



MANITOBA CORN GROWERS ASSOCIATION, INC.

INFORMATION AND REPORTS FOR THE ANNUAL MEETING

**Wednesday, February 8, 2012, 8:30 a.m.
Embassy C, Victoria Inn, Winnipeg**

(In conjunction with the Manitoba Special Crops Symposium)

AGENDA

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| 8:30 a.m. | Call to Order President's Remarks ~ Hank Enns |
| 8:35 a.m. | Minutes from last Annual Meeting Motion to Accept Minutes |
| 8:40 a.m. | Committee Reports – Nomination Committee Report Review of previously circulated documents Questions & Answers Motion to Accept Committee Reports |
| 8:45 a.m. | Discussion and vote on By-Law Change |
| 9:00 a.m. | Nominations From the Floor Election of Directors & Motion to Destroy the Ballots Other Motions: Motions to Appoint Auditors Motion to Approve the Actions of the Board in 2011 Motion to Re-organize for 2012 |
| 9:05 a.m. | Question Period |
| 9:10 a.m. | Adjournment |

Please bring this package along with you to the Annual Meeting.

President's Report

Another year has come and gone. The 2011 crop year was interesting. We had lots of rain in spring and then it slowly started to dry off. For the most part the corn crop came off at a 96—100 bushels per acre average yield which is slightly below average yields. On the plus side a lot of it came off dry again. Manitoba producers grew approximately 170,000 acres of corn in 2011.

In 2011 our Board decided to have a strategic planning session. We are in a pivotal time for the organization. There are decisions pending about adding staff to help develop and improve our research program to better serve our farmers. Our plan is to hire a qualified individual to help us with agronomy work and to work directly with farmers in our growing region.

In July we celebrated the organization's 40th Anniversary with great success. It was good to see and hear from many current and former Board Members and growers; and to reminisce about the past 40 years.

We will also be meeting with Manitoba Agricultural Services Corp., to discuss how to improve insurance coverage for corn.

As President of the Manitoba Corn Growers Association I would like to thank the corn producers for their continued input and support! It has been exciting to work with a young and enthusiastic group of Board Members this past year. Also, thanks to our staff for their dedication this past year—together we are committed to being a strong voice on behalf of all corn producers.

I would also like to wish all producers a successful 2012 crop year and I look forward to seeing you all at the Special Crops Symposium at the Victoria Inn, Winnipeg on February 8th & 9th.

Submitted by

Hank Enns,
President

Manitoba Corn Growers Association Inc.

ANNUAL MEETING

Thursday, February 10, 2011

Winnipeg Convention Centre, Winnipeg, Manitoba

Chairman's Remarks: Hank Enns welcomed about twenty five people to the Annual Meeting. He reviewed a few of the highlights of the year and mentioned that the Board was planning a strategic planning session for late in March to address future needs of the Association. He then asked for a motion to approve the minutes from the last Annual Meeting as circulated.

MOTION: D. Enns – G. Unrau: That the minutes of the February 10, 2010 Annual Meeting be approved as circulated. CARRIED

COMMITTEE REPORTS:

Hank reminded those present that the complete Annual Meeting Package had been mailed to the membership prior to the Annual Meeting.

Dale George reviewed the Audited Financial Statements and answered any questions. There was a short question and answer session after reviewing the committee reports

MOTION: G. Unrau – D. Thiessen: That the Committee Reports be accepted. CARRIED

ELECTION OF OFFICERS: Theresa reviewed the Nominations report noting that the terms of Murray Pritchard (Roland), Hank Enns (Altona), Lorne Loeppky (Niverville), Myron Krahn (Carman) and Roland Unger (Arden) have come to an end. Murray and Roland have indicated that they will not let their names stand for another term, as has Gary Unrau who had extended his term last year to work on the Crop Insurance issue. The Board has found John Bergen (Carman) willing to let his name stand.

