin.

In many ways it has been a year of uncertainty with significant challenges and opportunities in Alberta Canola's strategic focus areas of **Grower Relations and Extension, Agronomic Research, Market Development and Government and Industry Affairs.**

Please enjoy reading about Alberta Canola's activities in the following report and, as always, feel free to contact your local director with comments.

Supported by the exceptional staff at Alberta Canola, producers can be confident that the issues affecting us now and in the future are being managed well on our behalf.

**GROWER
CHECKOFF**



**EXPORT
COMPANY
LEVY**



Western Grain
Elevator
Association

**PROVINCIAL
GROWER
ORGANIZATIONS**



National value
chain organization

National ag policy
organization

**PROCESSOR
LEVY**



Life Science
Companies

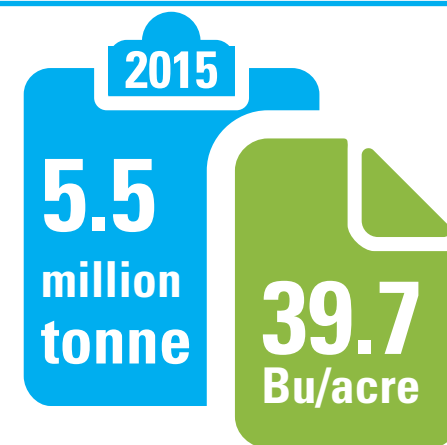
**COMPANY
CONTRIBUTIONS**



The three Prairie canola grower organizations
are core funders of the Canola Council of
Canada.

CANOLA COUNCIL OF CANADA REPORT

WORDS BY: GREG SEARS, CCC DIRECTOR



Even after an exceptionally poor early growing season in 2015, Alberta's 5.5 million tonne, 39.7 Bu/acre crop was within the range of normal and shows the resiliency of both the canola crop and our producers.

Canola producers, through Alberta Canola and the other respective provincial groups, provide the Canola Council of Canada (CCC) with \$0.23 from every tonne of canola produced in Canada. This funding, together with contributions from the processing, exporting and life science sectors, supports the canola industry as a full value chain organization. Activities are targeted toward maintaining a sustainable and reliable supply of canola, marketing canola products with differentiated value from competing oilseed products and ensuring that a stable, open trade environment exists so that Canadian canola can enter

markets freely. These strategic goals translate in to the functional areas of Crop Production and Innovation, Market Development and Market Access/Government Relations.

As producers we see the CCC's work most often through the field agronomists at local extension activities or in trade publications. The crop production team continues to do hands on work with producers to translate research into producer knowledge and knowledge in to practice. Incremental gains are being seen in disease, fertility and crop management that have helped

producers stabilize yields under some challenging environmental stresses. Even after an exceptionally poor early growing season in 2015, Alberta's 5.5 million tonne, 39.7 Bu/acre crop was within the range of normal and shows the resiliency of both the canola crop and our producers.

Market development work continues with the goal of improving canola's share of emerging markets like Korea and India. A major milestone was reached with the introduction of a Korean CanolaInfo website and other AsiaPacific markets continue to be developed. Additional work is being

done through Project Gold to improve canola's market share in eastern Canada and our domestic processing capacity continues to expand through new facility and debottlenecking projects. There is a strong understanding of the marketing risks posed by the dominance of our four major markets (USA, China, Japan and Mexico) and the need to expand beyond them.

All this of course brings us to the issue of China's concerns about blackleg and its intention to impose a dockage limit on Canadian canola. It must be stated that this is a very complex, high priority and sensitive issue for all. The Council has been heavily involved in the dialogue between Canada and China aimed at implementing a long-term solution to the issue of blackleg disease transmission. This single issue has required resources from

all parts of the value chain including growers. Our ability to successfully conclude these discussions and move forward with a reasonable, science-based and predictable set of rules has depended on maintaining open communication and a high level of trust between all parties involved. As with any high-profile issue, there is media and industry speculation, opinion offered by "insiders" and "experts" and just routine coffee shop talk that can compromise that environment. I thank all of those who have supported the Council and its staff in this important work.

Finally, the coming year is one to celebrate! 2017 marks the 50th anniversary of the Canola Council of Canada. Taking this "Made in Canada" crop from breeding plots to a world-scale, respected product has taken the hard work and dedication of

thousands in our industry. The canola value chain starts at the farm so think about coming to the "Good as Gold" convention in Winnipeg or participate in some other celebration of canola's success this year.

2017 MARKS THE



ANNIVERSARY

Canola Council of Canada



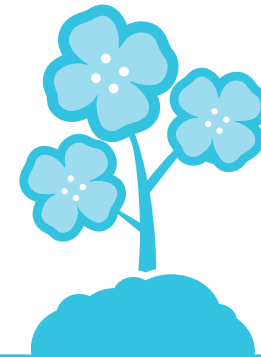
The Council has been heavily involved in the dialogue between Canada and China aimed at implementing a long-term solution to the issue of blackleg disease transmission.



CANADIAN CANOLA GROWERS ASSOCIATION REPORT

REPRESENTATIVES: RENN BREITKREUZ, KELLY MCINTYRE, & DALE UGLEM

The association's two main activities include: administrating the federal cash advance program across Western Canada; and advocating for agriculture policy and program changes on behalf of canola farmers.



CCGA's board of directors includes 10 farmers representing each of its member associations: Alberta Canola Producers Commission, B.C. Grain Producers, Manitoba Canola Growers Association, SaskCanola and Ontario Canola Growers Association.

The association's two main activities include: administrating the federal cash advance program across Western Canada; and advocating for agriculture policy and program changes on behalf of canola farmers.

MORE ACCESSIBLE ONLINE

CCGA's new digital platforms were created with farmer accessibility in mind. From cash advance account information, to canola statistics, to sharing what's new in agriculture policy, the new CCGA website (ccga.ca) and twitter channel (@ccga_ca) have plenty to share regardless of where you are or what device you are connected by.

A PURPOSEFUL VISION

CCGA's board of directors adopted a new vision in 2015: *Helping Farmers Succeed*

*"The **CCGA Hub** at ccga.ca provides more informal updates on the work we do. Whether it's a video interview on cash advances or an editorial on a key policy area such as hopper cars, there will be lots of new, engaging ways to learn about what's new from us."*

– CCGA Communications

"As a farmer-directed organization that delivers services to farmers, we wanted the vision to be memorable, while expressing how CCGA will positively impact the farmers we represent. Helping Farmers Succeed focuses that direction and attention clearly on the interests of farmers."

- Brett Halstead, President CCGA

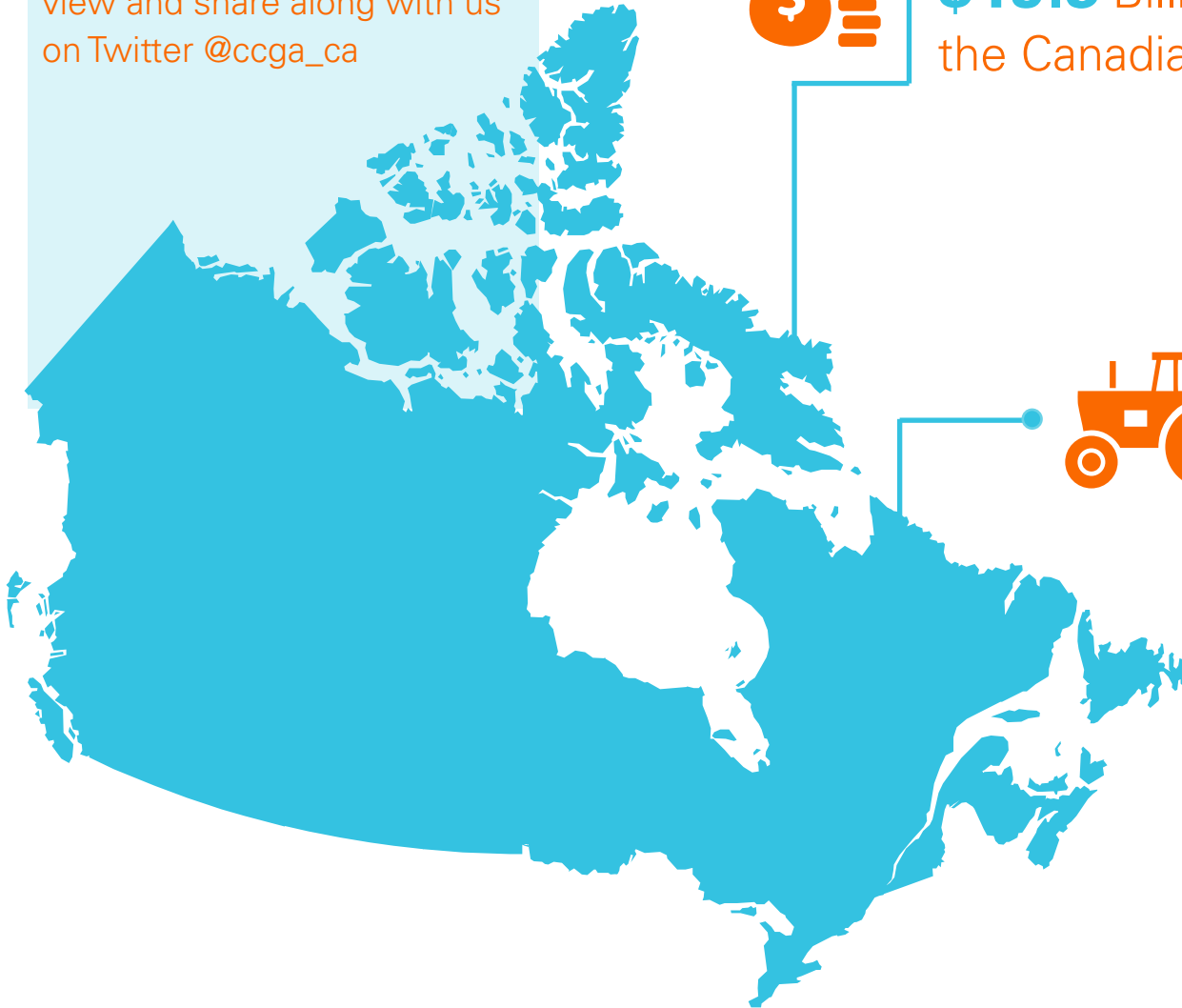
CCGA's Canola by the Numbers highlights canola as a Canadian success story with key statistics that are easy to view and share along with us on Twitter @ccga_ca



Canola contributes
\$19.3 Billion per year to
the Canadian Economy



There are over
43,000 canola
farmers in Canada



GOVERNMENT RELATIONS & ADVOCACY

CCGA's Government Relations and Policy Development teams investigate policy alternatives and promote policy changes that benefit canola farmers across Canada. In 2015-16, CCGA's government relations activities focused on getting to know the new Liberal government and its priorities, while continuing to advocate for Canadian canola farmers.

Decisions made by parliamentarians directly affect farmers, so it is vitally important that we build their

understanding about farmers and the Canadian canola industry. In addition to face-to-face meetings, CCGA completed formal government submissions on trade, transportation, the agriculture policy framework, the environment, Canadian Grain Commission proposals, pesticide regulations and the 2017 budget. Appearances before the House and Senate Standing Committees on issues that impact growers supplement this list.

CCGA regularly meets with Members of Parliament (MP's), Ministers and their staff, and public servants. Since the beginning of 2016, CCGA has held nearly 40 meetings with MPs, including joint Canola Council of Canada lobby day meetings that were held in Ottawa in May.

