



2022 ANNUAL REPORT

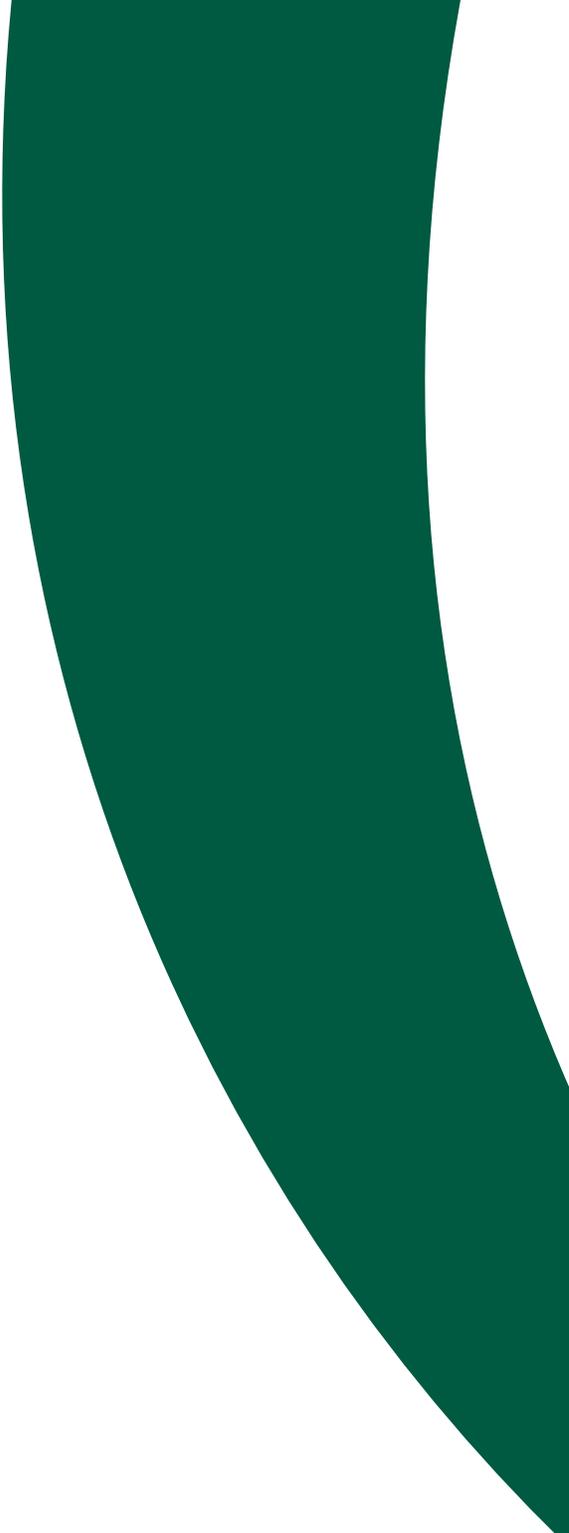
Ontario's Agri Business Sector — With it...Ontario will grow!

VISION STATEMENT

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

MISSION STATEMENT

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



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EXECUTIVE DIRECTOR'S MESSAGE

This past year can be described as nothing short of a rollercoaster of unpredictability for the agri business sector and Canadian society. Although it's been challenging, it's also been a time filled with accomplishments for the Ontario Agri Business Association and the industry and members we serve.

This Annual Report includes a brief outline of the efforts the OABA Board, Committees and staff undertook throughout the year to ensure Ontario based crop input, grain and feed operations continued successfully through a second year of a global pandemic, while also navigating agricultural supply chain disruptions, disease threats, and challenging government policies that have, or had, the potential to negatively impact our sector.

In the past year I am proud to note that the OABA Board of Directors completed a strategic planning process that identified five strategic priorities for your association. This direction will result in both focused and actionable objectives for OABA that will drive both our human and financial resource allocation into the future. The outcome of this process will be a laser focus on strategic priorities that are paramount to our members, increase the impact of OABA as the voice of Ontario agri business, drive member value and ultimately create a more sustainable agri business environment that promotes growth and further investment.

Despite the challenges of the past year, OABA has persevered to deliver sustained value to our members. We have continued to promote the importance of the agri business sector to both government and industry stakeholders, address challenges our sector faces with strategic insight, and position OABA as a solution oriented thought leader that champions the vital role our members play within the agri-food value chain, and the critical role our sector will play in Ontario's post pandemic economic recovery.

While there hasn't been as many opportunities to meet face-to-face with elected officials and government staff due to the pandemic, we have found ways to connect and address a number of our policy priorities this past year. We established pre-election priorities that were communicated with all major parties and select candidates prior to the June provincial election. We held a number of meetings directly with Members of Parliament and government staff and in collaboration with value chain partners to address our concerns with transportation blockages, labour disruptions and the federal government's proposed fertilizer emission mandate and their decision to remove Russia's most-favoured-nation status, which triggered a 35 percent tariff on fertilizer imports in early March.