GUEST SPEAKER: Hank introduced Dr. R. Sri Ranjan, Biosystems Engineer with the University of Manitoba. Dr. Ranjan gave an update on the Feasibility of Tile Drainage Systems Project that he is overseeing. The project is being conducted at Hespler Farms south of Winkler. Though there were challenges because of the wet weather in the first and second years of the project he feels that they have been addressed and that modifications have been put in place and there should be more data collected in 2011. He is hoping to be approved for additional years as well. There were many questions from those in the room. It should be noted that the number in attendance rose to almost forty while Dr. Ranjan was speaking.

CALL FOR NOMINATIONS: There was a first call for Nominations. Gary Unrau nominated Trevor Wytinck (Cypress River) and Leonard Wiebe (Carman). There was a final call for Nominations.

MOTION: G. Unrau – D. Thiessen: That Nominations cease. CARRIED

MOTION: D. Enns – L. Loeppky: That the new Board be accepted as presented. CARRIED

Therefore the slate of officers as presented along with Brad Colpitts, Don Enns, Jonathan Kaminsky, Dennis Thiessen, Ryan Thomson and Garett Veldman will form the new Board for 2011.

MOTION: L. Loeppky – G. Unrau: That D.F. George be appointed as Auditors. CARRIED

MOTION: D. Enns – L. Loeppky: That the Actions of the Board in 2010 be approved. CARRIED

MOTION: D. Thiessen – D. Enns: That the MCGA be re-organized for 2011. CARRIED

Question Period: Due to time issues, there was no questions period but producers were invited to contact the Board or Theresa if there were any questions or concerns.

Hank Enns adjourned the meeting.

Activity Report 2011

Constitution & By-Law Revision: Board of Directors Section—The Board would like to change the Board terms of elected Directors. Currently our Directors are elected for 2 year terms with one half of the directors' terms being elected each year. It has become a concern that having that kind of turnover every year could become detrimental to continuity. It is true that often several of the Directors are willing to let their names stand for re-election each year and this helps, but it has happened recently that many have not and in those years it has taken a number of months for the new Board Members to reach the level of understanding that then allows for activities to move forward. We have come to a stage in our Association's life that this is detrimental to some of our activities and so the current Board would like to see the By-laws changed to allow more continuity. We have also made some slight wording changes in the same section to provide more clarity.

Original Wording: A Board of Directors shall be elected for a period of two years, from Active Members at the Annual Meeting, and shall consist of 11 members, one half of which shall be elected each year; and in addition the immediate past-president. The immediate past president shall be a director for one year after the expiry of his/her term.

Proposed Amended Wording: *A Board of Directors shall be consist of 11 members and in addition the immediate past-president. Board Directors shall be elected from Active Members at the Annual Meeting. Directors will be elected for a term of three years, with one third to be elected each year. The immediate past-president shall be a director for one year after the expiry of his/her term.*

Membership: With a healthy corn crop in 2010 and an even healthier corn price in 2011 we have ended 2011 with a very healthy check-off balance. Using unadjusted numbers we collected \$322,237.67 of which \$22,248.74 was returned to producers who requested check-off dollars be refunded. Included in the check-off amount is again check-off collected and refunded on US corn sales moved into Manitoba and re-sold here. In addition to check-off money remitted through companies we received \$9,464.74 directly from producers who made private sales and another \$3,190.91 from Associate members. Our active membership list continues to grow and in 2011 rose to 785 producers. This is the highest it has been in my memory.

Finance: With another good years and careful planning the budget was met with both income and expenses being up slightly from the budget but still ending with a healthy income of slightly over \$90,000.00. The Board decided to add an additional \$200,000.00 to our reserve amount. This brings our reserve amount to a balance of \$400,000.00 which the Board feels is an amount that would carry us through at least one poor crop year, and with careful management possibly more.

Nomination: The terms of Brad Colpitts (Sperling), Don Enns (Altona), Jonathan Kaminsky (Brunkild), Dennis Thiessen (Steinbach), Ryan Thomson (Miami) and Garett Veldman (Carman) have come to an end. All but Ryan Thomson have agreed to let their name stand for re-election. Also currently on the Board are Hank Enns (Altona), Myron Krahn (Carman), John Bergen (Carman), Lorne Loeppky (Niverville), Leonard Wiebe (Carman) and Trevor Wytinck (Cypress River). With almost all of the Directors whose terms have ended willing to let their names stand for re-election we have a full slate of officers. However, if you are interested in a position on the Board please call the office or one of the Directors as we are always willing to hold an election. There will also be a call for nominations from the floor at the annual meeting as well, but please get the approval of any producer who you nominate prior to the meeting.

