



2023 ANNUAL REPORT

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

VISION STATEMENT

“ To be the voice of Ontario Agri Business to all stakeholders, consumers and government. ”

MISSION STATEMENT

“ To promote Ontario agri business through representation to stakeholders, consumers and government. To coordinate the services of all member sectors in the areas of food safety, environmental stewardship, education, communication, and operations. ”

Executive Director's Message.....	4
President's Report	6
Strategic Priorities	8
2022 / 2023 Highlights	9
Grain Committee Report	10
Feed Committee Report	12
Crop Inputs Committee Report.....	14
2022 / 2023 Financial Snapshot	16
OABA Financial Statements.....	17
Board of Directors	27
OABA Staff.....	27
2024 Upcoming Events	BACK COVER

TABLE *of* CONTENTS




EXECUTIVE DIRECTOR'S MESSAGE

This past year has been a continuation of the roller coaster of unpredictability for the agri business sector and Canadian society. There have been challenges, but also times filled with successes, accomplishments and progress for the Ontario Agri Business Association, the industry and members we serve.

This Annual Report includes a brief outline of the efforts the OABA Board of Directors, various committees, working groups and staff undertook throughout the year to ensure Ontario based crop inputs, grain elevators and livestock feed companies continued to operate successfully, as we transitioned into a post pandemic society, while also navigating continued agricultural supply chain disruptions, disease threats, and sometimes challenging government policies that have, or had, the potential to negatively impact our sector.

I am proud to note that we are well into year two of an updated organizational strategic plan that identifies five key priorities for your association. This direction resulted in a more focused organization, but also includes actionable objectives for OABA that drive both our human and financial resource allocations to better serve the needs of our sector and increase the impact of OABA as the voice of Ontario agri business, to drive member value and create a more sustainable business environment that is profitable, promotes growth and supports continued innovations and investment.



2023 has afforded OABA a larger number of opportunities to meet face-to-face with elected officials and government staff, as compared to previous years that were impacted by the pandemic. We have welcomed the opportunities to establish OABA as a recognized authority on a number of our key policy priorities over the past year at both the federal and provincial level. A key highlight was the release of an updated economic impact assessment study that highlighted the role the agri business sector plays in the Ontario economy. We held a number of meetings with both federal and provincial elected officials and government staff directly, and in collaboration with value chain partners, to address our concerns and identify potential solutions with transportation blockages, labour disruptions, carbon taxation, the federal governments proposed fertilizer emission reduction mandate, and the impacts on the sector of their previous decision to remove Russia's most-favoured-nation status, which triggered a 35 percent tariff on fertilizer imports from that region.

In support of our members, we have undertaken a number of significant projects in the past year; as we look to establish OABA as a thought leader, increase member engagement and drive growth and innovation. Projects include completing an updated Economic Impact Assessment study that highlights the role OABA members have within the economy, with a particular focus on accurately articulating the size of the sector in comparison to other industries, showcasing job creation and the diversity of our members' businesses that range from crop inputs, country and terminal grain elevators and feed manufacturing. OABA also released an updated Employment, Benefits and Compensation study that provided detailed and confidential information to participating members allowing them to make informed business decisions in an incredibly competitive job market. Additionally, OABA is in the midst of a 3-year partnership focused on the continued delivery and expansion of the 4R Ontario program in collaboration with the Ontario Minister of Agriculture, Food and Rural Affairs, Conservation Authorities and several leading grower associations, with the aim of showcasing data driven examples of responsible nutrient use while at the same time striving for continual improvement in nutrient management practices.

Our staff at OABA are top notch and have demonstrated incredible resilience and adaptability working together as a team, and with our members and stakeholders. There is no doubt that our sector is based on human interactions and business relationships, and we cherish the ability to transition back to in-person meetings, training sessions and delivering our suite of social and networking events throughout the year which have been a cornerstone of OABA for more than two decades. A highlight this year was a widely successful inaugural OABA curling bonspiel that attracted a great group of members and stakeholders that shared in a fun day of curling and networking.

Accomplishing our collective goals is possible because more than 90 individuals volunteer their time and expertise to serve on OABA's Board of Directors, committees, sub-committees and working groups. This past year, the Association committed to the future by establishing a Human Resource Committee to provide sector leadership on one of the most challenging issues our sector faces. We are excited to be attracting the next generation of talent to our industry through the enrollment of 16 individuals into our re-imagined 18-month leadership program. I look forward to seeing OABA continue to grow and evolve these opportunities for the next generation of industry leadership in the future.

OABA is ready to meet challenges and seek opportunities as we head into 2024 and beyond. We have an experienced and dedicated staff and are well positioned to support our members and drive value by continuing to deliver on our strategic priorities and advocating on behalf of all members in the best interests of both the crop inputs, grain, and feed industries, both provincially and federally on the issues and opportunities that matter most. OABA has a bright future as the voice of Ontario agri business.

Respectfully submitted,
Russel Hurst
Executive Director
Ontario Agri Business Association



PRESIDENT'S REPORT

There are few words that can truly describe the past twelve months of our industry, and society. We have seen challenges with major transportation disruptions, the continued presence of highly pathogenic avian influenza (HPAI), the impacts of the war in Ukraine and other global conflicts, and increased financial pressures due to rising interest rates. It has certainly been an unprecedented time for us all. However, when reflecting on this past year it is reassuring to know that our association remains stable during these uncertain times. Despite these challenges, we continued to advocate for the collective interests of our sector in order to keep businesses operating through labour disruptions, supply chain stresses, and disease outbreaks and to remain globally competitive. We also continue to highlight the critical role agri businesses play in feeding the world.

