



2020 ANNUAL REPORT



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

ONTARIO AGRI BUSINESS ASSOCIATION

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Luke Chamberlain, Floradale Feed Mill Limited

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Dan Rivait, Nutrien

Staff

Dave Battenham, Chief Executive Officer

Russel Hurst, Executive Director

Ron Campbell, Operations & Member Services Manager

Tracey Forrester, Education & Communications Coordinator

Joanne Buell, Office & Financial Coordinator

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Upcoming "Key Dates"
(see back cover)

President's Report



I wish I could take the opportunity to welcome delegates and guests to the 21st Annual Meeting and Convention of the Ontario Agri Business Association in person. Unfortunately, as with many events during 2020, it has been necessary to cancel our traditional “in person” business networking event at the Hilton Mississauga/Meadowvale due to the COVID-19 global pandemic. As an alternative, we are pleased to provide a virtual “Convention Week” speaker program and AGM, and a digital Annual Report. I would like to thank all members for their participation and continued support of OABA events and programming during these unprecedented times.

It has been an honour for me to serve as President of the Ontario Agri Business Association during the 2019-2020 year. Over the course of the past year, I have had the privilege to work with a group of staff and industry professionals whose commitment and dedication to the industry are second to none. The OABA staff team, Executive and Board of Directors have put in countless hours during the pandemic to identify issues of immediate concern to the membership, while at the same time maintaining focus on our “normal” industry issues and challenges. The Crop Inputs, Grain and Feed Section Committees have also been quite active throughout this year (despite the need to hold all meetings in a virtual format) and have been proactively addressing section specific matters. I would encourage you to read the Section Committee Reports, as well as the Health & Safety Committee Report that are included in this 2020 Annual report for full details.

The COVID-19 pandemic has driven home the value of the work which OABA has undertaken in the government relations arena. Through our government lobby efforts, and our quick response to network with elected MPs and MPPs as well as senior government staff, OABA was able to ensure confirmation of the grain, feed and crop input sectors as ‘essential services’; the early lifting of reduced load restrictions to ensure efficient delivery of necessary products; extension of grower and vendor pesticide licenses, and; extended hours of work under “emergency” provisions. Since the onset of the COVID-19 pandemic, CEO Dave Buttenham has been participating in regular calls with Ontario Agriculture Minister Ernie Hardeman, the Ontario Federation of Agriculture and Food & Beverage Ontario. Dave also serves



on the Ontario government's advisory committee that is guiding job recovery and restarting of the economy. During these unprecedented times, OABA has become a trusted voice and resource for the entire agri-food value chain.

As many businesses and organizations have experienced during COVID-19, it has been necessary to "pivot" in your business and program delivery. OABA has been no different. A series of 11 Member Alerts were published to provide early and ongoing guidance to member firms on a variety of topics related to the pandemic. OABA also curated and delivered a 'Stay Connected & Stay Informed' webinar series in both the spring and fall. These high-quality speakers and topics helped to support the learning and education of our member organizations in the absence of in-person events. The OABA staff team was able to maintain service to the industry and members while working remotely and did an excellent job of maintaining the operational health of the organization and minimizing financial impact through participation in government fiscal support programs.

Another impact of COVID-19 has been to bring consumers to a new level of realization and appreciation for where their food comes from. Recent public trust research data would indicate that confidence in the Canadian food system is at a 5 year high, and the reality of empty grocery store shelves, coolers and freezers during the early weeks of the pandemic served to heighten the public's awareness of food security and food supply. The current consumer environment has provided the agri-food sector with a unique opportunity to tell the story of the work we are passionate about doing each day. In efforts to support the continued efforts of Farm and Food Care Ontario to play a lead role in building public trust, OABA made a \$10,000 donation to update and print the next edition of The Real Dirt on Farming publication. In addition, OABA also continues to actively participate on the Presidents' Council, which is a whole-sector coalition of agri-food organizations who are in the early stages of planning a broad-based media campaign to engage and connect Ontario consumers with the Ontario food supply chain.