In support of our members, we have undertaken a number of significant projects over the past year that we feel will drive knowledge and engagement within the sector. Projects include commissioning an Economic Impact Assessment study that highlights the impact OABA members have on the economy with a particular focus on accurately articulating the size of the sector in comparison to other industries, showcasing job creation and the diversity of our members' businesses that range from crop inputs, country and terminal grain elevators and feed manufacturing. OABA is also undertaking an updated Salary and Benefits study that aims to provide detailed and confidential information to members allowing them to make informed business decisions in an incredibly competitive job market. Additionally, OABA signed a subsequent 3-year agreement to partner on the continued delivery and expansion of the 4R Ontario program in collaboration with the Ontario Ministry of Agriculture, Food and Rural Affairs; Conservation Authorities and several leading grower associations.

Our staff at OABA are top notch and have demonstrated incredible resilience and adaptability working together as a team, and with our members and stakeholders, in a virtual

world. But there is no doubt that our sector is based on human interactions and business relationships, and we cherish the ability to transition back to in-person meetings, training sessions and delivering our suite of social and networking events throughout the year that have been a cornerstone of OABA for more than two decades.

Accomplishing our collective goals is possible because more than 70 individuals volunteer their time and talent to serve on OABA's Board of Directors, committees, sub-committees and working groups. This year, the Association and its members demonstrated their commitment to attracting the next generation of talent to our industry through the enrollment of 15 individuals into our mentorship program. I look forward to seeing OABA continue to grow these opportunities for the next generation of industry leadership.

OABA is ready to meet challenges into 2023 and beyond. We have an experienced and dedicated staff and are well positioned to support our members and drive value by delivering on our strategic priorities and advocating on behalf of all members in the best interests of both the crop inputs, grain, and feed industries, both provincially and federally on the issues and opportunities that matter the most. OABA has a bright future as the voice of Ontario Agri Business.

Sincerely,
Russel Hurst
Executive Director
Ontario Agri Business Association



PRESIDENT'S REPORT

I would like to take the opportunity to welcome delegates and guests to the 23rd Annual Meeting and Convention of the Ontario Agri Business Association. There are few words that can truly describe the past twelve months for our industry, and society. With major transportation disruptions, the emergence of highly pathogenic avian influenza (HPAI), and the impacts of the war in Ukraine, it has certainly been an unprecedented time for us all. However, when reflecting on this past year it is reassuring to know that our association remains stable during these uncertain times. Despite these challenges, we continued to advocate for the collective interests of the sector in order to keep businesses operating through lock-downs, supply chain disruptions, and disease outbreaks to remain globally competitive and highlight the critical role agri businesses play in feeding the world.

As President of the Ontario Agri Business Association this past year, I am proud to be playing an active role in providing strategic direction along with my Board colleagues on behalf of all members. Together through engagement with our

association we can achieve our collective economic, social, and environmental goals and ensure our sector continues to prove resilient both today, and well into the future. I would like to thank all OABA members for their participation and continued support of our committees, events, and programming. OABA has a highly engaged membership, executive, board, committees, and staff team that put in the hours to identify challenges, strive for solutions, and represent the interests of our diverse membership to government and industry stakeholders.

As we entered the second year of the pandemic, we continue to be engaged with elected officials and senior bureaucrats to address ongoing, as well as emerging challenges faced by our sector. OABA lobbied to ensure that our membership was deemed essential during the various lockdowns, allowing for critical business operations to continue. OABA served as a liaison with government during the Highly Pathogenic Avian Influenza (HPAI) outbreak, ensuring industry perspectives were shared with regulatory authorities. Members were provided with timely updates of emerging control zones and recommended biosecurity best practices. The fertilizer sector's concerns with the federal government's unexpected decision to implement a tariff on Russian imports were well communicated to government officials and key decision makers throughout the value chain.

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

The OABA Board of Directors and staff completed a comprehensive strategic planning process at the end of 2021. The outcome of this process was the confirmation of five key strategic priorities for the Association moving forward. These included Member Engagement and Communications, Advocacy and Government Relations, Safety, Training, Education and Leadership, Stakeholder Relationships and Organizational Excellence. As we transitioned into the first full year under our recently developed strategic plan we looked to ensure both focus on the priorities that matter to our membership, as well as drive progress on key files that directly impact our members' businesses.

In the area of member engagement, this past year brought a return to a number of in-person social and networking events delivered by OABA. It was refreshing to welcome members back to both our Summer Conference in Muskoka and a full slate of golf events province wide after two years of cancellations due to the pandemic. We heard loud and clear from our membership that a key role for your association is to continue hosting in-person industry events into the future.