LEARN MORE FROM CCGA HUB

To learn more about CCGA's study on the grain hopper car fleet, watch *Discussing options for Canada's hopper car fleet*.



Brett Halstead, CCGA President, appears before a Senate Standing Committee to discuss market access priorities.

RESPONSIVE AND EFFICIENT RAIL SERVICE IS CRITICAL

Canada's grains are well traveled, moving from the farm to Canadian and global destinations. Over 90% of canola grown in Canada is exported by rail, and the industry relies on efficient, predictable and timely rail service. CCGA continues to advocate for changes to how rail service is provided in Canada.

CCGA's continued support of the Ag Transport Coalition (ATC) Weekly Performance Measurement Report means rail performance measurement data is accessible to farmers and industry. The association continues working as a member of the Crop Logistics Working Group, a forum for industry to discuss supply chain challenges and identify ways to improve Canada's crop logistics system.

In addition to a number of submissions that CCGA has produced, including a response to the 500-page Canada Transportation Act Review Report, CCGA recently authored a study on the Canadian hopper car fleet.

Of notable achievement this year was the postponement for one year of the repeal of certain interswitching provisions of the Canada Transportation Act, that were enacted in 2014 by the Fair Rail for Grain Farmers Act.

Only 4 out of the total 326 grain elevators in Western Canada had direct access to both Class 1 railways. Interswitching improves access.

For many months, canola farmers have been talking about the importance of these provisions and asking for them to be extended. We are pleased that the provisions will be maintained while the industry continues to work with government on building a long-term plan for efficiently shipping our production by rail."

- Brett Halstead, President CCGA



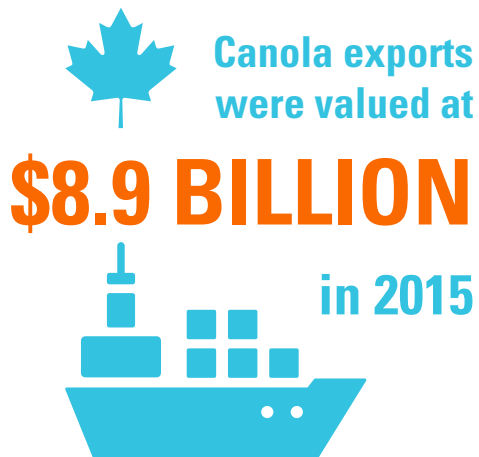
If grain exports through the West Coast Ports were moved entirely by truck, it would require 717,500 trucks. Lined up end to end, those trucks would cover 17,937 km, a distance that would extend 45% around the world's equator.

TRADE IS VITALLY IMPORTANT TO CANOLA FARMERS

"Ninety percent of the canola grown here is exported as seed, oil or meal, so trade discussions that impact canola markets are a top priority."

- Rick White, CEO of CCGA from the TPP negotiations in Atlanta, Georgia in September 2015.

Canola is a trade powerhouse, exporting 90% of production as seed, oil or meal. These exports keep farms successful and help ensure strong rural communities, employment and value added activities. With so much production going to export markets, keeping these markets open is critical. Open markets and clear trade rules make reliable markets. Trade agreements that provide stable, transparent and predictable access are needed as well as ongoing efforts to fix market access issues.



CCGA has been a strong advocate for Canada to sign and ratify the Trans Pacific Partnership (TPP) agreement. The TPP market is home to our top customers, and it accounts for over 60% of canola export sales. In 2015, Canadian exports to TPP members totaled \$5.3 billion in canola seed, oil and meal. More generally, the region is home to 800 million potential consumers.

How does the Trans-Pacific Partnership benefit farmers?

- Up to \$780 million per year in added canola export value
- Equal footing with key oilseed competitors
- More processing jobs at home
- More domestic delivery options for canola farmers

Share how #TPP will benefit you

Email a submission to the governments Committee on International Trade by June 30:

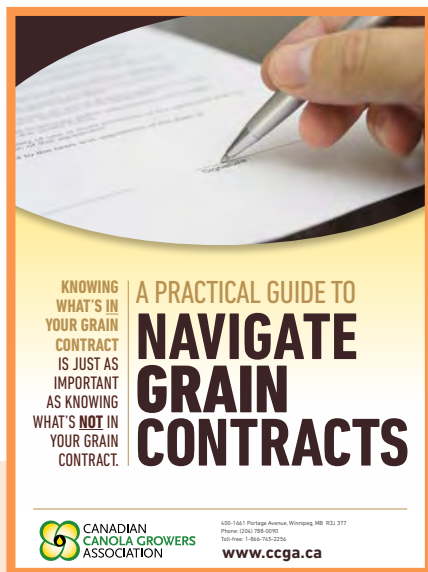
ciit-tpp-ptp@parl.gc.ca



UNDERSTANDING GRAIN MARKETING CONTRACTS

CCGA's updated *A Practical Guide to Grain Contracts* helps farmers navigate the complicated world of grain contracts. A complete copy of this guide can be found at ccga.ca.

A recent update on the subject related to "What you need to know about crop inputs and producer declarations" can be found on CCGA's blog post: CCGA Hub



CANOLA-BASED BIODIESEL: A GREEN FUEL

Canola is a high-quality domestically sourced, sustainable biodiesel feedstock that can play a key role in reducing greenhouse gas (GHG) emissions in transportation fuel. New figures show that the equivalent of 1.815 million tonnes of Canadian canola seed was used for biodiesel in 2015.

CCGA acts as the Secretariat for the Canola Biodiesel Working Group, which coordinates the canola industry's activities on biodiesel. During the past year, the working group members met with key policy makers and staff in several provinces, including Alberta, about canola's green fuel feedstock advantage as well as increasing mandate levels for biodiesel up to 5%.



BUSINESS RISK MANAGEMENT

CCGA is researching new risk management tools to provide farmers with more options in managing the many risks affecting their farms. One potential new product is Canola Margin Insurance. CCGA continues to consult with farmers on this insurance, and whether it fits their risk management needs.

CROP INPUTS

CCGA is a member of the Grower Requested Own Use (GROU) nomination committee, which meets each fall to nominate crop protection products for import. The GROU program allows farmers to import the U.S. version of Canadian registered crop protection product in the event there is price discrepancy in the market

LEARN MORE FROM CCGA HUB

To learn more about canola-based biodiesel, read: Canola biodiesel offers "clean energy" potential

CCGA Vice-President Jack Froese shares Canadian canola farmer policy priorities at the International Oilseed Producers Dialogue in Berlin, July 2016.



REPRESENTING CANOLA FARMERS AT NATIONAL AND INTERNATIONAL LEVELS

CCGA IS A MEMBER OF THESE NATIONAL POLICY ORGANIZATIONS:

- Canada Grains Council
- Grain Growers of Canada
- Canola Council of Canada
- Canadian Agri-Food Trade


CCGA REPRESENTS CANOLA GROWERS ON THESE NATIONAL COMMITTEES:

- Grains Value Chain Roundtable
- Canadian Roundtable for Sustainable Crops
- PMRA Pest Management Advisory Council
- PMRA Grower Requested Own Use program
- Western Grains Standards Committee
- Western Grains Research Foundation

CCGA CARRIES CANOLA FARMERS' POSITION TO AN INTERNATIONAL LEVEL THROUGH ITS PARTICIPATION IN:





- International Oilseed Producers Dialogue - a network of oilseed farmer associations from Asia, Australia, EU, South and North America.
- International Agri-Food Network - an informal coalition of international trade associations involved in the agri-food sector at the global level. Through this affiliation, CCGA was able to participate in a biotechnology symposium hosted at FAO in Rome and co-host a side-event called "The Voice of Farmers: Biotechnology in the Field".



The Voice of Farmers:
Biotechnology in the Field

Iran Room, February 16 2016 | 13:15-14:15
A light lunch will be served.

Farmers play a unique role in global food security.
This side event brings together farmers from around the world to discuss the role of agriculture biotechnology on their farm. Farmers from Asia, Latin America, Africa and North America will describe the production challenges they face and the benefits that can be realized through the technology.

CASH ADVANCES, CASH FLOW SOLUTIONS FOR YOUR FARM

CCGA is an administrator of the Advanced Payments Program, a federal financial loan program that provides access to credit through cash advances. CCGA is the largest cash advance administrator in Canada, issuing advances to nearly 10,000 farmers annually.

The program, which benefits both new and established farms, offers unique benefits to farmers, including low interest rates, and marketing flexibility.

CCGA issues advances on 45 commodities, including all grains, oilseed and pulse crops, as well as both major and minor livestock and sweeteners across the western provinces.

LEARN MORE FROM CCGA HUB

Watch CCGA's 3-part video series on Why should a farmer consider a cash advance?



- Benefits of a cash advance
- How the program works
- Recent changes to the program





RESEARCH REPORT

**COMMITTEE CHAIR: DARYL TUCK, COMMITTEE: JOHN GUELLY,
KELLY MCINTYRE, DALE UGLEM, GREG SEARS**



*Alberta Canola's research funding process
begins and ends with the farmers*



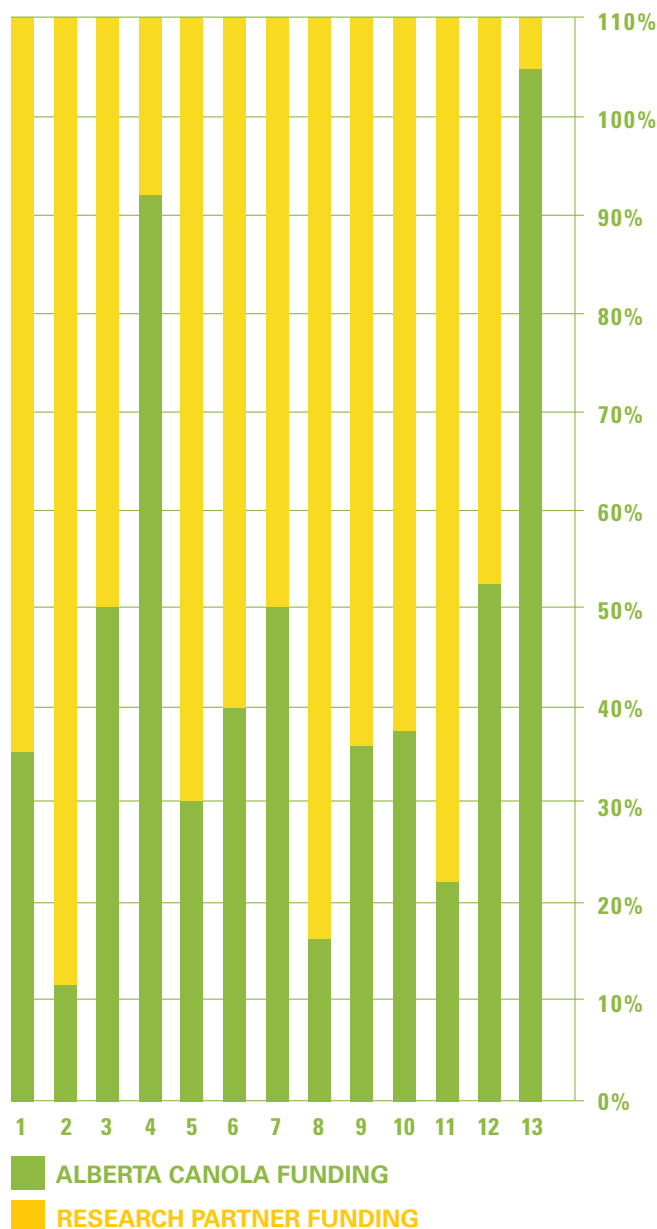
Alberta Canola's research funding process begins and ends with the farmers. Since the Commission began funding research in 1989, the end goal has always been to provide a positive impact for farmers. By reducing pests, finding better ways to grow canola, or increasing the demand for canola products, the work we fund must generate a positive impact on Alberta canola farmers.

