



2006:2007

Annual Report



Our Vision

Saskatchewan will be an industry leader in the production, processing, and marketing of high quality and high value pulse products for a viable and profitable Canadian pulse industry.

Our Mission

To provide leadership for an innovative, profitable and sustainable Saskatchewan pulse industry, through research, market development and communication in collaboration with stakeholders.

Our Values

At Saskatchewan Pulse Growers we:

- Strive for excellence*
- Conduct ourselves with honesty and respect*
- Show respect for the individual*
- Act with professionalism*

Background

The first Saskatchewan pulse producer organization was formed in 1976. In a 1983 plebiscite, producers voted to institute a mandatory, non-refundable check-off to fund projects to develop the industry. The Saskatchewan Pulse Crop Development Board was born (later known as "Saskatchewan Pulse Growers" or SPG).

Funding

A mandatory, non-refundable check-off of 1% of the gross value of sale is deducted at the first point of sale when a producer sells pulse crops.

Leadership

SPG is directed by a Board of seven elected pulse producers.

Programs

Communications - Our key communications initiatives include: *PulsePoint* magazine, annual report, website, Pulse Days conference, regional workshops, and sponsorship activities.

Market Development - Our efforts focus on developing international and domestic market opportunities for pulses

in human diets and livestock rations, in co-operation with Pulse Canada.

Operations - SPG staff members combine industry knowledge and individual expertise to deliver programs as directed by the SPG Board and as outlined in our Staff Operations Plan.

Policy - SPG provides leadership on issues such as government investment and regulation, producer security and crop protection.

Research and Development - Our program provides funding and leadership for ongoing research including: disease management and resistance, genetic improvement and quality assessment, agronomy, weed control, processing and utilization of pulse crops, livestock nutrition and studies that support the Pulse Innovation Project.

Variety Release - SPG supports the development of new pulse varieties through the University of Saskatchewan's Crop Development Centre pulse breeding program. The SPG Variety Release Program offers Breeder seed without royalties to Select-status seed growers in Saskatchewan and Alberta while specialty varieties are tendered to specific companies.

A list of payees will be made available upon request.



SPG represents approximately 15,000 pulse producers in Saskatchewan.

2007 Board of Directors



Jim Moen, Chair

Jim farms 3,200 acres of Pedigreed and commercial seed near Cabri. He has an Agriculture degree and is a member of the Saskatchewan Institute of Agrologists. He has worked as an agrologist in many areas of Saskatchewan and Africa. He remains active in the Lions Club in Cabri and is on Municipal Council.



Maurice Berry, Vice-Chair

Maurice farms in southeast Saskatchewan near Carievale in a family partnership called Berry Farms. In 1988, he completed his three-year Diploma of Agriculture from the University of Saskatchewan. He has served as a Director on the Pulse Canada Board and is a former RM Councillor. Maurice has been involved in many community organizations over the years.



Lloyd Affleck, Director

Lloyd farms near Beechy and has grown Pedigreed seed for the past 35 years - 20 have included pulses. He is currently Chair of the Pulse Canada Board. Lloyd has been active in the community, acting as a Trustee with the Outlook School Division and is also a Director on the Canterra Seeds Board. Lloyd was previously a Director with the Saskatchewan Pulse Crop Development Board from 1992 to 1995.



John Bennett, Director

John has farmed in the Biggar area for more than 30 years. He has a no-till operation growing pulses, oilseeds and cereals. John is Past President of the Saskatchewan Soil Conservation Association (SSCA) and sits on the Board of the Saskatchewan Research Council. He was named SSCA Farmer of the Year in 1993 and Canadian No-Till Farmer of the Year in 2000. This past year, he was awarded an Honorary Life Membership with the Saskatchewan Institute of Agrologists.



Barbara Podhorodeski, Director

Barbara and her husband operate a mixed-farming operation near the town of Shipman. She earned her Agriculture degree from the University of Saskatchewan in 1990. She currently represents SPG on the Western Grains Research Foundation Board. She has worked with the Prairie Farm Rehabilitation Administration and the Conservation Learning Centre. She is Past Chair of the Saskatchewan Canola Development Commission.



Murray Purcell, Director

Murray's family farm near Pike Lake incorporates three generations of farmers. He is a graduate of the University of Saskatchewan with an Education degree. Murray previously taught school for a number of years. Currently, he is serving as a Director on the Saskatchewan Association of Rural Municipalities Board, Director on the Agriculture Council of Saskatchewan and is a member of the University of Saskatchewan Senate.



David Nobbs, Director

David farms with his father and his brother on the family farm near Lancer. He is currently employed as General Manager and Director of Canpulse Foods in Kindersley - a special crop exporting and processing plant that primarily deals with lentils and canaryseed. David is a Director on the Pulse Canada Board and also has experience in research and sales.

The word pulse is derived from the Latin word “puls” meaning thick soup.



Saskatchewan is Canada’s leading producer and exporter of peas, lentils and chickpeas.

Report from the Board Chair



It has been a challenging and rewarding year for the Saskatchewan Pulse Growers (SPG). I have enjoyed my time as Chair of the Board and believe that we have been successful in many areas, always keeping in mind our goal to increase profitability for pulse producers.

SPG unveiled the final report of a study on green lentil profitability during Pulse Days in January 2007. The report titled, *Market Risk Management Tools for Green Lentils*, was undertaken by Marlene Boersch from Mercantile Consulting Venture Inc. of Winnipeg, MB. (The document can be downloaded from the SPG website at www.saskpulse.com.)

SPG commissioned the study, with funding from Advancing Canadian Agriculture and Agri-Food Saskatchewan because of concerns regarding the declining profitability of green lentils for growers and processors. Boersch’s presentation at Pulse Days marked the beginning of a consultation phase where Board and Staff sought feedback from producers, the trade and industry representatives.