It has been a busy year for government relations. OABA looked to build, foster and establish relationships with elected officials and senior bureaucrats at both the provincial and federal level. This year saw OABA engage on a large number of files that had significant impacts on our membership including the announcement of import tariffs on Russian fertilizer, fertilizer emissions reduction mandate, establishment of clean fuels regulations, federal-provincial-territorial negotiations, various labour related transportation blockages, and a Private Member's Bill seeking to exempt carbon tax from on-farm grain drying. Additionally, we continue to engage on the more traditional government relations activities that include pre-budget consultations, regulatory reviews, labour resiliency and agri-food value chain programming. This past year also marked a provincial election in June where OABA was active in engaging candidates across all parties to highlight key policy priorities that impact our membership and to position our sector as being key to a post pandemic economic recovery.

A core area of focus for OABA has always been the delivery of health, safety and leadership programming to our membership. This past year saw OABA staff gradually transition back to several in-person events after a year of mostly virtual delivery due to the pandemic. Several Lead-Hand courses were delivered in Guelph and various levels of grain grading courses were delivered across the province to minimize employee travel time. This past year also saw the re-establishment of our Safety Network after a period of hiatus. A particular highlight was transitioning 15 individuals who are destined to be the next generation of industry leaders through OABA's 20 month mentorship program.

I would like to thank the many volunteers and staff for their commitment to both the Association and advancement of Ontario's agri business sector. The effective combination of volunteer expertise on the Board of Directors, Crop Inputs, Feed and Grain Section Committees, along with the dedicated and professional staff of Ron, Tracey, Joanne and Russel

continue to position OABA as a strong leadership organization. They effectively represent and advance the interests of our membership to industry stakeholders that include ministers, government staff and other allied organizations that routinely look to OABA for our collective perspectives, thought leadership, and as a key collaborator in driving sector growth by identifying and effectively implementing solutions to issues as they arise.

It has been a pleasure to serve as your President over this past year. I would like to thank the OABA staff and 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. OABA has a bright future as the voice of Ontario Agri Business.

Respectfully submitted,
Claude Gauthier
President
Ontario Agri Business Association

STRATEGIC PRIORITIES

Key Strategic Areas of Focus

MEMBER ENGAGEMENT & COMMUNICATIONS

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

STAKEHOLDER RELATIONSHIPS

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

SAFETY, TRAINING, EDUCATION & LEADERSHIP

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

ADVOCACY & GOVERNMENT RELATIONS

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

ORGANIZATIONAL EXCELLENCE

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

2021-2022 HIGHLIGHTS

A YEAR IN NUMBERS



Membership

483 members

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

9 new members joined OABA this past year



Government Relations

48 meetings with federal and provincial senior bureaucrats and elected officials



27

media interviews

22

government policy submissions

Social & Networking



5

Social and Networking events held throughout the year with over

700

attendees

14

training & education events with

over **150** OABA

member company staff participating

77

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

86

topic specific regulatory, political and biosecurity member updates issued



15

next generation leaders participate in OABA's mentorship program



GRAIN COMMITTEE REPORT

It is my pleasure to report on the activities of the Grain Section Committee. It has been another challenging year. Lingering effects of two years of pandemic and its impact on supply chains seemed to be lessening at the start of 2022. Suddenly, the world was faced with a war in Europe. The unprovoked attack on Ukraine by Russia made us realize just how precarious our world really is. The impact on our grain industry continues as we experience market volatility like never before. The OABA Grain Section Committee has had a very active year, responding to many issues facing Ontario's country and terminal elevators.

Grain drying has been impacted by increased costs for fuel and labour. OABA continues to keep members updated through regular communications and the Pre-Harvest Bulletins. OABA proactively reached out to members prior to the summer and fall harvest periods and provided updated data on drying charges to ensure members are factoring all costs when establishing drying charges.

OABA also updated members on increases to federal carbon charges. In April, 2022 the carbon charge for fuels increased an additional \$10 to \$50/tonne of carbon. OABA responded to member concerns and provided the grain trade with an estimate of the amount of carbon tax included in drying at different moisture levels for corn, wheat, edible beans and soybeans using either natural gas or propane.

The industry is also concerned with the potential ramifications of Bill C-234. This Private Members Bill proposes to exempt on-farm grain drying expenses from the federal carbon charge. The Association developed a strategy document that outlined the elevator sector's concerns. OABA staff and Grain Section

Committee members have met with key members of Parliament and relevant producer groups to raise our concerns that if enacted, it will create an un-level playing field for commercial grain dryers and their producer customers. OABA will continue to focus on advocating for an amendment to the Bill as it transitions through the parliamentary process into 2023.

The OABA Grain Section Committee continues to work closely with Grain Farmers of Ontario (GFO) on a wide range of files and are in regular communication. GFO provides updates at OABA Grain Committee meetings and OABA provides updates during GFO's bi-weekly Grain Sector Stakeholder calls.

This past year OABA worked with representatives from Grain Farmers of Ontario and Ontario Canola Growers to update the Code of Practice for Corn and Canola. The Code, which features a protocol for resolving grade/dockage/condition disputes, has been in place prior to the formation of OABA and did not reflect changes to the industry that have occurred over the past decades. The updated document has added oats, barley and wheat to its mandate, making for a more robust and encompassing document and creating more consistency across commodities. The standards for receiving and grading soybeans are included in the Soybean Marketing Agreement.

