



OVER + ABOVE

LEADING THE WAY FOR PULSES



2014/2015 ANNUAL REPORT

WHO WE

History

In 1976, the Saskatchewan Pulse Crop Growers Association was formed by a group of pulse growers to learn about the developing pulse industry. In a 1983 vote, growers chose to institute a mandatory, non-refundable levy to fund programs that would develop the pulse industry, thus creating the Saskatchewan Pulse Crop Development Board, now known as Saskatchewan Pulse Growers or SPG. Today, SPG works on behalf of 15,000 Saskatchewan pulse growers.

Funding

A levy of one per cent calculated on the gross value of sale (plus GST) is deducted at the first point of sale or distribution when a grower sells a pulse crop. In many cases, levy dollars are leveraged with funds from other industry and government partners.

Vision

Nourishing the world with profitable pulse production.

Mission

To provide leadership and create opportunities for profitable growth for the Saskatchewan pulse industry.

ARE

Programs

Grower levy dollars are strategically invested back into the industry by supporting the following SPG programs:

RESEARCH & DEVELOPMENT

Ensuring competitiveness, profitability, and growth for the Saskatchewan pulse industry by investing approximately 60 per cent of SPG's annual budget into research and development. Funding is invested into genetic improvement, agronomy, health and nutrition, and processing and utilization.

AGRONOMY

Providing growers with accurate and timely information on production, varieties, and best management practices for existing and emerging pulse crops to ensure pulses continue to remain a profitable part of a sustainable crop rotation throughout Saskatchewan.

VARIETY COMMERCIALIZATION

The Variety Release Program supplies royalty-free breeder seed to Select-status seed growers in Saskatchewan and Alberta. Specialty varieties are tendered to companies who bid on the opportunity to grow, disseminate, and commercialize seeds that are in a unique market class.

MARKET PROMOTION

Maintaining and expanding demand for Saskatchewan pulse crops in traditional and emerging markets, both domestically and internationally, by promoting their health and nutritional benefits. Market promotion activities include a campaign to promote Canadian lentils in North America, local promotions to showcase Saskatchewan-grown pulse crops, and collaboration with the national and international pulse industry on the International Year of Pulses.

COMMUNICATIONS

Ensuring growers have access to information that can help them make business decisions on their farm. Some key communications tools include: *PulsePoint* magazine, *Pulse Market Report*, *PulseResearch* magazine, annual report, website (saskpulse.com), annual agriculture conference *CropSphere*, regional pulse meetings, and agronomy communications such as the *Pulse Advisor* e-newsletter.

To learn more about SPG and the different program areas, please visit saskpulse.com.



CHAIR'S REPORT

Leading the Way Through Production Advancements

The story of the pulse industry in Saskatchewan has been one of forging new territory, as pulses have gone from nearly non-existent in the early 1970s, to having a strong foothold in growers' rotations today. That sentiment is echoed in our annual report this year, as we take a look at the areas we are working in, to go *Over + Above* in order to continue *Leading the Way for Pulses*. With the International Year of Pulses already underway, we know the path ahead for the industry is full of new possibilities and opportunities, and we are prepared to capitalize on them.

Saskatchewan Pulse Growers (SPG) knows that in order to take full advantage of the potential opportunities available to pulses, including increased market demand, we need to place a strong focus on pulse crop production, and work to address agronomic constraints growers are currently facing.

An important element of our ability to deliver improved production results to growers is our long-standing partnership with the University of Saskatchewan's Crop Development Centre (CDC). Our partnership has supported the pulse breeding program at the CDC and we have been able to release 108 new varieties to growers through our Variety Release Program. The CDC has been able to deliver varieties with continued improvement in performance for growers.

To ensure Saskatchewan growers continue to have access to the best varieties available, SPG committed \$3.5 million to the five-year renewal of the Industrial Research Chair in Genetic Improvement of Lentils. The position, held by pulse crop breeder, Dr. Bert Vandenberg, is co-funded with the Natural Sciences and Engineering Research Council of Canada (NSERC), and supports the lentil breeding position as well as breeding work at the CDC.

Also, technology in plant breeding is constantly evolving. The application of Rapid Generation Technology (RGT) in the pulse breeding program is expediting the breeding process, and will place new, higher performing varieties in the hands of Saskatchewan growers faster. With growers' levy dollars, SPG supported the research to develop and evaluate RGT in pulse crops.

In addition to the emphasis SPG has placed on varietal development, we are also making investments in research that builds on management practices for the production of pulse crops. A field pea input study that took place from 2012-2014 found that the most effective and economical way to achieve high yields in field peas was through higher seeding rates and the inclusion of fungicide and granular inoculant. Another research project co-funded with the Saskatchewan Ministry of Agriculture studied the agronomic benefits of including pulses in rotation with canola and mustard, building on the body of evidence that supports pulses as part of a sustainable crop rotation.

At SPG we are also excited about the rising interest of growers in faba beans. Developing new crop options is an important emphasis for SPG, and we have spent the past year working with industry and agronomists to help make information on faba bean varieties, seeding practices, disease and weed management, and storage more readily available through presentations at industry meetings and updates to the growing section on our website, saskpulse.com.

I hope that as you flip through this report, looking back at the highlights of our 2014/15 year, you are as excited as I am about where we are headed. It is because of strong grower support and your levy contributions that we are able to make investments to lead the way forward for our industry.

Sincerely,



Tim Wiens
Chair

EXECUTIVE DIRECTOR'S REPORT

Leading the Way By Building New Demand

When reflecting on the 2014/15 year for Saskatchewan Pulse Growers (SPG), it is hard not to immediately shift focus to look forward. The year 2016 has been declared the International Year of Pulses by the United Nations (UN) and as a result, there has never been a more exciting time for the Saskatchewan and global pulse industries.

In preparation for the International Year of Pulses, the Canadian and global pulse industry has come together, working *Over + Above* to ensure that every opportunity the Year presents is leveraged, and everyone, including Saskatchewan farmers, benefit. In Canada, we are *Leading the Way* on work to build new market demand for our crops amongst consumers and food companies.

One of the ways in which the industry has grown in recent years is through a focus on the development and utilization of pulse ingredients such as flour, protein, starch, and fibre. SPG is a strong proponent of work in this area, funding research projects in China that sought to include pulse ingredients in traditional Chinese food products. SPG also provided funding in 2014/15 to the development of a global pulse brand identity. One purpose of the brand is to have the logo included on pulse food product packages, similar to that of the whole grains logo.

Feedback from food companies has highlighted the importance of industry organizations, like SPG, working to increase consumer awareness about pulses. By doing this, we help create increased consumer demand for pulses that food companies will be eager to fill.