The report looked at the confusing price signals at the grower level that often result in boom and bust cycles and whether it is possible to lower price risk for producers and processors. Canada is a dominant force in global lentil markets but Canada is a price taker not a price setter and that makes it harder to extract additional value. In the final report, Boersch suggested that a paradigm shift in the market may be required to ensure that producers and processors benefit.

After extensive consultations, the SPG Board decided that the most appropriate course of action was to provide growers with unbiased, timely and consistent market intelligence to assist in production and marketing decisions.

Programming for this phase of the project will be carried out in the 2007–08 year and will require the cooperation of a third party consultant to provide market data, as well as the trade, brokers and information providers who work daily with lentil producers.

SPG has continued to build on its strong relationship with Saskatchewan Agriculture and Food. We are co-funding a number of research projects, most notably core support for the pulse breeding program at the Crop Development Centre (CDC).

SPG continues to work closely with Pulse Canada on issues and projects that are of interest to all Canadian pulse producers. Our work with Pulse Canada ensures that SPG has a voice federally and internationally.

Transportation is a problematic area for special crop shippers. In the past year, Pulse Canada has dedicated one full time staff person to focus on this issue. The SPG Board is confident that progress will be made and that service will improve in the future as a result.

This past year we continued to invest in research. A complete list of the research projects we are funding can be found on pages 8 and 9. Producers receive a tremendous value from the breeding and agronomy work being done at the CDC at the University of Saskatchewan.

Our Variety Release Program continues to operate on a royalty-free basis, ensuring that producers are getting the best possible varieties in a timely and economical way.

Finally, I would encourage you to incorporate pulses into your meals. By increasing domestic consumption, we can help keep profits within Saskatchewan. For recipe ideas and tips, visit the Cooking and Nutrition section of our website at www.saskpulse.com.

Sincerely,

Jim Moen, Board Chair

Executive Director’s Report



In the past year, the Board and Staff of Saskatchewan Pulse Growers (SPG) have focused on re-investing in the industry. In the fall, the Canadian Grain Commission (CGC) launched a campaign to license and bond, or exempt all pulse buyers. SPG had been a strong supporter of this initiative.

After witnessing losses from pulse buyer bankruptcies, pulse growers made it clear that they wanted a better system.

The new CGC system does not guarantee 100% coverage but it does reduce grower risk of non-payment. Accordingly, SPG modified our Pulse Companies List to include only those companies which are licensed and secured by the CGC (or exempted by Regulation) and who are registered to submit check-off to SPG. The Pulse Companies List can be downloaded from our website and is also available in *PulsePoint* magazine twice a year.

A flurry of activity erupted in January when the winter edition of *PulsePoint* magazine was published. A feature story about lentil research being carried out at the University of Saskatchewan (U of S) made headlines in major national newscasts and appeared in multiple newspapers. Kinesiologist Dr. Phil Chilibeck, and his research team at the U of S are testing whether pre-game meals of lentils are giving high-performance athletes an advantage.

This project is one of several that SPG funds with check-off dollars. The Staff and Board take pride in investing check-off dollars wisely and look forward to the results of the lentil study as well as many others which are currently underway.

Pulse Days is always the highlight of our year. Pulse Days 2007 was a huge success with more than 900 people attending despite a poor forecast and impending blizzard. It was a great pleasure to honour Professor Rick Holm, with the Pulse Promoter Award. Rick, is the former Director of the Crop Development Centre (CDC) at the U of S. While at the CDC, he worked very closely with SPG to develop plans and obtain funding for the Pulse Lab expansion at the Crop Science Field Lab which opened in 2005.

With the arrival of spring, came the opportunity for commercial producers to grow CLEARFIELD® lentils. Three lentil varieties were available to growers including a small red, extra small red and large green. Each variety was bred from leading CDC varieties and included a tolerance to herbicides Odyssey®, and Odyssey DLX.

Finally, a new three-year plan will continue our core programming in research, communications, variety commercialization, market development and operations. We are optimistic that India’s demand for Canadian pulses will continue to grow and SPG plans to increase programming in support of this. We will also be expanding our programming to create new opportunities for producers in faba beans and niche market varieties. Increased food market demand in Canada and the US will be achieved through expanded research in processing, support of Pulse Canada programming and targeted communications. The environmental benefits of pulses will be documented and communicated through our support of Pulse Canada.

Our industry is experiencing renewed levels of excitement and optimism. Saskatchewan grown pulses now have a solid reputation for value: good quality at a fair price. I continue to be enthusiastic about the growth opportunities for our industry.

Garth Patterson, Executive Director



SPG Staff

Garth Patterson (Executive Director) • Joelle Harris (Director of Operations) • Dr. Kofi Agblor (Director of Research) • Allison Fletcher (Commercial Manager)
 Erin Taman Athmer (Communications Manager) • Amanda Olekson (Communications Coordinator) • Helen Baumgartner (Controller)
 Melanie Goring (Accounting Clerk) • Shelly Weber (Records Administrator) • Susan Fjeldstrom (Administrative Assistant)
 Jennifer Saunders (Administrative Assistant) • Michelle Fleury (Livestock Nutrition Consultant)

Major Milestones

September 2006

Pulses are featured in a Saskatchewan Credit Union commercial broadcast on television stations around the province.

Pulse Days participants have access to register online for the first time via the SPG website www.saskpulse.com.

November 2006

Three positions are filled on the SPG Board by acclamation. Returning to the Board are Barbara Podhorodeski and Maurice Berry. Joining the Board is Murray Purcell.

December 2006

The SPG Pulse Companies list changes to include only companies who are licensed and bonded by the Canadian Grain Commission (or who are exempted by regulation) and who are registered to submit check-off to SPG.