The Agronomic Research Committee and the Market Development Committee, the two groups that review the potential proposals, always ensure that Alberta Canola

funded research aligns with on-farm challenges that farmers face while also considering the possibility for supporting the price of canola through increasing the demand for canola. The Committees use qualified experts and the resources of the Canola Council of Canada as advisors where appropriate.

Alberta Canola also has representatives on the Western Canada Canola/Rapeseed Recommending Committee. The grower representative focus on business issues and reviews and recommend canola cultivars for registration.

PERCENTAGE OF PROJECTS FUNDED BY ALBERTA CANOLA



NOTE: For project # information refer to the next page.

Total Cost of Projects
\$11.21 MILLION



EVERY
\$1.00
OF ALBERTA
CANOLA
COMMITMENT

2016



WAS MATCHED BY
\$3.24
OF PARTNER
FUNDING

LEVERAGING FARMER DOLLARS

Alberta Canola seeks out research funding opportunities in a variety of ways. We are part of the Alberta Agriculture Funding Consortium, a group of 13 organizations that have created a one window approach to research and development funding. The prairie canola growers' organizations also collaborate through the Canola Agronomic Research Program (CARP) a collaborative initiative where funding decisions are made by the grower groups and the work is administered by the Canola Council of Canada.

At the end of the 2016 year Alberta Canola had committed \$3.46 million towards 28 active research and development projects. The total cost of these projects was \$11.21 million. For every dollar we committed, it was matched by \$3.24 from research partners.

Alberta Canola also supporting canola research funded jointly with the Government of Canada through the Growing Forward 2 Science Cluster and AIP research funding programs. These two programs respectively have 19 and 12 separate research activities within the programs and have provided an extraordinary amount of leverage. The Growing Forward Canola Science Cluster is a program totaling \$25.78 million, to which Alberta Canola contributes \$800,000, a leverage of 32 to 1. The partnership with SaskCanola and the Government of Canada in the Canola Disease Management Tools for the Prairie AIP program is worth \$2.02 million. Alberta Canola is contributing \$500,000 for a leverage of 4 to 1 to this program.

OUR AGRONOMIC & MARKET DEVELOPMENT RESEARCH GOALS

1

2

3

	FIND THE BEST WAYS TO GROW CANOLA	FIND SOLUTIONS TO PEST CONTROL	FINDS WAYS TO INCREASE DEMAND FOR CANOLA
STRATEGY	<ul style="list-style-type: none"> Integrated cropping systems Efficient use of inputs Production practices Environmental sustainability Germplasm development Economic & production risk 	<ul style="list-style-type: none"> Research pest biology & control methods Pest monitoring systems Germplasm development 	<ul style="list-style-type: none"> Human health & nutrition Animal health & nutrition Bio-Industrial uses
RESEARCH AREAS	<ul style="list-style-type: none"> Rotations Seed quality/increased seed vigour/latent dormancy Rapid germination & emergence/plant growth Uniform plant establishment/planting patterns/seed-soil microsphere Seed chlorophyll (fall frost tolerance) Spring frost tolerance – spring hardiness Fertility requirements Soil characteristics & nutrients availability Moisture use efficiency Harvest technology/seed pod shatter resistance Winter types 	<ul style="list-style-type: none"> Existing & new/emerging/potential pests Beneficial insects – we need to know more & how we impact them Beneficial insect pathogens – are they real? Monitoring systems – more efficient real time work Computer modeling of weather/pest interactions Disease resistance – Clubroot/blackleg/sclerotinia/verticillium Disease resistance through increase genetic diversity versus single gene Insect resistance/tolerance/avoidance 	<ul style="list-style-type: none"> New health benefits in human diets from oil & meal fractions Increasing the value of canola meal & oil for livestock Biofuel & biofuel additives Bioplastics/coatings/polymers

THE 2016 RESEARCH PROGRAM

Alberta Canola entered into 11 agronomic and 2 product development research projects. Total commitment was \$1.437 million towards projects worth \$4.323 million for a 3 to 1 leverage ratio for the year. These 13 projects are described below:

1		
PROJECT	Characterizing Turbulent Spray Deposition From Self-Propelled Sprayers	
RESEARCHER	Dr. Tom Wolf, Agrimetrix Research	
OBJECTIVE	To document the spray deposit uniformity of a high-clearance spray boom under a variety of test conditions.	
BENEFITS	This project will evaluate practical solutions to maximize pesticide performance, looking at boom design, nozzle location and orientation, as well as other operational parameters such as boom height and distance from wheels.	
<div><div>36%</div><div><div>\$97,500</div><div>ALBERTA CANOLA FUNDING</div></div><div><div>\$270,000</div><div>TOTAL COST</div></div></div>		

2		
PROJECT	Enhancing The Beneficial Root Microbiome In Canola	
RESEARCHER	Dr. Hamel, AAFC Quebec	
OBJECTIVE	To understand and promote (i) fertilizer / nutrient use efficiency including N-fixation, (ii) abiotic stress tolerance, and (iii) the suppression of soil-borne pathogen growth and sporulation	
BENEFITS	Knowledge of the canola root microbiome would allow for the cost efficient and targeted of crop inputs by farmer. New highly effective crop management practices leading to healthy and productive crops that use fertilizers efficiently would also be available to farmers.	
<div><div>11%</div><div><div>\$66,633</div><div>ALBERTA CANOLA FUNDING</div></div><div><div>\$599,400</div><div>TOTAL COST</div></div></div>		

3		
PROJECT	Enhanced Modelling Of Swede Midge Population Dynamics In North America	
RESEARCHER	Dr. Hallett, U of Guelph	
OBJECTIVE	<div>1. To develop a comprehensive population dynamics model for swede midge;</div> <div>2. To explain the life history differences among populations using the new model;</div> <div>3. To explore the capacity of the model to predict the lag-time between first introduction of swede midge to an area and subsequent occurrence of economically damaging populations.</div>	
BENEFITS	The model may be used for design and timing of pest management strategies and provide important information on future population changes of the swede midge in the Prairies. Insights on conditions leading to economically damaging populations could be used to determine future risk of SM and to plan actions to prevent population growth.	
<div><div>50%</div><div><div>\$33,750</div><div>ALBERTA CANOLA FUNDING</div></div><div><div>\$67,500</div><div>TOTAL COST</div></div></div>		

4	
PROJECT	Getting More Bang For Your Buzz: Does Pollination Compensate For Canola Yield Lost Under Sub-Optimal Soil Moisture, Nitrogen Fertilization And/Or Seeding Rates?
RESEARCHER	Dr. Cartar, U of C
OBJECTIVE	To find out if pollination can compensate for canola yield lost under sub-optimal soil moisture, nitrogen fertilization and/or seeding rates?
BENEFITS	This knowledge will allow growers to make better decisions concerning the use of pollination services and the impact on fertilization and harvestability of canola.
<div>92%</div> <div> <div></div> </div> <div> <div>\$251,625</div> <div>ACPC FUNDING</div> </div> <div> <div>\$275,000</div> <div>TOTAL COST</div> </div>	

7	
PROJECT	Development of effective treatments with the novel fungal endophyte Pirifomospora indica to improve canola field growth and productivity
RESEARCHER	Dr. Cartar, U of C
OBJECTIVE	test the effectiveness of seed coating methods that could be used on a large scale inoculation of canola with P. indica, ii) determine whether fungal colonization of canola roots enhances growth and yield and reduce nutrition demands of canola under field conditions, and iii) examine the effects of soil organic content and growth-promoting soil bacteria on the responses of canola plants to inoculation with P. indica.
BENEFITS	By using P. indica on canola seeds, growers would see increases in plant growth and yield depending on the soil type.
<div>50%</div> <div> <div></div> </div> <div> <div>\$180,000</div> <div>ALBERTA CANOLA FUNDING</div> </div> <div> <div>\$360,000</div> <div>TOTAL COST</div> </div>	

5	
PROJECT	Surveillance Networks For Beneficial Insects: Can Natural Habitats Serve As Insect Reservoirs, And Do They Contribute To Canola Yield?
RESEARCHER	Dr. Manson, U of A
OBJECTIVE	To determine if natural habitats for beneficial insects can contribute to increased canola yield.
BENEFITS	Increased management of uncultivated areas near canola fields can best support the abundance and diversity of beneficial insects, providing social license for sustainable cropping practices.
<div>30%</div> <div> <div></div> </div> <div> <div>\$79,200</div> <div>ACPC FUNDING</div> </div> <div> <div>\$266,400</div> <div>TOTAL COST</div> </div>	

8	
PROJECT	Mitigating herbicide resistance - investigating novel integrated weed management systems
RESEARCHER	Dr. Harker, AAFC Lacombe
OBJECTIVE	Evaluate chaff collection in combination with other cultural weed management techniques at several sites to control problem weeds.
BENEFITS	To reduce the application of herbicides used in the cropping system in order to reduce the likelihood of weed resistance.
<div>17%</div> <div> <div></div> </div> <div> <div>\$171,333</div> <div>ALBERTA CANOLA FUNDING</div> </div> <div> <div>\$1,039,000</div> <div>TOTAL COST</div> </div>	

6	
PROJECT	Validation Of Lygus And Other Insect Pest Thresholds In Commercial Farms Throughout Alberta
RESEARCHER	Dr. Carcamo, AAFC Lethbridge
OBJECTIVE	To validate lygus economic thresholds, and the impact of spraying for other pest insects that may reach nominal economic thresholds (e.g. flea beetles, diamond back moth, and cabbage seedpod weevils in the south).
BENEFITS	This research will clarify the thresholds for lygus in various areas. It will help to avoid unnecessary application of insecticide if the crop can tolerate higher levels of lygus than suggested by current thresholds from cage/plot studies. It may suggest that lygus at low numbers can reduce yield. This research will also provide additional information on other insects because some fields will not have lygus problems but will incur flea beetle or diamond back or leafhopper pest issues
<div>40%</div> <div> <div></div> </div> <div> <div>\$213,480</div> <div>ALBERTA CANOLA FUNDING</div> </div> <div> <div>\$533,000</div> <div>TOTAL COST</div> </div>	

9	
PROJECT	Harvest Weed Seed Control In Early- Versus Late- Maturing Crops
RESEARCHER	Dr. Neil Harker, AAFC Lacombe
OBJECTIVE	To determine the effect of early versus maturing crops on our ability to collect and remove weed seeds using harvest weed seed control (HWSC) (chaff collection in this case, simulating the Harrington Seed Destructor). This is of particular interest for early shattering weeds such as wild oat.
BENEFITS	Herbicide resistance is an increasingly prevalent problem in western Canada. New methods of managing weeds are needed to control herbicide resistant weeds in our field crops.
<div> <div>36%</div> <div> <div>\$117,000</div> <div>\$321,000</div> </div> </div> <div> <div>ACPC FUNDING</div> <div>TOTAL COST</div> </div>	