Highlights of the updated Code include: changes to the timing allowed for a producer to initiate a dispute and allowing for disputes to be handled by independent third party inspectors in addition to the Canadian Grain Commission.

This past year the Canadian Grain Commission (CGC) implemented requirements for delivery declarations at CGC licensed facilities (in Ontario this is limited to terminal elevators). The declaration was established due to the requirements of the Canada – U.S. – Mexico Trade Agreement and ensures that grain received was grown from varieties approved for use in Canada. To be in compliance with the new declaration requirement, Ontario's terminal elevators require declarations from elevators and producers who deliver to them. OABA worked with Grain Farmers of Ontario to ensure that communications were aligned across the value chain. OABA is working with the CGC to provide phrasing, which elevators can use within contracts, to replace the separate declaration document requirement.

OABA is a representative on the Canadian Grain Commission's Eastern Standards Committee. This committee provides guidance to the Commission on changes to grading standards. OABA would like to thank Gord Hyndman, who's term on the committee expired, for his work over the years representing OABA country elevator interests. It was announced in the fall that the Commission had accepted OABA's nomination of Manuela Roduner to replace Gord on the committee. Ontario terminal elevators are represented on the Standards Committee by Kevin Reles.

At every meeting the committee receives regular updates from Agricorp on elevator and dealer licensing. The Committee continues to utilize 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

This past year, OABA became a member of the Canada Grains Council. OABA has identified that the interests of Ontario country elevators are not being effectively represented at the national level on several issues, and OABA feels that membership in the Canada Grains Council will ensure that the concerns of the Ontario elevator sector are better represented at the federal level. Issues that OABA will be following include: seed trait launch strategies that could be coordinated by the Council, with the goal of new trait launches that don't create challenges for grain exporters; and, aligning accepted Maximum Residue Levels between the U.S., Canada and major trading partners.

As things began to return to 'normal' OABA was able to host in-person grain grading courses once again. This past year courses were offered in three locations across the province. Introductory and Advanced courses were offered with over seventy industry professionals registered.

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,
Mike Ondrejicka
Chair
OABA Grain Section Committee

I am delighted to submit the annual Feed Section Committee report for 2022. The committee is represented by leaders representing manufacturing and suppliers in the Ontario feed industry. The committee meets to discuss matters that impact the Ontario feed industry from a local, provincial, and federal level. Support is provided by the Animal Nutrition Association of Canada (ANAC) nationally, with a focus on industry relations with our regulatory governing body, the Canadian Food Inspection Agency (CFIA). The committee also receives and discusses reports from various producer and livestock committees, as well as OABA's Feed Technical Committee.

Much like 2021, the past year saw the pandemic negatively impact supply chains, resulting in challenging times for industry. In response to the ongoing supply chain challenges, ANAC negotiated terms with CFIA that would allow feed mills to formulate feeds below Table IV minimums without the need for registration. Another area of concern was the potential for COVID-19 to significantly impact staffing levels at individual feed mills, resulting in reduced capabilities to deliver feed to customers. This prompted OABA to embark on an unusual project, one that was determined to be critical should such a situation present itself. A process was established where OABA would assist mills that were facing production challenges by matching them with another facility in their area that could toll mill on their behalf. Fortunately, the need to use this process never arose.

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

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

During 2022, OABA partnered with national organizations like Fertilizer Canada and ANAC to lobby the government for a quick resolution to the CP Rail labour dispute. Disruptions in the rail system usually have significant impacts across the feed, grain, and fertilizer industries.



FEED COMMITTEE REPORT

Each meeting of the committee includes a presentation from one of Ontario's livestock and poultry commodity groups. This past year representatives from Ontario Pork, Dairy Farmers of Ontario and Beef Farmers of Ontario presented updates on their organizations' activities and strategic priorities. OABA wrote a letter of support for Ontario Pork's concerns regarding reduction in Ontario hogs being processed in Quebec and continues to work closely with Chicken Farmers of Ontario on the best strategies to meet national goals for prudent use of antimicrobials.

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

In April, OABA organized a tour of three feed mills in southwestern Ontario, along with staff from ANAC to allow staff to experience daily feed mill operations.

OABA participated in a stakeholder meeting with OMAFRA staff focusing on issues related to the increased use of "Beef on Dairy" crosses at dairy farms. This change in breeding strategy by dairy farmers brought on by the availability of sexed semen, will impact feedlots and veal producers. This evolution will not have a significant impact on the feed industry, but OABA representatives participated in the meeting providing comments on what they are experiencing at the farm level. OMAFRA staff were hoping to use this meeting to help determine what resources they needed to develop on this issue.

