



2021 ANNUAL REPORT



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

ONTARIO AGRI BUSINESS ASSOCIATION

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Upcoming "Key Dates"
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President's Report



I am grateful to have the opportunity to welcome delegates and guests to the 22nd Annual Meeting and Convention of the Ontario Agri Business Association and to report on the work and activities of your Association over the past year. As society continues to learn to navigate the new procedures and protocols that the pandemic has required of us, our members, their business operations, and your Association have also continued to adapt. We are pleased this year to transition to a hybrid Convention speaker program and Annual Meeting. Feedback from membership throughout the pandemic has been a strong desire to re-engage in the various networking events and programming that OABA provides. We will certainly hear some interesting and thought-provoking presentations, and for those attending in-person, will enjoy the business networking opportunity the Convention provides.

It has been an honour for me to serve as President of the Ontario Agri Business Association during the 2019-2021 years. I would like to thank all members for their participation and continued support of OABA 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 membership to government and industry stakeholders. During the pandemic has been no different, and OABA remained highly engaged with government elected officials and senior bureaucrats throughout the year to address challenges faced by our sector. OABA lobbied to ensure that our membership was deemed essential during the various lockdowns. This allowed for critical business operations to continue and we were able to provide timely updates to ensure OABA members were up to speed with rapidly evolving regulations and requirements so they could manage their businesses effectively.

The Crop Inputs, Grain and Feed section committees have also been quite active throughout this year and have been proactively addressing section specific matters. I would encourage you to read the Section Committee Reports, which are included in this 2021 Annual Report for full details.

In the area of Government Relations, OABA continues to build and foster relationships with key elected officials and senior bureaucrats at the provincial and federal levels in an effort to effectively represent members collective interests. We have been intentional in engaging with government departments and on files which we might not traditionally have participated in

previously. This past year has seen a number of key engagements on files that directly impact the agri business sector which include:

- Budget consultations at the provincial and federal levels that included providing guidance and comments on key organizational priorities that include government commitments to infrastructure improvements (critical road, rail and waterway corridors), supporting programs to address the labour gaps within the agriculture sector, supporting commitments to rural healthcare that are vital to our membership province-wide, continued investment in rural IT infrastructure and an increased focus on reducing regulatory hurdles and fostering economic growth through both domestic and international market development.

- Ensuring the agri business sector is well positioned to navigate federal climate change policy, including carbon taxation. OABA staff were very involved on several files regarding carbon tax exemptions and rebate proposals. OABA member concerns were addressed that centered on ensuring that commercial grain drying expenses be included in the noted proposals.

- 2020-21 also saw significant progress on two federal regulations that will significantly impact our membership. Specifically, the proposed Feeds Regulations and the Canada Grain Act changes. OABA has engaged the respective federal ministry officials responsible for the regulations and have collaborated with allied associations at the national level to provide clear and concise feedback on behalf of our membership. Neither of these acts have been substantially modified in a generation and there is a high degree of importance to ensure the updated regulations align with the day-to-day and future business realities of the sector.

- OABA has also re-invigorated our Environmental Compliance project after a period of hiatus. The primary focus of the initiative is to collaborate with the Ontario Ministry of Environment, Conservation and Parks staff to better understand and address inconsistencies with the plethora of regulatory compliance processes that exist. The desired outcome is to enable OABA members to better navigate regulatory compliance obligations and streamline approval processes. There has been positive movement in the past year with OABA engaging senior level bureaucrats that are committed to driving the process forward.

In the area of Stakeholder and Member Relations, OABA continues to build strong relationships with allied industry associations within the agri-food landscape and various grower associations. During the past year, OABA staff and section committees have:

- Collaborated with the Grain Farmers of Ontario and Seeds Canada to issue guidance to members and producers on the selection and stewardship of corn varieties which do not yet have full European Union import approvals. This was done in an effort to maintain export market access for members with a longer-term focus on the formation of a national responsible trait launch strategy which incorporates feedback from the entire value chain including trait developers, growers, grain handlers and exporters.