At SPG we aim to build consumer awareness through our Canadian Lentils promotional program. In 2014/15, one of the major activities of the program was a national restaurant campaign. The campaign had top restaurants across Canada feature signature lentil dishes, the goal being to show Canadians the innovative ways Canada's leading chefs are using lentils. Another highlight for the program area last year was the airing of SPG's Lentil Hunter documentary on Food Network Canada. The documentary combined our previously launched Lentil Hunter web series videos into a one-hour program that featured celebrity chef and Canadian Lentils Ambassador Michael Smith seeking out the different ways lentils are eaten around the world.

With the momentum focused heavily on developing new market demand, SPG is also aware of the importance of maintaining access to key existing markets that continue to make growers profitable today. Through our support to Pulse Canada, the pulse industry was heavily involved in providing recommendations for the Canada Transportation Act Review that was underway last year. Pulse Canada has led the way to resolve maximum residue limits (MRLs) for pulses around the world. The proactive measure has received more interest and support as a result of the increased global attention due to the International Year of Pulses.

The year ahead for the pulse industry is monumental, and the year just past was critical to being prepared for it. The International Year of Pulses is a once-in-a-lifetime chance to shine a brighter light on pulses, and the hard work that has already been undertaken has set our industry up to capitalize on increased global demand for pulse crops.

Sincerely,



Carl Potts





THE BOARD

Tim Wiens, Chair

HERSCHEL, SK

Tim Wiens joined the SPG Board of Directors in 2012 and began serving as Chair in 2015. He farms in the Herschel area where he operates a rotation of one-third cereals, one-third canola, and one-third pulses. Tim has prior board experience having served on the board of the Agriculture Council of Saskatchewan for three years, as well as nine years on the board of SaskCanola. He was previously Chair of the SPG Audit and Finance Committee and currently serves on the boards for Pulse Canada and Farm and Food Care Saskatchewan.

Corey Loessin, Vice-Chair

RADISSON, SK

Corey Loessin joined the SPG Board of Directors in 2012. Corey and his wife Joan Heath farm in northwestern Saskatchewan growing various crops including peas, lentils, and faba beans. He holds a Bachelor of Science in Agriculture degree from the University of Saskatchewan (U of S) and worked as a District Agriculturalist in Alberta for several years prior to returning to Saskatchewan to farm. While farming, he also taught crop science courses at the U of S for 12 years. Corey is the chair of the SPG Research and Development Committee and serves on the Pulse Canada Board.

John Bennett

BIGGAR, SK

John Bennett joined the SPG Board of Directors in 2013. For the last 36 years, John and his wife Shirley have farmed south of Biggar. They have a diverse rotation with 25 per cent pulses — both peas and lentils. John began early zero-till in 1988 and introduced peas into his rotations soon after. John previously acted as the Industry Co-Chair of the Provincial Offset Trading working group and served on the board of Soy Canada. He has received the Saskatchewan Soil Conservation Association's Farmer of the Year Award, was named as one of Canada's 13 most influential farmers by Country Guide, and has an honorary lifetime membership for the Saskatchewan Institute of Agrologists. John previously served as a Director on the SPG board from 2005-2011.

Vicki Dutton

PAYNTON, SK

Vicki Dutton joined the SPG Board of Directors in 2010. Vicki farms with her husband David and son George and his family in Paynton. As pedigreed seed growers, Dutton Farms is invested in growing and distributing new varieties of pulse crops. Pulse crops have been a vital part of sustainable production on the farm since 1974, growing lentils, peas, and more recently faba beans. The family was part of the export industry, where Vicki's main role was in niche market development, using pea varieties for market development into global niche markets, with the new introductions of CDC Pluto and CDC Tetris creating opportunity in canning and snack markets. Vicki is university educated, a certified horticulturist, and a strong proponent of pulses in the diet. She previously represented SPG on the Canadian Grain Commission Western Standards Committee and the Labour Task Force, and served on the Pulse Industry Round Table committee.

Jean Harrington

GLENSIDE, SK

Jean Harrington joined the SPG Board of Directors in 2014. Jean and her husband John crop 7,400 acres as part of a family farm operation in the Glenside area. Pulses and specialty crops generally make up one-third of their rotation, with canola and wheat rounding out the balance.

Jean has served on various local boards as well as being on the founding board of the Saskatchewan Women's Agriculture Network. Marketing crops on the family farm turned into a business for her in 2001 when she founded Prairie Farm Brokerage. The business operated as a full service brokerage until 2012 when it began to function as a consulting firm for ag marketing. Since then, Jean has been a market consultant for a small group of clients. Jean previously served on the Pulse Canada board and was SPG's representative to a producer association coalition tasked with preparing a joint submission for the Canada Transportation Act Review. Jean currently serves on the Canadian Grain Commission Western Standards Committee and the board of Soy Canada.

Lee Moats

RICETON, SK

Lee Moats joined the SPG Board of Directors in 2011 and serves as Chair on the Pulse Canada Board of Directors. He farms with his wife Laurie on a third-generation family farm in the Riceton area where they operate a zero-till farm, growing lentils, canola, and winter wheat. Lee has a Bachelor of Science in Agriculture degree with a major in agronomy, and has been a Professional Agrologist for 32 years. In addition to farming, he also worked for the Saskatchewan Ministry of Agriculture for eight years, and Ducks Unlimited Canada for 20 years. Lee has served as a Director on the Saskatchewan Soil Conservation Association board, as a Commissioner on the Saskatchewan Winter Cereal Development Commission, and currently serves as President of the Cross-Country Co-op.

Morgan Nunweiler

ROSETOWN, SK

Morgan Nunweiler joined the SPG Board of Directors in 2011 and served as Chair from 2012-2015. He farms with his wife Carly near Rosetown where they include lentils, canola, and durum in their regular crop rotation. He has a Bachelor of Science in Agriculture from the University of Saskatchewan and is a Professional Agrologist. He has been active in the agriculture industry since 2002. Morgan has worked with Syngenta and Novozymes, now Monsanto BioAg, as his interest in pulse crops grew and attracted him to the inoculant side of the industry. Today he continues to work with Monsanto BioAg during winter months.

OUR STAFF



Carl Potts

Executive Director
cpotts@saskpulse.com

Carl is responsible for providing strategic leadership to the organization and working closely with the Board of Directors to implement SPG's strategic direction. Much of his focus is on building strong relationships with key SPG stakeholders to maximize the impact of SPG investments in research and to open new markets for Saskatchewan pulses.



Shelly Weber

Levy Manager
sweber@saskpulse.com

Shelly is responsible for managing levy administration for the organization, facilitating the collection of levy and management of the grower and industry database.