As President of the Ontario Agri Business Association this past year, I am proud to be playing an active role in providing strategic direction, along with my Board colleagues, on behalf of all members. Together through engagement with our association we can achieve our collective economic, social and environmental goals and ensure our sector continues to prove

resilient both today, and well into the future. I would like to thank all OABA members for their participation and continued support of our committees, events, and programming. OABA has a highly engaged membership, executive, board, committees and staff team that put in the hours to identify challenges, strive for solutions, and represent the interests of our diverse membership to government and industry stakeholders.

As we entered the post-pandemic world, we continued to be engaged with elected officials and senior bureaucrats to address ongoing, as well as emerging challenges faced by our sector. One benefit of loosened pandemic restrictions has resulted in OABA staff engaging in a higher number of in-person meetings with stakeholders and government officials to articulate sector concerns, address opportunities and position OABA as a recognized authority on a wide number of issues that directly impact our membership. Furthermore, OABA staff took on added responsibility by serving as a liaison with government during the continued HPAI outbreak, ensuring industry perspectives are shared with regulatory authorities and that members were provided with timely updates of emerging control zones and recommended biosecurity best practices.

The Crop Inputs, Grain and Feed Section Committees continue to be very active throughout the year addressing issues that have arisen, as well as proactively addressing sector specific matters with an eye to the future. I would encourage you to read the various section committee reports included in this Annual Report for more details.

The OABA Board of Directors and staff adopted a comprehensive strategic plan at the start of 2022. The outcome of this process was the confirmation of five key strategic priorities for the Association moving forward. These include Member Engagement and Communications; Advocacy and Government Relations; Safety, Training, Education and Leadership; Stakeholder Relationships; and Organizational Excellence. As we transitioned into the second year under this strategic plan we looked to ensure both focus on priorities that matter to our membership, as well as drive progress on key files that directly impact our members' businesses.

In the area of member engagement, this past year we returned to a number of in-person social and networking events delivered by OABA. It was refreshing to welcome members back to both our Summer Conference in Muskoka and a full slate of golf events province wide. A key role for your association is to continue hosting in-person industry events into the future.

It has been a busy year for government relations. OABA looked to build, foster, and establish relationships with elected officials and senior bureaucrats at both the provincial and federal level. This year OABA engaged on a historically large number of files that have had significant impacts on our membership. These include our sector's continued concern with the federal government's decision to implement a tariff on Russian fertilizer imports. Our sector's concerns were well communicated to government officials and key decision makers clearly understood the business risks that further policy decisions will have on the value chain. We provided industry feedback on the federal government's fertilizer emissions reduction mandate and seek to better showcase the role 4R Nutrient Stewardship can play in responsible nutrient management into the future. Engaged in value chain collaboration to support the establishment of federal clean fuel regulations. Provided feedback on sector priorities as part of the recent federal-provincial-territorial negotiations. Articulated our sectors concerns and addressed the business impacts faced by our members during the various labour related transportation blockages over the past year. Lobbied elected officials on behalf of our members to highlight the competitive imbalance of Private Member's Bill C-234 in its current form, which seeks to exempt carbon taxes exclusively for on-farm grain drying. If the Bill passes through the parliamentary process unamended it will have a negative economic effect on the majority of Ontario farmers who utilize commercial grain drying services provided by OABA members. Additionally, we continue to engage on the more traditional government relations activities that include pre-budget consultations, regulatory reviews, labour resilience and agri food value chain programming. This past year also marked the release of an updated Economic Impact Assessment report that we utilized to highlight the role the agri business sector plays within the Ontario economy, especially the economic impact our collective membership has as we transition into the post pandemic economy.

Core areas of focus for OABA have always been the delivery of health, safety and leadership programming to our membership. This past year saw several Lead-Hand courses delivered in Guelph, various grain grading courses were delivered across the province to minimize employee travel

time and a re-established Operations Forum was held last spring that included industry and academic experts from across North America who shared their knowledge with our members. This past year also saw our Safety Network remain strong while transitioning back to in-person meetings and the establishment of a Human Resource committee. A particular highlight for me was the enrollment of 16 individuals into our updated OABA leadership development program.

I would like to thank the many volunteers and staff for their commitment to both the Association and advancement of Ontario's agri business sector. The effective combination of volunteer experience on the Board of Directors, Crop Inputs, Feed and Grain Section Committees, along with the dedicated and professional staff of Ron, Tracey, Joanne and Russel continue to position OABA as a strong leadership organization. They effectively represent and advance the interests of our membership to industry stakeholders that include ministers, government staff and other allied organizations that routinely look to OABA for our collective perspectives, thought leadership, and as a key collaborator in driving sector growth by identifying and effectively implementing solutions to issues as they arise.

It has been a pleasure to serve as your President over this past year. I would like to thank OABA staff and the Board of Directors for their support and guidance during the many challenges we faced this past year. I firmly believe that the Crop Inputs, Grain and Feed Sectors are all further ahead thanks to our collective efforts, and your continued support. OABA has a bright future as the voice of Ontario Agri Business.

Respectfully submitted,
John Taylor
President
Ontario Agri Business Association



STRATEGIC PRIORITIES

Key Strategic Areas of Focus

MEMBER ENGAGEMENT & COMMUNICATIONS

Maintain and enhance the role of OABA as a leading voice for the sector, seek membership feedback and guidance from all members, foster a high degree of member engagement via two-way communications and the utilization of member services such as meetings and networking events.

STAKEHOLDER RELATIONSHIPS

Maintain and form productive working relationships with allied industry associations and government to the benefit of OABA and its members.