During the early uncertainty created by the COVID-19 pandemic, OABA made the decision to postpone the OABA Safety Network until 2021, and transfer all registrations for participating firms. The Health and Safety Committee has developed a "Safety Tip of the Month", and this information is being circulated to members regularly via email and the E-weekly newsletters. ACUTE Safety Training has also returned to delivering "in-person training" which respects physical distancing requirements. Please refer to the OABA E-Weekly or the ACUTE website for details and session offerings available to members.

The other key area of focus for the Board of Directors and Executive Committee during 2020 has been the search for the next generation of staff leadership for OABA. Dave Bottenham, who has served as CEO of OABA since its inception, and who has been a champion for our industry association for more than 36 years, will be retiring at the end of 2020. Dave's broad understanding of industry workings, the needs of member firms, his intuition about emerging issues and his ability to utilize his deep network in order to work collaboratively with other industry associations, value chain participants and to lobby government for regulatory changes which benefit our membership will truly be missed. His contributions have been many and varied, his leadership and

guidance as well as his advocacy on our collective behalves truly valuable. Dave's legacy is an organization which is sought out and respected for their knowledge, their collaboration and their common-sense approach to resolving issues. His focus on ensuring a solid foundation on which we can continue the work has been truly beneficial and appreciated by the Executive Committee and the Board of Directors and members as a whole. We wish Dave happiness and good health as he moves into this next phase of his life, which he has dubbed as his "Re-wirement". With all sincerity, we thank him for his many contributions in promoting Ontario agri business through development and provision of value added programming for members and representation of members to stakeholders, consumers and government.

Through a collaborative engagement with Litherland and Company, a Canadian-based search management firm, the Executive and Board of Directors undertook the search for an incoming Executive Director with an understanding of the culture and needs of the organization, the value proposition for the membership, key stakeholder relationships and the leadership needs of our professional staff support team. As the culmination of this extensive search process, we are truly pleased that Russel Hurst joined OABA in the role of Executive Director on November 9th 2020. Russel comes to OABA from CropLife Canada where he served as their Vice President, Stewardship & Sustainability. Since joining CropLife Canada in 2006 and subsequently appointed Vice President in 2013, Russel's responsibilities have grown to include providing strategic direction and oversight of the industry's suite of national stewardship and sustainability initiatives in collaboration with government and industry stakeholders ranging from product discovery, manufacturing, through safe use and ultimate disposal. Additionally, he held joint appointments as Executive Director of the Agrichemical Warehousing Standards Association responsible for the crop protection, seed and fertilizer industry's suite of auditing programs and oversight of CleanFARMS's waste management and disposal programs. Please join me in welcoming Russel to the OABA team. We look forward to his fresh perspective and contributions to OABA as he settles into the role.

In closing, as we look forward to 2021, and an anticipated return to our in-person events, I encourage you to continue to participate and re-engage in OABA events and activities. Our trade association is stronger because of the commitment of our dedicated and professional staff, our members and our volunteers. It has truly been a pleasure and an honour to serve as your President over this past year, and I would like to thank the OABA staff and the Board of Directors for their support, guidance and participation during the many challenges we faced in this past year. I trust that the crop input, grain and feed sectors are all a little further ahead thanks to our collective efforts, and your continued support of the Association is sincerely appreciated.

Respectfully submitted,
Nadine Schwandt, President
Ontario Agri Business Association

Crop Inputs Section Report



I would first like to show my appreciation to all the committee members for their active participation on the committee and the OABA office staff for their hard work over the past year. It has been a great learning experience for me personally and a great honour to serve as the Chair of the Crops Input Section. I would also like to add a special thank you for the friendship and guidance that Dave Buttenham has shown to me and all our agricultural stakeholders during his tenure as our Chief Executive Officer. Well done Dave, and hope you have a wonderful retirement.

2020Wow this one sure will go down in history... COVID-19, North American Wildfires, Civil Unrest, the Beirut Explosion and Asian Giant Hornets. Through this, all our professional crop inputs membership were able to deliver an almost seamless spring planting season, one where logistics could have easily put spring supply in jeopardy. As essential workers they put everything on the line to make sure the crop got in the ground and we are now reaping the bounty of that hard work.