- Supported the efforts of Farm and Food Care Ontario by donating \$10k to support their “Garden in a Box” program into 2022 (via the wind down of the TFIO Foundation) sponsoring and distributing an updated version of Real Dirt on Farming.

- Alignment with the grower associations, allied industry

associations, government and conservation association on the continued adoption and promotion of 4R fertilizer management practices and ag-retail site certification.

- Delivered the Fall Classic Golf Day at Grey Silo as a modified event under Covid protocols. Higher than initially anticipated participation reinforced the true value in hosting events where members can share in networking opportunities.

- In recognizing the need to develop and maintain the next generation of industry leaders (who will also be candidates to serve in leadership roles within the Association), we delivered an updated OABA mentorship program with 16 individuals participating. The 14-month professional development program focuses on skills development across a wide range of topics from government relations, regulatory compliance, sharing industry perspectives from the various facets of OABA membership and the opportunity to engage with OABA's various committees and members.

In the area of Health and Safety, we have re-established the Safety Network after a break the previous year due to the pandemic. The group transitioned to virtual meetings and it has proved a valuable forum for OABA to provide membership with timely health and safety updates. It also provides members an opportunity to network, share experiences and best practices. OABA has also continued to partner with ACUTE Environmental and Safety Services Inc. to provide OABA members with best-in-class training programs for their staff. These programs are available at your site or at ACUTE's classroom location for reasonable cost.

Your staff team and Board of Directors has also been undertaking a strategic planning process over the last several months that is anticipated to be complete by end of year. The outcome of the process will be a multi-year organizational strategic plan that clearly outlines Association priorities, objectives and allocates resources to meet these objectives on behalf of the membership. Stay tuned for more information on this exciting work in the months ahead, as it will shape the work of OABA into the future periods and will help to guide Russel and the staff team in their work of supporting the membership value proposition.

In closing, as we look forward to 2022, we hope that it will bring a return to in-person networking events. Your staff team, section committees, executive and board of directors will be driving organizational performance and growth with the new strategic plan, undertaking new and exciting projects that drive member value (i.e. economic impact assessment and salary/benefits survey), and engaging government and stakeholders to address key priorities on behalf of our membership in the lead up to a provincial election in June 2022.

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 and guidance during the many challenges we faced this past year. I firmly believe that the crop input, grain and feed sectors are all further ahead thanks to our collective efforts, and your continued support of the Association is sincerely appreciated. OABA has a bright future as the voice of Ontario Agri Business.

Respectfully submitted,
Nadine Schwandt, President
Ontario Agri Business Association

Crop Inputs Section Report



I would first like to express 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 two Covid-19 influenced years. It has continued to be a great learning experience for me personally and a great honour to serve as the Chair of the Crops Input Section over this trying time and under the leadership of both Dave Bутtenham and Russel Hurst.

Despite Covid-19 the Crop Inputs Committee has been quite active in addressing several challenges and opportunities.

The implementation of the 4R Retailer Certification program continues to be a priority for the Committee. Though the pandemic slowed down program momentum, there are now 24 certified locations, with a number of newly certified retailers located outside the Lake Erie watershed. This past year Independent Consultants were allowed to apply for certification. These consultants follow the same certification process as a full-service retail location, albeit without the application related audit standards. One consultant has been certified so far. The certified facilities now serve 2,427 growers and impact 591,000 acres. A total of 39 pre-audits have been conducted so there is an opportunity to grow the number of certified locations. OABA will be working with Fertilizer Canada on development of an updated Memorandum of Cooperation with Ontario government that will set goals and objectives for the 4R program in Ontario and ensure that it aligns with OMAFRA's priorities and desired outcomes.