SAFETY, TRAINING, EDUCATION & LEADERSHIP

Show educational leadership by delivering programs and resources that meet the current and anticipate the future needs of OABA members.

ADVOCACY & GOVERNMENT RELATIONS

Be the leading voice of Ontario agri business to both provincial and federal (where applicable) elected officials and public servants.

ORGANIZATIONAL EXCELLENCE

Maintain a high degree of organizational integrity and adherence to organizational vision, mission, and management structure; ensure both human and financial resources are prioritized to ensure resources are allocated to deliver on organizational strategic objectives efficiently and successfully on behalf of all members.

2022-2023 HIGHLIGHTS

A YEAR IN NUMBERS



Membership

458 members

strong from across the
Ontario crop inputs, feed and
grain sector



Government Relations

52 meetings with federal
and provincial senior bureaucrats
and elected officials



21

media interviews

43

government policy
submissions

Social & Networking



6

Social and
Networking events
held throughout
the year with over

750

attendees

10

new members joined
OABA this past year

92

OABA
member company staff
participate on board,
committees,
sub-committees and
working groups

65

topic specific
regulatory, political and
biosecurity member
updates issued



16

training &
education events with

275

over OABA
member company staff
participating

16

next generation
leaders participating
in OABA's Leadership
Development Program



GRAIN COMMITTEE REPORT

It is my pleasure to provide an update on the activities of the Grain Section Committee during the past year. The Committee has been very active dealing with many issues affecting our sector.

A persistent and ongoing issue we have been concerned with is Private Member's Bill C-234. This Bill, if enacted as it is currently written, would exempt the federal carbon tax charges on fuel used to dry grain on-farm, however commercially dried grain would still be subject to carbon charges. This disparity would adversely affect growers who use commercial services for drying grain, putting them at a competitive disadvantage. OABA staff have been very active in promoting the interest of the commercial grain industry and their customers. OABA staff participated in several meetings with Members of Parliament and Senators to explain why the grain trade is so concerned about this legislation. OABA staff were requested to testify on behalf of members at the Senate Agriculture and Forestry Committee in September to articulate the competitive imbalance that excluding commercial drying from the federal carbon charge exemption would create in Ontario. This has been a challenging process as OABA has been the only agricultural organization challenging the legislation as written. At the time of writing, the Bill still sits in the Senate waiting for 3rd reading.

The Grain Section Committee continues to maintain a strong working relationship with Grain Farmers of Ontario (GFO). This past year OABA supported GFO efforts in market development including attending meetings with Mexican millers in Hamilton and coordinating participation in a Mexican trade mission scheduled for 2024. This past year, GFO published a Grain

Contracts Guide for their members. Representatives of the Grain Section Committee provided input to GFO during the development process. We were pleased to see that much of our input was incorporated in the guide.

OABA has also partnered with GFO to jointly communicate important and timely information to the trade and producers. This spring, notices were sent out explaining the Pest Management Regulatory Agency (PMRA) decision to restrict the use of lambda-cyhalothrin on field crops that could end up in livestock feed, which essentially made the active ingredient unusable on grain and oilseeds crops. OABA and GFO also partnered with Seeds Canada to issue reminders to producers to ensure that they fully understand the approval status of certain corn hybrids in key export markets prior to planting decisions being made.

The Committee received an update from Soy Canada on the recently announced European Union Deforestation regulations that are set to come into effect at the end of 2024. The goal of this regulation is to ensure that soybeans shipped to the EU are not harvested from recently deforested land. The EU definition of recently deforested land is any land cleared after 2020. Soy production from these acres will not be eligible to ship to the EU. To enforce this regulation, the EU has indicated that it will require GPS coordinates from each farm field and periodic audits by EU member states will be conducted to ensure compliance. OABA anticipates that this issue will prove to be a challenge for our industry to administer and OABA, GFO and Soy Canada have had discussions in respect to this upcoming requirement. There is much more work to be done throughout the entire value chain as we collectively look to comply with these new requirements.

OABA is also working with GFO and national stakeholder groups to develop reasonable protocols to meet the requirements of federal Clean Fuel Standards. Similar to EU Deforestation policies, the Clean Fuel Standards proposes to ensure that feedstocks used in fuel production, including corn and soybeans, meet environmental and carbon intensity standards. Currently the industry is in discussions with Environment and Climate Change Canada to ensure that the documentation and reporting required by members of the value chain is appropriate and does not cause unnecessary administrative burden.

Dwarf bunt became a surprising issue this past year. OABA organized a meeting with GFO and the Canadian Food Inspection Agency (CFIA) to discuss the federal policy on dwarf bunt and the inspection and documentation requirements for anyone shipping wheat outside of Ontario. The current policy is over ten years old and will likely be reviewed in the near future. OABA will be monitoring and providing comments when the review occurs.

At each committee meeting, Agricorp staff provide an update on the Grain Financial Protection Program and dealer / operator licensing. This has been a very active year for the Grain Financial Protection Program. In June the "Protecting Farmers from Non-Payment Act" was passed. This Act combines the livestock and grain programs into a single piece of provincial legislation. A key element of the new legislation is that the government is no longer funding the administration of the program. The costs to administer are now being covered by producer funds. New regulations have been proposed to implement the new Act, the Grain Section Committee has reviewed the various proposals that will impact the licensing process, security requirements and fund management and have provided comments to Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

Recently, Dave Buttenham stepped down as Chair of the Grain Financial Protection Program Board. The Grain Section Committee thanks Dave for his involvement in this program from inception. Ron Campbell was recently appointed as the new Chair. Nadine Schwandt and Paul Hazzard were recently re-appointed as dealer representatives on the Board.