With this backdrop, the crop inputs committee has been active in addressing several topics. Highlights include: The implementation of the 4R Retailer Certification program continues to be a priority for the Committee. As of this writing our 18th location received their 4R Nutrient Stewardship Retailer Certification. Certified locations now service close to 450,000 acres, mostly in the Lake Erie watershed. The 4R audit is a paper audit, therefore auditors did not have to be present on-site, that fit in nicely with COVID-19 protocols. However, the pandemic has impacted the ability for the 4R coaches to provide pre-audits to interested retailers. As such, there have not be any pre-audits conducted in 2020, the hope is we can get back to pre-audit coaching in the near future so that we can continue to add certifications and to continue this important priority for the agricultural industry. The Crop Inputs Committee identified producer communications as a key issue moving forward, the level of awareness of the 4R

program at the producer level must increase in order to create a 'demand' for 4R Retailer Certification at the producer level. To quote our past chair Jeff Holmes, "If you haven't done so already, I would encourage you to review the opportunity to become 4R certified and start talking to your growers to get involved." As governments and the public focus attention on nitrous oxide (N₂O) as a greenhouse gas, 4R Nutrient Stewardship, a proven tool to reduce these emissions, will become even more important for Ontario agriculture.

Fertilizer Canada has signed a memorandum of understanding with The Fertilizer Institute and The Nature Conservancy to form the Global 4R Nutrient Certification Council. The purpose of the Council is to continue the development and expansion of the 4R Certification programs throughout North America. This will help ensure that the various certification programs being administered in Ontario, Ohio and other jurisdictions align with each other and meet a consistent set of standards.

OABA continues to be represented on the Liquid Fertilizer Guidelines Working Group that was established by Fertilizer Canada. Work on the initiative has slowed due to COVID-19. Fertilizer Canada contracted a consultant who conducted a survey of retailers. The findings showed that for the most part, commercial/retail storage is relatively low risk and the recommendation of the consultant was to establish a set of guidelines for siting, construction and inspecting liquid storage as opposed to creating an audited program. The report did not make any recommendations related to on-farm storage. The OABA representatives provided feedback on the report and continue to stress the need for an on-farm storage program.

Over the past year, Cleanfarms has provided the Crop Inputs Section Committee with regular updates on their stewardship programs. The committee continues to provide constructive feedback to Cleanfarms on improving their container and bag collection program.

The Crop Inputs Committee continues to participate in several provincial initiatives regarding nutrient stewardship and soil health. Over the past year, OABA has participated in the following groups and meetings:

~ Agricultural Sector Working Group: Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) collaboration with industry and producer groups focused on reducing phosphorus loading in Lake Erie as part of Lake Erie Action Plan (Canada – Ontario agreement) and Great Lakes Bi-National agreement. OABA representatives provide regular updates on the 4R Retailer Certification Program.

~ Cover Crops Strategy: Initiative led by Grain Farmers of Ontario (GFO) and OMAFRA, OABA is part of a stakeholder group which included producer groups and researchers to develop and start implementing a Cover Crop Action Plan.

~ Soil Action Group: This group has been established to implement the 84 actions listed in the Ontario Agricultural Soil Health and Conservation Strategy. The SAG is beginning with Theme 1: Soil Management, OABA has representation on this team.

~ ONFARM: Organized by the Ontario Soil and Crop Improvement Association, the goal of this initiative is to develop on-farm field trials to assess soil management best management practices.

~ Thames River Phosphorus Reduction Collaborative: A coalition between the Ontario Federation of Agriculture and the Great Lakes – St. Lawrence Cities Initiative. Looking at minimizing transport of phosphorus through drainage and other pathways.

~ Nitrogen Management: OABA participated in workshops to provide input on government funded projects designed to develop a national nitrogen management policy.

These groups include members from producer groups, academia and government and it is important that the views of the crop input sector are represented at these meetings.