Building: Our Building continues to serve us well, and we are enjoying the same tenants as last year. There was no major work done this year.

Safety Nets: Late in 2011 we finally received the report from the committee that reviewed the grain corn insurance issues from 2009. As we actually expected there were no real surprises in the report. We do not believe the report has made it to the Minister's desk at this time so if and when it does it will be an uphill battle to bring our new AgMinister up to speed on our issues. We continue to work on the Deductible issue and are working with other commodity groups to try to resolve this issue and to try to work for alternative programs that would satisfy the needs of producers and MASC alike.

Cash Advance: The 2010 Advance Payments Program (APP) advanced a total of \$31,960,599.86 to 439 producers. This program wrapped up on September 30, 2011 with a total outstanding amount less than \$1 million going into default. Further payments have reduced the outstanding amount to under \$800,000.00.

Due to the very wet spring the numbers for the 2011 program are down with only 391 producers to date, but because of higher crop prices we still advanced \$31,452,291.74.

Manitoba Special Crops Symposium: 2011 was the fifth year of working with the Manitoba Pulse Growers Association and the National Sunflower Association of Canada to produce another Manitoba Special Crops Symposium. The agenda included many excellent topics and the number of producers who attend continues to increase. The only complaint that we continued to get was that downtown parking is an issue, so in response we will be moving the event to the Victoria Inn, Winnipeg for 2012.

Yield Competition: The results of the 2010 Yield Competition were announced at the 2011 Symposium with McKnight Farms taking top honours with a yield of 245.29 bu/acre. Second place went to Baker Colony at MacGregor with 234.86 bu/ac and third place went to Hank Enns Farms, Altona growing 206.69 bu/ac. The 2011 Annual Competition has 39 entries and winners will be announced at the 2012 Symposium, right after the keynote speaker on Wednesday afternoon.

Summer Agronomic Tour/40th Anniversary Celebration: Instead of a summer agronomic tour our Association held a celebration in honour of our 40 years as an organization. The event was held at Kelburn Farms and was truly a time of reminiscing and sharing by all in attendance. There was entertainment for all ages, plots to tour and wonderful food for all to enjoy. One of the highlights of the event was that we granted Life Memberships to Jim Pedersen and Allan Calder—two farmers who have been very supportive of, and who have helped build the corn industry in Manitoba. Allan was present to accept his plaque and we hope to present Jim's at the Special Crops Symposium. We have been including pictures of the event in our Newsletters and hope to soon have an album linked to our website.

Research and Development: Our participation with the Canadian Field Crops Research Alliance continues with our dollars being directed to Dr. Lana Reid's Corn Research at AAFC Ottawa, which included a second year of trials being done in Manitoba. Dr. Reid was not able to attend the upcoming Symposium but we are planning to include an update in a future Newsletter.

The other projects that we are collaborating on is a project entitled, Measuring the Environmental and Economic Impact of Tile Drains in Corn/Potato Production, which is being overseen by Dr. R. Sri Ranjan of the University of Manitoba, and a study of the benefits of corn bran which is showing some interesting results under the supervision of Dr. Mohammed Moghadasian also of the University of Manitoba. Dr. Ranjan will be giving an update at the Symposium.

Since we have now been able to build up our financial reserves to provide a reliable foundation for our organization the Board has decided to hire someone to help oversee the above projects and in addition we are hoping to increase our direct services to the membership. After a bit of a false start we are working on developing a job description for this position and hope to have someone in place before the new crop year. If you have suggestions about the types of projects or things that you feel would be beneficial to you please do not hesitate to call the office or talk to one of our Directors.