OABA is also a member of the Canada Grains Council. The Council provides leadership on a number of technical issues impacting the grain trade and export opportunities. OABA is participating in discussions on the federal guidelines for gene-edited crops. OABA and the Grains Council are currently reviewing the CFIA guidance on feed safety, which is the final phase of the government review. It is anticipated that gene edited crops (that do not include foreign DNA) will be regulated in Canada the same as conventionally bred crops. OABA will continue to advocate that any regulation needs to include value chain market acceptance assessments prior to commercialization to ensure that export market risk is managed.

This recent fall harvest period has been a challenge with a union worker strike impacting the movement of grain through the St. Lawrence Seaway at a critical time of the year. OABA reached

out to key federal Ministers to explain the importance of keeping the Seaway open during the harvest period. The strike was short-lived, but the logistical impact will be felt by the grain trade throughout harvest and beyond.

Deoxynivalenol (DON) in corn is also posing challenges for the grain industry during the 2023 harvest. OABA annually participates in a pre-harvest survey with OMAFRA. This year, the survey identified that DON would be an issue. In November, OABA hosted a webinar for members explaining the extent of the DON infections throughout the province and providing background information on how to best manage DON within the grain value chain. As harvest progresses, the Grain Section Committee will monitor the situation and ensure that the membership receives up to date information to best manage their businesses.

This year the committee welcomed Jordan Taylor, Tyler Wilbur and Kyle Schroeder to meetings as members of the OABA Leadership Development Program. We hope this experience gives them a better understanding of the issues the grain industry is facing. The committee certainly has appreciated their insights on some of these issues.

Thank you to all the Grain Section Committee members and OABA staff for their collective contributions in support of the Ontario grain industry.

*Respectfully submitted,
Scott Krakar
Chair, OABA Grain Section Committee*



FEED COMMITTEE REPORT

I am happy to submit the annual Feed Section Committee report for 2023. The committee is composed of industry leaders representing livestock feed manufacturers and suppliers within the Ontario feed industry. The committee meets to discuss matters that impact the Ontario feed industry that range from a local, provincial, and federal level. Support is provided by the Animal Nutrition Association of Canada (ANAC) nationally, with a focus on industry relations with our regulatory governing body, the Canadian Food Inspection Agency (CFIA). The committee also receives and discusses reports from various producer and livestock committees, as well as OABA's Feed Technical Committee.

In 2023 the feed industry continued to focus on the outbreak of Highly Pathogenic Avian Influenza (HPAI). OABA staff and the Feed Section Committee have been very active on this issue since the virus was first identified in Ontario, at the end of March 2022. OABA has been providing regular updates to members with maps detailing new outbreak locations and following up with CFIA and industry partners ensuring permitting requirements are practical and understood, answering industry questions, and providing regulatory and technical clarity to members.

OABA's membership in the Feather Board Command Centre (FBCC) has proven valuable as Association representatives have been able to provide an agri-business perspective on decisions regarding the timing of outbreak announcements, as well as policies and practices inside of control zones. As part of the FBCC, OABA participated in several update calls with the Ontario Minister of Agriculture, Food and Rural Affairs (OMAFRA) and was able to facilitate the feed industry's involvement in managing the outbreak alongside the Minister and other senior government staff. OABA also assisted OMAFRA staff in sharing information directed at small flock owners during the outbreak.

It was encouraging that 2023 has seen a decrease in cases of HPAI compared to 2022, with only one case reported (at the time of writing) this Fall in a non-commercial operation. The coordination between all members of the poultry value chain and adherence to biosecurity protocols has played an important role in minimizing the impact of this disease in Ontario.

OABA continues to be a member of the Ontario Livestock and Poultry Council. The OLPC includes representatives from producer groups, veterinarians, government and academia to discuss animal health issues. Danille Dunn and Bruce Schumann represent OABA on the OLPC.

At each committee meeting staff from the Animal Nutrition Association of Canada provide an update on key issues at the national level. ANAC continues to work with CFIA in anticipation of long awaited updated feed regulations entering Canada Gazette, Part II, hopefully by the end of 2023.

During 2023, ANAC consulted with OABA to conduct a cost benefit survey on impacts of proposed new federal rules for plastic use including recycled plastics. This would include totes and bags used in the feed industry. ANAC also discussed implications of establishing sustainability goals in the feed industry.

Each meeting of the committee includes a presentation from one of Ontario's livestock and poultry commodity groups. In 2023 OABA Feed Section Committee members met with representatives from Turkey Farmers of Ontario and Egg Farmers of Ontario. Both organizations provided details regarding sales and marketing trends, key concerns of their members and reminded OABA members to encourage producers to apply to the Poultry and Egg On-Farm Investment Program.

OABA continues to work with Chicken Farmers of Ontario and Turkey Farmers of Ontario to update the feed pricing models used to help calculate the live price for those commodities. OABA confidentially collects pricing information from five mills for the chicken feed price reporting and is coordinating the collection of turkey feed pricing with Turkey Farmers of Canada.

In 2023, OABA re-branded the Mentoring Program as the OABA Leadership Development Program. Within weeks of offering, the program attracted 16 participants. An additional component of the revised program is that participants must attend at least two committee meetings. The Feed Committee welcomed Mitch Facey, Jenna Squires and Connor Smith to our meetings. The Feed Technical Committee added Melissa Wiseman.

The Feed Technical Committee, chaired by Amanda Kerr, continues to be active on numerous files. Each committee meeting includes a presentation from a graduate student from the University of Guelph's Department of Animal Biosciences. The committee also makes a presentation each year to the second year Livestock Production class on career opportunities in the feed industry. This past year the committee also worked with the University of Guelph Alumni Association to develop a process which would allow feed industry members to access the university library and key academic journals.