The Feed Technical Committee, chaired by Chris Meadows, continues to be active working on numerous files. Each committee meeting includes a presentation from a graduate student from the Department of Animal Biosciences at the University of Guelph. The committee also makes a presentation each year to the second year Livestock Production class on career opportunities in the feed industry. This past year the committee also provided feedback to researchers conducting an on-farm research project on antimicrobial resistance; reviewed a new course-based Masters program from the Department of Animal Biosciences; and, represents OABA on the Ontario Livestock and Poultry Council.

As outgoing chair of OABA's Feed Section Committee, it would be remiss of me to not mention the great pleasure it was to serve in this capacity. My involvement with the committee over the last six years has allowed me to work alongside all the members of the Feed Section Committee, the Chairs of the Feed Technical Committee, and the staff of OABA. My role as Chair has also afforded me the opportunity to sit at the OABA Board table and contribute to the great work that is done year in, year out by this organization, its staff and volunteers.

Respectfully Submitted,
Derek E. Mendez
Chair
OABA Feed Section Committee



CROP INPUTS COMMITTEE REPORT

I don't recall over my entire career and past involvement with the Crop Inputs Committee, a time when there was so much to discuss, debate and provide guidance on for our membership.

As a committee, we had some very candid and contentious discussions around Government sanctions and tariffs which are far from resolved. We did come to a consensus on the message to the federal government. We also worked very closely with Fertilizer Canada and grower associations, mainly Grain Farmers of Ontario on outreach to the Agriculture and Agri Food Canada officials and members of Parliament. Educating grower associations, elected officials and policy decision makers on the functionality of the Eastern Canadian fertilizer supply chain and specifically its reliance on the importation of nitrogen and phosphate fertilizers to meet farmers nutrient needs during the critical planting season. Although discussions with Government of Canada officials have been encouraging, it is not anticipated that significant policy or compensation announcements will be made in the near future as we prepare for the 2023 crop year.

Since its formation in 2000, OABA is a trade association that endeavours to represent the interests of ALL members. It was evident during the Crop Input Section Committee discussions that there was not clear consensus amongst all members with respect to recommending a comprehensive fertilizer importer and ag-retailer compensation package. However, this does not restrict individual members from choosing to lobby government officials directly based on their unique situation.

OABA, on behalf of its members, has been actively engaging elected officials and senior level bureaucrats in partnership with allied associations and farm groups to clearly articulate the sectors concerns following the Government of Canada's decision to implement a 35% tariff on the importation of Russian manufactured fertilizer that was not in transit prior to March 2, 2022.

OABA's policy requests over the past several months have included: compensation for Eastern Canadian farmers negatively impacted by the tariff decision; removal of the tariff to align economic sanctions with other G7 nations; and, the necessity that the government provide clarity on any future tariff related decisions to ensure business predictability as we enter the 2023 crop season.

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 29 certified locations, with several 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 2,451 growers and impact almost one million acres. A total of 46 pre-audits have been conducted indicating an opportunity to further grow the number of certified locations province-wide. OABA was a signatory, along with Fertilizer Canada, Conservation Associations, our producer group partners and the Ontario Ministry of Agriculture, Food and Rural Affairs on an updated Memorandum of Understanding regarding 4R Nutrient Stewardship that runs until 2024. The updated document continues to support the role of 4R Nutrient Stewardship to balance environmental concerns with producer success. The Memorandum established goals and objectives for the 4R program in Ontario and ensures that the program aligns with the Ontario government's agri-environmental priorities and desired outcomes.

The 4R Retailer Certification Program was originally developed as a response to concerns about the role of phosphorus in algal blooms in the Great Lakes. We are now seeing the importance of 4R Nutrient Stewardship as an internationally recognized tool for managing greenhouse gas emissions from fertilizer use. In December 2020, 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.

There was widespread concern that the emission targets would result in a 30% reduction in fertilizer applied. Pressure from producer and industry groups across the country appear to have forced the federal government to back off from their initial position. OABA provided comments to the federal government on their emission reduction goals stressing that 4R Nutrient Stewardship must be recognized as the most appropriate tool for identifying and implementing practices to reduce GHG emissions without setting absolute rate limits. 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 government with fact based evidence of the positive impacts a 4R approach to nutrient management can have.

OABA is well represented on a Fertilizer Canada Working Group developing guidelines for the handling and storage of liquid fertilizers. OABA has pushed for the creation of guidelines that are consistent across the country and can be referenced by programs such as the Environmental Farm Plan. The guidelines have been developed by the Working Group and approved by the Board of Fertilizer Canada and should be released in early in 2023.

This past year, OABA responded to concerns raised by members and met with staff from the Ontario Pesticide Education Program (OPEP) 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 to reduce the administrative burden on retailers.

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 Cover Crops Strategy, promoting the use of cover crops and providing information on best practices; the Soil Action Group, developing an implementation plan for Ontario's soil strategy; 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.