Reflecting on the activities of the Crop Inputs Section Committee this past year, I am in awe of the knowledge, the professionalism and hard work that our members and OABA staff bring to this great industry of Agriculture. We are in good hands now and our future is limitless.

Respectfully submitted,
Dan Rivait, Chair
OABA Crop Inputs Section Committee

Feed Section Report



It is my pleasure to submit the Feed Section Committee report for 2020. The committee is represented by leaders in the Ontario feed industry and associated suppliers from Ontario. The committee meets to discuss situations that impact the Ontario feed industry from a local, provincial, and federal level. The committee also receives and discusses reports from various producer and livestock committees. 2020 has brought a new set of challenges in front of our industry. The feed industry had to navigate a new way of doing business, as COVID-19 hit North America and brought industries to a halt. Feed mills had to manage employees working from home and develop policies and protocols to get business done in a safe and efficient manner. The Ontario feed industry continues to progress through the ongoing challenges of COVID-19.

COVID-19 brought reductions in quota placement and processor shutdowns which impacted feed production. Shutdowns at several meat processing plants created a backlog in the swine, beef, and poultry industries. Impacts from the food supply chain impacted ingredients such as shorts, dried distiller grains and soybean meal production. Production shutdowns for several micro and macro ingredients (including amino acids and vitamins) in China resulted in a tightened supply from a global perspective as transit times increased due to logistical issues. Global commodity markets continue to be variable causing formulation challenges at times. The Ontario feed industry is a progressive and adaptable industry, and COVID-19 will only make us stronger as an industry as we look at taking on new and other challenges down the road.

African Swine Fever (ASF) continues to be top of mind within the industry. As ASF continues to impact on a global scale, Canada continues to fight to keep ASF out. The Canadian government set import requirements for imported feed ingredients including unprocessed grains and oilseeds,



as well as associated meals. Ingredient suppliers and feed companies work together to do our part at preventing an ASF outbreak in Ontario and Canada that could be devastating to the Canadian pork industry.

On a regular basis, Melissa Dumont, or My-Lien Bosch from the Animal Nutrition Association of Canada (ANAC) would join the feed committee via conference call to discuss updates from ANAC and its relationship with the CFIA. After years of work, the feed modernization initiative is moving towards completion with the anticipation that the new Feeds Act and Regulations will be entered into Canada Gazette I in the near future.

A review of the FeedAssure™ program is underway with the goal to have the manual updated for 2021. All facilities would need to be compliant for Q2 of 2022. The timeline presented is subject to change pending the perpetuation of the pandemic and timeline of the modernization of the Feeds Act.

The Feed Technical Committee is chaired by Angela Ewtushik. This group meets to discuss regulatory and technical issues impacting the feed industry. The group continues to build a strong relationship with the Department of Animal Bioscience at the University of Guelph. Representatives from the Feed Technical Committee make a presentation each year to 2nd year undergraduate students to highlight and promote career opportunities in the feed industry. The committee also spends time receiving updates from ANAC with regards to regulatory modernization and other issues that arise throughout the year.

The Feed Section Committee receives reports from OABA's representative on the Ontario Livestock and Poultry Council. The reports include updates on activities by OMAFRA, CFIA, Ministry of Health and producer groups to prevent foreign animal disease outbreaks in the province. OABA also participates on the Advisory Committee for the Feather Board Command Centre (FBCC) which coordinates disease response amongst the poultry producer groups. In 2020, OABA engaged in preliminary discussions with the Turkey Farmers of Ontario (TFO) to explore supplying aggregated turkey feed prices to be included as part of their live price calculations. This arrangement would be similar to the service OABA provides the Chicken Farmers of Ontario and the Association of Ontario Chicken Processors. The Feed Section Committee is currently in discussions with TFO to determine next steps and will continue these discussions into 2021.

The OMAFRA/OABA Ruminant Feed Industry Day took place on October 28th and 29th of 2020. This year's event was different than other years as the event was held virtually as were other events planned by OABA. Hands on learning was a priority for the organizers, with many presenters recording their presentations from within barns and producers' facilities. Over 150 feed industry representatives

registered for this meeting.