12	
PROJECT	Cruciferin/chitosan complex: a novel colon-targeted delivery system for probiotics
RESEARCHER	Dr. Wu, U of A
OBJECTIVE	A new high value use of canola meal can increase the contribution that canola meal makes to the overall canola price received by canola growers.
BENEFITS	A new high value use of canola meal can increase the contribution that canola meal makes to the overall canola price received by canola growers.
<div> <div>53%</div> <div> <div>\$171,066</div> <div>\$325,066</div> </div> </div> <div> <div>ALBERTA CANOLA FUNDING</div> <div>TOTAL COST</div> </div>	

10	
PROJECT	Evaluation Of Enhanced Nitrogen-Use Efficiency Products
RESEARCHER	Dr. Degenhardt, AITF
OBJECTIVE	To compile and synthesize past and current yield and cost data on enhanced efficiency Nitrogen fertilizer (EEF) products in western Canada, and to better understand the environmental conditions, soil properties and cropping systems conditions when a grower would likely see a productivity and economic benefit.
BENEFITS	This information will help growers understand which product to use, how to use them (timing, placement and rate), when to expect a crop yield or grain quality response, the potential economic benefits of using these products, and equally important when and where these products would be unlikely to provide a benefit.
<div> <div>37%</div> <div> <div>\$46,000</div> <div>\$125,000</div> </div> </div> <div> <div>ALBERTA CANOLA FUNDING</div> <div>TOTAL COST</div> </div>	

11	
PROJECT	Developing Canola Agronomy With Precision Planters
RESEARCHER	Ken Coles, Farming Smarter
OBJECTIVE	To determine how precision planters compare to conventional air drills, determine how various planting rates and fertility rates and row spacing affect canola production
BENEFITS	This knowledge will help optimize use of these planters and determine whether they warrant a major shift in systems in southern Alberta.
<div> <div>22%</div> <div> <div>\$87,750</div> <div>\$394,200</div> </div> </div> <div> <div>ACPC FUNDING</div> <div>TOTAL COST</div> </div>	

13	
PROJECT	Can We Replace Soya Sauce with Canola Sauce?
RESEARCHER	Dr. Holloway, U of M
OBJECTIVE	To determine whether canola meal can be fermented into a soy sauce product or whether a fermented canola meal product could be produced which would be a novel condiment or food product
BENEFITS	A new high value use of canola meal can increase the contribution that canola meal makes to the overall canola price received by canola growers.
<div> <div>106%</div> <div> <div>\$19,564</div> <div>\$18,402</div> </div> </div> <div> <div>ALBERTA CANOLA FUNDING</div> <div>TOTAL COST</div> </div>	

GROWER RELATIONS & EXTENSION

COMMITTEE CHAIR: STUART HOLMEN, COMMITTEE: JOHN GUELLY, DENIS GUINDON, KEVIN SERFAS

Alberta Canola is committed to providing access to agronomy, marketing and management information that will help all canola growers increase their long term profitability.

Alberta Canola has a comprehensive program to engage growers through strategic communications and high quality learning opportunities. Partnering with other agricultural organizations at a national, provincial and regional level is a fundamental component of the grower relations and extension program.

GROWER COMMUNICATIONS

ALBERTACANOLA.COM WEBSITE

Alberta Canola's website is canola growers source for agronomy, marketing and management information along with information on the goals and activities of the Commission.

Site users and pages viewed increase every year, along with an increasing percentage of user visiting the site form a mobile device.

08/01/2015 – 07/31/2016



SITE USERS
61,951



SITE VISITS
232,326



PAGE VIEWS
425,626



DESKTOP
55%



TABLET
9%



MOBILE
36%

Social media

The [@albertacanola](#) twitter was used to deliver timely agronomic and event information to farmers and to interact with them.

Facebook offers a unique way to reach growers and extend information through post likes and shares.

189 Facebook posts reached a total audience **64,415** for a total of **121, 889** impressions.



4,554 to 5,837
FOLLOWER INCREASE



679 to 778
LIKES INCREASE

Electronic newsletters

Subscribers receive media releases from Alberta Canola along with the Alberta Canola Connections which provides information on agronomy, marketing and management resources. Event evaluations consistently show that the electronic newsletters are the number one way that attendees learn about the events.



1,884 to 2,948
LIST GROWTH

Direct Mail to Growers

A newsletter customized for each of Alberta Canola's twelve regions is mailed to every grower in Alberta each November. The newsletter contains an invitation to the fall meeting in their region.

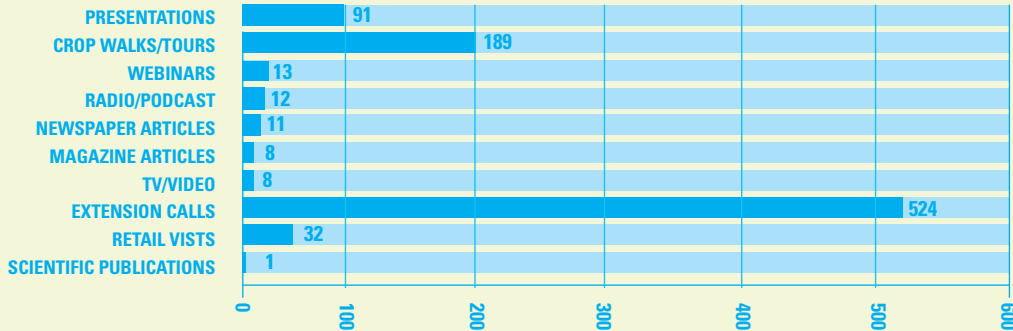
Alberta Canola partners with SaskCanola, the Manitoba Canola Growers Association and the Canola Council of Canada to provide 4 issues of the award winning Canola Digest to all canola growers in Alberta.

In the spring of 2016, the Alberta Canola did an additional direct mailout to all growers in Alberta to insure that they were aware of the risks of clubroot and the best management practices to mitigate the disease and manage the stewardship of resistant varieties.



**THE NEWSLETTER CONTAINS AN
INVITATION TO THE POWERING
YOUR PROFITS TOUR**

CANOLA COUNCIL OF CANADA AGRONOMIST ACTIVITIES IN ALBERTA



KEY ALBERTA CANOLA EXTENSION EVENTS

Canola Leaders

In March, Alberta Canola hosted a leadership course for young farmers from across Alberta. The two day event introduced future agricultural leaders to four key topics: strategic thinking, governance, policy and communications.

"The whole experience was great. I would recommend it to anyone"



canolaPALOOZA

The second annual canolaPALOOZA was held at the Lacombe Research and Innovation Centre in Lacombe in June. canolaPALOOZA is hosted by Alberta Canola, the Canola Council of Canada and Agriculture & Agri-Food Canada.

The event featured western Canada's top researchers and leading agronomists leading over 500 participants through dozens of diagnostic plots. This unique event has a carnival like atmosphere complete with everything from food trucks to a canola edition of the Family Feud game show.

"Everyone took the time to help me gain a better understanding of the industry and demonstrated amazing patience with my many questions."

Leading Edge

Alberta Canola hosted a two-day farm management workshops in Red Deer in February. The delegates that attended the Leading Edge Farm Management conference had unprecedented access to some of Alberta's top farm financial management advisors, accountants and lawyers.

"the best conference I ever attended"

Hedging Edge

The Alberta Canola and the Alberta Wheat Commission hosted a two-day marketing courses in Red Deer in December. The two-day intensive training session provided attendees with a solid understanding of how to manage price risk and how to implement a marketing plan.

"after taking this course I am more comfortable with moving forward with opening a hedging account"

FarmTech Conference

Alberta Canola is a host of the FarmTech Conference along with Alberta Barley, Alberta Pulse Growers, Alberta Seed Growers Association and the Alberta Wheat Commission.

The Alberta Canola Annual General Meeting is held during the event. Agronomy, marketing, and farm management are key components of the agenda. FarmTech 2016 was held at the Edmonton EXPO Centre and attracted a crowd of over 2,000 delegates.



canoLAB

canoLAB is an indoor diagnostic event co hosted by Alberta Canola and the Canola Council of Canada. The two-day event is a hands-on indoor diagnostic event featuring leading researchers and agronomists with participants learning in a small group setting. The 2016 event was held at Lethbridge College in February.

"This was my third canoLAB and I will come again. It is awesome to see all the live interaction"

science-O-rama

A research update was hosted by Alberta Canola in February that was hosted by Murray Hartman, the Provincial Oilseed Specialist. The event held in Edmonton showcased current research work that is being funded by Alberta Canola and provided an opportunity for growers and agronomists to discuss the projects.

"Interesting and diverse range of topics. Good to learn some new things!"

Regional Meetings

Each November-December, each of Alberta Canola's twelve directors host a meeting to provide farmers with information on growing canola, marketing canola and farm management. The meetings also provide growers with the opportunity to learn about Alberta Canola activities, to review the Alberta Canola budget, to provide feedback and to give input.

"this is always one of the best meetings I attend every year – I don't know why every farmer isn't here"

Making The Grade



Alberta Canola, Alberta Barley, the Alberta Wheat Commission and the Alberta Pulse Growers hosted a one-day hands-on grain grading course for farmers in July at Lakeland College in Vermilion. Participants rotated through sessions where they learned how each commodity is graded and the agronomic factors that can affect their grades.

"Canola grading session was fantastic, wished we had more time"

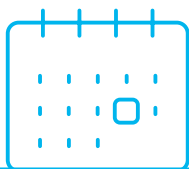
KEY PARTNERS & SPONSORSHIP

Grain Safety

Alberta Canola is a sponsor of the Canadian Agricultural Safety Association's Grain Safety Program. The heart of this program includes building a mobile demonstration unit which can function as both a grain entrapment demonstration unit and a rescue training unit.

Canola Council of Canada Crop Production and Innovation Team

Alberta Canola works very closely with the Canola Council of Canada agronomists to provide growers with agronomic information. The agronomists speak at winter meetings and crop tours, and are instrumental in producing the two featured agronomy events (canoLAB and canolaPALOOZA). Alberta Canola provides additional financial support to the Canola Council of Canada to ensure four agronomists are located in Alberta.



Event Sponsorship

Alberta Canola provides financial support for top quality extension events including:

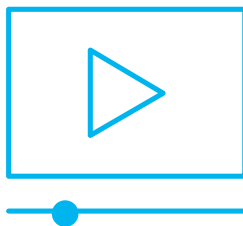
- Western Forum on Pest Management
- Farming Smarter Conference
- Agronomy Update
- Peace Agronomy Update
- Tactical Farming Conference
- Agricultural Institute of Canada

Applied Research Associations

Financial support is provided to applied research associations in Alberta to help these regional groups with their extension programs and events.

Canola School

Alberta Canola partners with SaskCanola and the Manitoba Canola Growers Association to sponsor the Canola School produced by RealAgriculture. The educational videos are available to grower through both the realagriculture.com and albertacanola.com websites.