MANITOBA CORN COMMITTEE REPORT

The 2011 season saw a big change for the MCC trials where our long standing contractor Keith Murphy of Murphy et al. Inc. 'retired' from conducting corn trials for us. We wish to thank Keith for all his hard work and dedication over the past several years to corn hybrid evaluation in Manitoba.

For 2011, there were grain hybrid evaluation trials located at Carman, Reinland, MacGregor, St.Pierre, and Melita. Unfortunately, we lost the Melita location to flooding and the MacGregor site, although harvested, showed extreme variability and data was not approved for publication. The MCC thanks our contractors for 2011 – AgQuest Inc., Pioneer Hi-Bred, ICMS, Inc., and WADO – for all their hard work. Thanks are also extended to Hyland Seeds and Lorne Loepky for providing land for the Carman and St.Pierre locations. No silage evaluation trials were conducted in 2011.

The 2011 growing season was another challenging one for Manitoba farmers. The year started much like it left off last fall...wet, wet and wet. Precipitation continued throughout May and June, impacting both seeding and stand establishment for many crops. Corn acres were still respectable in Manitoba at approximately 178,000 acres and most were seeded mid to late May and established sufficiently. But then the summer months came and the taps turned off and the heat was on. Drought-like conditions impacted numerous crops in Manitoba but corn seemed to weather the dry, hot conditions not too badly. Killing frost events occurred mid-September; fortunately Manitoba's corn crop was close enough to physiological maturity that the impact of frost on yield and quality was minimal. The dry conditions lasted through the rest of September and well into October, aiding in quick dry down. For the first time in a number of years, some producers took their corn off dry enough that only aeration was required to bring it to safe storage moisture contents. And a welcome change was majority of corn harvest in Manitoba was complete by the third week of October! Reported yields were extremely variable, resulting from the excessive early moisture followed by drought-like conditions. Similar results were seen in our MCC trials.

The MCC published the yearly results, along with long term averages, in its "2011 Manitoba Corn Hybrid Performance Trials" brochure as well as *Seed Manitoba 2012*. The MCC brochure is available from the MCGA office, their website at www.manitobacorn.ca and MAFRI GO Offices. *Seed Manitoba 2012* is also available online at www.seedmb.ca

Plans for the 2012 season are currently underway. It is our intent to conduct grain corn hybrid evaluations trials in many of the same locations as 2011 with the possibility of adding two more locations. The MCC will also revisit silage corn hybrid evaluations.

Respectively Submitted by:

Pam de Rocquigny, Chair –Manitoba Corn Committee

Grain Growers of Canada Update January 23, 2012

Over the last year, the Grain Growers of Canada had a highly effective and exciting year influencing Canadian agriculture policy with the help of its member organizations like the Manitoba Corn Growers directors and staff. The GGC is always available to help with individual requests of member organizations' directors and staff. In the coming year we expect to further reach out to our members to help identify issues where the Grain Growers can be of further assistance in Ottawa. Here is a summary snapshot of many of the policy efforts the Grain Growers of Canada has been engaged in and will be involved in the upcoming year.

Biotechnology and Environment

Early last year, we spent substantial time fighting Bill 474, a Private Member's Bill that was a serious threat in the minority Federal Government. GGC led this coalition because this bill would have severely hindered future seed trait development and Canada already has rigorous and stringent testing in place for human consumption. Specific work within the coalition involved hand-picking people for our witness lists, coordinating speaking points and arranging meetings with strategic members of various caucuses. **Our hard work explaining this issue to Members of Parliament and the media paid off when Bill 474 was defeated in February!**

A lot of progress has been made with the ethanol and biodiesel mandates. However, something we need to acknowledge is that the glow is now off biofuels and now focussed on bio-products within Government circles.

When approached, we continue to participate in many sustainability joint effort projects.

GROU continues to move along but due to time constraints other organisations have led the work in this area.

Research

Our Farmers for Investment in Agriculture (FIA) coalition comprised of the Atlantic Grains Council, Quebec, Ontario Grain Farmers and Grain Growers of Canada worked together ensuring we continue to present a united front raising research as one of our top priorities.