It's been my pleasure representing the Feed Section for 2020 as Chair. It's also been a pleasure working with all members of both the Feed Section Committee, the Feed Technical Committee, and the staff of OABA. A big thank-you to the OABA staff, and especially Dave for the continued leadership during the pandemic and the unforeseen times that we were presented in 2020.

*Respectfully submitted,
Luke Chamberlain, Chair
OABA Feed Section Committee*



Grain Section Report



It is my pleasure to report on the activities of the Grain Section Committee. This year has been very challenging as we dealt with a world-wide pandemic and trade issues. During this time, OABA and the Grain Section have taken an active role in many issues impacting country and terminal elevators.

COVID-19 created many operational issues for members to manage during harvest. Country elevators had to establish protocols to ensure physical distancing between staff and customers, establish new processes for receiving samples and loads and sharing more information digitally. To assist members during harvest, OABA offered a webinar which included health and safety tips for managing harvest during the pandemic.

The pandemic also impacted OABA's ability to offer various in-person events. Where possible, various online formats were utilized to get timely information out to members. For example, OABA was able to provide grain grading overview presentations as part of the two pre-harvest webinars the Association offered.

The growing season created some challenges and some surprising positives. Outside of some regional issues due to weather, the yield and quality of the 2020 crop has exceeded expectations.

There were some pockets of DON being discovered during corn harvest but nothing out of the ordinary. OABA continues to participate on a mycotoxin working group along with Grain Farmers of Ontario, Ontario Ministry of Agriculture, Food and Rural Affairs and the Ridgetown Campus of the University of Guelph that was formed as a result of the DON issues in the 2018 corn crop. This past fall, the working group conducted field tests on a grinding machine developed at the Ridgetown campus that can grind a 2kg sample for testing. The theory is that the larger sample grind can lead to more consistent test results. Five OABA member country elevator locations are currently testing this equipment during harvest. OABA also participated on a panel as part of a GFO organized meeting



for researchers, providing an elevator perspective on DON testing.

Earlier this year, the committee was informed that there were a number of genetically modified corn hybrids available for sale in Ontario for the 2020 planting season that did not have their stacked traits approved for feed or food use in the European Union. Concerns were raised by the grain trade that this was a risk for exporters as European countries are a significant importer of Canadian corn. OABA developed a list of these corn hybrids and distributed it to members. OABA also developed a joint statement with Grain Farmers of Ontario encouraging farmers to review the approval status of the varieties they were planning to grow and follow up with their grain buyers to determine appropriate marketing channels if the variety did not have European approvals in place.

At this time none of the hybrids that were identified in the spring of 2020 have achieved food or feed use approval in the EU. There is hope that some will be approved prior to next spring. CropLife Canada is developing a standard protocol for introducing new hybrids/varieties to market, but this has not been released for consultation at the time of this report. The Grain Section Committee continues to be concerned about the risk the lack of regulatory approvals in key export markets poses to the grain trade. OABA will continue to communicate these concerns to industry stakeholders and stress that producers who purchase these hybrids proactively contact their grain buyers.

In April, the Association was notified by the Canadian Grain Commission (CGC) that the ratification of the Canada – U.S. – Mexico Trade Agreement (CUSMA) resulted in some regulatory changes in the Canada Grain Act. One of the changes was that CGC licensed elevators, which in Ontario is limited to Terminal Elevators, are now required to obtain a signed declaration from producers stating that the grain they are shipping has been grown from a Canadian registered variety. This requirement came into effect on July 1, 2020, however, OABA was able to obtain a one-year extension to July 1, 2021.

OABA has been working with the Ontario terminal elevator group to develop a draft declaration form, using a declaration from western Canada as a template. The Grain Section Committee along with GFO and the CGC will have the opportunity to provide feedback on the document and will discuss the most effective way to implement the declaration process in Ontario.

Another issue that has been discussed by the committee is the proposal by Environment and Climate Change Canada to develop a Clean Fuel Standard (CFS). The standard included a Land Use and Biosecurity Criteria designed “to prevent adverse land use and biodiversity impacts potentially related to biofuel feedstock cultivation and harvesting for the purposes of the CFS”.