Lori Chapman

Administrative Assistant
lchapman@saskpulse.com

Lori is responsible for office administration and provides administrative support to the SPG Board of Directors and Executive Director.



Lisette Mascarenhas

Director of Research & Development
lmascarenhas@saskpulse.com

Lisette is responsible for the development of SPG's research and development program, in collaboration with the global pulse research community. She also leads the SPG R&D team and works with, and provides support to, Pulse Canada in the area of pulse innovation.



Allison Fletcher

Research Project Manager
afletcher@saskpulse.com

Allison is responsible for the management of SPG-funded research projects, as well as collaborating in the management and execution of SPG's research and development programming.



Emily Koob

Research Program Assistant
ekoob@saskpulse.com

Emily is responsible for leading the review of expense claims from research institutions undertaking research within the Growing Forward 2 - Pulse Science Cluster, assisting with updates to training materials, forms, and other tools to support accurate financial reporting by institutions, and the compilation of financial information required for reconciliations, reporting, and payments.



Laurie Friesen

Research Project Manager
lfriesen@saskpulse.com

Laurie is responsible for managing Growing Forward 2 - Pulse Science Cluster projects as part of the cluster team, where she is responsible for administering the project budgets and scientific reporting.



Sherrilyn Phelps

Agronomy & Seed Program Manager
sphelps@saskpulse.com

Sherrilyn is responsible for SPG's agronomy and variety commercialization programs, which focus on building awareness of best management practices and finding solutions for agronomic issues related to pulse production.



Cheryl Gore

Administrative Assistant
cgore@saskpulse.com

Cheryl is responsible for providing administrative support to the research and development team, with backup office support in general administration.



Deborah Fortosky

Director of Finance & Operations
dfortosky@saskpulse.com

Deb is responsible for leading strategic financial planning, risk management, internal and external financial reporting, and for providing operational accountability and transparency for the organization.



Margaret Parsons

Senior Accounting Technician
mparsons@saskpulse.com

Margaret is responsible for preparing non-levy invoicing, accounting for research and development contracts, processing payroll, compiling financial statements and schedules, and providing project accounting services for federal research projects administered by SPG.



Debbie Skakun

Accounting Technician
dskakun@saskpulse.com

Debbie is responsible for handling levy and variety release invoicing and non-research payables, and is responsible for keeping track of SPG's assets and providing ad-hoc financial reporting.



Shirley Toms

Senior Research Project Manager
stoms@saskpulse.com

Shirley is responsible for management of the national Pulse Science Research Cluster funded within the Agriculture and Agri-Food Canada's Growing Forward program framework, and for support of strategic and operational goals related to SPG's research and development program.



Rachel Kehrig

Director of Communications & Market Promotion
rkehrig@saskpulse.com

Rachel is responsible for providing strategic direction and leadership to the communications and market promotion team in the development and implementation of work plans to support the organization's strategic goals.



Amber Johnson

Market Promotion Manager
ajohnson@saskpulse.com

Amber is responsible for managing the market promotions program, which includes coordinating opportunities under the Canadian Lentils promotional brand to influencer audiences such as bloggers, dietitians, and culinary professionals.



Andrea Lauder

Communications Manager
alauder@saskpulse.com

Andrea is responsible for managing SPG's communications program, which includes publications such as the *Pulse Market Report* and *PulsePoint* magazine, as well as grower events such as *CropSphere* and SPG's *Regional Pulse Meetings*.

YEAR IN REVIEW

By-the-numbers: A snapshot
of program highlights for the
2014/15 year.



**45,000
COPIES**

Canadian Lentils
recipe books
given away



3,600 followers on **@saskpulse** twitter
account, and **2,700** twitter conversations



\$750,000

dedicated to the Saskatchewan
Food Centre for **pulse food**
product development work



21 ARTICLES
published on
SPG-funded research

\$3.5 MILLION

in co-funding for the Industrial
Research Chair position
focused on genetic
improvement of lentils



**35 NEW RESEARCH
PROJECTS APPROVED**



7 graduate and undergraduate **SCHOLARSHIPS** awarded

\$8.75 Million

invested into
new research
projects



700 GROWERS
attend Regional
Pulse Meetings



280,000
visits to lentils.ca



267 MINUTES
of pulse advisor
radio programming

RESEARCH LEVERAGING AND PARTNERSHIPS

Research Partners

Agriculture and Agri-Food
Canada

Agriculture Bioproducts
Innovation Program

Agricultural Research and
Extension Council of Alberta

AGT Food and Ingredients

AgWest Bio

Alberta Food
Development Centre

Alberta Ministry of
Agriculture and Forestry

Alberta Pulse Growers

Canadian Field Crop
Research Alliance

Canadian International
Grains Institute

Chinese Cereals and
Oils Association

Crop Development Centre
Genome Canada

Grain Farmers of Ontario

Indian Head Agricultural
Research Foundation

InfraReady Products Limited

Institute of Field and
Vegetable Crops

Irrigation Crop
Diversification Corporation

Manitoba Canola Growers
Association

Manitoba Food
Development Centre

Manitoba Pulse and
Soybean Growers

McMaster University

Memorial University

Natural Sciences and
Engineering Research
Council of Canada

Ontario Bean Growers

Organic Federation
of Canada

Pulse Canada

Richardson Centre for
Functional Foods and
Nutraceuticals

Saskatchewan Food Industry
Development Centre

Saskatchewan Ministry
of Agriculture

SaskCanola

Sask Wheat

St. Boniface Hospital
Research Centre

Tamil Nadu Agricultural
University

Trent University

Université Laval

University of Alberta

University of Calgary

University of California
at Davis

University of Guelph

University of Florida

University of Manitoba

University of Saskatchewan

University of Toronto

Western Grains Research
Foundation

Wheatland
Conservation Area



Our investment in research projects leveraged approximately

\$4.2 MILLION

in additional **EXTERNAL FUNDING** last year.



KEY RESULT AREAS

Saskatchewan Pulse Growers strives to move the pulse industry forward by focusing our efforts into four key result areas. Each of these areas represents a core component of our mission to provide leadership and create profitable growth opportunities for the Saskatchewan Pulse Industry.