Once again, we made research our first ask in our Federal Government budget submission. This year, we focussed on how to increase the research at AAFC without new Government dollars. In anticipation of Federal belt tightening, the Grain Growers of Canada has aggressively lobbied for a better and improved agriculture research funding formula. First, we are recommending the Federal Government lock in the current AAFC A-base research budget where it is. Second, allow all royalty streams generated by AAFC discoveries to add onto the current research budget. Even without any new Government cash, the agriculture research budget would grow by five or six million dollars next year.

Our research lobby efforts were rewarded when the Senate Agriculture and Forestry Committee

decided to do a fulsome study and report on Research and Innovation in Canadian agriculture. GGC testified before the Committee in October. We have high hopes for this ongoing study as a tool that will help educate Government and others regarding our agriculture research deficit, and highlight the need for research to get back on track here in Canada.

We have also been participating in another group within the Grains Roundtable that is working out the best direction for funding research related to incentives like a certified seed tax credit and/or an end-point royalty model for wheat which would significantly entice more investment from the private sector.

GGC also met several times with Western Grains Research Foundation regarding their proposed direction.

Safety Nets/business Risk Management

Discussions are well under way for the next generation of Business Risk Management (BRM) programming. Growing Forward 2 consultations will be reviewing some “straw man” ideas on where business risk management and other pillars of Growing Forward may fit in the new “5-year plan” at these ongoing meetings.

During our summer meeting, we had Agriculture Canada in to discuss crop insurance, agri-invest, agri-stability and agri-recovery programs as well as provide a snapshot of US and EU farm support programs. At our fall meeting AAFC gave us another update.

The House of Commons’ Ag Committee hearings have also been examining all of the pillars, including BRM. GGC testified before the Committee regarding the “Competitive Enterprises” pillar in late November.

Trade

The Grain Growers were very active on the trade file by collaboratively working with the Canadian Agri-food Trade Alliance (CAFTA), which contains grains, oilseeds, malt, crushers, beef and pork organizations focussed on expanding international trade and other related issues. Richard Phillips, Executive Director of GGC, was elected president of CAFTA this year.

The Grain Growers was asked to testify before the House of Commons’ Trade Committee on a number of bi-lateral trade deals. GGC also participated in trade mission work related to the European Union trade agreement negotiations, the World Trade organization and others. We also publicly issued a number of news releases and our commentary on the benefits of trade and improved market access.

Outside of NAFTA, the **European Union trade agreement** is the greatest trade opportunity we have seen in decades. With a population of 500 million people, Europeans have an appreciation for the high level of quality we grow and manufacture, and their tastes are very similar to our own. This is a market where we have a lot of room to grow and despite the recent news on Greece, it is a market that has cash to pay for quality.

One important part of the EU negotiations and all trade deals is a **Low Level Presence (LLP) policy**, so that minute quantities of genetically modified crop cannot become a trade barrier. As science has advanced, you can seemingly find trace amounts of anything anywhere. Regulatory authorities need to concentrate on genuine health and safety risks rather than GM witch hunts. GGC is collaboratively working within the Grains Innovation Roundtable on the development of this new LLP policy. Partnering with other organizations, the GGC has met with Members of Parliament and the Opposition Agriculture critic regarding the LLP issue.

Other bilateral trade deals with countries like India, Japan and South Korea are also crucially important. Canada joining the **Trans-Pacific Partnership** is another strategic move that will strengthen our trade and investment relationship in the Asia-Pacific region, which is a priority given its growing economic importance.

Transportation

The Grain Growers' Transportation Committee spent a huge amount of its time on the Rail Service Review. More specifically we worked very closely with the Canadian Rail Shippers Coalition to provide sector and industry wide focus on the needed solutions. Due in large part to the work of the Coalition, and many member organisations of the GGC, there is now a process in place, starting with the appointment of the facilitator, Jim Dinning, who will chair the Rail Service Review. Also this fall a Crop Logistics Working Group made up of key producer groups was formed to ensure farmers' interests are being represented.