Last December, the Government of Canada, as part of its Strengthened Climate Plan, set a national emission reduction target for 2030 for fertilizer of 30% below 2020 levels. This proposal followed similar policies in Europe. Fertilizer Canada developed a response including a study illustrating the negative economic impact this policy would have on crop production and stressing the role that 4R Nutrient

Stewardship could play in managing fertilizer emissions without setting rate limits. OABA has reached out to Ontario MPPs and bureaucrats to make them aware of our concerns with this policy and will continue to do so in 2022. This once again illustrates the importance of the 4R program, and I would encourage all retail locations to consider becoming certified as this program will be a valuable tool in addressing concerns raised by consumers and the government.

OABA is well represented on a Fertilizer Canada Working Group developing guidelines for the handling and storage of liquid fertilizers. As previous guidelines have been referenced by the Environmental Farm Plan and other programs, it is important that this initiative develops guidelines for the handling and storage of liquid fertilizers that are consistent across the country. The Working Group is in the process of identifying the key control points and developing recommended standards. The goal is to complete this project in 2022.

A Soil Health Action Group was created by OMAFRA and producer groups to develop implementation plans for the Ontario Soil Strategy. OABA participated along with producer groups, conservation authorities and government staff. The group is working to develop and coordinate initiatives focused on best management practices, mapping, data collection and research.

This past year, OABA responded to concerns raised by members and met with staff from the Ontario Pesticide Education Program to discuss how retailers can have better access to data under the program, specifically sourcing licence expiry dates without having to verify with each individual producer. An interim solution was created using the OPEP website as a portal, OABA is working with all program stakeholders on developing a longer-term solution.

The Committee receives regular updates from stakeholder organizations including CropLife Canada discussing their efforts on Maximum Residue Limits; PMRA re-evaluations; science-based regulations for regulators; and the use of neonicotinoids. The committee also received updates from Cleanfarms discussing their stewardship initiatives and Fertilizer Canada updates regarding regulations for Ammonium Nitrate and Calcium Ammonium Nitrate.

OABA continues to work with government, producer and industry stakeholders on a number of other initiatives related to nutrient management and soil health including: ONFARM, conducting on-farm trials of best practices; the Thames River PRC, looking at practices and technology to reduce phosphorus runoff from fields; the Cover Crops Strategy, promoting the use of cover crops and providing information on best practices; and, the Ag Sector Working Group, an information sharing group of producer and industry groups which discuss nutrient management initiatives in order to coordinate efforts. Because of all of these interactions, OABA re-established an Agronomy Committee to provide

input and representation on these stakeholder groups.

Finally, this past year the committee, completed the five-year winddown of the The Fertilizer Institute of Ontario (TFIO) Foundation. The Crop Inputs Committee serves as the Board of the TFIO Foundation. The TFIO Foundation, formed in the 1980s, funded several initiatives over the years from the 'Next Best Thing to Rain', history book of the Ontario Fertilizer Industry; agronomic research projects; support of Ag in the Classroom and other public education/communication projects; and the development of 4R Ontario. This past year, the Committee completed the distribution of the Foundation reserves by funding 4R Ontario (\$37,500); Nutrients for Life, H2Know Initiative (\$5,000) and Farm and Food Care Ontario's 'Garden in a Box' program (\$5,000). This winddown was particularly poignant for me as I had been a member of the TFIO since 1979, witnessed firsthand the great work that the TFIO did for the fertilizer industry and got to know some of this industry's great leaders, many of whom served as chair of the organization. So, it is with mixed feelings that we have wound down this foundation, that has served the agricultural industry so well and so long. The Crop Inputs Committee will be working with the other section committees to create a process for identifying and funding projects within the existing OABA structure.

Reflecting on the activities and the participation of committee members of the Crop Inputs Section Committee over the past two years, 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.

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 2021. 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.

During the second year of the pandemic, the feed industry continued to manage operational and supply chain issues. 2021 was also the year of “Buttergate”, a reminder to the ag sector of the importance of having effective social media strategies in place because we have no idea when or where the next issue will come from.

The OMAFRA/OABA Ruminant Feed Industry Day took place on November 3rd and 4th. Once again, the meeting was offered virtually. Strong sponsor support allowed the meeting to be offered for free and over 220 people registered for this meeting. The meeting also included a presentation on the results of a feedlot bunk management survey that OABA helped OMAFRA develop and distribute. The results of this survey should be publicly available in the near future.