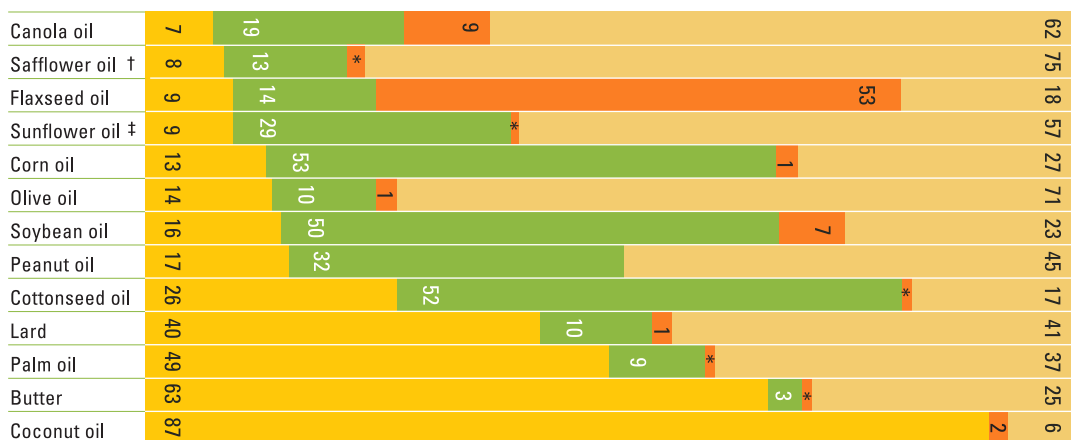


MARKET DEVELOPMENT REPORT

COMMITTEE CHAIR: TERRY YOUNG, COMMITTEE: STUART HOLMEN, KELLY MCINTYRE, KEVIN SERFAS, GREG SEARS

Comparison of Dietary Fats

Dietary Fat



SOURCES: CANADIAN NUTRIENT FILE AND USDA NATIONAL NUTRIENT DATABASE ACCESSED MAY 2016

Saturated Fat	Polyunsaturated Fat	Mono unsaturated Fat
	linoleic acid (an omega-6 essential fatty acid) alpha-linolenic acid (an omega-3 essential fatty acid)	oleic acid (an omega-9 fatty acid)
† High Oleic	† Mid Oleic * Trace	Fatty acid content expressed as g/100g fat



In the past fiscal year, Alberta Canola staff distributed almost **61,200** copies of the dietary fat chart either as paper, magnet or pens with the pull-out chart, at various events. In addition, the chart was printed in the **2,600** Canadian Diabetes 2016 calendars distributed in Alberta prior to December 2015 and the **7,000** Healthy Cooking cookbooks developed with the Heart & Stroke Foundation and available at the Calgary Stampede. Total: **70,800**

CANOLA OIL. HEALTHY.

One of the Canadian canola industry's friendliest and most popular resource – the dietary fatty acid chart – has seen a change. Traditionally, the chart was prepared and updated by Saskatoon's POS Bio-Sciences Plant – an independent, world-renown research group. Unfortunately, few dietetic professionals and consumers knew of/nor recognized the organization. So, this year, the numbers identifying saturated, mono and the polyunsaturated fatty acids – Omega-3 and Omega-6 were aligned with those published by the US Dept. of Agriculture Nutrient Database and Health Canada's Nutrient File. Needless to say, canola oil continues to have one of the best health profiles of any known vegetable oil or solid fat: the lowest in saturated fat, with very good amounts of monounsaturated fat, and a good balance of the poly's, Omega-3 and Omega-6.

"No butter needed! These Chocolate Chip Chia Cookies via @ReganJonesRDare made w/ canola oil & will be a family fave!" – International Canola Camper & Registered Dietitian
<http://healthyaperture.com/blog/post/chocolate-chip-chia-cookies>



Big cheers for canola oil from the audience at The Marilyn Denis Show on CTV when Chef Afrim said that 'canola oil is Canadian and he likes to use it' because, as Afrim Pristine said, "it's Canadian"! Canadians get it - Choose Canadian first, use whole foods most, supplement with global flavours and get in your kitchen to cook! Chef Afrim is maître fromager at Cheese Boutique and hosted a recent CEW grilled cheese workshop.

In addition to these public statements on canola oil's versatility, Alberta Canola was also involved in the following Alberta activities:

- Lead sponsor for Taste of Edmonton, facilitating canola oil usage by ALL vendors
- Sponsor of Desserts category at the Canadian Food Championships
- Sponsor of Taste of Alberta, the Grand Taste tour, and Taste dinners in support of Alberta grown foods
- Festival of Fine Chefs
- Christmas in November at Jasper Park Lodge



"Remember this simple, no-fail formula for creating your own delicious DIY dressings: 2:1:1. That's two parts oil, one part acid and one part emulsifier. Zannat Reza, a registered dietitian in the Toronto area, suggests using canola oil because "its neutral flavour allows other ingredients to sing," says Reza. "Canola contains a high amount of heart healthy omega-3 fats, plus it's a Canadian product."



– Toronto Sun July 26

CANOLA OIL. VERSATILE.

As a sponsor of the Canadian Food Championships' Dessert Category, the canola industry was able to see and realize canola's versatility in one category: baking. Canola oil has long been recognized as a staple to traditional carrot cake, and we can now appreciate its value for cake pops as well, among many other uses. Use cold-press canola oil and cream cheese icing dons a golden hue and unique flavor.

Need some textural opportunities? Add deep-fried barley kernels or a canola-popped corn to your finished

product. Or a sheen of canola oil to chocolate to enhance its smoothness and not detract from the flavor – ideal!

We added these elements to Jasper Park Lodge's Christmas in November program which saw hundreds of participants listen to retired Canadian Living recipe developer, Elizabeth Baird, and her sidekick, Emily Richards, demonstrate canola oil pastry. We also added giving away Breville's Individual Pie-Maker machines and the industry had another versatile win.



CANOLA OIL. LOCAL.

Alberta Canola's third market development goal states:

an awareness/understanding of canola's role in Canadian agriculture and the 'Made in Canada' canola oil which we are consuming.

To this end, Alberta Canola has focused much of its resources to student/school-focused activities:

- Update of canolalearningcentre.com
- Management/distribution of 13 Chase Superman Duffy books in English:



Edmonton's Goodwill Industries make 10,000 seed strips on brown paper towels annually. This gives students/teachers/parents an understanding of why canola is grown for its high oil content.

Alberta Canola staff also engaged consumers, as well as future consumers at the following agricultural events:

- The Bull Congress in Camrose
- Outstanding in the Field in Brooks
- Aggie Days in Calgary and Lethbridge
- City Slickers in Stony Plain
- Farm School in Spruce Grove
- Innisfail's Ag Society School Days
- Amazing Ag in Edmonton
- Ag-tivity in the City at the Calgary Stampede
- K-Days in Edmonton
- The Alberta Library Conference
- Red Deer's Children's Festival
- Classroom Agriculture Program

Staff at Ag-tivity in the City tallied 5513 conversations with attendees at Stampede.

CANOLA OIL. NATIONAL.

In partnership with others in the industry, Alberta Canola has represented Alberta's canola farmers at:

- Six Branding 'n Buzzing events featuring different chefs and media personalities from the Toronto area – trending on Twitter at each event, and with more than a million impressions
- Sponsor of Chinese Master Chefs competition in Vancouver
- Sponsor of canola oil for 45 culinary/food high school programs in Vancouver
- Sponsor of Canada Cooks the Books – a cooking competition for students from culinary colleges located in Manitoba, Ontario and Quebec, pairing cookbook authors with the students to demonstrate their knowledge of cooking and canola
- Sponsor of the Canadian Food Writing Awards
- Hosting Eat.Learn.Make. – a sold-out workshop for registered dietitians from throughout Canada
- Display at the Dietitians of Canada conference
- Hosted 12 influential media, chefs and dietitians at Manitoba's Harvest camp.

CANOLA OIL. INTERNATIONAL.

To support canola's international markets, Alberta Canola staff welcomed visitors from India, Mexico and the United States.



GOVERNMENT & INDUSTRY AFFAIRS

COMMITTEE CHAIR: STEVE MARSHMAN, COMMITTEE: RENN BREITKREUZ, DENIS GUINDON, TERRY YOUNG, GREG SEARS

Policy and advocacy have a strong impact on the long-term profitability of canola production. There are many local, provincial, national and international issues that affect the success of the canola industry. Alberta Canola directors and staff work with government and industry to encourage and promote strategic management, facilitate discussions and provide recommendations for resolving crop related policy issues.

In January of 2016 the new Government and Industry Affairs Committee (GIA) was established. The GIA Committee is responsible for keeping the board current on issues affecting the canola industry, advising governments on policy matters of concern to the canola industry, supporting all Alberta Canola activities, and providing information to its national and provincial canola partners. In collaboration with the national canola organizations, Alberta Canola is committed to addressing these issues and aligning policy priorities both provincially and federally for the betterment of the canola industry.



2015-16 GIA PRIORITIES

Government Relations:



TEAM ALBERTA FEDERAL OUTREACH:

Alberta Canola is part of a collaborative approach to advance policy on behalf of the province's four major crop commissions along with Alberta Barley, Alberta Pulse Growers, and the Alberta Wheat Commission. Team Alberta engaged in a second annual joint lobby mission to Ottawa to deliver a unified Alberta perspective on transportation, trade, sustainability, and research. Our team approach has been so successful that a provincial outreach is being planned for this fall.



CHOPS & CROPS...AN ALBERTA GROWN RECEPTION:

Eight commissions co-host an annual reception that brings farmer directors, industry stakeholders, MLAs, and public servants together to promote Alberta's agriculture industry and highlight opportunities and challenges shared by our organizations.



CROP SECTOR WORKING GROUP (CSWG):

Alberta Canola is a member of CSWG, which includes many of Alberta's farmer-directed cropping organizations. CSWG members work together to proactively address agri-environmental initiatives and issues affecting the crop sector (e.g. AEPA, agricultural plastics, Agricultural Operations Practices Act legislation review, Alberta Water Council, Bow River Phosphorus Management Plan, Ecosystem Services Advisory Committee, etc.).

TEAM ALBERTA NEWSLETTER:

At the request of MPs to stay connected and current on Alberta crop sector issues, Team Alberta leveraged our combined talent and resources to initiate a quarterly newsletter to communicate with our key elected officials.

ELECTION MESSAGING: Alberta Canola provides key messaging about the canola industry to inform Alberta candidates running for elected positions at all levels of government.

AGRI-ENVIRONMENTAL PARTNERSHIP OF ALBERTA (AEPA):

Alberta Canola is a member of AEPA, which includes 24 agriculture and/or environment stakeholders from across government, non-government organizations, and industry. AEPA members work together to proactively address agri-environmental issues (e.g. Wetland Policy Implementation, water quality, air quality, social licence, land-use planning, ecosystem services, biodiversity, etc.) from a policy perspective.



Government Consultations:



AGCOALITION:

The Alberta Agriculture Farm and Ranch Safety Coalition (AgCoalition) was formed based on a common industry goal to foster a culture of farm safety in Alberta. On January 22nd, 2016, producer groups from across the crop and livestock sector met to develop a unified approach to farm safety in response to Bill 6, The Enhanced Protection for Farm and Ranch Workers Act legislation. The AgCoalition is producer-driven with a governance structure that will allow us to develop positions that make sense at the farm level. With 29 member organizations, including, Alberta Canola, the AgCoalition represents over 97 per cent of the agriculture industry in Alberta and presents a unified voice that will have allowed us to work efficiently and effectively with the Government of Alberta on Bill 6, farm safety, and in our own consultations across the province.



MUNICIPAL GOVERNMENT ACT REVIEW:

Alberta Canola has been active in the government consultation process that is looking at changes to assessment and taxation of agricultural land and buildings.

WCB REVIEW:

The workers' compensation system had not been reviewed in over 15 years. Alberta Canola asked the Government of Alberta to engage the AgCoalition in the WCB Review because of the recently implemented mandatory occupational health and safety legislation for farms and ranches.