An SPG funded research project at the U of S makes national headlines. The project is examining whether feeding lentils to soccer players before a match improves athletic performance.

January 2007

Rick Holm is named the Pulse Promoter of the Year.

University of Saskatchewan graduate students Jesse Bruce and Sally Vail tie for first place in the SPG Research Poster Contest held during Pulse Days. Both projects focused on research in lentils.

Pulse Days attracts 950 people despite an impending blizzard.

Consultant, Marlene Boersch presents the findings from her report studying profitability in green lentils titled "Market Risk Management Tools for Green Lentils" at Pulse Days 2007.

February 2007

More than 460 people attend the Regional Pulse Development Workshops held in Swift Current, Moose Jaw and Weyburn.

Pulses are featured prominently in the revised *Canada's Food Guide*.

For the 2006 tax year, 59% of the Saskatchewan pulse check-off qualifies for a federal tax credit through the Scientific Research and Experimental Development program.

March 2007

Green lentil trade consultations take place in Vancouver, BC; Winnipeg, MB; Regina and Saskatoon, SK. More than 20 traders provide feedback on the future of lentil marketing.

CLEARFIELD® lentils are commercially available for the first time in Saskatchewan.

July 2007

More than 60 people attend the SPG Select Grower Field Day in Saskatoon.

There are over 100 special crop processors in Saskatchewan.



2006 Pulse Promoter Award



Rick Holm was raised on a dairy farm near Gimli, Manitoba. He attended the University of Manitoba and received his BSA in Plant Science in 1969 and his Masters Degree in Weed Science in 1972.

He worked for the Prince Edward Island Department of Agriculture from 1971 to 1976 as a Cereal and Forage Crop Specialist and Supervisor of the Crop Production Section of the Soils and Crops Branch. In 1976 he moved to Regina where he served as Provincial Weed Control Specialist and Supervisor of the Crop Protection Section with Saskatchewan Agriculture and Food. In 1981 he moved to Saskatoon and began working for Federated Co-operatives Ltd. as an Agronomist in the Crop Supplies Department.

He joined the Department of Crop Science and Plant Ecology at the University of Saskatchewan as an Associate Professor in 1984 and was promoted to Professor in 1995. Currently he teaches weed control and agronomy and conducts research into control of weeds in field crops.

Rick was an Associate Member of the University's Extension Division from 1984–1999. In that capacity, he co-ordinated the Department's extension program and participated in numerous extension activities.

From 1999–2006 he served as the Director of the Crop Development Centre (CDC). During that time he worked very closely with the Saskatchewan Pulse Growers in developing plans and obtaining funding for the Pulse Lab expansion at the Crop Science Field Lab, in developing the 15-year pulse breeding agreement between the two parties and in recruiting a third pulse crop breeder for the CDC. He has conducted many weed control experiments on pulse crops and data from his program has contributed to the registration of several herbicides, especially for lentils, chickpeas and beans.

He is the recipient of a number of awards including the Distinguished Agrologist Award from the Saskatchewan Institute of Agrologists (1995), the DowElanco Excellence in Weed Science

Award - Western Canada (1995), a Fellowship in the Agricultural Institute of Canada (2000) and an Honorary Life membership in the Saskatchewan Seed Growers Association (2003).

Rick is married to Merrienne and has one son, Erik, who lives with his wife in Richmond, BC.

Scholarships

Warren Ward

Recipient of the 2006 Dr. Alfred E. Slinkard Postgraduate Scholarship.

Lasantha Ubayasena

Recipient of the 2006 Don Jaques Memorial Postgraduate Fellowship.

2007 Pulse Days Research Poster Session Winners

First Place (Tie)

Jesse Bruce and Sally Vail

Third Place

Leah Fedoruk

Jesse Bruce presented his poster "Effects of Harvest Treatment on Milling Efficiency of Red Lentil in Saskatchewan" in the Agronomy and Sustainable Crop Production category.

Sally Vail presented her poster "New Sources of Resistance to Anthracnose in Lentil" in the Crop Genetic Improvement category.

Leah Fedoruk presented her poster "Optimizing Herbicide Application in Imidazolinone Tolerant Lentil" in the Agronomy and Sustainable Crop Production category.



Pulse Research at the Crop Development Centre

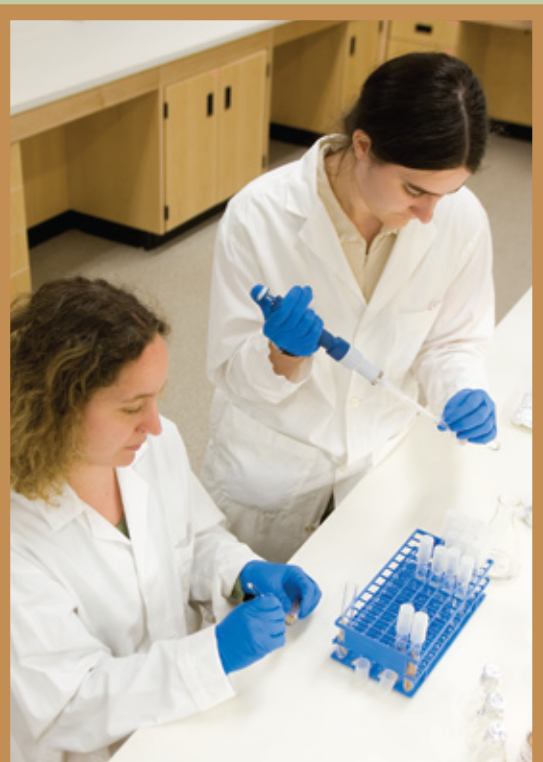
One year after the opening of a one-of-a-kind pulse research field laboratory, the staff and crew at the University of Saskatchewan's Crop Development Centre (CDC) have settled in and are making great strides in their research projects.