OABA continues to partner with OMAFRA to organize the annual Ruminant Feed Industry Days. This past year, sessions were held in southern and eastern Ontario with total registrations exceeding 120 people.

As outgoing chair of OABA's Feed Section Committee, I must express what a pleasure it was to serve in this capacity. My involvement with the committee over the years has allowed me to work alongside all the members of the Feed Section Committee, the Chairs of the Feed Technical Committee, and the staff of OABA. My role as Chair has also afforded me the opportunity to sit at the OABA Board table and contribute to the great work that is done year in and year out by this organization, it's staff and volunteers.

Respectfully submitted,
Mike Edwards
Chair, OABA Feed Section Committee



CROP INPUTS COMMITTEE REPORT

This past spring we had one of the most condensed seasons in recent memory. Forever optimistic, retailers hope for fair weather with good windows of opportunity to help our customers get their crops planted, but Mother Nature always seems to have different plans for Ontario. Despite these conditions, retailers were able to weather the condensed spring without experiencing any significant product shortages. The province's robust and well-organized supply chains played a crucial role in ensuring that retailers could meet the demands of customers.

Earlier in the summer, the Pest Management Regulatory Agency (PMRA) proposed amendments to their guiding regulations. The amendments were focused on data confidentiality, maximum residue limit (MRL) assessments and notices, cumulative risk assessment and species at risk. OABA is collaborating with value chain stakeholders to continue to request further information on how the proposed amendments may impact our sector and anticipate further consultations with PMRA in the coming months.

This past year, OABA responded to a label re-evaluation decision by PMRA that included a modification that application of the active ingredient lambda-cyhalothrin is no longer permitted to be applied to grain and oilseed crops destined for livestock feed. This decision essentially made the technology unusable on row crops grown in Ontario. OABA partnered with Grain Farmers of Ontario, Ontario Bean Growers and Ontario Canola

Growers Association to issue a news release encouraging farmers to consult with their agronomists, retailers or Ontario Ministry of Agriculture, Food and Rural Affairs specialists for appropriate lambda-cyhalothrin alternatives for in-season insecticide applications in crop year 2023. It was also noted that horticulture uses are still permitted in Ontario. It was hoped that PMRA would complete their review of lambda-cyhalothrin this fall, however it appears this will not happen until 2024. OABA will be monitoring the situation and will provide updates as new information becomes available.

One of the key areas of focus for the Crop Inputs Committee is the development and implementation of the 4R Ontario Nutrient Stewardship framework, which aims to showcase the sectors commitment to optimizing nutrient use efficiency while minimizing environmental impacts. The 4R Ontario approach revolves around using the right source of nutrients, at the right rate, at the right time, and in the right place. As the agricultural industry evolves and faces new challenges, the committee continues to work to determine how best to proceed with the 4R program to drive continuous improvement that benefits both farmers and the environment in the short and longer term.

CleanFarms, an organization committed to sustainable agriculture and environmental stewardship, presented to the committee some key initiatives. At the forefront of their presentation was their remarkable achievement of diverting half a million kilograms of plastic waste from landfills. This accomplishment serves as a testament to the industry's dedication to environmental conservation and ability to successfully measure their progress. Unlike banning plastic straws, it is these types of initiatives that move the needle on our desired goals of sustainability as an industry.

The Crop Inputs Committee has continued to lobby and maintain open lines of communication with the Federal government on their imposed tariffs on imports of Russian sourced fertilizer. We continue to address the volatile impact these tariffs have on our ability to source competitive products for the Ontario farmer within a global marketplace. We have formally requested that should the federal government choose to lift tariffs at some point in the future, upon a resolution to the conflict in Ukraine, that they consider timing the removal of these tariffs in a manner that minimizes marketplace disruptions to our traditional buying cycles.

OABA continues to participate in the Soil Action Group, a coalition of producer groups, government, academia and industry. The role of this group is to develop and implement a soil health strategy for Ontario. Thanks to Dale Cowan and Jeff Holmes who have participated since the inception of this working group. OABA's involvement has helped ensure that crop input retailers and their staff are recognized as essential to the transfer of knowledge to producers.

This past year Fertilizer Canada released guidelines for the storage and handling of liquid fertilizers. OABA was well represented on the committee that developed the guidelines. The guidelines will be a useful tool for retailers to assess their environmental risks and more importantly will be made available to producers to ensure that on-farm liquid fertilizer storage is sited and built properly.

Seeds Canada provides regular updates to the Committee. OABA staff participated on a planning committee that organized a series of virtual sessions that allowed stakeholders to provide feedback on future regulatory modernization. Over 700 people attended these sessions. Late last year Seeds Canada announced they would be promoting the establishment of an Independent Standard Setting Body (Value Chain) to manage the seed regulatory framework. The goal of Seeds Canada is the development of an industry led, government supported system that supports certified seed and is more 'agile' to meet the needs of the entire value chain while fostering innovation and growth. OABA will be closely monitoring how this proposal is received by the Federal Government and ensure that any regulatory modernization meets the needs of Ontario's retailers.

OABA staff attended a meeting with producer groups and government to discuss spray drift and the implications of new seed technology on spraying procedures and potential for increased liability. OABA made it clear that retailers pay close attention to the issue of spray drift and reinforced the importance of employee training on new technologies and accurately monitoring weather conditions during application windows.