COMPETITION BUREAU

Dow/DuPont Merger: Alberta Canola was invited to comment on how the merger of these two life science companies would affect the agriculture industry at the farm gate.



SENATE COMMITTEE MEETING ON INTERNATIONAL TRADE:

This spring Alberta Canola was invited to provide testimony in front of two committees of the Canadian Parliament. On April 19th Janelle Whitley, from the Canadian Canola Growers Association, and our chair Greg Sears, appeared before the House of Commons Standing Committee on International Trade to discuss the impacts of Canada's participation in the Trans Pacific Partnership. On May 18th Alberta Canola general manager Ward Toma and Greg Sears testified before the Senate's Standing Committee on Agriculture and Forestry regarding trade agreement and market access issues that affect canola growers.

CLIMATE LEADERSHIP:

Alberta Canola participated in the Climate Change Advisory Panel meetings to explain how Alberta's farmers are among the most environmentally sustainable in the world and how various farming practices provide solutions to mitigate climate change. As part of TeamAlberta, we continue to work with the government to understand how the carbon levy will impact farmers and the agriculture industry in Alberta.



CANADA TRANSPORTATION ACT (CTA) REVIEW AND EXTENSION OF THE FAIR RAIL FOR GRAIN FARMERS ACT:

Predictable, timely, and efficient rail service is critical for our over \$19 billion canola industry. Team Alberta is working with industry partners across the country to resolve many of the long-standing grain handling and transportation challenges, which are critical to canola's future growth.

Government & Industry Affairs:



CANADIAN AGRICULTURAL HUMAN RESOURCES COUNCIL (CAHRC) PARTNERSHIP:

This partnership was established to improve the labour situation within Canada's agricultural and agri-food industry.

NATIONAL ENVIRONMENTAL FARM PLAN (NEFP): NEFP

The NEFP was born on June 28, 2016 when all of the Canadian provincial and territorial environmental farm plans signed on to form a national umbrella group. The first official nation meeting of this new organization will be held on November 1 & 2 at the NEFP Summit in Ottawa. It was felt a national organization was needed to develop a more uniform EFP across the country.



ALBERTA FARM SUSTAINABILITY EXTENSION WORKING GROUP (AFSE):

The AFSE working group is the continuation of the Team Alberta sustainability assessment pilot project.

- Jolene Noble, Extension Coordinator – hired to help develop an extension program to increase Alberta's farmers' awareness and uptake of on-farm sustainability best practices.
- 2016 AFSE Survey – a quantitative study that benchmarks the readiness of Alberta farmers to participate in international sustainability programs.



CANADIAN CANOLA GROWERS ASSOCIATION (CCGA):

Fair Grading Practices Working Group: This is an Ad Hoc CCGA Marketing Committee created to explore issues relating to Alberta Canola's 2016 AGM Resolution on grain grading and dockage.

Alternative & Renewable Fuels: Alberta Canola, CCGA, and the Canola Biodiesel Working Group advocates for an expansion of Alberta's Renewable Fuel Standard (RFS) for renewable diesel from 2% to 5% by 2020 and enhancement of performance standards (e.g. GHG reductions and renewable biomass).

CANOLA COUNCIL OF CANADA (CCC):

Free Trade Agreements (FTA): Alberta Canola supports FTAs like Canada-EU Comprehensive Economic Trade Agreement (CETA) and Trans-Pacific Partnership (TPP) because it represents significant opportunities for canola demand and reduces barriers to trade

Keep It Clean Program: Canada exports over 90% of our canola production, so Canadian farm practices must align with our customers' requirements for pesticide use, storage, disease management, and varieties.

Pollinator Health: Alberta Canola continues to work with the national canola organizations to maintain the mutually beneficial relationship between the canola and honey industries. Canola production practices are bee-friendly practices

ALBERTA ENVIRONMENTAL FARM PLAN (AEFP) ADVISORY COUNCIL: AEFP

The AEFP Stakeholder Advisory Committee is made of individuals from numerous stakeholder groups throughout the Alberta agriculture industry including the canola, milk, potato & barley provincial boards as well as numerous other provincial & federal government agencies. The Committee typically meets quarterly to discuss the current operation of the AEFP as well as the future direction of the Plan. Sustainable sourcing and Species at Risk (SAR) have been large areas of discussion over the past year. The formulation of the NEFP will likely require the AEFP to make some changes to the Plan in order to conform to a national standard.



GOVERNANCE & FINANCE REPORT

COMMITTEE CHAIR: RENN BREITKREUZ, COMMITTEE: TERRY YOUNG, JOHN GUELLY, DALE UGLEM



THE GOVERNANCE AND FINANCE COMMITTEE PROVIDES ACCOUNTABILITY TO ALBERTA'S CANOLA GROWERS THROUGH MONITORING THE ADMINISTRATION AND PROGRAM EXPENDITURES AND REVIEWING THE GOVERNANCE ACTIVITIES OF THE BOARD. THE AUDITED FINANCIAL STATEMENTS ARE INCLUDED IN THIS ANNUAL REPORT.



SERVICE CHARGE REVENUE

Revenue from service charge collected was just over \$6 million dollars and 17 percent more than the \$5.2 million which was estimated in the fall of 2015 after harvest. Average annual yields were higher than estimated and increased farmer deliveries at the end of the crop year led to greater than budgeted service charge revenue.



OFFICE ADMINISTRATION

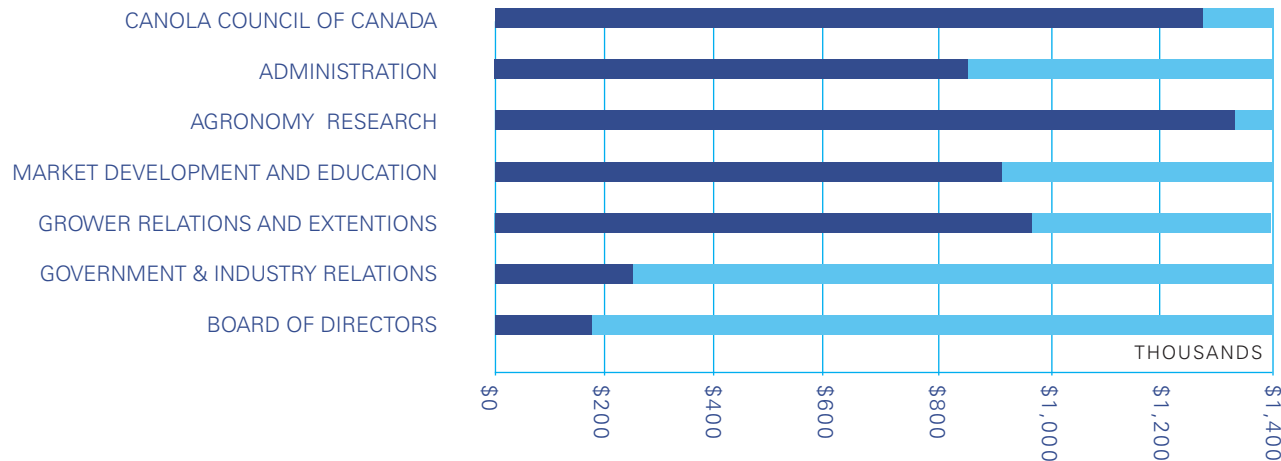
Expenditures for the office administration were 15 percent of total expenditures and 9 percent more than budgeted. This was primarily due to hiring staff for program delivery rather than using contractors. Expenses related to the Board of Directors represented 3 percent of total expenditures and were 3 percent over budget. Increased Director participation in activities surrounding government relations were the main reason there was an increase in this area.



GROWER RELATIONS & EXTENSION

The Grower Relations and Extension (GRE) budget was 17 percent of total expenses and was on budget. The GRE reflects the Board of Directors goal providing educational opportunities for farmers in agronomy, marketing, farm management, leadership development either alone or in cooperation with other groups in Alberta.

ALBERTA CANOLA EXPENDITURES 2015-2016



MARKET DEVELOPMENT, PROMOTION AND EDUCATION

The Market Development budget ended the year at 15 per cent of the total budget and it was under budget by 22 percent. Several planned projects and programs did not occur due to various factors and rather than using contractors for program delivery staff was hired and this was accounted for in the administration expense area. Market development research projects were not executed in the year so this area was under budget.



RESEARCH

The canola production research budget represented 24 percent of the Alberta Canola budget this year but was 31 percent under budget. The Alberta Crop Industry Development Fund, (ACIDF) has been a funding partner in many canola related research projects in the past years. As ACIDF has fully allocated its resources it has withdrawn for co-funding research. This has left some larger research proposals stranded due to a lack of funding.



CANOLA COUNCIL OF CANADA

The annual contribution to the Canola Council of Canada (CCC) last year was 22 per cent of the total Alberta Canola budget. This contribution is used by the CCC to fund its operations and programs in research coordination, product promotion, international market development, government advocacy and grower extension programs. The \$0.23/tonne levy is based on the net tonnage the Alberta canola collected its service charge from previous fiscal year.

Independent Auditors' Report

Grant Thornton LLP
Suite 201
4870 - 51 Street
Camrose, AB
T4V 1S1

T +1 780 672 9217
F +1 780 672 9216

To the Board of Directors
Alberta Canola Producers Commission

We have audited the accompanying financial statements of Alberta Canola Producers Commission which comprise the statement of financial position as at July 31, 2016, and the statements of operations, statement of changes in net assets and statement of cash flow 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.

Auditors' 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 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 auditors' 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 preparations 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 qualified audit opinion.

Basis for Qualified Opinion

The Commission is dependent upon individual grain companies and other purchasers of canola to report to the Commission the service fee levies collected from producers. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Commission. Therefore, we were not able to determine whether any adjustments might be necessary to service fee revenues, excess of revenues over expenses, and cash flows from operations for the year ended July 31, 2016, current assets and net assets as at July 31, 2016.

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the entity as at July 31, 2016 and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Alberta Canola Producers Commission

Statement of Operations

Year ended July 31

	2016	2015
Revenues		
Service fee levies	\$ 6,063,514	\$ 5,762,679
Refunds	(349,206)	(320,150)
Membership and public relations	1,500	1,320
Bank interest	53,880	61,522
Investment income	124,169	150,487
Change in market value of investments	(20,806)	17,910
Project fees	205,787	237,362
Recovery of research expense	<u>12,359</u>	<u>-</u>
	<u>6,091,197</u>	<u>5,911,130</u>
Expenses		
General office and administration (Schedule 1)	815,609	688,791
Board of Directors (Schedule 2)	190,563	195,611
Government and industry relations (Schedule 3)	229,422	152,006
Grower relations and extension (Schedule 4)	938,262	932,937
Market development (Schedule 5)	865,490	928,066
Research (Schedule 6)	1,330,829	1,344,629
Investment management fees	30,117	30,743
Annual contribution to Canola Council of Canada	1,251,660	1,243,840
Agricultural Bioproducts Innovation Prog. - net (Schedule 7)	-	3,907
Crop Sector Working Group - net (Schedule 8)	<u>-</u>	<u>-</u>
	<u>5,651,952</u>	<u>5,520,530</u>
Excess of revenues over expenses from operations	439,245	390,600
Loss on disposal of intangible asset	<u>-</u>	<u>(33,172)</u>
Excess of revenues over expenses for the year	<u>\$ 439,245</u>	<u>\$ 357,428</u>

See accompanying notes and schedules to the financial statements.