BOOST



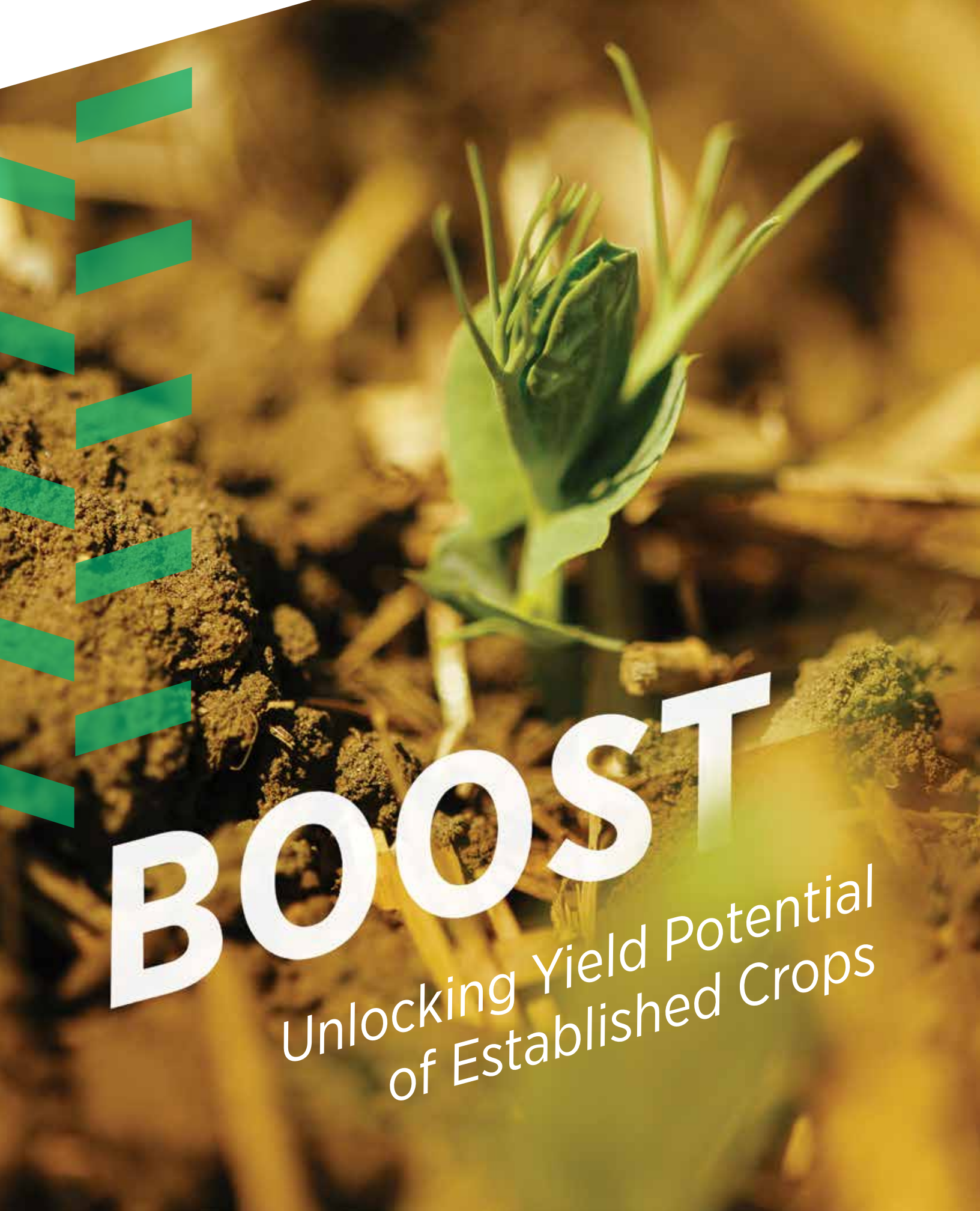
IMPACT



EVOLVE



REACH



BOOST

Unlocking Yield Potential
of Established Crops

We continue to find ways to help increase the yield of existing pulse crops, optimize existing agricultural practices, and reduce agronomic constraints.

FIELD PEA INPUT STUDY

A Field Pea Input Study funded by Saskatchewan Pulse Growers (SPG) aimed to establish which individual agronomic inputs contribute most to field pea seed yield and what combinations of inputs produce the highest seed yield and economic return. Four test sites were set up in Saskatchewan between 2012-2014, and an additional one was added in Manitoba in 2014. The study's main finding was that, averaged across high yielding test sites, seed yield increased and yield variability decreased with each additional input added. Higher seeding rates, fungicide, and granular inoculant were the three different inputs that consistently increased seed yields and economic return, especially when applied in combination.

EFFECT OF SEEDING RATE ON DISEASE IN LENTILS



SPG is a funder of research underway in 2014/15 that provided evidence that increasing the seeding rate in lentils can increase productivity. There are instances where increasing the seeding rate may result in greater disease pressure, but in the trials, the level of disease presented did not result in yield loss, even in a year when precipitation levels were higher than average and the presence of plant disease in lentils was at a high.

SCOUTING FOR ROOT ROT IN PEA AND LENTIL

We helped coordinate pathologists and pulse experts from across Western Canada to work together to develop a *Root Rot in Western Canada* publication that could help

advise growers and agronomists dealing with *Aphanomyces* root rot. Current pea and lentil varieties are susceptible to *Aphanomyces* and plant breeders at the Crop Development Centre are working to improve resistance in new lines. Alternative pulse options that are more resistant to this disease include faba beans and chickpeas.

CROPPING SEQUENCE EFFECTS

A research project we co-funded with the Saskatchewan Ministry of Agriculture measured and compared the amounts of carbon and nitrogen added by chickpeas, lentils, and peas in differing rotation sequences with wheat and brassica crops (canola or mustard) through aboveground and belowground residues. This project provided further evidence of the large underground contribution to nitrogen levels from pulse crops, which continues to build growers' knowledge base on the benefits of pulse crops in their rotations.

CONTROLLING WILD OATS AND CLEAVERS IN FIELD PEAS



A research project looking at managing herbicide resistant weeds in pulse crops with alternative modes of action found that fall application of pyroxasulfone provided better control of wild oats in field peas, compared to spring application. Pyroxasulfone requires moisture for activation and it is believed that the fall application showed superior results because of snowmelt infiltration. Both fall and summer applications of pyroxasulfone proved effective in controlling cleavers.

UNDERSTANDING ASCOCHYTA PISI IN SOUTHWESTERN SASKATCHEWAN

The objective of a research project co-funded by SPG and the Saskatchewan Ministry of Agriculture was to understand the risk presented by the disease *Ascochyta pisi* that has been found in instances in southwestern Saskatchewan. The project concluded that *A. pisi* does not appear to pose a major risk to pea production in Saskatchewan. *A. pisi* seed infection rates of up to 45 per cent were shown to have no or minimal effects on pea crop establishment, disease development, or seed yield, and may not warrant fungicide applications.