With the creation of the Pulse Research Addition to the Crop Science Field Laboratory at the U of S, all aspects of their pulse research programming are located together. This includes breeding, pathology and crop physiology, data processing and seed storage. This creates efficiency allowing research programs for crops such as pea, bean, lentil, chickpea and faba bean to expand.

Located in Saskatoon, the new lab advances the development of new crop varieties, improves disease management and enhances quality, while keeping Saskatchewan's growing pulse industry profitable over the long term. The \$3-million facility was funded by many partners including \$2.25 from various Federal and Provincial Government sources, which includes \$1.5 million from the Canada-Saskatchewan Agri-Food Innovation fund and \$750,000 from Western Economic Diversification Canada. The remaining funds were provided by support from the industry and producers.

Over the years, pulse research at the CDC sponsored by SPG and other organizations such as Saskatchewan Agriculture and Food, has resulted in new varieties that provide higher yields, better seed quality and greater resistance to disease.

** Images by Geoff Howe Photography.*



SPG Funded Research Projects 2006-07

(Prepared by Management)

Project Name	Researcher	Instituion	Anticipated Completion Date
Agronomy			
Sources of Resistance/Tolerance to Mycosphaerella Blight of Pea	Gossen	Agriculture & Agri-Food Canada	May 31, 2008
Impact of In-crop and Soil Residual Herbicides on Nodulation and Effective Nitrogen Fixation in Field Pea and Chickpea	Walley	University of Saskatchewan	Complete
Assessing the Benefits of Inoculation at Field Scale - Is Inoculation Necessary on Long-Term Pulse Land?	Walley	University of Saskatchewan	April 30, 2008
Variety Specific Agronomy: Red Lentil Quality	Vandenberg	Crop Development Centre	September 30, 2007
Basal Branching in Field Pea: A Strategy for Reducing Seeding Rates and Increasing Weed Competition	Shirliffe	University of Saskatchewan	March 31, 2008
Optimizing Lentil and Pea Agronomy for Organic Production	Walley/Shirliffe	University of Saskatchewan	March 31, 2009
Controlling Indeterminate Lentil Crop Growth Through Nitrogen Supply	Ball	University of Saskatchewan	June 30, 2008
Evaluation of Soybean Varieties and the Effect of Plant Population on an Early Soybean Variety in Southeast Saskatchewan	Chalmers	South East Research Farm Inc.	Complete
Comparison of Indeterminate and Determinate Early Pinto Bean Varieties to Foliar Fungicide White Mold Control	Chalmers	South East Research Farm Inc.	Complete
Effects of Grain Legumes in No-Till Cropping Systems on Soil Quality and Nitrous Oxide Emissions	McKell	Indian Head Agricultural Research Foundation	March 31, 2008
Using Extra Small Red Lentil Seed as a Cover Crop Following Dry Edible Beans in Ontario	Gillard	University of Guelph	May 31, 2008
Best Management Practices to Improve the Quality Attributes of Red Lentils	Gan	Agriculture & Agri-Food Canada	October 31, 2009
Ascochyta pisi on Field Pea in Saskatchewan: A New Look at an Old Disease and the Implications for Disease Management	Banniza	Crop Development Centre	Complete
Decision Support Parameters for Chickpea Producers in Saskatchewan	Goodwin	Pulse Canada	March 31, 2010
Reducing the Use of Organophosphate Insecticides for Grasshopper Control in Lentils	Goodwin	Pulse Canada	April 1, 2010
		Agronomy Total	\$ 314,772
Breeding			
Developing Faba Bean as a Feed, Forage and Food Pulse for the Prairies	Vandenberg	Crop Development Centre	Complete
Strategy for Genetic Improvement of Ascochyta Blight Resistance in Chickpea	Warkentin	Crop Development Centre	December 31, 2007
Improving the Quality Profile of Dry Beans for the Canadian Prairies Using Genetic and Metabolomic Approaches	Bett	University of Saskatchewan	July 31, 2007
International Efforts to Develop Doubled-Haploid Technology for Field Pea (Pisum sativum L.) and Lentil (Lens culinaris L.)	Vandenberg	Crop Development Centre	Complete
Identification and Transfer of Genes Related to Frost Tolerance from Phaseolus angustissimus to P. vulgaris	Bett	University of Saskatchewan	July 31, 2008
On-farm Pulse Crop Germplasm Evaluation	Warkentin	Crop Development Centre	March 31, 2009
Adding Value to Lentils Through Improvement of Visual Quality Characteristics	Bett	University of Saskatchewan	March 31, 2008
National Gene Deployment Strategy for Control of Common Bacterial Blight for the Canadian Dry Bean Industry	Pauls	University of Guelph	November 31, 2008
Genetic Diversity and Potential Use of Pea Germplasm from Eastern Europe and Eurasia for Genetic Improvement of Canadian Peas	Diederichsen	Agriculture & Agri-Food Canada	Complete
Identification of SNP Markers linked to Ascochyta Resistance in Chickpea for Cultivar Improvement in Canada	Buchwaldt	Agriculture & Agri-Food Canada	July 31, 2008
Improving the Value of Field Peas for Human Consumption Markets	Warkentin	Crop Development Centre	January 31, 2009
Understanding and Improving Carbohydrate Composition to add Value to Lentils	Chibbar	University of Saskatchewan	March 31, 2008
Improving Ascochyta rabiei Resistance in Chickpea	Warkentin	Crop Development Centre	January 31, 2009
Pulse Crop Advancement Agreement	Murrell	Crop Development Centre	September 30, 2010
Memorandum of Understanding to Hire a Pulse Crop Geneticist	Murrell	Crop Development Centre	December 31, 2008
Memorandum of Understanding - Pulse Crop Regional Variety Trials	Warkentin	Crop Development Centre	December 31, 2010

continued . . .