OABA is a member of the Ontario Pesticide Education Program (OPEP) Steering Committee. This past year Paul Johnston stepped down as Association representative and Adam Van Paasen joined the committee. Thanks to both of them for volunteering on this Committee to ensure that the perspectives of crop input retailers are included in the discussions on the suite of programs delivered by OPEP.

OABA is continuing to monitor the Federal Government's fertilizer emissions targets. Agriculture and Agri-Food Canada issued a 'What we Heard' report summarizing comments received in 2022. OABA will be monitoring the situation and provide updates as new information becomes available.

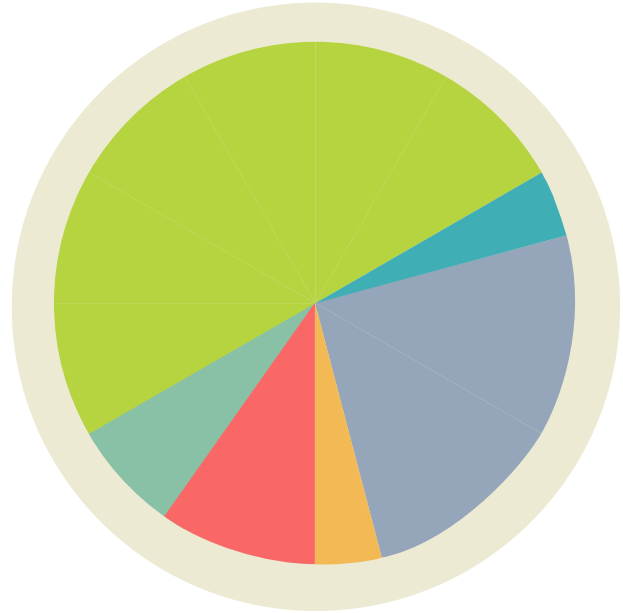
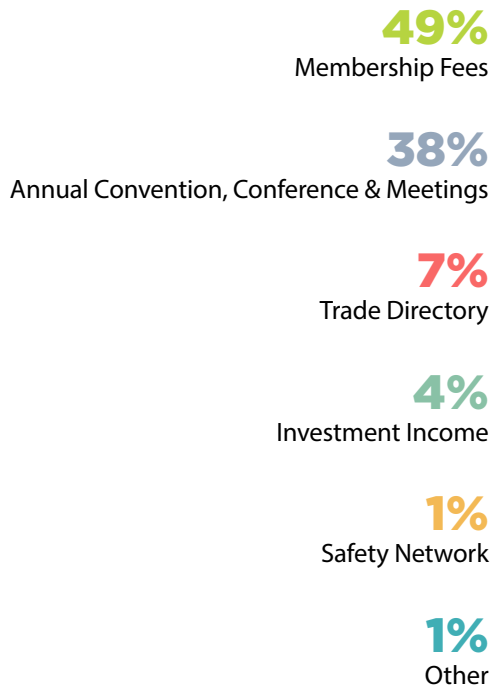
This year the committee welcomed five members of OABA's Leadership Development Program to our meetings. Lisa Shier, John Hermans, Kayle Stevenson, Rachel Guendert and Sarah Long have all participated in Crop Inputs Section Committee meetings as part of their program requirements. The committee has appreciated their unique perspectives and input on the wide range of topics we have been discussing this past year.

As we come to the end of another year, I would like to thank the Association. Their hard work and dedication continue to be instrumental in ensuring that the Ontario agricultural industry remains a source of pride and sustenance for our province. Let us look to the future with hope and optimism, knowing that organizations like OABA are there to champion the cause of Ontario agriculture.

Respectfully Submitted,
James VanderSlikke
Chair
OABA Crop Inputs Section Committee

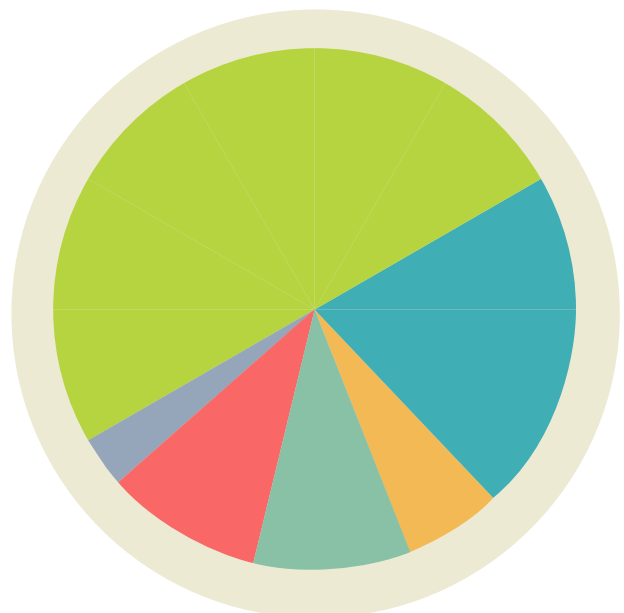
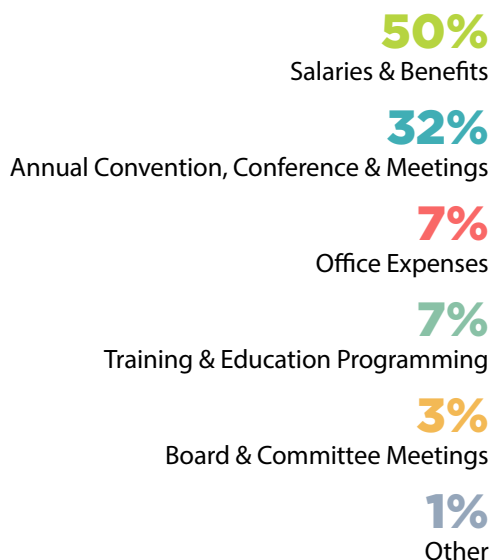
2022 - 2023 FINANCIAL SNAPSHOT

Where our funding comes from



Total Revenue \$878,668

How we allocate funds to support OABA's strategic priorities



Total Expenditures \$930,745

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of the Ontario Agri Business Association Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ontario Agri Business Association, which comprise the Statement of Financial Position as at September 30, 2023 and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Agri Business Association as at September 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

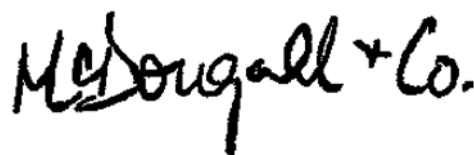
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.