Staff from the Animal Nutrition Association of Canada (ANAC) also provide regular updates to the Feed Committee. Melissa Dumont and My-Lien Bosch provide overviews of ANAC activities. After many years of hard work by ANAC, the federal government finally entered updated feed regulations into Canada Gazette I. OABA submitted comments on the proposed regulations supporting ANAC’s comments and stressing the importance of government working with ANAC and industry to implement these new regulations to ensure they are practical and meet the current and future needs of the sector. ANAC also provided updates on other initiatives including the revised FeedAssure® program, the Veterinary Health Products pilot project and the Canadian Feed Industry Education Program.

During ANAC's Annual Meeting in June, it was announced that Dave Bутtenham was the recipient of the Feed Industry Leadership Award for 2021. Dave had been nominated by the OABA Feed Section Committee. The award is presented to industry leaders, who through their work and dedication to the feed industry have made significant contributions to the aquaculture, poultry and livestock sectors in Canada. Dave was nominated for his 36 years of service to the Ontario feed industry, providing leadership for the development of resources such as the truck driver handbook; making health and safety a priority in the industry; raising the profile of all agri business with government, producer groups and industry stakeholders; and providing knowledge and expertise to Ontario's feed companies. Congratulations Dave on achieving this well-deserved honour.

This year OABA was invited to join the Feather Board Command Centre (FBCC) as an associate member. This invitation was the result of discussions over the past few years examining the potential role that service providers such as feed mills can offer this committee. The FBCC is funded by the four largest poultry producer organizations and coordinates disease prevention and outbreak response efforts between the groups. Having OABA and other poultry service providers at the table will be beneficial to ensure that all segments of the poultry value-chain are considered when programs and policies are developed.

Along with inviting new members to participate, FBCC developed a new Strategic Plan, focused on defining scope and communication processes. The FBCC is also leading an outbreak simulation in early 2022 in the Niagara region utilizing Farm Health Guardian geofencing technology to integrate movement data for the purposes of rapid contact tracing. The feed industry is represented on this project.

This past year, OABA worked with both Chicken Farmers of Ontario and Turkey Farmers of Ontario to discuss feed price reporting. In both cases the feed prices submitted are used in the live price calculation by both Boards. OABA has been submitting chicken feed prices for several years, the current process is being updated to include new terms for establishing the price and adding new mills. The turkey program is being developed using the chicken program as a template.

OABA is a member of the Ontario Livestock and Poultry Council. The OLPC includes members from producer groups, vet organizations, government agencies and other stakeholders and focuses on issues around disease prevention and outbreak response. The committee provides value as CFIA, OMAFRA, Ministry of Health and the Ministry of the Solicitor General all provide updates, and it is an opportunity to build relationships with these key government ministries.

OABA was invited to join a 'Manure Nutrient Management Collaborative' hosted by the Water Quality Working Group of the International Joint Commission (IJC). The IJC is a bi-national group that monitors the Great Lakes and other

bodies of water that cross Canada and the U.S. The goal is to create and advance an operational framework for manure management in the Great Lakes region. The OABA Feed Section Committee and Feed Technical committees will be providing input on nutritional and other management factors that will need to be considered by this group.

Feed Technical Committee

The Feed Technical Committee, Chaired by Sanjay Girdhar, continues to be active. A focus of the committee is strengthening the relationship between the feed industry and the Department of Animal Biosciences at the University of Guelph. At each meeting a graduate student makes a presentation on their thesis work. Once again this year, representatives from the committee attended a Livestock Production lecture for 2nd year students in Animal Biology and Animal Science and provided an overview of career opportunities in the feed industry.

The committee also receives regular updates from staff from the Animal Nutrition Association of Canada and provides input on issues ranging from CFIA inspections, product registrations and HACCP compliance.