SPG Funded Research Projects 2006-07

(Prepared by Management)

Project Name	Researcher	Instituion	Anticipated Completion Date
Pea Genetic Improvement Program	Various public & private breeding programs		June 30, 2009
Pathogenic, Genetic and Molecular Characterization and Differentiation of Races in Colletotrichum truncatum From Lentil	Banniza	Crop Development Centre	May 14, 2012
		Breeding Total	\$ 2,377,647
Value Added Processes			
Evaluation and Development of Superior Feed Peas Using Chemical, NIR and Net Energy Evaluation	Racz	University of Saskatchewan	March 31, 2008
The Use of Canola, Pea and Flax fractions in Aquafeeds	Drew	University of Saskatchewan	April 30, 2008
Expanding Utilization of Pulses in Meat Processing	Shand	University of Saskatchewan	November 30, 2009
Comparative Analysis of Functional and Wellness Properties of Lentils: Can Lentils Improve Soccer Performance	Chilibeck	University of Saskatchewan	August 31, 2007
Pea Hull Fibre Fortification of Cereal-based Foods	Dahl	University of Saskatchewan	April 30, 2008
Development and Commercialization of Pulse-Based Pureed Foods	Dahl	University of Saskatchewan	October 31, 2007
Establishing the Digestible Nutrient Content and Rate of Starch Digestion of Peas for Poultry as Affected by Processing and Pea Cultivar	Classen	University of Saskatchewan	February 29, 2009
Enhancing the Economic Value and the Use of Field Peas by the Pork and Feed Industries	Patience	Prairie Swine Centre Inc.	August 31, 2009
Sensory Analysis of Baked Goods and Gluten-Free Products Prepared with Field Pea Starches	Hood	Parrheim Foods	August 31, 2007
Evaluation of Technologies for Production of Edible Snack Foods with Demonstrated Health Benefits from Peas	Arntfield	University of Manitoba	December 31, 2007
Low Glycemic Index (GI) Starch from Canadian Grown Pulses	Liu	Agriculture & Agri-Food Canada	December 31, 2008
Biofunctional and Physicochemical Properties of Pea, Chickpea and Lentil Protein Blends	Boye	Agriculture & Agri-Food Canada	August 31, 2008
Development of Low Glycemic Index Breads from Pulses	Jenkins	University of Toronto	March 31, 2009
Enhancing World Markets for Canadian Pulses Through Secondary Processing and Value-Added Research	Malcolmson	Canadian International Grains Institute	May 31, 2010
Zero-Tannin Faba Beans in Nursery, Growing-Finishing Performance, Carcass & Pork Quality Traits	Zijlstra	University of Alberta	December 31, 2007
Equilibrium Moisture Content Characteristics for Red Lentils	Cenkowski	University of Manitoba	August 31, 2007
Effect of Daily Pulse Consumption on Industrial Microbiota, Gastrointestinal Response and Serum Lipids in Healthy Adults	Wright/Duncan	University of Guelph	March 31, 2008
Effect of Pulses and Pulse Fractions on Gut Microbial Health	Krause	University of Manitoba	July 31, 2008
Investigation of a New Fumigant for Use in Controlling Stem Bulb Nematode in Export Containers of Peas	Goodwin	Pulse Canada	Complete
Integrated Approach for Post-Harvest Quality of Red Lentil	Cenkowski	University of Manitoba	December 31, 2009
Developing a Bio-Fortification Marketing Strategy for Saskatchewan Pulses Based on Selenium Content in the Seed	Vandenberg	Crop Development Centre	December 15, 2007
The Prebiotic Effects of Chickpeas in Healthy Human Subjects	Dahl	University of Saskatchewan	March 31, 2008
		Value Added Processes Total	\$ 573,791
General			
Saskatchewan Pulse Crop Development Board	Don Jaques Memorial Fellowship	University of Saskatchewan	Annual
Dr. Alfred E. Slinkard Scholarship		University of Saskatchewan	Annual
		General Total	\$ 40,000
SPG Funded Research Projects 2006-07		Total	\$ 3,306,210



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Hergott Duval Stack^{LLP}
CHARTERED ACCOUNTANTS

To the Members of
Saskatchewan Pulse Crop Development Board

We have audited Saskatchewan Pulse Crop Development Board's control as of August 31, 2007, to express an opinion as to the effectiveness of its control related to the following objectives:

- To safeguard Board resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan to achieve its goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial reports.
- To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding Board resources, revenue raising, spending, borrowing and investing.

We used the control framework developed by The Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of Saskatchewan Pulse Crop Development Board's control. We did not audit certain aspects of control concerning the effectiveness, economy and efficiency of certain management decision-making processes.

The CICA defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

Saskatchewan Pulse Crop Development Board's management is responsible for effective control related to the objectives described above. Our responsibility is to express an opinion on the effectiveness of control based on our audit.

We conducted our audit in accordance with standards for assurance engagements established by the CICA. Those standards require that we plan and perform an audit to obtain reasonable assurance as to effectiveness of Saskatchewan Pulse Crop Development Board's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

In our opinion, Saskatchewan Pulse Crop Development Board's control was effective, in all significant respects, related to the objectives stated above as of August 31, 2007, based on the CICA criteria of control framework.

Control can provide only reasonable, not absolute, assurance of achieving objectives reliably for two reasons. First, there are inherent limitations in control including judgment in decision-making, human error, collusion to circumvent control activities and management overriding control. Second, cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance, not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or the degree of compliance with control activities may deteriorate.