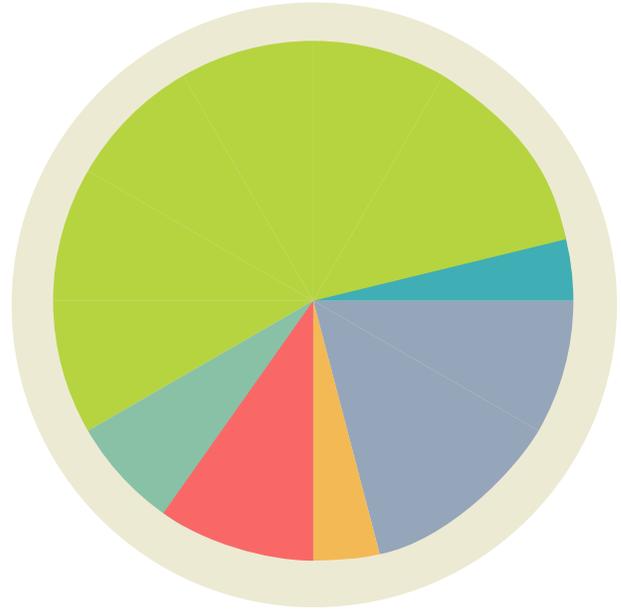
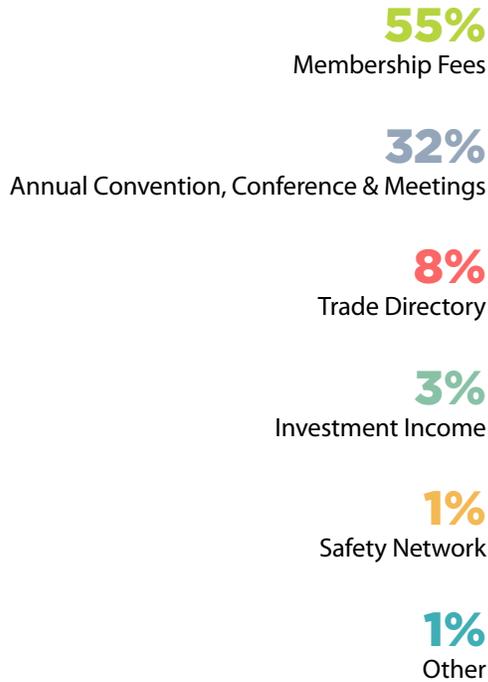
This past year the Crop Inputs Committee completed the wind down of the TFIO Foundation. The Foundation was formed in the 1980s and funded "The Next Best Thing to Rain" the history of the fertilizer industry in Ontario and supported various agronomic research projects over the years. Over the past decade it became clear to the committee that the Foundation had run its course and there was no need for a certified charitable organization. Last year the remaining reserves in the Foundation were distributed to several worthy agricultural projects and this past year the Foundation applied to rescind its charitable status.

I would first like to thank all the committee members for their active participation on the committee and the OABA staff for their hard work over the past year. You can measure success by what you learn and though this past year has been quite challenging it has been a huge learning experience. I want to also express my appreciation for the leadership provided to our industry by our Board of Directors and Executive Director Russel Hurst.

Respectfully Submitted,
Paul Johnston
Chair
OABA Crop Inputs Section Committee

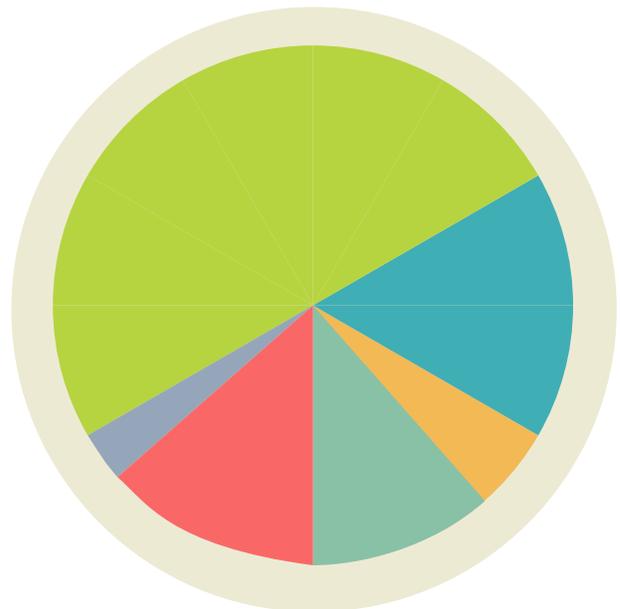
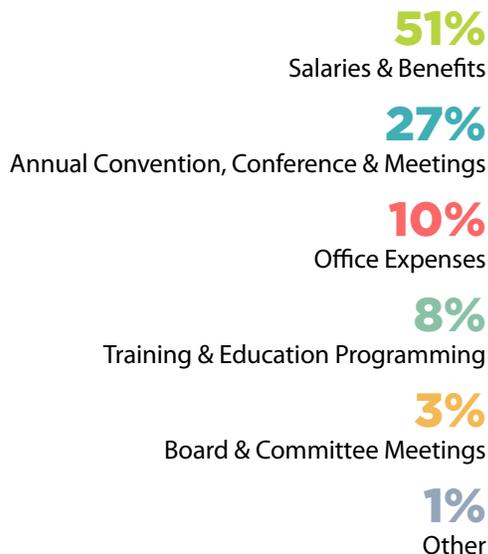
2021 - 2022 FINANCIAL SNAPSHOT