The Feed Technical Committee also received regular updates from OMAFRA livestock extension staff. These presentations are an opportunity for OABA to review the OMAFRA's priorities and projects and to provide input on these initiatives. Earlier this year, members from the Feed Technical Committee met with Chicken Farmers of Ontario (CFO) representatives to discuss feeding and other management strategies a producer could use in the event there were processing delays caused by Covid. In the end it was agreed that slowing bird growth could be successful for a very short period but if the delay extends beyond a week there would be issues with oversized birds. As part of these discussions CFO organized two webinars for OABA members with nutritionists from leading poultry genetics companies.

This year the committee reviewed concerns over the updated Dairy Farmers of Ontario (DFO) producer website and shared those concerns with DFO.

It's been my pleasure representing the Feed Section for 2021 as Chair. It's 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, for the continued leadership during the pandemic and the unforeseen times that we were presented in 2021.

***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 we continued to deal with the impact of a world-wide pandemic along with the traditional challenges faced by the elevator sector. The OABA Grain Section Committee has had a very active year, responding to many issues facing Ontario's country and terminal elevators.

This year's wheat harvest proved to be challenging due to much lower-than-expected Falling Number values for a significant portion of the crop and more significantly, in wheat that did not show signs of sprouting. These conditions posed significant problems for country elevators which typically purchase based on grade and sell based on specifications. OABA participated in meetings with Grain Farmers of Ontario, OMAFRA and other stakeholders to discuss if there were any lessons learned from this year and issues that need to be addressed. OABA representatives on the Eastern Standards Committee and Ontario Cereal Crops Committee will be asking those groups to investigate any potential changes that might address the challenges posed by this year's crop.

In 2020, the Canadian Grain Commission (CGC) placed a one-year exemption for eastern Canada on a documentation requirement for grain grown from varieties registered in Canada, which was part of the CUSMA Trade Agreement. OABA worked with Ontario terminal elevators to develop a declaration form that would satisfy the CUSMA requirement and address food safety and quality assurance concerns at the same time. Concerns raised by industry stakeholders forced the CGC to extend the exemption to July 1, 2022. OABA has been participating on a CGC led working group with representatives from producer and industry groups across eastern Canada to develop a process for next year that would meet regulatory requirements without placing a significant burden on elevators and producers.

Due to rising commodity prices this past spring, the committee encouraged staff to update contract integrity signage for distribution to members. The signage can be

posted at facilities and outlines the legal obligations of a grain contract. OABA staff also updated and issued a one-page reminder to industry and producers of the risks of contamination of grain by treated seed and other contaminants.

As a response to concerns over non-EU approved corn hybrids available in Ontario, OABA has developed a four-part strategy for managing the issue of introducing new traits to the Ontario market. The first stages include developing information pieces with Grain Farmers of Ontario and Seeds Canada that were distributed to producers in the spring and fall explaining the importance of understanding if the varieties they grew have approvals in place for key export markets. The next stages involve OABA becoming more active at the national level with key producer and industry groups to establish responsible trait launch guidelines that aim to avoid potential market access issues in the future. OABA will also be working with these national groups on developing standardized approaches for managing Maximum Residue Limits (MRL) for pesticides in key export markets.

At every meeting the committee receives regular updates from Agricorp on elevator and dealer licensing. The Committee continues to use these meetings as an opportunity to review trends in licence applications and provide feedback on the licensing process to ensure that it is transparent and consistent.

In 2021, the provincial government re-started a review of the financial protection programs including the Grain Financial Protection Program. This process began in 2019, when the provincial government removed funding from the grain and livestock programs. With the programs now self-sustaining, the government was looking for feedback on potential changes to the existing legislative framework to make it more flexible, modern and reflective of current best practices. This past year, committee members participated in meetings with OMAFRA and relevant producer groups to discuss updating the regulations. OABA also participated in meetings discussing the roles and responsibilities of the Financial Responsibility Review Committee (FRRRC). The FRRRC reviews all dealer license applications and renewals, and then provides recommendations to the Chief Grain Inspector regarding any additional requirements for financial security. During this process, OABA has supported the need for the FRRRC to operate as an arms length body that reviews applications, requests additional information to address data gaps and makes consistent recommendations to the Chief Grain Inspector. OABA also stressed the importance of having a dealer representative on the FRRRC.