SASKATOON, SASKATCHEWAN "HERGOTT DUVAL STACK LLP"
November 7, 2007 Chartered Accountants

Partners
R. Joe Parker*
Thomas Stack*
Barry Frank*
Blair Davidson*
Bernie Broughton*
David Ballantyne
Craig Hermann*
Carol Mailloux*
Evan Shoforost*
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Hergott Duval Stack^{LLP}
CHARTERED ACCOUNTANTS

To the Members of
Saskatchewan Pulse Crop Development Board

We have made an examination to determine whether the Saskatchewan Pulse Crop Development Board complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding of assets, spending, revenue-raising, borrowing and investing activities during the year ended August 31, 2007:

The Agri-Food Act, 2004

The Pulse Crop Development Plan Regulations

Our examination was made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the Saskatchewan Pulse Crop Development Board has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the year ended August 31, 2007.

SASKATOON, SASKATCHEWAN "HERGOTT DUVAL STACK LLP"
November 7, 2007 Chartered Accountants

Partners
R. Joe Parker*
Thomas Stack*
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Blair Davidson*
Bernie Broughton*
David Ballantyne
Craig Hermann*
Carol Mailloux*
Evan Shoforost*
Orlo Drewitz*
Greg Keller*
Irene Boychuk*

Senior Counsel
Lee Hergott
Maurice Duval
Lyle Zdunich*

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AUDITORS' REPORT
To the Members of
Saskatchewan Pulse Crop Development Board

We have audited the statement of financial position of Saskatchewan Pulse Crop Development Board as at August 31, 2007, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at August 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

SASKATOON, SASKATCHEWAN "HERGOTT DUVAL STACK LLP"
November 7, 2007 Chartered Accountants

Audited Financials



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2007

ASSETS

Current Assets

	2007	2006
Cash	\$ 1,597,626	\$ 454,113
Cash - externally restricted (Note 3)	138,705	127,902
Investments	70,511	-
Investments - restricted (market value - \$ 819,119)	819,119	910,953
Accounts receivable	1,403,834	796,926
Inventory	6,589	10,767
Prepaid expenses	169,120	291,756
Accrued interest receivable	41,339	121,974
	4,246,843	2,714,391
Capital assets (Note 4)	1,044,787	1,075,025
Investments - restricted (market value - \$ 1,080,881)	1,080,881	989,047
	\$ 6,372,511	\$ 4,778,463

LIABILITIES

Current Liabilities

Accounts payable	\$ 684,161	\$ 811,548
Net Pulse Field Lab payable (Note 3)	45,030	31,704
	729,191	843,252

NET ASSETS

Externally restricted (Note 3)	(116,325)	(113,802)
Invested in capital assets	1,044,787	1,075,025
Internally restricted	1,900,000	1,900,000
Unrestricted	2,814,858	1,073,988
	5,643,320	3,935,211
	\$ 6,372,511	\$ 4,778,463

Approved by the Board


Director


Director

See accompanying notes to the financial statements.

Audited Financials



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
STATEMENT OF OPERATIONS
YEAR ENDED AUGUST 31, 2007

	2007	2006
	Budget	Actual
	(Note 10)	
Revenue		
Check-off	\$ 5,200,000	\$ 6,578,792
Research and development	21,000	34,000
Extension and communication	181,100	186,599
Variety release	358,000	290,052
Interest	100,000	136,748
Policy development	69,200	67,358
	5,929,300	7,293,549
Expenses (Schedule 1)		
Research and development	3,540,000	3,306,210
Extension and communication	306,100	248,583
Variety release	400,100	348,339
Pulse Canada (Note 6)	568,500	568,470
Directors	201,700	180,500
Office	849,300	806,612
Policy development	112,100	95,869
Domestic market development	37,500	28,334
	6,015,300	5,582,917
Excess of revenue over expenses	\$ (86,000)	\$ 1,710,632

See accompanying notes to the financial statements.



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED AUGUST 31, 2007

	Externally Restricted <i>(Note 3)</i>	Invested in Capital Assets	Internally Restricted	Unrestricted	2007	2006
Net Assets						
Balance, beginning of year	\$ (113,802)	\$ 1,075,025	\$ 1,900,000	\$ 1,073,988	\$ 3,935,211	\$ 4,337,845
Excess of revenue over expenses	-	-	-	1,710,632	1,710,632	(40,173)
Pulse Field Lab:						
Contributions	110,367	-	-	-	110,367	255,091
Expenditures	(112,890)	-	-	-	(112,890)	(617,552)
Purchase of capital assets	-	4,695	-	(4,695)	-	-
Loss on write down of capital assets	-	(3,956)	-	3,956	-	-
Amortization	-	(30,977)	-	30,977	-	-
Balance, end of year	\$ (116,325)	\$ 1,044,787	\$ 1,900,000	\$ 2,814,858	\$ 5,643,320	\$ 3,935,211

See accompanying notes to the financial statements.



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2007

	2007	2006
Cash flows from operating activities		
Excess of revenue over expenses	\$ 1,710,632	\$ (40,173)
Items not affecting cash		
Amortization	30,977	27,835
Loss on writedown of capital assets	3,186	1,308
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	(606,908)	(107,345)
Inventory	4,178	1,860
Prepaid expenses	122,636	(238,696)
Accrued interest receivable	80,635	(21,450)
Accounts payable	(127,387)	(127,127)
Increase in net Pulse Field Lab payable	13,326	31,704
	1,231,275	(472,084)
Cash flows from investing activities		
Funding of net Pulse Field Lab <i>(Note 3)</i>	(154,348)	(241,704)
Proceeds from sales of capital assets	770	462
Purchase of capital assets	(4,695)	(749,577)
Investments	70,511	925,635
	(87,762)	(65,184)
Net increase (decrease) in cash during the year	1,143,513	(537,268)
Cash, beginning of year	454,113	991,381
Cash, end of year	\$ 1,597,626	\$ 454,113

See accompanying notes to the financial statements.