- Evaluate the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Chartered Professional Accountants
Licensed Public Accountants**

November 7, 2023
Baden, Ontario

Ontario Agri Business Association

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

ASSETS

	2023	2022
CURRENT		
Cash	\$ 41,658	\$ -
Accounts receivable	10,065	20,433
Accrued interest receivable	21,237	14,384
Prepaid expenses	44,772	43,662
Inventory (Note 2(b), 3)	9,052	8,180
Investments (Note 5)	1,153,624	1,209,830
	1,280,408	1,296,489
CAPITAL ASSETS (Note 2(c), 4)		
At cost less accumulated amortization	6,101	5,202
	\$ 1,286,509	\$ 1,301,691

LIABILITIES

CURRENT		
Bank indebtedness	\$ -	\$ 12,288
Accounts payable and accrued liabilities	4,119	20,030
Memberships received in advance	70,358	5,264
	74,477	37,582

NET ASSETS

UNRESTRICTED NET ASSETS	1,212,032	1,264,109
	\$ 1,286,509	\$ 1,301,691

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

Ontario Agri Business Association

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
REVENUE		
Annual convention, conferences and meetings	\$ 332,537	\$ 257,956
Investment income	36,246	24,970
Membership fees	428,132	443,007
Other income	8,405	8,625
Safety Network	9,828	8,905
Trade directory	63,520	65,325
	878,668	808,788
EXPENDITURES		
Amortization of capital assets	2,211	502
Annual convention, conferences and meetings	294,528	234,440
Association services and activities (per schedule)	39,530	66,049
Automobile, travelling and meetings (per schedule)	23,209	18,717
Office and general (per schedule)	31,226	32,594
Other expenses	5,554	4,352
Rent, utilities and taxes	57,206	55,477
Salaries and benefits	464,751	449,590
Trade directory	12,520	11,948
	930,745	873,669
LOSS FROM OPERATIONS BEFORE OTHER ITEMS	(52,077)	(64,881)
OTHER REVENUES (EXPENDITURES)		
Canada Emergency Wage Subsidy	-	17,027
Canada Emergency Rent Subsidy	-	3,807
	-	20,834
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR YEAR	(52,077)	(44,047)
NET ASSETS, BEGINNING OF YEAR	\$ 1,264,109	\$ 1,308,156
NET ASSETS, END OF YEAR	\$ 1,212,032	\$ 1,264,109

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

Ontario Agri Business Association

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
CASH PROVIDED BY OPERATING ACTIVITIES		
Deficiency of revenue over expenditures for year	\$ (52,077)	\$ (44,047)
Items not requiring an outlay of cash:		
Amortization of capital assets	2,211	502
	(49,866)	(43,545)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	10,368	(5,676)
Increase in accrued interest receivable	(6,853)	(2,424)
(Increase) decrease in prepaid expenses	(1,110)	619
(Increase) decrease in inventory	(872)	2,874
(Decrease) increase in accounts payable and accrued liabilities	(15,911)	14,834
Decrease in government remittances payable	-	(13,038)
Increase (decrease) in memberships received in advance	65,094	(4,404)
	850	(50,760)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	717,320	435,916
Purchase of investments	(661,114)	(458,351)
Purchase of capital assets	(3,110)	(5,704)
	53,096	(28,139)
NET INCREASE (DECREASE) IN CASH	53,946	(78,899)
(BANK INDEBTEDNESS) CASH, BEGINNING OF YEAR	(12,288)	66,611
CASH (BANK INDEBTEDNESS), END OF YEAR	\$ 41,658	(12,288)

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

Ontario Agri Business Association

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
ASSOCIATION SERVICES AND ACTIVITIES		
4R Ontario	\$ 10,000	\$ 10,000
Economic Impact Analysis	6,206	18,619
Employment and benefits survey	50	16,000
Government relations	1,000	-
Human resources services	6,225	6,225
Internet home page	690	718
Membership fees	7,300	7,757
Membership stickers	579	575
Ontario 4-H Foundation	1,000	1,000
Safety Network	3,630	2,305
Scholarships	2,250	2,250
Webinar and online learning	600	600
	\$ 39,530	\$ 66,049
AUTOMOBILE, TRAVELLING AND MEETINGS		
Directors and committees	\$ 9,262	\$ 5,867
Staff expenses	13,947	12,850
	\$ 23,209	\$ 18,717
OFFICE AND GENERAL		
Audit	\$ 3,250	\$ 3,250
Bank charges	626	36
Insurance	5,740	5,292
Janitorial service	3,395	2,200
Miscellaneous	364	374
Office expenses	10,628	13,017
Postage	2,038	2,155
Telephone	5,185	6,270
	\$ 31,226	\$ 32,594

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

Ontario Agri Business Association

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. Purpose of the Organization

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

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

2. Summary Of Significant Accounting Policies

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

(a) **Revenue recognition**

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Convention, conference and meeting fees are recognized as revenue when the event is held. Membership fees are recognized as revenue during the year to which they relate.