OABA provided comments to Environment and Climate Change Canada (ECCC) on the proposed Clean Fuel Standard. The proposed Clean Fuel Regulations have been identified as a key part of the Government of Canada's strategy in meeting its international obligations to reduce GHG emissions. The OABA submission was highly aligned

with the position of Grain Farmers of Ontario, that the proposed Clean Fuel Regulations places needless regulatory burden on farmers and the important role that Ontario-grown corn and locally produced ethanol and biofuel play in reducing carbon emissions. OABA also addressed concerns that the potential record keeping requirements would place an unnecessary administrative burden on elevators and brokers. OABA recommended the use of existing documentation such as grain contracts or declarations as an alternative to creating new forms. The submission explained the complexity of grain markets in Ontario, which are very different from the oil and gas supply chain that ECCC was basing their proposals on. As is often the case, OABA is forced to explain how the Ontario grain trade works, either to national regulators who have little experience or to national agricultural initiatives to ensure they understand the differences in eastern and western grain markets.

The Committee has closely monitored the introduction of Bill C-206, the Private Member's Bill that proposed to exempt fuel utilized for on-farm drying from the federal carbon charge. OABA staff and Grain Section Committee members reached out to several Ontario based Members of Parliament to share concerns that the Bill did not reference fuel used at commercial facilities, creating an un-level playing field for producers.

The Bill made it to the Senate before the federal election and will now have to be re-introduced once Parliament reconvenes post-election. The Liberal government may propose a rebate program as an alternative. OABA has some concerns with this approach as it has the potential to add significant administrative burden on elevators. OABA will be following this file into 2022.

In April 2021, the carbon charge for fuels increased an additional \$10 to \$40/tonne of carbon. 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.

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

***Respectfully submitted,
Richard McNamara, Chair
OABA Grain Section Committee***



Health & Safety Report



The Ontario Agri Business Association (OABA) has long held workplace health and safety as an organizational cornerstone. We constantly strive to ensure that OABA members who operate in the agri business sector are viewed by both peers and society at large as forward thinking organizations that put employee health and safety, as well as regulatory compliance as top priorities.

The pandemic has caused our suite of in-person events to pivot to virtual or reduced class sizes with physically distanced delivery. I am proud of how our sector has shown resilience and responded to this challenge over the past 18+ months. As a sector, we have been able to continue to deliver essential training and education programs, albeit modified. Additionally, we continue to provide a collaborative forum for OABA member company staff with health and safety responsibilities to share both their challenges and successes for the collective benefit of all.

Agri Business Safety Network

After a year of hiatus in 2020, the Safety Network was re-established in 2021. Enrollment continues to be robust with 39 member companies participating. The meeting format transitioned to hosting five virtual meetings throughout the year. The format included review and discussion of timely topics that impacted business operations, guest speakers provided insights into key regulatory, legal and labour issues, and a forum for virtual networking. A highlight of the peer-to-peer networking has been members sharing their experiences on how their roles and training programs have been impacted and managed through the pandemic.

I would highly encourage individuals with health and safety responsibilities to participate in this very insightful and collaborative network.

Training and Education

This past year has certainly been challenging from a training and education standpoint. The pandemic caused our sector to make several rapid adjustments to how we deliver our respective training and education programs. Additionally, we had to ensure compliance with evolving regulations and safety best practices.

We are grateful for our long term relationship with ACUTE Environmental and Safety Services. The regulatory knowledge, attention to detail, ability to quickly modify program delivery, and their overall professionalism became even more vital to

OABA and its membership during the pandemic. ACUTE staff participated on several member update calls throughout the year to share their perspectives

on implementing best practices, addressing employee safety, and effectively managing and delivering training programs during Covid-19.