RAPID GENERATION TECHNOLOGY IN PULSE BREEDING

An SPG funded research project that was completed in 2015 looked to accelerate pulse crop breeding through the application of Rapid Generation Technology (RGT). Building on a previous research project we had funded that examined techniques for RGT in pulse crops, this project more specifically looked to develop RGT protocol in combination with selection for multiple herbicide tolerance in lentils, adapting and improving RGT protocol for quick recombinant inbred line development, and to integrate RGT with marker-assisted selection for specific breeding traits. As a result of this research, the RGT protocol was refined, and when tested using the improved protocol, field pea recombinant inbred lines were developed at approximately twice the speed of conventional methods. This demonstrated that RGT could be used to expedite the breeding process and is now being incorporated into the pulse breeding program at the University of Saskatchewan. This will result in the ability to develop improved varieties to growers faster.

ARBUSCULAR MYCORRHIZAL FUNGAL INOCULANTS FOR PULSES

A research project we funded evaluated the impact of introducing arbuscular mycorrhizal fungi (AMF) on pulse yields compared to naturally occurring AMF in the soil. Research observations suggest that introduced AMF inoculants may enhance both phosphorous uptake and nitrogen fixation in pulse crop systems, which supports further AMF inoculant development, something of interest to growers as biofertilizers are drawing more attention.

VARIETY RELEASE PROGRAM

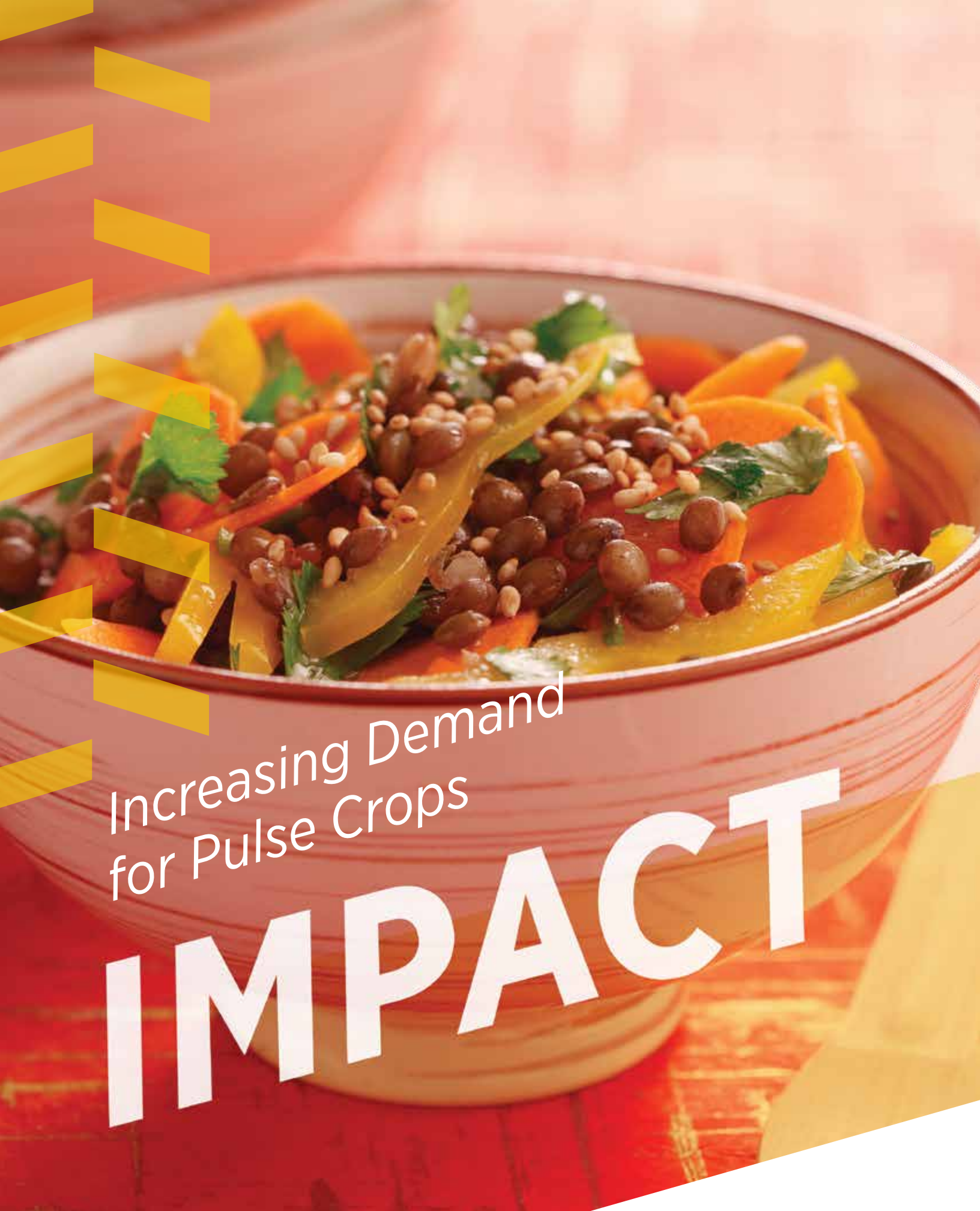
In 2015, a small red lentil variety, a maple pea variety, and a yellow pea variety were made available to Select status seed growers through SPG's Variety Release Program. The small red lentil variety demonstrated good resistance to anthracnose while the newly released yellow pea variety is the highest yielding variety currently available for yellow peas.

LENTIL INDUSTRIAL RESEARCH CHAIR FUNDING RENEWAL

We announced the renewal of our funding for the Industrial Research Chair in Genetic Improvement of Lentils, a position held by Dr. Bert Vandenberg, Pulse Crop Breeder at the University of Saskatchewan's Plant Sciences Department. The position, co-funded with the Natural Sciences and Engineering Research Council of Canada (NSERC), is made possible due to a \$3.5 million funding commitment from SPG and a \$2.8 million funding commitment from NSERC, both over five years. Our investment is a critical piece in ensuring that Saskatchewan growers continue to have access to the best lentil varieties available.







Increasing Demand
for Pulse Crops

IMPACT

Global initiatives with Pulse Canada focused on health, product development, and increased awareness of pulses.

PULSE CANADA PROGRAMS

Saskatchewan Pulse Growers provides funding to our national pulse industry association, Pulse Canada, to undertake work that will help achieve increased demand for pulses. Some of the work led by Pulse Canada in 2014/15 includes:

DEVELOPING A GLOBAL PULSE BRAND

Pulse Canada played a lead role in facilitating the development of a global brand identity for pulses. The brand was unveiled to pulse industry representatives from around the world at the Global Pulses Confederation convention in April and will be launched publicly with the kick off of the International Year of Pulses. The brand will anchor a globally coordinated effort to promote pulses well beyond 2016 and International Year promotion activities.