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007

1. Nature of organization

The Saskatchewan Pulse Crop Development Board (“the Board”) is a non-profit organization which was established in 1984 under the Agri-Food Act of Saskatchewan.

The mission of the Board is to provide leadership for an innovative, profitable and sustainable Saskatchewan pulse industry, through research, market development and communication in collaboration with stakeholders.

2. Significant accounting policies

The financial statements have been prepared to reflect the following significant accounting policies:

- Investments**
Investments are recorded at the lower of cost and fair market value.
- Inventory**
Inventory is stated at the lower of cost and net realizable value.
- Capital assets**
Land and equipment are stated at cost. Equipment is amortized using the declining balance method at a rate of 20 to 50%. On acquisitions and disposals of equipment during the year, amortization is calculated at one-half the annual rate.

Appropriation of funds
The Board of Directors has approved the appropriation of certain funds generated from operations to be set aside to be used in the future as an operating reserve. The amounts of these appropriations and the appropriated balances are accounted for and disclosed separately in the financial statements as internally restricted funds.

Revenue recognition
Check-off is recognized at the time of settlement.

Government assistance and grants are recognized as related costs are incurred.

Pledges related to the fundraising effort for the Pulse Field Lab are recognized when collected as a direct increase to the externally restricted net assets.

Research contributions and donations are recognized in these financial statements in the period defined in the terms and conditions of the respective agreements.

The organization follows the deferral method of accounting for contributions. Externally restricted contributions other than those related to the Pulse Field Lab capital project 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 assured.

- Income taxes**
No provision for income taxes has been made in these financial statements as the organization is exempt from income tax under Section 149 (1) of the Income Tax Act.
- Use of estimates**
The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

By nature, asset valuations are subjective and do not necessarily result in precise determinations. Should underlying assumptions change, the estimated net recoverable amount could change by a material amount.

Management periodically reviews the carrying value of the capital assets to ensure that the carrying value can be recovered from future cash flows. Management also periodically reviews the useful lives of the capital assets to determine, in their judgment, an adequate charge against income for amortization expense.



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007

3. Externally restricted

In 2002, the Board launched a capital fundraising campaign to raise \$ 1.5 million to expand pulse research facilities at the University of Saskatchewan. This represents approximately 50% of the estimated \$ 3 million required to fund the establishment of a Pulse Field Lab Facility (“the Facility”). The remaining funding was provided by the Saskatchewan Agriculture Food & Rural Revitalization AgriFood Innovation Fund. Construction of the Facility and all equipment has been purchased as of August 31, 2007. Fundraising efforts of the Board contributed \$ 1,310,821 toward project costs to the end of August 31, 2007.

In addition to project management, communications, and fundraising support, the Board committed to funding up to \$ 750,000 for the Facility which matches the \$ 750,000 contribution which was made by Western Economic Diversification. To date \$ 556,625 has been received from industry, while another \$ 118,400 has been pledged to August 31, 2007. Due to efficiencies in the project the Board will not be required to contribute the maximum amount and as such there is no expected future liability for this project to the extent that pledged amounts are collected.

Included in the net Pulse Field Lab payable amount of \$ 45,030, are accounts receivable and accounts payable of \$ 0 (2006 \$ 250) and \$ 45,030 (2006 \$ 31,954) respectively, which were outstanding as at August 31, 2007. The Board has also advanced \$ 210,000 to pay costs incurred which will be reimbursed when pledges are received. As of August 31, 2007, there is \$ 138,705 which has been restricted for the Facility.

4. Capital assets

	2007			2006
	Accumulated Cost	Net Book Amortization	Net Book Value	Value
Equipment	\$ 149,069	\$ 94,117	\$ 54,952	\$ 85,190
Land	989,835	-	989,835	989,835
	\$ 1,138,904	\$ 94,117	\$ 1,044,787	\$ 1,075,025

5. Financial instruments

Fair value of financial instruments
The carrying value of current financial assets and current financial liabilities are considered to approximate their fair market value unless otherwise disclosed.

6. Pulse Canada

Pulse Canada is a national organization comprised of the pulse trade and pulse grower organizations from Alberta, Saskatchewan, Manitoba and Ontario. In 2006–2007, Pulse Canada received approximately two-thirds of its revenue from federal sources and one-third from growers and the trade in Canada. Saskatchewan Pulse Grower payments comprise approximately 70% of Pulse Canada’s revenue from growers and the trade in Canada. Pulse Canada’s key activities include:

- encouraging tariff reduction
- acting on non-tariff trade barriers and trade issues (peas to India and China)
- increasing access to crop protection products
- representing the pulse industry to the federal government regarding programs and regulations
- supporting research into the health benefits of pulses

(continued on next page)



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007

6. Pulse Canada (continued)

- increasing opportunities for pulses as feed ingredients
- working with industry and government to improve transportation service
- branding pulses as nutritious and environmentally friendly

7. Research and development grants

The Board of Directors has approved future funding for several research and development projects. Amounts committed to these projects in each of the next five years, assuming the terms of the contracts are fulfilled, are as follows:

2008	\$ 2,832,787
2009	2,272,857
2010	1,621,935
2011	82,926
2012	40,000

8. Lease commitments

A five-year lease agreement, which expires in 2011, exists with the Saskatchewan Opportunities Corporation for the premises at 411 Downey Road, Saskatoon, Saskatchewan; multi-year agreements exist with various suppliers of office equipment. Yearly rental payments due in each of the next five years are as follows:

2008	\$ 69,778
2009	63,427
2010	62,062
2011	61,938
2012	5,162

9. Pulse Environment Project

The Board of Directors has approved future funding to Pulse Canada for the development of a national pulse industry strategy on the environment. The commitment approved is \$ 210,000 to be funded \$ 70,000 per year for each of the next three years.