Where our funding comes from



Total Revenue \$808,788

How we allocate funds to support OABA's strategic priorities



Total Expenditures \$873,669

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

INDEPENDENT AUDITORS' REPORT

McDougall & Co.,
Chartered Professional Accountants

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STANLEY MCDUGALL
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SANDRA FORDE
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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, 2022 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, 2022 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause

the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

McDougall & Co.,

Chartered Professional Accountants

Chartered Professional Accountants Licensed Public Accountants

*November 11, 2022
Baden, Ontario*

Ontario Agri Business Association

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2022

ASSETS

	2022	2021
CURRENT		
Cash	\$ -	\$ 66,611
Accounts receivable	20,433	14,757
Accrued interest receivable	14,384	11,960
Prepaid expenses	43,662	44,281
Inventory (Note 2(b), 4)	8,180	11,054
Investments (Note 5)	1,209,830	1,187,395
	1,296,489	1,336,058
CAPITAL ASSETS (Note 2(c), 6)		
At cost less accumulated amortization	5,202	-
	\$ 1,301,691	\$ 1,336,058

LIABILITIES

CURRENT		
Bank indebtedness	\$ 12,288	\$ -
Accounts payable and accrued liabilities	20,034	5,200
Government remittances payable	-	13,038
Memberships received in advance	5,264	9,668
	37,586	27,906

NET ASSETS

UNRESTRICTED NET ASSETS	1,264,105	1,308,152
	\$ 1,301,691	\$ 1,336,058

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, 2022

	2022	2021
REVENUE		
Annual convention, conferences and meetings	\$ 257,956	\$ 34,979
Investment income	24,970	23,197
Membership fees	443,007	420,430
Other income	8,625	6,005
Safety Network	8,905	13,540
Trade directory	65,325	63,979
	808,788	562,130
EXPENDITURES		
Amortization of capital assets	502	1,896
Annual convention, conferences and meetings	234,440	21,612
Association services and activities (per schedule)	66,049	26,926
Automobile, travelling and meetings (per schedule)	18,717	1,688
Office and general (per schedule)	32,594	41,597
Other expenses	4,352	1,826
Rent, utilities and taxes	55,477	55,105
Salaries and benefits	449,590	505,031
Trade directory	11,948	11,834
	873,669	667,515
LOSS FROM OPERATIONS BEFORE OTHER ITEMS	(64,881)	(105,385)
OTHER REVENUES (EXPENDITURES)		
Canada Emergency Wage Subsidy	17,027	120,630
Canada Emergency Rent Subsidy	3,807	21,353
Loss on disposal of capital assets	-	(499)
	20,834	141,484
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	\$ (44,047)	\$ 36,099

CHANGES IN NET ASSETS

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 1,308,152	\$ 1,272,053
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	(44,047)	36,099
BALANCE, END OF YEAR	\$ 1,264,105	\$ 1,308,152

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, 2022

	2022	2021
CASH PROVIDED BY OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures for year	\$ (44,047)	\$ 36,099
Items not requiring an outlay of cash:		
Amortization of capital assets	502	1,896
Gain on sale of capital assets	-	499
	(43,545)	38,494
Changes in non-cash working capital:		
Increase in accounts receivable	(5,676)	(227)
(Increase) decrease in accrued interest receivable	(2,424)	1,406
Decrease in prepaid expenses	619	2,111
Decrease (increase) in inventory	2,874	(2,461)
Increase (decrease) in accounts payable and accrued liabilities	14,834	(35,843)
(Decrease) increase in government remittances payable	(13,038)	13,038
Decrease in memberships received in advance	(4,404)	(5,673)
	(50,760)	10,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	435,916	184,100
Purchase of investments	(458,351)	(210,723)
Purchase of capital assets	(5,704)	-
	(28,139)	(26,623)
NET DECREASE IN CASH	(78,899)	(15,778)
CASH, BEGINNING OF YEAR	66,611	82,389
(BANK INDEBTEDNESS) CASH, END OF YEAR	\$ (12,288)	\$ 66,611