INTERNATIONAL PRODUCT DEVELOPMENT RESEARCH

Three research projects led by the Chinese Cereals & Oils Association (CCOA), in collaboration with Pulse Canada, looking to utilize pulse flours in traditional Chinese foods concluded in July 2015. The projects tested Canadian pea flour in Asian noodles, biscuits, and steamed breads. During final stages of the project, CCOA worked with commercial food manufacturing companies to scale up prototypes, and are working to promote opportunities for pulse research and development to the broader food industry in China.

MISSION IMPULSEIBLE FOOD SERVICE CHALLENGE

Pulse Canada partnered with Aramark Canada, a foodservice provider, for a chef's edition of Pulse Canada's Mission: ImPULSEible product development competition.

Twenty-four Aramark chefs from across Canada submitted their recipes and eight top contenders were selected by Aramark to compete live in their test kitchen in Toronto. The chef finalists work at major foodservice outlets at Google, Rogers, Carleton University, Manulife Financial, Dalhousie University, and ConocoPhillips. A total of 24 pulse-based dishes were presented to judges, and the pulse based recipes were circulated through Aramark's recipe database for use by the chefs in foodservice outlets across Canada.

HEALTH CLAIMS FOR PULSES

Pulse Canada organized and chaired a session on *Substantiating Post-Prandial Glycemia Health Claims for Pulses* at the Canadian Nutrition Society annual conference in May 2015. Presentations during the session were from Harvey Anderson (University of Toronto), Rachel Reby (Nutrasource Diagnostics), Sijo Thandapilly (University of Manitoba), and Dan Ramdath (Agriculture and Agri-Food Canada). These presentations highlighted emerging research on the glycemic response of pulse flour and fraction ingredients, and the impact of processing and food matrix. The objective of the session was to highlight gaps and priorities for future research so the blood sugar health claims will be relevant to a range of pulse ingredients and food product matrices.

CANADIAN FIELD PRINT CALCULATOR

The Canadian Field Print Calculator project expanded in 2014/15, in both grower participation and supply chain interest. Farmers supplied data for the Calculator from 120,000 acres, representing 500 fields of wheat, canola, pea, and oat production in Western Canada. The project added new participants from Farmers Edge, Syngenta, AgriTrend, Alberta Barley Commission, Canadian Fertilizer Institute, and the Canadian Association of Agri-Retailers. In 2015, the Canadian Field Print Calculator was used in six pilot projects in Ontario, Manitoba, Saskatchewan, and Alberta.



**COME DINE
WITH US**

DURING THE MONTH
OF JUNE TO TASTE

OUR NEW LENTIL

DISH AND VOTE FOR A CHANCE
TO **WIN A TRIP** TO ONE OF SEVEN

GREAT CANADIAN CITIES

**VANCOUVER • SASKATOON • CALGARY
WINNIPEG • OTTAWA • HALIFAX • TORONTO**



#fundelentil

fundelentil.ca



Lentils are nutritional powerhouses. This past year, we undertook initiatives to raise awareness of lentils, from farm-to-table.

CANADIAN LENTILS BRANDING

Saskatchewan Pulse Growers is working to increase consumer demand for lentils by targeting key consumer influencer audiences such as dietitians, bloggers, culinary professionals, and media, by undertaking work under our promotional brand, Canadian Lentils. Some highlights from the 2014/15 program are:

LENTIL HUNTER ON FOOD NETWORK CANADA



The Lentil Hunter web series created by Canadian Lentils, featuring brand ambassador Chef Michael Smith, was turned into a one-hour documentary that aired on Food Network Canada in October 2015. In addition to showcasing the creative ways lentils are being consumed around the world by visiting France, Italy, Morocco, India, and the United Arab Emirates (UAE), the documentary also featured Chef Michael Smith stopping in at the Nunweiler farm outside Rosetown, Saskatchewan, where he helped cook up a lentil harvest feast with his newly discovered global recipes. Over 55,000 people tuned in to watch the documentary on Food Network Canada, and it can still be viewed on the Canadian Lentils YouTube channel.

FUNDELENTIL RESTAURANT CAMPAIGN

In June, we launched the Canadian Lentils campaign The FunDeLentil Tour. The campaign was a cross-country

restaurant competition, featuring 24 of Canada's top restaurants serving up signature lentil dishes for the month. Consumers were asked to go online and vote for their favourite dish, and in return were entered to win a slate of prizes. In the month of June, the hashtag for the campaign, #fundelentil, received over 12.3 million social media impressions and the contest website was visited over 43,000 times. The earned media for the campaign was valued at approximately \$700,000, which included stories in print publications and television coverage. The winning restaurant was Fable in Vancouver, British Columbia, for their Chorizo and Lentil Ragout.

MEDIA & BLOGGER TOUR



Chef Michael Smith and media & blogger tour attendees in a lentil field in Moose Jaw, SK.

In early July, we hosted a group of Canadian food bloggers and food media, including representatives from the Food Bloggers of Canada, Canadian Living, Chatelaine, and Style at Home in Regina, Saskatchewan as part of the Canadian Lentils Farm to Table Tour. The goal of the Farm to Table Tour was to bring these key traditional and social media communicators to the heart of Canada's lentil growing region and showcase the way lentils are grown, and the steps they go through before they end up on the dinner table. In addition to visiting a lentil field, attendees also got a firsthand look at a lentil processing plant, and were treated to a private cooking class with Canadian Lentils brand ambassador Chef Michael Smith.



EVOLVE

Developing New
Pulse Crop Options

Interest in faba bean and soybean production is rising in Saskatchewan. We are ensuring growers have access to accurate information on these crops.

ADAPTATION AND ESTABLISHMENT OF SOYBEANS UNDER NO-TILL



A research project with funding from Saskatchewan Pulse Growers (SPG) is looking to build on the interest in planting soybeans in southern Saskatchewan by addressing the long-term stability of the crop through assessing risks associated with growing early maturing soybean varieties under no-till. The project also aims to develop recommendations for the successful establishment of soybeans in a cool environment. One of the research objectives was to evaluate a factorial combination of two different seeding depths and seven different seeding rates in two trial locations. The results for this objective found that soybean yields were higher overall when shallow-seeded (versus deep-seeded), and continued to respond to increasing seeding rates compared to deep-seeding which found yields leveled off earlier. The increased yields at the maximum seeding rates were unexpected and further evaluation will determine whether these results are repeatable. Also, once the field studies are complete, the economic return of different seeding rates will be estimated. The result of this project will add to growers' knowledge about agronomic information for soybeans in Saskatchewan.