Concerns were raised with the requirements in the criteria, especially related to grain grown in riparian areas

(near water). OABA joined GFO in expressing concerns as this requirement has the potential to create an unnecessary administrative burden on the grain trade and producers. The regulations introducing the CFS are expected to be entered into Canada Gazette I in the near future, the OABA Grain Section Committee will review and comment on the proposed regulations.

This past year OABA responded to member concerns and provided the grain trade with a rough calculation of the amount of carbon tax included in drying different moisture levels of corn and soybeans using natural gas or propane.

The committee receives regular updates from Agricorp on elevator and dealer licensing. The Committee also receives reports from Robert Foster, who serves as the dealer representative on the Financial Responsibility Review Committee (FRRC). The FRRC reviews all dealer license applications and renewals, and then provides recommendations to the Chief Inspector regarding any additional requirements for financial security. The Committee continues to provide feedback on the licensing process to ensure that it is transparent and consistent.

OABA continues to be well represented on the Grain Financial Protection Board, with Dave Bутtenham re-appointed as Chair and Paul Hazzard appointed to a three-year term, replacing Darcy Oliphant as a dealer representative this past year. Paul joins Ron Campbell and Nadine Schwandt as the dealer representatives on the Board. OABA also has two representatives, Gord Hyndman and Kevin Reles, who represent Ontario on the CGC Eastern Standards Committee, providing input on the Canadian grain grading system.

In conclusion, I would like to thank ALL the staff at OABA for their hard work and dedication to our members. They have adapted to the challenges working in these difficult times and continue to support our members and industry. I would also like to thank all of the committee members for their input and support.

Respectfully submitted,
Richard McNamara, Chair
OABA Grain Section Committee

Health & Safety Report



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

The Ontario Agri Business Association (OABA) continues to place a high priority on workplace health and safety for Ontario's agri business sector.

Health & Safety Committee Activities

The committee's goal and vision are to provide leadership, awareness and mentoring in the fields of health, safety and environment to the OABA membership. Despite the challenges in 2020 we continued to meet as a committee virtually and to routinely connect to discuss the issues we face. Early in 2020, several members from the committee participated at the Operations Forum as part of a panel discussion on addressing and incorporating labour standards.

The committee was active in providing input for Association efforts to assist members in managing health and safety concerns during the pandemic. The committee supported the development of Member Updates that provided guidance on establishing health and safety policies and protocols during the pandemic. OABA offered a number of 'lunch and learn' webinars related to health and safety issues this year covering topics ranging from mental health to harvest safety during COVID-19. The committee has also established a 'Safety Tip of the Month', providing short overviews of timely safety issues to members.

Agri Business Safety Networking Group

The networking group entered its 10th year in sharing our collective safety successes and challenges in three networking meetings held during the year. However as with many things in 2020, the networking group membership was deferred to 2021. We look forward to resuming our networking group with its first virtual meeting in March.





To become a member of this important group, refer to the OABA website or contact the Guelph office.

Training and Consulting

During 2020, even with the early challenges and ongoing adjustments due to the pandemic, the relationship between OABA and ACUTE Environmental & Safety Services remained strong. ACUTE staff participated in three OABA webinars sharing best practices for managing health and safety during COVID-19.

OABA members continued to utilize the ACUTE training centre, based in Waterloo, Ontario, for access to full-day and half-day training sessions. ACUTE and OABA



worked closely together to ensure that COVID-19 compliance protocols remained in place at all locations while conducting safety training. Class sizes have been reduced, but the high level of participant interaction and engagement has remained. Alternatively, ACUTE continues to provide the same level of service at OABA member locations. OABA continues to receive preferred pricing when ACUTE conducts the training at member sites. Member feedback continues to be excellent and improvements have been made yearly since the partnership with ACUTE was established. OABA and ACUTE look forward to continuing this mutually beneficial safety partnership into 2021.