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, 2022

	2022	2021
ASSOCIATION SERVICES AND ACTIVITIES		
4R Ontario	\$ 10,000	\$ 12,500
Economic Impact Analysis	18,619	-
Employment and benefits survey	16,000	-
Farm and Food Care	-	864
Human resources services	6,225	6,095
Internet home page	718	390
Membership fees	7,757	2,158
Membership stickers	575	569
Webinar and online learning	600	600
Ontario 4-H Foundation	1,000	1,000
Safety Network	2,305	500
Scholarships	2,250	2,250
	\$ 66,049	\$ 26,926
AUTOMOBILE, TRAVELLING AND MEETINGS		
Directors and committees	\$ 5,867	\$ 20
Staff expenses	12,850	1,668
	\$ 18,717	\$ 1,688
OFFICE AND GENERAL		
Audit	\$ 3,250	\$ 3,250
Bank charges	36	30
Executive Director search	-	1,200
Insurance	5,292	4,675
Janitorial service	2,200	2,429
Legal fees	-	4,686
Miscellaneous	374	4,293
Office expenses	13,017	9,563
Postage	2,155	3,259
Telephone	6,270	8,212
	\$ 32,594	\$ 41,597

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, 2022

1. Purpose of the Organization

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

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

2. Summary Of Significant Accounting Policies

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

- (a) Revenue recognition
The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
Convention, conference and meeting fees are recognized as revenue when the event is held. Membership fees are recognized as revenue during the year to which they relate.
Investment income is recognized as revenue when earned.
All other revenues are recognized as revenue when received or receivable.
- (b) Inventory
Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first in, first out method.
- (c) Capital assets
Capital assets are recorded at cost. Generally, capital expenditures in excess of \$1,000 are capitalized. Minor expenditures which do not extend the life of an asset are expensed.
Amortization is provided from the date the asset is put into service on a straight line basis over the expected useful life as follows:

Office furniture and equipment	5 years
Computer equipment	3 years

- (d) Contributed services
Volunteers contribute numerous hours per year to assist the Association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
- (e) Use of estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
- (f) Financial instruments
The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.
The financial assets subsequently measured at amortized cost include cash, term deposits and amounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. 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 2023.

Ontario Agri Business Association

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

4. Inventory

	2022	2021
Manual grain storage receipts	\$ 1,100	\$ 1,200
Computer grain storage receipts	1,461	1,501
Laser grain storage receipts	3,137	7,350
Postage	2,482	1,003
	\$ 8,180	\$ 11,054

The cost of inventory recognized as an expense during the year amounts to \$6,507 (2021 - \$1,826).

5. Investments

Details of the investments are as follows:	Cost	Market Value
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 - 1.50%, due February 15, 2023	100,000	100,933
GIC - 1.30%, due February 15, 2023	50,000	50,404
GIC - 3.85%, due June 26, 2023	70,000	70,724
GIC - 3.22%, due January 15, 2024	35,000	35,797
GIC - 2.10%, due February 15, 2024	50,000	50,653
GIC - 2.16%, due February 15, 2024	100,000	101,343
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 - 4.48%, due July 25, 2024	78,830	79,478
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
	\$ 1,209,830	\$ 1,224,214

The weighted average interest rate of the portfolio is 2.60% (2021 - 2.30%).

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

Ontario Agri Business Association

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

6. Capital Assets

	Cost	Amortization	Net 2022	Net 2021
Office furniture and equipment	\$ 8,860	\$ 8,860	\$ -	\$ -
Computer equipment	17,710	12,508	5,202	-
	\$ 26,570	\$ 21,368	\$ 5,202	\$ -

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:

2023 \$30,367

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

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.

BOARD OF DIRECTORS

EXECUTIVE

CLAUDE GAUTHIER, President

NADINE SCHWANDT, Past-President

JOHN TAYLOR, Vice-President

ANDREW COGHLIN, Treasurer

DIRECTORS

ANDREW COGHLIN, *Molesworth Farm Supply Ltd.*

CLAUDE GAUTHIER, *GROWMARK, Inc.*

DON KABBES, *Great Lakes Grain*

MARTIN KIEFER, *Agrico Canada L.P.*

CLARE KINLIN, *MacEwen Agricentre Inc.*

CASSANDRA LOOMANS, *Sylvite*

JUSTIN MERNER, *Cargill*

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

RICHARD SMIBERT,
London Agricultural Commodities, Inc.

JOHN TAYLOR, *Collwest Grain Ltd.*

KEVIN WEPPLER, *Grand Valley Fortifiers Ltd.*

SANDRA WOLFE, *Sharpe Farm Supplies Ltd.*

MEMBERS EX-OFFICIO

PAUL JOHNSTON, Crop Inputs Chair
Sylvite Agri-Services

DEREK MENDEZ, Feed Chair
Molesworth Farm Supply Ltd.

MIKE ONDREJICKA, Grain Chair
Ondrejicka Elevators

OABA STAFF

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

2023 UPCOMING EVENTS

OABA Curling Bonspiel

Elora Curling Club - Elora
January 26, 2023

OABA Summer Conference

Deerhurst Resort - Huntsville
June 11-13, 2023

OABA Western Ontario Golf Day

Craigowan Golf Club - Woodstock
July 12, 2023

OABA Eastern Ontario Golf Day

Smuggler's Glen Golf Course - Lansdowne
July 18, 2023

OABA "Fall Classic" Golf Day

Grey Silo Golf Course - Waterloo
September 19, 2023



Ontario Agri Business Association

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