Detailed Review recommendations are expected early this spring. Once these recommendations are finalized, we anticipate the Federal Government will implement the service improving measures, including the tabling of legislation this spring or early in the fall that will give shippers the right to service agreements with the railways and will provide a dispute resolution processes. We will continue to monitor the Service Review process to ensure it meets the needs of shippers and farmers.

Marketing

The Grain Growers are very active partners with the Canada Grains Council and the Canadian Grain Commission. Along with support from member organisations, the Grain Growers helped de-rail the proposed fast tracking of an increase in Canadian Grain Commission user fees. An example of recent work on the Canadian Grain Commission includes a discussion paper we circulated recently to promote discussion on CGC issues we need to prioritize; we will then submit a common position paper to the Agriculture Minister. **New CGC legislation is expected soon, so the Grain Growers will be very engaged in this policy issue in coming months.**

The GGC Marketing Committee spent substantial time on wheat and barley marketing issues. We provided input on the design of Bill C-18, an act to amend the Canadian Wheat Board and we have also provided a positive forward thinking focus with our media relations strategy. Recent signals from the new voluntary CWB are very positive, signaling a new approach as the voluntary organization moves ahead with their business plan. According to reports, there is a different attitude at CWB producer meetings that now focus on providing information to farmers regarding pricing contracts and pooling options. No questions about winding back the clock.



2011 ANNUAL REPORT

OFFICERS

At the 2011 Annual Meeting of Keystone Agricultural Producers, Doug Chorney (District 5) was elected President by acclamation. Vice-Presidents were Rob Brunel and Dan Mazier.

MEETINGS

Since the last annual meeting, the General Council has met three times (April, July and October), and the Executive held nine meetings during the year.

The Management Committee, which consists of the President, 2 Vice Presidents and General Manager, held meetings prior to all scheduled meetings and at other times during the year when it was deemed necessary. All KAP committees met as required and most of the meetings took place via conference call.

STAFF

The KAP staff consists of: Yvonne Rideout, General Manager, James Battershill, Policy Analyst; Wanda McFadyen, Communications/Special Events; Kathy Ulasy, Financial Co-ordinator; and Alanna Gray, Executive Assistant. Our farm safety specialist, Amanda Briese, is on a two year term position funded by the Workers Compensation Board of Manitoba which will end September of this year.

MEMBERSHIP

At the end of the KAP fiscal year, November 30, 2011, membership stood at 4,189.

KAP thanks its 22 commodity group members for their support during the past year and we look forward to our continued work together on the many issues facing our industry.

POLICY

KAP’s policy setting events (the Annual Meeting and the three General Council Meetings) adopted 49 resolutions during the year which required actions directed to government and/or industry. There were also resolutions dealing with administrative items such as the increase in per diems and an increase in the 2012 membership fee (moving to \$200 + gst).

ACTIVITIES

The President and Vice Presidents spent an estimated 215 days attending meetings and addressing issues on your behalf. They also spent a considerable amount of time on conference calls, calls with the KAP office, and staying current with information arriving at the office. The management team was extremely active talking to members, government and other industry stakeholders concerning various issues.

One significant promotional activity this year was the Winnipeg Transit signs featuring the Farmers Share which ran on the back of 63 buses for four weeks.

2011 Executive

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|-------------|---------------|----------------|---------------|----------------|---------------|
| President | Doug Chorney | Vice President | Rob Brunel | Vice President | Dan Mazier |
| District 1 | Glen Franklin | District 2 | Robert McLean | District 3 | Reg Dyck |
| District 4 | Will Peters | District 5 | Curtis McRae | District 6 | Chuck Fossay |
| District 7 | Keith Gardner | District 8 | David Wray | District 9 | Weldon Newton |
| District 10 | Kyle Foster | District 11 | Sean Gryba | District 12 | Dwight Eisner |

| | | | | |
|-----------------|------------------|-----------------|-------------------------|-----------------|
| Commodity Reps: | Special Interest | Wilfred Harder | Special Crops/Vegetable | Theresa Bergsma |
| | Red Meats | George Matheson | Supply Management | Wayne Kroeker |

Submitted by
Yvonne Rideout, General Manager