Chair’s Message

The year 2020 is one we will remember for some time. We changed. In a matter of months, we all became very aware of just how connected and affected we are by each other. It taught us how to be more aware of our choices in life and to analyze what is most important to us. It helped us focus on those dear to our hearts and to pay closer attention to our health. The global events will have a lasting impact.

The question is, will we learn from it and let our new efforts have a positive effect in our lives?

Routinely practicing basic safety habits like regular hand washing and thoroughly cleaning our work areas moved to the forefront of our minds, as did our mental health. We realized how important it is for all of us to “check in” with those around us. When we display kindness, patience, and empathy, we can help each other. If we apply these qualities and practices in our home and work life, we can help to change our culture for the better. Positive work cultures help us to be healthy in our body and in our minds. What you do matters to all of us.

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

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, 2020 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, 2020 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.



McDougall & Co.,

Chartered Professional Accountants

Stanley McDougall, CPA, CA

Kelly McDougall, CPA, CA, LPA

Sandra Forde, CPA, CA, LPA

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, further 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**

October 26, 2020
Baden, Ontario

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

ONTARIO AGRI BUSINESS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at September 30, 2020

ASSETS

	2020	2019
CURRENT		
Cash	\$ 82,389	\$ 19,544
Accounts receivable	14,530	18,075
Accrued interest receivable	13,366	13,201
Prepaid expenses	46,392	71,878
Inventory (Note 2b)	8,593	7,391
Investments (Note 3)	1,160,772	1,136,826
	1,326,042	1,266,915
CAPITAL ASSETS (Note 2c, 4)		
At cost less accumulated amortization	2,395	5,827
	\$ 1,328,437	\$ 1,272,742

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 41,043	\$ 3,390
Memberships received in advance	15,341	2,208
	56,384	5,598

NET ASSETS

UNRESTRICTED NET ASSETS	1,272,053	1,267,144
	\$ 1,328,437	\$ 1,272,742

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, 2020

	2020	2019
REVENUE		
Annual Convention, conferences and meetings	\$ 202,670	\$ 376,211
Investment income	26,311	27,140
Membership fees	429,305	422,918
Other income	9,496	10,099
Safety Network	-	15,155
Trade Directory	57,010	61,964
	724,792	913,487
EXPENDITURES		
Amortization of capital assets	3,432	3,432
Annual convention, conferences and meetings	163,077	271,631
Association services and activities	38,816	53,359
Automobile, travelling and meetings	8,707	19,018
Office and general	72,501	29,642
Other expenses	5,172	4,198
Rent, utilities and taxes	55,427	50,892
Salaries and benefits (includes \$95,078 from the Canada Emergency Wage Subsidy)	361,483	447,051
Trade directory	11,268	11,825
	719,883	891,048
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	4,909	22,439
Unrestricted net assets - beginning of year	1,267,144	1,244,705
Unrestricted net assets - end of year	\$ 1,272,053	\$ 1,267,144

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, 2020

	2020	2019
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess of revenue over expenditures for year	\$ 4,909	\$ 22,439
Items not requiring an outlay of cash:		
Amortization of capital assets	3,432	3,432
	8,341	25,871
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	3,545	(2,191)
Increase in accrued interest receivable	(165)	(1,026)
Decrease (increase) in prepaid expenses	25,486	(9,530)
(Increase) decrease in inventory	(1,202)	1,270
Increase (decrease) in accounts payable and accrued liabilities	37,653	(758)
Increase in memberships received in advance	13,133	877
	86,791	14,513
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	203,143	401,394
Purchase of investments	(227,089)	(407,434)
Purchase of capital assets	-	(7,184)
	(23,946)	(13,224)
NET INCREASE IN CASH	62,845	1,289
CASH, BEGINNING OF YEAR	19,544	18,255
CASH, END OF YEAR	\$ 82,389	\$ 19,544