Investment income is recognized as revenue when earned.

All other revenues are recognized as revenue when received or receivable.

(b) **Inventory**

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

(c) **Capital assets**

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

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

Office furniture and equipment	5 years
Computer equipment	3 years

(d) **Contributed services**

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

(e) **Use of estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(f) **Financial instruments**

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, term deposits and amounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. Inventory

	2023	2022
Manual grain storage receipts	\$ 916	\$ 1,100
Computer grain storage receipts	1,420	1,461
Laser grain storage receipts	3,188	3,137
Postage	3,528	2,482
	\$ 9,052	\$ 8,180

The cost of inventory recognized as an expense during the year amounts to \$6,507 (2022 - \$1,826).

Ontario Agri Business Association

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

4. Capital Assets

		Cost	Amortization	Net 2023	Net 2022
Office furniture and equipment	\$	8,860	\$ 8,860	\$ -	\$ -
Computer equipment		20,820	14,719	6,101	5,202
	\$	29,680	\$ 23,579	\$ 6,101	\$ 5,202

5. Investments

Details of the investments are as follows:

	Cost	Market Value
GIC - 3.22%, due January 15, 2024	\$ 35,000	\$ 35,794
GIC - 4.80%, due February 14, 2024	40,000	41,194
GIC - 4.81%, due February 14, 2024	60,000	61,795
GIC - 2.10%, due February 15, 2024	50,000	50,650
GIC - 2.16%, due February 15, 2024	100,000	101,337
GIC - 2.43%, due June 18, 2024	95,000	95,651
GIC - 2.27%, due June 26, 2024	40,000	40,236
GIC - 2.22%, due June 26, 2024	25,000	25,144
GIC - 4.48%, due July 25, 2024	78,830	79,469
GIC - 2.37%, due November 12, 2024	50,000	51,042
GIC - 4.77%, due January 23, 2025	40,000	41,302
GIC - 4.40%, due February 18, 2025	100,000	102,724
GIC - 1.85%, due June 23, 2025	95,000	95,472
GIC - 1.52%, due July 15, 2025	29,000	29,092
GIC - 1.52%, due July 15, 2025	25,000	25,079
GIC - 1.45%, due November 17, 2025	37,000	37,465
GIC - 4.81%, due December 8, 2027	50,000	51,944
GIC - 4.30%, due January 4, 2028	100,000	103,169
GIC - 4.05%, due February 15, 2028	100,000	102,508
379.433 RBC Investment Savings Account	3,794	3,794
	\$ 1,153,624	\$ 1,174,861

The weighted average interest rate of the portfolio is 3.20% (2022 - 2.60%).

The investment portfolio is maintained in order to provide a source of funds in the event the Association is unable to generate sufficient revenues to cover intended expenses. Funds are invested in low risk investment instruments in order to preserve the capital and achieve predictable positive returns.

6. Commitments

- (a) The Association leases office space under a lease expiring August 31, 2025, with an opt out provision at August 31, 2024. The annual cost, exclusive of utilities, taxes and maintenance, is as follows:

2024	\$31,518
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- (b) The Association entered into an agreement in January 2022 to contribute \$10,000 a year over three years to the 4R Ontario Nutrient Stewardship Program. These financial statements reflect the second year commitment of \$10,000.

7. Financial Instruments

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

8. Capital Management

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

BOARD OF DIRECTORS

EXECUTIVE

JOHN TAYLOR, President

CLAUDE GAUTHIER, Past-President

ANDREW COGHLIN, Vice-President

MARTIN KIEFER, Treasurer

DIRECTORS

JOANNE CAPUTO, *Sylvite*

ANDREW COGHLIN, *Molesworth Farm Supply Ltd.*

CLAUDE GAUTHIER, *GROWMARK, Inc.*

DON KABBES, *Great Lakes Grain*

MARTIN KIEFER, *Agrico Canada L.P.*

CLARE KINLIN, *GROWMARK, Inc.*

TRUDY MCGOVERN, *Richardson International*

NADINE SCHWANDT,
New-Life Mills, a div. of P&H Ltd.

RICHARD SMIBERT,
London Agricultural Commodities, Inc.

JOHN TAYLOR, *Collwest Grain Ltd.*

KEVIN WEPPLER, *Agribution Canada Ltd.*

SANDRA WOLFE, *Sharpe Farm Supplies Ltd.*

MEMBERS EX-OFFICIO

MIKE EDWARDS, *Feed Chair*
Jones Feed Mills Ltd.

SCOTT KRAKAR, *Grain Chair*
London Agricultural Commodities, Inc.

JAMES VANDERSLIKKE, *Crop Inputs Chair*,
Parrish & Heimbecker Ltd.

OABA STAFF

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Ron Campbell
Operations & Member Services Manager
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Tracey Forrester
Education & Communications Coordinator
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Joanne Buell
Office & Financial Coordinator
joanne@oaba.on.ca

2024 UPCOMING EVENTS

OABA Curling Bonspiel

Elora Curling Club - Elora
January 25, 2024

OABA Summer Conference

Deerhurst Resort - Huntsville
June 23-25, 2024

OABA Western Ontario Golf Day

Craigowan Golf Club - Woodstock
July 9, 2024

OABA Eastern Ontario Golf Day

Smuggler's Glen Golf Course - Lansdowne
July 16, 2024

OABA "Fall Classic" Golf Day

Grey Silo Golf Course - Waterloo
September 17, 2024



Ontario Agri Business Association

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