Although OABA members continued to utilize ACUTE's wide array of best-in-class health and safety training programs, the delivery was significantly modified this past year. Class sizes were reduced to meet spacing requirements and for a period of time the training centre in Waterloo, ON was closed due to province-wide pandemic orders. Due to these noted changes ACUTE staff transitioned to providing customized programs with a high degree of physically distanced interaction at OABA member locations. This helped to ensure employees were up to date on necessary certifications, met regulatory requirements, and received job related training.



Each year brings with it new challenges to overcome and opportunities to learn from. Through our collective efforts as a membership, by the sharing of health and safety information and the promotion of a positive industry-wide safety culture, we are well prepared for continued success.

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

Chair's Message

We have witnessed a great deal of change in our sector in the past couple of years, but one thing that didn't change is our collective commitment to operating safe agri businesses regardless of whether we operate crop input supply businesses, feed mills, grain elevators or related businesses. At the end of the day, employee health and safety is paramount. I believe our sector and members have a track record and commitment to continuous improvement to be proud of.

It is my aspiration that as we can get back to a post pandemic workplace, within a safe and reasonable timeframe, we can appreciate how quickly and efficiently we transitioned our respective programs. The pandemic has also resulted in the widespread adoption of basic health and safety habits and acknowledgment that within workplaces empathy and positive discussion involving managing stress and mental health are critical components of all health and safety programs.

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, 2021 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, 2021 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**

November 2, 2021
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, 2021

ASSETS

	2021	2020
CURRENT		
Cash	\$ 66,611	\$ 82,389
Accounts receivable	14,757	14,530
Accrued interest receivable	11,960	13,366
Prepaid expenses	44,281	46,392
Inventory (Note 2b, 4)	11,054	8,593
Investments (Note 5)	1,187,395	1,160,772
	1,336,058	1,326,042
CAPITAL ASSETS (Note 2c, 6)		
At cost less accumulated amortization	-	2,395
	\$ 1,336,058	\$ 1,328,437

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 5,200	\$ 41,043
Government remittances payable	13,038	-
Memberships received in advance	9,668	15,341
	27,906	56,384

NET ASSETS

UNRESTRICTED NET ASSETS	1,308,152	1,272,053
	\$ 1,336,058	\$ 1,328,437

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, 2021

	2021	2020
REVENUE		
Annual Convention, conferences and meetings	\$ 34,979	\$ 202,670
Investment income	23,197	26,311
Membership fees	420,430	429,305
Other income	6,005	9,496
Safety Network	13,540	-
Trade Directory	63,979	57,010
	562,130	724,792
EXPENDITURES		
Amortization of capital assets	1,896	3,432
Annual convention, conferences and meetings	21,612	163,077
Association services and activities	26,926	38,816
Automobile, travelling and meetings	1,688	8,707
Office and general	41,597	72,501
Other expenses	1,826	5,172
Rent, utilities and taxes	55,105	55,427
Salaries and benefits	505,031	456,561
Trade directory	11,834	11,268
	667,515	814,961
LOSS FROM OPERATIONS BEFORE OTHER ITEMS	(105,385)	(90,169)
OTHER ITEMS (EXPENDITURES)		
Canada Emergency Wage Subsidy	120,630	95,078
Canada Emergency Rent Subsidy	21,353	-
Loss on disposal of capital assets	(499)	-
	141,484	95,078
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	36,099	4,909
Unrestricted net assets - beginning of year	1,272,053	1,267,144
Unrestricted net assets - end of year	\$ 1,308,152	\$ 1,272,053

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, 2021

	2021	2020
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess of revenue over expenditures for year	\$ 36,099	\$ 4,909
Items not requiring an outlay of cash:		
Amortization of capital assets	1,896	3,432
Gain on sale of capital assets	499	-
	38,494	8,341
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(227)	3,545
Decrease (increase) in accrued interest receivable	1,406	(165)
Decrease in prepaid expenses	2,111	25,486
(Increase) in inventory	(2,461)	(1,202)
(Decrease) increase in accounts payable and accrued liabilities	(35,843)	37,653
Increase in government remittances payable	13,038	-
(Decrease) increase in memberships received in advance	(5,673)	13,133
	10,845	86,791
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	184,100	203,143
Purchase of investments	(210,723)	(227,089)
	(26,623)	(23,946)
NET (DECREASE) INCREASE IN CASH	(15,778)	62,845
CASH, BEGINNING OF YEAR	82,389	19,544
CASH, END OF YEAR	\$ 66,611	\$ 82,389