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, 2020

	2020	2019
Association services and activities		
4R Ontario	\$ 12,500	\$ 12,500
Consumer/Industry Promotion	-	6,000
Employment and benefits survey	-	16,330
Farm & Food Care	10,000	-
Human resources services	6,095	6,095
Internet home page	910	360
Membership fees	2,224	2,118
Membership stickers	569	569
Webinar and online learning	3,268	1,058
Ontario 4-H Foundation	1,000	1,000
Safety Network	-	5,079
Scholarships	2,250	2,250
	\$ 38,816	\$ 53,359
Automobile, travelling and meetings		
Directors and committees	\$ 4,567	\$ 6,799
Staff expenses	4,140	12,219
	\$ 8,707	\$ 19,018
Office and general		
Audit	\$ 3,100	\$ 3,100
Bank charges	174	(212)
Executive Director Search	41,491	-
Insurance	4,553	4,035
Janitorial service	2,908	2,789
Miscellaneous	100	-
Office expenses	12,017	11,343
Postage	3,157	3,872
Telephone	5,001	4,715
	\$ 72,501	\$ 29,642

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, 2020

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.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

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

Investment income is recognized as revenue when earned.

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

(b) Inventory

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

(c) Capital assets

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

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

Office furniture and equipment	5 years
Computer equipment	3 years

(d) Contributed services

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



ONTARIO AGRI BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Use of estimates

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

(f) Financial instruments

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

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

3. INVESTMENTS

Details of the investments are as follows:

	Cost	Market Value
GIC - 2.42%, due November 16, 2020	\$ 36,600	\$ 37,374
GIC - 1.86%, due February 10, 2021	75,000	75,891
GIC - 1.86%, due February 10, 2021	32,500	32,886
GIC - 1.86%, due February 10, 2021	40,000	40,475
GIC - 2.70%, due February 12, 2022	97,000	98,657
GIC - 3.05%, due June 20, 2022	25,000	25,217
GIC - 3.00%, due July 20, 2022	70,000	70,414
GIC - 3.30%, due November 21, 2022	70,000	72,000
GIC - 3.20%, due December 28, 2022	95,000	97,340
GIC - 3.15%, due January 16, 2023	30,000	30,670
GIC - 3.22%, due January 15, 2024	35,000	35,800
GIC - 2.43%, due June 18, 2024	95,000	95,658
GIC - 2.27%, due June 26, 2024	40,000	40,239
GIC - 2.22%, due June 26, 2024	25,000	25,146
GIC - 2.37%, due November 12, 2024	50,000	51,049
GIC - 1.85%, due June 23, 2025	95,000	95,477
GIC - 1.52%, due July 15, 2025	29,000	29,093
GIC - 1.52%, due July 15, 2025	25,000	25,080
Investment savings account	195,672	195,672
	\$ 1,160,772	\$ 1,174,138

ONTARIO AGRI BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2020

4. CAPITAL ASSETS

	Cost	Amortization	Net 2020	Net 2019
Office furniture and equipment	\$ 8,860	\$ 8,860	\$ -	\$ 1,037
Computer equipment	16,494	14,099	2,395	4,790
	\$ 25,354	\$ 22,959	\$ 2,395	\$ 5,827

5. COMMITMENTS

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

2021	\$33,128
2022	\$33,128
2023	\$30,367

- b) The Association entered into an agreement in October 2018 to contribute \$12,500 a year over three years toward the development of a nutrient stewardship initiative in Ontario, for a total commitment of \$37,500. These financial statements reflect the second year commitment of \$12,500.

6. FINANCIAL INSTRUMENTS

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

7. CAPITAL MANAGEMENT

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

2021 Upcoming Meetings

OABA Summer Conference

JUNE 13-15, 2021

Deerhurst Resort, Huntsville, Ontario

OABA Western Ontario Golf Day

JULY 14, 2021

Craigowan Golf Club, Woodstock, Ontario

OABA Eastern Ontario Golf Day

JULY 20, 2021

Smuggler's Glen Golf Course, Lansdowne, Ontario

OABA Fall Classic Golf Day

SEPTEMBER 21, 2021

Grey Silo Golf Course, Waterloo, Ontario



ONTARIO AGRI BUSINESS ASSOCIATION

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