FABA BEAN FEED BENCHMARK

In partnership with Alberta Pulse Growers, we have expanded our Feed Benchmark reporting to include feed ingredient comparisons for faba beans (in addition to field peas). The Faba Bean Feed Benchmark provides a consistent, unbiased estimate of the feeding value of low tannin faba beans in Central Alberta (Red Deer & area), Central Saskatchewan (Saskatoon & area), and Southern Manitoba (Winnipeg & area), based on the value of competing feed ingredients in swine rations. Feed faba beans trade at various differentials to the benchmark based on local supply/demand, quality

differences, and contract terms. The benchmark values are intended for use as a pricing reference for buyers and sellers of feed faba beans by providing an indication of the feeding value of faba beans. Swine feed is used to determine the benchmark value because most of the faba beans used domestically for feed are used in swine diets.

FABA BEAN & SOYBEAN PRODUCTION INFORMATION ONLINE

As part of a new look and revised content structure for saskpulse.com, production information for both faba beans and soybeans was included as a new piece under the Growing section of our website. Growers can visit the site to find information on varieties and adaptation, as well as inoculation, weed and disease management, and other important areas of production.

PRESENTATIONS TO GROWERS ABOUT SOYBEANS & FABA BEANS

With grower interest in faba beans and soybeans on the rise in 2014/15, we facilitated presentations on both crops at a variety of events throughout the year. A presentation on best management practices and latest research for both soybeans and faba beans was given at the annual *CropSphere* conference in January, and an overview look at faba bean market opportunities was provided at each of the four locations for our regional pulse meetings. Also, additional presentations on the two crops were given at a number of events throughout the winter, as well as summer field days organized by Indian Head Agricultural Research Foundation, Western Applied Research Corporation at Scott, Northeast Agriculture Research Foundation at Melfort, Wheatland Conservation Area at Swift Current, South East Research Farm at Redvers, and Irrigation Crop Diversification Corporation at Outlook.



REACH

Expanding Access
to the Market



With Pulse Canada's work in expanding access to the market, we strive to ensure that export markets remain free of constraints.

CANADA TRANSPORTATION ACT REVIEW

Through our support to Pulse Canada and in collaboration with a Saskatchewan grower organization coalition made up of Sask Barley, Sask Wheat, and the Agriculture Producers Association of Saskatchewan, SPG provided input and recommendations for consideration in the review of the Canada Transportation Act (CTA).

The CTA Review Ag Coalition developed 10 recommendations addressing issues related to railway capacity, railway performance, and the current shipper protection measures.

AG TRANSPORT COALITION

Pulse Canada leads the Ag Transport Coalition (ATC). The ATC has developed a multi-commodity/multi-organization transportation strategy focused on three key areas:

- Performance measurement
- Supply chain effectiveness
- Building industry capacity

In early 2015, the ATC began releasing weekly measurement reports on railway performance. These reports highlight system performance from the shipper's perspective by reporting weekly on rail capacity provided relative to demand as well as a range of other service-oriented indicators. The performance measurement work funded by SPG through our support to Pulse Canada, and by its partners across the ag sector, also provided participating companies with the ability to compare their company-specific logistics performance with aggregated data that represents more than 90 per cent of all grain movement. These reports highlighted key areas of performance on a weekly basis, providing both the industry and government with important objective and credible information about the performance of Canada's logistics system.

FREE TRADE AGREEMENTS

Pulse Canada worked on behalf of the Canadian pulse industry to ensure that the best possible deal was reached in negotiations leading up to the Canada-Korea Free Trade Agreement (FTA), which came into effect on January 1, 2015. This is Canada's first free trade agreement with an Asian market, and will phase out, and then eliminate, duties on all Canadian pulse and special crop imports.

The Canada-Europe Comprehensive Economic and Trade Agreement was concluded in 2014. This agreement will eliminate or phase out remaining tariffs for pulses and pulse flours/fractions. While it still needs to be ratified, it will also assist in the development of science-based approvals and tolerances in the European Union (EU) to improve the predictability of trade.

Pulse Canada is also providing ongoing input into the Canada-Japan Economic Partnership Agreement, the Trans-Pacific Partnership, the Canada-Turkey FTA, and the Canada-CARICOM (Caribbean countries) FTA.

MAXIMUM RESIDUE LIMITS

The potential issues presented by default maximum residue limits (MRLs) continue to be ongoing. Specific issues that require consistent attention from Pulse Canada and industry include India's fumigation derogation, soil detections and potential palletization requirements in Mexico, and the implementation of new science and testing changes that have resolved (for now) India's stem and bulb nematode issue.

Proactive work around MRLs continued, including securing key EU MRLs, technical analysis of where desiccant use for the 2015 growing season could result in noncompliance in importing countries, and efforts to clarify the MRL policies of China and other countries who are moving away from Codex toward their own national customized MRL lists.

INTERNATIONAL YEAR OF PULSES

Promoting international awareness of pulses and increasing recognition of their nutritional attributes and sustainability benefits.

WHAT WE GROW



Saskatchewan Pulse Crops are lentils, peas, chickpeas, beans, and faba beans.

HOW WE COMPARE



Canada is one of the **world's largest** producers of pulses.

WHAT WE OFFER



Pulses are packed **full of protein**, and are low in fat and high in fibre.

To learn more about the International Year of Pulses visit pulses.org or saskpulse.com.

SASKATCHEWAN
pulse
Growers



2016 INTERNATIONAL
YEAR OF PULSES

The International Year of Pulses (IYP) 2016, as designated by the United Nations, set to launch in the year ahead meant significant work was underway in the 2014/15 year to ensure that all the tools were developed and ready to execute come launch.

Saskatchewan Pulse Growers, and our national representatives Pulse Canada, are a part of, and are playing a lead role, in many IYP 2016 committees that have been established. These committees consist of global pulse industry and grower representatives that are working together to ensure success for the industry as a result of IYP 2016. As part of the preparation for IYP 2016, four theme areas were identified as key pillars for the success of IYP, with activities planned for each of them. The four areas include:

CREATING AWARENESS

IYP 2016 is an opportunity to increase awareness and global demand for pulses. As part of a global outreach committee, we plan to reach an audience of 20-40 million people worldwide with our messaging on the health and sustainability benefits of pulses, as well as their versatility. Tools for our outreach include targeted social media campaigns, a consumer facing website (pulses.org), and a worldwide media outreach strategy.

FOOD SECURITY, NUTRITION & INNOVATION

This IYP theme area encompasses a wide breadth of activities that will work to utilize pulses to address global concerns on food security, substantiate pulse crops abilities to combat nutrition and health issues, as well as further develop industry knowledge on the functional and nutritional attributes of pulse ingredients for the advancement of food product development.

MARKET ACCESS & STABILITY

IYP 2016 is a platform to open a dialogue on improving the regulatory framework in which trade occurs. By working together with pulse industries from around the world, we hope to reduce trade barrier costs that are borne by farmers, processors, traders, and consumers while introducing greater efficiencies to enhance food security, reduce price volatility, and increase the profitability of growers.