Alberta Canola Producers Commission

Statement of Financial Position

July 31

2016

2015

Assets

Current

Cash	\$ 5,712,654	\$ 5,362,351
Accounts receivable (Note 3)	696,500	896,707
Investments (Note 4)	3,640,862	3,738,682
Prepaid expenses	<u>62,041</u>	<u>62,703</u>
	10,112,057	10,060,443

Capital assets (Note 5)	180,102	200,437
-------------------------	---------	---------

Intangible assets (Note 6)	<u>103,516</u>	<u>103,516</u>
----------------------------	----------------	----------------

	<u>\$ 10,395,675</u>	<u>\$ 10,364,396</u>
--	----------------------	----------------------

Liabilities

Current

Accounts payable and accrued liabilities (Note 7)	\$ 680,178	\$ 1,298,550
Deferred contributions (Note 8)	<u>513,383</u>	<u>302,977</u>
	<u>1,193,561</u>	<u>1,601,527</u>

Members' Equity

Unrestricted members' equity	3,263,278	3,404,757
Equity in capital assets	283,618	303,953
Future commitments reserve (Note 9)	1,520,964	984,456
Internally restricted reserves (Note 10)	<u>4,134,254</u>	<u>4,069,703</u>
	<u>9,202,114</u>	<u>8,762,869</u>

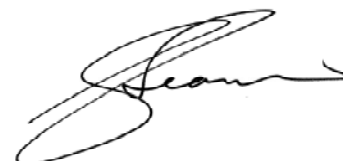
	<u>\$ 10,395,675</u>	<u>\$ 10,364,396</u>
--	----------------------	----------------------

Approved on behalf of the board

See accompanying notes and schedules to the financial statements.



Director



Director

Alberta Canola Producers Commission

Statement of Changes in Members' Equity

Year ended July 31

					2016	2015
	Unrestricted Members' equity	Equity in Capital assets	Future Commitments Reserve	Internally Restricted Reserves	Total	Total
Balance, beginning of year	\$ 3,404,757	\$ 303,953	\$ 984,456	\$ 4,069,703	\$ 8,762,869	\$ 8,405,441
Excess of revenues over expenses for the year	439,245	-	-	-	439,245	357,428
Transfer to future commitments reserve - net (Note13)	(536,508)	-	536,508	-	-	-
Interest on internally restricted reserves (Note 10)	(64,551)	-	-	64,551	-	-
Purchase of capital and intangible assets (Note13)	(27,644)	27,644	-	-	-	-
Amortization of capital assets	<u>47,979</u>	<u>(47,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 3,263,278</u>	<u>\$ 283,618</u>	<u>\$ 1,520,964</u>	<u>\$ 4,134,254</u>	<u>\$ 9,202,114</u>	<u>\$ 8,762,869</u>

See accompanying notes and schedules to the financial statements.

Alberta Canola Producers Commission

Statement of Cash Flows

Year ended July 31

2016

2015

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenues over expenses for the year from operations	\$ 439,245	\$ 357,428
Items not affecting cash flow		
Amortization of capital assets	47,979	29,657
Loss on sale of intangible assets	-	33,172
	<u>487,224</u>	<u>420,257</u>
Changes in non-cash working capital items		
Accounts receivable	200,206	109,478
Prepaid expenses	663	(6,107)
Accounts payable and accrued liabilities	(618,372)	97,614
Deferred contributions	<u>210,406</u>	<u>152,143</u>
	<u>280,127</u>	<u>773,385</u>

Investing

Purchase of capital assets and intangible assets	(27,644)	(213,108)
Decrease in investments	<u>97,820</u>	<u>12,346</u>
	<u>70,176</u>	<u>(200,762)</u>

Increase in cash for the year	350,303	572,623
Cash and cash equivalents, beginning of year	<u>5,362,351</u>	<u>4,789,728</u>
Cash and cash equivalents, end of year	<u>\$ 5,712,654</u>	<u>\$ 5,362,351</u>

See accompanying notes and schedules to the financial statements.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2016

1. Purpose of the organization

The Alberta Canola Producers Commission was created August 1, 1989. It was created to serve the canola producers of the Province of Alberta by marketing and developing uses for canola. It was established under Alberta's Marketing of Agricultural Products Act and operates under the supervision of the Alberta Agricultural Products Marketing Council. The Commission is a not-for-profit agricultural organization under the Canadian Income Tax Act and, as such, is not taxable.

2. Significant accounting policies

Basis of presentation

The Commission has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Commission follows the deferral method of accounting for contributions.

Service fee levies received from canola producers are unrestricted and recognized in the year they are receivable.

Restricted grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants are recognized in the year in which they are receivable.

Investment income is recognized as revenue as it is earned.

All other revenue are recognized when receivable.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of outstanding cheques and deposits, and short term money market funds with maturities of six months or less.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2016

2. Significant accounting policies (continued)

Investments

The Commission holds investments in certain marketable securities. These investments are quoted in an active market and as a result are carried at fair value. Changes in fair value are recorded in net income.

Capital assets

Capital assets are accounted for at cost. Amortization is recorded using the following methods and rates which are intended to amortize the cost of assets over their estimated useful lives.

Computer equipment	straight-line	3 years
Computer software	straight-line	3 years
Equipment	declining balance	30%
Furniture and fixtures	declining balance	20%
Leasehold improvements	straight-line	15 years

When a capital asset no longer has any long-term service potential to the Commission, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any write-downs recognized are not reversed.

Intangible assets

Intangible assets are recorded at gross carrying amount. The life of these assets is determined to be indefinite and therefore no amortization is recorded. The Commission's management writes down the carrying amount when they have determined an impairment has occurred.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant estimates are allowance for uncollectible accounts receivable and amortization.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2016

2. Significant accounting policies (continued)

Financial instruments

Initial measurement

The Commission's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Commission measures its financial assets and liabilities at amortized cost, except for equities quoted in an active market, which must be measured at fair value. All changes in fair value of the Commission's investments in equities quoted in an active market are recorded in the statement of operations. The financial instruments measured at amortized cost are cash, accounts receivable, accounts payable and accrued liabilities.

For financial assets measured at amortized cost, the Commission regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Commission determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

3. Accounts receivable

	2016	2015
Service fee levies and other funding	\$ 561,500	\$ 765,040
Crop Sector Working Group	<u>135,000</u>	<u>131,667</u>
	<u>\$ 696,500</u>	<u>\$ 896,707</u>

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2016

4. Investments at fair value

	2016	2015
Cash and short term securities	\$ 88,225	\$ 85,910
Fixed income	2,811,718	2,773,485
Equities	<u>740,919</u>	<u>879,287</u>
	<u>\$ 3,640,862</u>	<u>\$ 3,738,682</u>

5. Capital assets

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Equipment	\$ 156,633	\$ 156,289	\$ 344	\$ 492
Furniture and fixtures	225,007	152,101	72,906	89,835
Computer equipment	107,603	55,351	52,252	51,310
Computer software	839	839	-	-
Leasehold improvements	<u>63,698</u>	<u>9,098</u>	<u>54,600</u>	<u>58,800</u>
	<u>\$ 553,780</u>	<u>\$ 373,678</u>	<u>\$ 180,102</u>	<u>\$ 200,437</u>

6. Acquired intangible assets

	2016 Gross Carrying amount	2015 Gross Carrying amount
Unamortized intangible assets		
Website development	<u>\$ 103,516</u>	<u>\$ 103,516</u>

7. Accounts payable and accrued liabilities

There are nil \$ of government remittances included in accounts payable and accrued liabilities. (2015 - \$183).

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2016

8. Deferred contributions

Deferred contributions represent unspent resources externally restricted for various purposes and restricted operating funding received in the current period that is related to the subsequent period. The deferred contribution balances at the end of the year are as follows:

	2016	2015
ACIDF canola books	\$ -	\$ 53,660
Sustainability Project	258,100	-
Crop Sector Working Group	255,284	249,318
	<u>\$ 513,384</u>	<u>\$ 302,978</u>

9. Future commitments reserve

The Commission has internally restricted reserve funds for all the future commitments it has for the various projects it funds relating to canola research and development and market development. These internally restricted amounts are not available for other purposes without approval of the board of directors.

10. Internally restricted reserves

The major categories of the internally restricted reserves are as follows:

	2016	2015
Crop failure contingency reserve	\$ 1,000,000	\$ 1,000,000
Future research contingency reserve	2,834,254	2,769,703
Shutdown reserve	300,000	300,000
	<u>\$ 4,134,254</u>	<u>\$ 4,069,703</u>

In 2011 the Commission's board of directors internally restricted \$3,000,000 of unrestricted members' equity to be used for future research purposes and \$1,000,000 of unrestricted members' equity to be held for crop failure contingency purposes. These internally restricted amounts are not available for other purposes without approval of the board of directors.

Any income earned in the Market Research Fund is required to be maintained in that fund, for 2016 this amount was \$64,551. (2015 - \$85,034)

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2016

11. Commitments

The Commission has entered into various agreements to fund projects relating to canola research and development and market development. The continued funding of these projects is at the Board of Directors' discretion and is subject to the recipients of the funding meeting the specified terms and conditions of the agreements.

Commitments related to various agronomic research projects are as follows:

2017	\$ 575,913
2018	494,885
2019	43,600
2020	52,333

Commitments related to various product and market development research projects are as follows:

2017	\$ 160,296
2018	94,326

The Commission has a lease agreement for office premises expiring February 28, 2025 with an option to renew, at market rates, for an additional 5 year period ending February 28, 2030. The annual rental costs, not including operating costs over the next ten years are as follows:

2017	\$ 112,000
2018	112,000
2019	112,000
2020	117,831
2021-2025	577,500

In addition to the above noted minimum lease payments the Commission is also obligated to pay their share of operating costs, which fluctuate year to year.

The Commission has committed \$99,613 (2015 - \$99,613) as a contribution to the Calgary Stampede.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2016

12. Financial instrument risks

The Commission's main financial instrument risk exposure is detailed as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risks relate to its accounts receivable. Management's opinion is that the Commission is not exposed to significant risk. There was no significant change in exposure from the prior year.

Liquidity risk

The Commission's liquidity risk represents the risk that the Commission could encounter difficulty in meeting obligations associated with its financial liabilities, specifically its accounts payable. The Commission has determined that it is not exposed to a significant amount of liquidity risk with respect to its accounts payable. There was no significant change in exposure from the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission is exposed to interest rate risk on its bonds. Fixed rate instruments subject the company to a fair value risk. There was no significant change in exposure from the prior year.

Other price risk

The Commission is exposed to other price risk on investments in equities quoted in active market since changes in market prices could result in changes in the fair value of these instruments. The Commission has changed the composition of the investment portfolio in the current year, moving from fixed income to equity investments, therefore increasing exposure to this risk.

13. Inter-fund transfers

In 2016, the Commission transferred a net of \$20,334 (2015 - \$(150,279)) to (from) Unrestricted Members' Equity from (to) the Capital Asset Fund in order to fund the cash outlays for capital asset acquisitions, less amortization expense for the year. The Commission transferred a net amount of \$536,508 (2015 - \$685,828) from Unrestricted Members' Equity to the Future Commitments Reserve in order to fund research projects.

14. Comparative figures

Comparative figures have been restated to conform to changes in the current year presentation.