10. Budgeted figures

These figures are based on the budget as presented at the Annual General Meeting held on January 8, 2007, and subsequently revised as approved by the Board of Directors, and have been reclassified to conform to the financial statement presentation.

11. Comparative figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation.



SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD
SCHEDULE OF EXPENSES
YEAR ENDED AUGUST 31, 2007

SCHEDULE 1

	2007	2006
	Budget (Note 10)	Actual Actual
Research and development		
Agronomy	\$ 321,474	\$ 314,772
Breeding	2,362,882	2,377,647
Value added processes	379,248	573,791
General	40,000	40,000
Available for new projects	436,396	-
	3,540,000	3,306,210
Extension and communication		
Communications	149,000	119,060
Crop production week	109,200	101,564
Extension meetings	29,900	14,034
Field day	-	-
Other	18,000	13,925
	306,100	248,583
Variety release	400,100	348,339
Pulse Canada (Note 6)	568,500	568,470
Directors		
Communications	13,500	9,889
Election	28,000	-
Honoraria	74,800	85,325
Travel	53,500	61,635
Other	31,900	23,651
	201,700	180,500
Office		
Communications	16,500	15,565
Contract work	66,000	56,830
Fundraising	-	-
Office	118,000	111,201
Salaries and benefits	580,000	580,022
Travel	35,000	23,554
Other	33,800	19,440
	849,300	806,612
Policy development	112,100	95,869
Domestic market development	37,500	28,334
	\$ 6,015,300	\$ 5,582,917

See accompanying notes to the financial statements.



Photo courtesy of Pulse Canada.



Photo courtesy of Pulse Canada.

Chili Pie

Crust

- 2 cups (500 mL) cooked brown rice
- 1 cup (250 mL) grated low-fat cheddar cheese
- 1 egg, beaten

Filling

- 1 cup (250 mL) chopped onion
- 1 garlic clove, minced
- 2 tbsp. (25 mL) canola oil

- 1 cup (250 mL) dried green lentils, rinsed and drained
- 1 19 oz (540 mL) can tomatoes, chopped
- 1 19 oz (540 mL) can kidney beans, rinsed and drained
- 1 tsp. (7 mL) chili powder
- 1 tsp. (5 mL) seasoning salt
- 1 cup (250 mL) grated low fat cheddar cheese

Cover lentils with water in a large saucepan. Bring to a boil and reduce heat. Cover and simmer until the lentils are tender, approximately 20 minutes. Drain water. Preheat oven to 190°C (375°F). Grease a 22 cm (9”) pie plate or coat with a non-stick spray.

To prepare crust, combine rice, cheese and egg. Mix well and press over bottom and sides of pie plate. Bake for 15-20 minutes or until firm. Remove from oven and reduce temperature to 180°C (350°F).

In a skillet, heat oil and sauté onion and garlic until onion is translucent. Add lentils, tomatoes with their juice, beans chili powder and seasoning salt. Simmer, uncovered, over medium-low heat until liquid has evaporated, about 30-40 minutes. Spoon filling into pie crust. Bake for 20-25 minutes. Sprinkle with cheese and bake 5 minutes or until cheese is melted. Remove from oven and allow to stand 5 minutes.

Makes 8 servings. Nutritional Information (per serving): 375 calories; 12 g fat; 21 g protein; 47 g carbohydrate; 9 g fibre; 25 mg cholesterol; 262 mg sodium.

Recipe courtesy of Pulse Canada.

Chickpea and Cranberry Couscous Salad

- 2 ½ cups (625 mL) chicken stock
- ½ tsp. (2 mL) turmeric
- ½ tsp. (2 mL) ginger
- ½ tsp. (2 mL) cinnamon
- 2 cups (500 mL) couscous
- 1 medium zucchini, diced
- 2 carrots, peeled and diced
- 3 green onions, chopped
- ¼ cup (50 mL) olive oil
- 1 cup (250 mL) dried cranberries
- 2 cups (500 mL) cooked chickpeas [1 - 19 fl oz (540 mL) can, drained and rinsed]
- ¼ cup (50 mL) lemon juice
- ½ tsp. (2 mL) salt
- ¼ tsp. (1 mL) cayenne pepper
- ¼ cup (50 mL) fresh chopped parsley

Combine stock, turmeric, ginger and cinnamon in a large saucepan and bring to a boil. Remove from heat. Stir in couscous, cover and let stand for 5 minutes or until liquid has been completely absorbed. Transfer to large bowl and let cool to room temperature. Break up any couscous lumps with fingers.

Sauté zucchini, carrots and green onions in 1 tbsp. of olive oil. Add sautéed vegetables to couscous. Stir in cranberries and chickpeas. Whisk together lemon juice, remaining olive oil, salt and cayenne pepper in a small bowl. Pour over couscous and toss together. Cover and refrigerate for at least 1 hour or overnight. Garnish with parsley before serving.

Makes 10 servings. Nutritional Information (per serving): 287 calories; 6 g fat; 9 g protein; 50 g carbohydrate; 4 g fibre; 0 mg cholesterol; 35 mg sodium.

Recipe courtesy of Pulse Canada.

For more healthy pulse recipe ideas visit our website at www.saskpulse.com or purchase The Amazing Legume cookbook. To order a cookbook, contact Rachel at 306-668-9988 or rkehrig@saskpulse.com.



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