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, 2021

	2021	2020
Association services and activities		
4R Ontario	\$ 12,500	\$ 12,500
Farm & Food Care	864	10,000
Human resources services	6,095	6,095
Internet home page	390	910
Membership fees	2,158	2,224
Membership stickers	569	569
Webinar and online learning	600	3,268
Ontario 4-H Foundation	1,000	1,000
Safety Network	500	-
Scholarships	2,250	2,250
	\$ 26,926	\$ 38,816
Automobile, travelling and meetings		
Directors and committees	\$ 20	\$ 4,567
Staff expenses	1,668	4,140
	\$ 1,688	\$ 8,707
Office and general		
Audit	\$ 3,250	\$ 3,100
Bank charges	30	174
Executive Director Search	1,200	41,491
Insurance	4,675	4,553
Janitorial service	2,429	2,908
Legal fees	4,686	-
Miscellaneous	4,293	100
Office expenses	9,563	12,017
Postage	3,259	3,157
Telephone	8,212	5,001
	\$ 41,597	\$ 72,501

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, 2021

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.

(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.

ONTARIO AGRI BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2021

3. FINANCIAL IMPACT OF THE NOVEL CORONAVIRUS (COVID-19)

On January 30, 2020 the World Health Organization (“WHO”) announces a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Association’s financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Association is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2022.

4. INVENTORY

	2021	2020
Manual grain storage receipts	\$ 1,200	\$ 549
Computer grain storage receipts	1,501	1,501
Laser grain storage receipts	7,350	4,071
Postage	1,003	2,472
	\$ 11,054	\$ 8,593

The cost of inventory recognized as an expense during the year amounts to \$1,826 (2020 - \$5,172).

5. INVESTMENTS

Details of the investments are as follows:

	Cost	Market Value
GIC - 2.70%, due February 12, 2022	\$ 97,000	\$ 98,650
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	71,994
GIC - 3.20%, due December 28, 2022	95,000	97,332
GIC - 3.15%, due January 16, 2023	30,000	30,668
GIC - 0.80%, due February 13, 2023	75,000	75,378
GIC - 0.81, due February 13, 2023	60,000	60,306
GIC - 3.22%, due January 15, 2024	35,000	35,797
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	51,045
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
GIC - 1.45%, due November 17, 2025	37,000	37,466
Investment savings account	234,395	234,395
	\$ 1,187,395	\$ 1,199,355

ONTARIO AGRI BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2021

6. CAPITAL ASSETS

	Cost	Amortization	Net 2021	Net 2020
Office furniture and equipment	\$ 8,860	\$ 8,860	\$ -	\$ -
Computer equipment	14,998	14,998	-	2,395
	\$ 23,858	\$ 23,858	\$ -	\$ 2,395

7. 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:

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 third year commitment of \$12,500.

8. 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.

9. 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.

10. COMPARATIVE FIGURES

Certain figures for 2020 have been reclassified to make their presentation identical to that adopted in 2021.

2022 Upcoming Meetings

OABA Summer Conference

JUNE 12-13-14, 2022

Deerhurst Resort, Huntsville, Ontario

OABA Western Ontario Golf Day

JULY 13, 2022

Craigowan Golf Club, Woodstock, Ontario

OABA Eastern Ontario Golf Day

JULY 19, 2022

Smuggler's Glen Golf Course, Lansdowne, Ontario

OABA Fall Classic Golf Day

SEPTEMBER 20, 2022

Grey Silo Golf Course, Waterloo, Ontario



ONTARIO AGRI BUSINESS ASSOCIATION

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