Alberta Canola Producers Commission

Schedule 1 to 6 - Expenses

Year ended July 31

	2016	2015
Schedule 1 - General office and administration expenses		
Salaries, wages and benefits	\$ 465,932	\$ 426,148
Rental	156,083	85,314
Office	46,741	36,001
Professional fees	22,925	27,127
Amortization	47,979	29,657
Telephone, fax and internet	49,302	39,378
Moving costs	960	27,431
Insurance	7,200	6,938
Repairs and maintenance	8,963	4,568
Dues and memberships	6,199	2,697
Interest and bank charges	3,325	3,532
	<u>\$ 815,609</u>	<u>\$ 688,791</u>
Schedule 2 - Board of Directors expense		
Directors and management expenses	\$ 108,202	\$ 113,890
Director fees	82,361	81,721
	<u>\$ 190,563</u>	<u>\$ 195,611</u>
Schedule 3 - Government and industry relations		
Government affairs - directors' fees	\$ 6,863	\$ 4,738
Professional fees and expenses	105,182	112,529
Government and industry affairs	117,377	34,739
	<u>\$ 229,422</u>	<u>\$ 152,006</u>

Schedule 4 - Grower relations and extension

Director's fees and expenses	\$ 20,385	\$ 33,654
Regional meetings and elections	-	876
Grower communications	127,143	143,186
Staffing and expenses	134,224	117,917
Canola Council Extension	203,641	198,718
Extension events and programming	317,734	266,321
Program planning	11,300	2,825
Sponsorship and extension support	<u>123,835</u>	<u>169,440</u>
	<u>\$ 938,262</u>	<u>\$ 932,937</u>

Alberta Canola Producers Commission**Schedule 1 to 6 - Expenses**

Year ended July 31

	2016	2015
Schedule 5 - Market development and promotion		
Market development goals	\$ 605,806	\$ 642,963
Committee and managers expenses	336	-
Professional fees	251,547	275,685
Committee directors' fees	<u>7,801</u>	<u>9,418</u>
	<u>\$ 865,490</u>	<u>\$ 928,066</u>
Schedule 6 - Research and development		
Research and development programs	\$ 1,307,216	\$ 1,325,816
Committee fees and expenses	<u>23,613</u>	<u>18,813</u>
	<u>\$ 1,330,829</u>	<u>\$ 1,344,629</u>

Alberta Canola Producers Commission**Schedule 7 - Operations for Agricultural Bioproducts Innovation Program**

Year ended July 31

	2016	2015
Project funding	\$ <u>-</u>	\$ <u>-</u>
Expenses		
Admin	-	3,825
Interest and bank charges	<u>-</u>	<u>82</u>
	<u>-</u>	<u>3,907</u>
Deficiency of revenues over expenses for the year	\$ <u>-</u>	\$ <u>(3,907)</u>

Alberta Canola Producers Commission**Schedule 8 - Operations for Crop Sector Working Group**

Year ended July 31

	2016	2015
Contributions	\$ <u>34,034</u>	\$ <u>46,517</u>
Expenses		
Conference and meetings	2,801	6,894
Interest and bank charges	48	98
Wages	<u>31,185</u>	<u>39,525</u>
	<u>34,034</u>	<u>46,517</u>
Excess of revenues over expenses for the year	\$ <u>-</u>	\$ <u>-</u>

GENERAL STATISTICS

TABLE 1: SUMMARY OF PRODUCERS, SERVICE CHARGES AND REFUNDS BY REGION FOR 2015-16 CROP YEAR

Region	Total Number of Producers	Total Service Charges Received	Number of Producers Refunded	Total Service Charges Refunded	Percentage of Producers Refunded	Percentage of Service Charges Refunded
1	744	\$266,678	41	\$31,020	5.5%	11.6%
2	712	\$407,610	49	\$51,915	6.9%	12.7%
3	455	\$351,265	20	\$25,125	4.4%	7.2%
4	1,636	\$695,565	86	\$63,948	5.3%	9.2%
5	1,497	\$616,432	55	\$40,831	3.7%	6.6%
6	858	\$231,100	13	\$7,576	1.5%	3.3%
7	1,383	\$466,043	16	\$12,064	1.2%	2.6%
8	1,803	\$731,995	17	\$11,792	0.9%	1.6%
9	1,101	\$600,384	22	\$12,898	2.0%	2.1%
10	1,091	\$483,039	21	\$15,519	1.9%	3.2%
11	1,795	\$808,705	70	\$58,773	3.9%	7.3%
12	825	\$333,934	22	\$7,756	2.7%	2.3%
other*	288	\$80,153	2	\$67	0.7%	0.1%
Total	14,188	\$6,072,902	434	\$339,283	3.1%	5.6%

**other includes producers with mailing addresses that are within major urban centres or outside of Alberta*

TABLE 2: SUMMARY OF PRODUCERS, SERVICE CHARGES AND REFUNDS BY CROP YEAR

Year	Total Number of Producers	Total Service Charges Received	Number of Producers Refunded	Total Service Charges Refunded	Percentage of Producers Refunded	Percentage of Service Charges Refunded
2015-16	14,188	\$6,072,902	438	\$339,283	3.1%	5.6%
2014-15	14,219	\$5,778,185	409	\$317,333	2.9%	5.5%
2013-14	15,274	\$5,503,904	392	\$317,439	2.6%	5.8%
2012-13	15,580	\$5,017,534	424	\$317,365	2.7%	6.3%
2011-12	14,290	\$5,615,117	436	\$332,213	3.1%	5.9%

TABLE 3: HARVESTED CANADIAN CANOLA ACRES (*Thousands of acres*)

Year	Alberta	Saskatchewan	Manitoba	B.C.	Ontario	Quebec	Total Canada
2007	5,000	7,475	3,035	70	48	21	15,649
2008	5,170	7,650	3,080	50	55	47	16,052
2009	4,900	7,850	3,200	72	50	30	16,102
2010	5,500	8,125	3,110	100	80	31	16,946
2011	5,970	9,850	2,720	85	88	41	18,754
2012	6,550	11,400	3,550	120	74	41	21,744
2013	6,180	10,600	3,175	100	60	38	20,160
2014	6,725	10,650	3,075	104	32	32	20,618
2015	6,180	11,100	3,130	90	35	29	20,564
2016(p)	5,770	10,765	3,050	95	35	30	19,745
5 Year Avg	6,281	10,903	3,196	102	47	34	20,566
10 Year Avg	5,795	9,547	3,113	89	56	34	18,633

Source: Statistics Canada CANSIM Table 001-0017 as posted September 28, 2016 (p) Projected September 2016

TABLE 4: CANADIAN CANOLA PRODUCTION (Thousands of Tonnes)

Year	Alberta	Saskatchewan	Manitoba	B.C.	Ontario	Quebec	Total Canada
2007	3,402	4,155	1,950	48	38	19	9,611
2008	4,323	5,629	2,576	32	50	35	12,645
2009	3,629	6,260	2,892	50	45	24	12,898
2010	4,740	5,693	2,216	40	76	25	12,789
2011	5,348	7,348	1,746	56	74	36	14,608
2012	5,097	6,486	2,100	83	61	33	13,869
2013	6,169	9,179	3,026	89	50	34	18,551
2014	5,797	7,972	2,511	72	31	28	16,410
2015	5,851	9,537	2,635	71	34	26	18,377
2016 (p)	5,386	8,868	2,635	75	32	28	17,024
5 Year Avg	5,660	8,408	2,581	78	42	30	16,846
10 Year Avg	4,974	7,113	2,429	61	49	29	14,678

Source: Statistics Canada CANSIM Table 001-0010 as posted September 28, 2016 (p) Projected September 2016

TABLE 5: CANADIAN CANOLA YIELD (*bushels per acre*)

Year	Alberta	Saskatchewan	Manitoba	B.C.	Ontario	Quebec	Total Canada
2007	30.0	24.5	28.3	30.0	34.7	38.8	27.1
2008	36.9	32.4	36.9	28.0	40.0	32.9	34.7
2009	32.7	35.1	39.8	30.6	39.4	34.9	35.3
2010	38.0	30.9	31.4	17.5	41.6	35.7	33.3
2011	39.5	32.9	28.3	29.1	36.9	38.9	34.3
2012	34.3	25.1	26.1	30.4	36.5	35.7	28.1
2013	44.0	38.2	42.0	39.1	36.7	39.3	40.6
2014	38.0	33.0	36.0	30.5	43.1	37.7	35.1
2015	41.7	37.9	40.3	34.7	42.9	39.7	39.4
2016 (p)	41.2	36.3	38.1	34.8	40.0	40.9	38.0
5 Year Avg	39.8	34.1	36.5	33.9	39.8	38.7	36.2
10 Year Avg	37.6	32.6	34.7	30.5	39.2	37.5	34.6

Source: Statistics Canada CANSIM Table 001-0017 as posted September 28, 2016 (p) Projected September 2016



CONTACT

14560-116 AVENUE NW EDMONTON, AB T5M 3E9
PHONE: 780-454-0844 | FAX: 780-451-6933
WEB@ALBERTACANOLA.COM

BOARD OF DIRECTORS

1 KELLY MCINTYRE
Fairview, AB
780-835-2626

2 GREG SEARS
Sexsmith, AB
780-518-1601

3 DENIS GUINDON
Falher, AB
780-837-6343

4 DARYL TUCK
Vegreville, AB
780-632-1374

5 JOHN GUELLY
Westlock, AB
780-349-5352

6 RENN BREITKREUZ
Onoway, AB
780-905-2440

7 TERRY YOUNG
Lacombe, AB
403-347-7664

8 STEVE MARSHMAN
Strathmore, AB
403-934-1222

9 KEVIN SERFAS
Turin, AB
403-330-5603

10 STUART HOLMEN
Paradise Valley, AB
780-872-0042

11 DALE UGLEM
Bawlf, AB
780-679-8949

12 VACANT

CHAIR

GREG SEARS

(The Chair resides on all committees)

COMMITTEES

GOVERNANCE & FINANCE

Committee Chair: Renn Breitkreuz
John Guelly, Dale Uglem, Terry Young,
Greg Sears

AGRONOMIC RESEARCH

Committee Chair: Daryl Tuck
John Guelly, Kelly McIntyre, Dale
Uglem, Greg Sears

GROWER RELATIONS & EXTENSION

Committee Chair: Stuart Holmen
Denis Guindon, John Guelly, Kevin
Serfas, Greg Sears

MARKET DEVELOPMENT

Committee Chair: Terry Young
Stuart Holmen, Kelly McIntyre, Kevin
Serfas, Greg Sears

GOVERNMENT & INDUSTRY AFFAIRS

Committee Chair: Steve Marshman
Renn Breitkreuz, Denis Guindon, Terry
Young, Greg Sears

VICE CHAIR

RENN BREITKREUZ

STAFF

GENERAL MANAGER

Ward Toma, 780-454-0844

MARKET DEVELOPMENT & PROMOTIONS COORDINATOR

Simone Demers Collins, 780-719-5107

GROWER RELATIONS & EXTENSION COORDINATOR

Rick Taillieu, 780-678-6167

POLICY ANALYST

Karla Bergstrom, 780-454-0844

COMMUNICATIONS COORDINATOR

Megan Madden, 780-686-8807

ADMINISTRATIVE ASSISTANT

Sophal Khiev, 780-454-0844

RECORDS ADMINISTRATION

Cheryl Rossi, 780-454-0844

CONTROLLER

Kamilla Sulikowski, 780-454-0844



14560- 116 AVENUE NW
EDMONTON, AB T5M 3E9
PHONE: 780-454-0844
FAX: 780-451-6933
WEB@ALBERTACANOLA.COM