PRODUCTIVITY & ENVIRONMENTAL SUSTAINABILITY

With a global focus on pulses as a result of IYP 2016, this creates the opportunity to draw the focus of the scientific community. Working with science communities around the world, we are targeting increased public and private research investment to sustainably close yield gaps for pulse crops around the world.



GROWER OUTREACH

COMMUNICATING OUR NEW STRATEGIC PLAN

In 2014/15 Saskatchewan Pulse Growers (SPG) unveiled to growers our revised organizational strategic plan. The plan focuses on four key result areas that guide our strategic direction and program goals.

The four key result areas are:

- 1.** Unlocking the yield of established pulse crops through increasing the yield potential and reducing agronomic constraints growers are facing.
 - 2.** Expanding use of pulses through increasing export demand and new market opportunities.
 - 3.** Developing new crop options with the goal of a pulse crop for every acre.
 - 4.** Improving market access to ensure growers remain competitive in the global market place.
- To communicate the new plan to growers, we created a short animated video that highlighted the key objectives and goals for the organization (which can be viewed at saskpulse.com) as well as a detailed brochure that provides more information on each of the key areas, and the ways in which the work SPG is undertaking will help achieve results.

VIDEO SERIES HIGHLIGHTING AREAS OF GROWER LEVY INVESTMENT

We launched a new series of web videos in spring 2015 that provides growers with a high level look at the work SPG is undertaking both internally, and through funding to our national organization Pulse Canada. The first two videos in the series focused on market development and research. The market development video overviewed work ongoing in the area of consumer influencer promotion, clinical studies undertaken to obtain health claims, and work focused on building the capacity for inclusion of pulse ingredients in commercial food products. The research and development video highlighted the key areas of investment for SPG's research program, as well as the importance of our relationship with the University of Saskatchewan's Crop Development Centre.

PULSE ADVISOR E-NEWSLETTER & RADIO PROGRAM

The addition of new in-house agronomy expertise allowed SPG to build on our capacity to provide growers with production information throughout the year. Two key new agronomic initiatives that were implemented in grower outreach was the development of the *Pulse Advisor* agronomy focused e-newsletter, and the subsequent *Pulse Advisor* agronomy radio program running on CJWW. The e-newsletter is distributed monthly throughout the year, with additional information being circulated during key points during the production season. The radio program is also a monthly piece, with content airing on the last Saturday of each month. Examples of topics addressed in these programs include managing herbicide resistant weeds, addressing pests such as pea aphids and grasshoppers, as well as seeding rates and variety selection.

PULSE LEGACY AWARD

We honoured the late Dr. Guy Lafond in January 2015 for his significant impact on soil conservation and improvements to prairie agricultural practices by presenting his wife Enid Oddleifson with the Pulse Legacy Award in his memory. The award is intended to honour individuals who have made industry-changing contributions to the Canadian pulse industry throughout his or her career. Dr. Guy Lafond was an Agriculture and Agri-Food Canada researcher and soil conservationist that, over his lifetime, made significant advancements related to zero-till development and agronomy research that has altered the way pulses are grown in the province.

PULSE PROMOTER AWARD

The Pulse Promoter award, presented by SPG and BASF Canada, was given to Ed Seidle at the *CropSphere* conference in January. The award is to recognize someone who has helped take the pulse industry to new levels through their contributions in production, research, or business innovation. Mr. Seidle is the senior partner of a multi-farm family pedigreed seed production enterprise in Medstead, Saskatchewan with his two sons and nephew. He keeps records of their crops and their land, capturing changes in the soil, climate, cropping threats, and techniques.



Chris Vander Kant from BASF Canada and Carl Potts from SPG present the Pulse Promoter Award to Ed Seidle.

PULSE RESEARCH MAGAZINE

SPG released our second issue of the *PulseResearch* magazine. The annual publication is designed to provide growers a snapshot of the research investments being made with levy dollars in the areas of agronomy, genetic improvement, health and nutrition, and processing and utilization. Projects highlighted in the magazine include genome mapping in chickpeas, a field pea input study, and a project looking to understand the health implications of processing pulse ingredients.

ANNUAL GENERAL MEETING

We hosted our Annual General Meeting as part of *CropSphere* on January 12, 2015 in Saskatoon, Saskatchewan. Over 140 people attended including growers, industry, and government representatives. SPG Director and outgoing Chair Morgan Nunweiler led the meeting, while Executive Director Carl Potts provided the audience with a look at the organization's highlights from the 2013/14 fiscal year.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Saskatchewan Pulse Crop Development Board, which comprise the statement of financial position as at August 31, 2015 and the statements of operations, changes in net assets, and cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, these financial statements present fairly, in all material respects, the financial position of Saskatchewan Pulse Crop Development Board as at August 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

December 9, 2015
Saskatoon, Saskatchewan



Chartered Accountants

TO THE MEMBERS OF SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

We have made an examination to determine whether Saskatchewan Pulse Crop Development Board complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing, and investing activities during the year ended August 31, 2015.

- The Agri-Food Act, 2004
- The Pulse Crop Development Plan Regulations

Our examination was made in accordance with the Canadian generally accepted auditing standards and, accordingly,

included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, 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, 2015.

December 9, 2015
Saskatoon, Saskatchewan



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, 2015 to express an opinion as to the effectiveness of its control related to the following objectives:

1. 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.
2. To prepare reliable financial reports.
3. To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding Board resources, and 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 controls 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 the standard for audits of internal control over financial reporting set out in the CICA Handbook – Assurance. This standard requires that we plan and perform the 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.

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

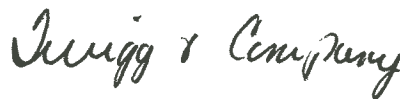
Control can provide only reasonable, not absolute, assurance of achieving objectives reliably for two reasons. First, there are inherent limitations in control including judgment in decision-making, human error, collusion to circumvent control activities, and management overriding control. Second, cost/benefit 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 become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

OPINION

In our opinion, based on the limitations noted above, Saskatchewan Pulse Crop Development Board's control was effective, in all material respects, to meet the objectives stated above as of August 31, 2015 based on the CICA criteria of control framework.

We have also audited, in accordance with Canadian generally accepted auditing standards, the financial statements of Saskatchewan Pulse Crop Development Board, which comprise the statement of financial position as at August 31, 2015 and the statements of operations, change in net assets, cash flows, and a summary of significant accounting policies and other explanatory information. We have issued our report dated December 9, 2015 which is the same date as the date of the report on the effectiveness of internal controls.

December 9, 2015
Saskatoon, Saskatchewan



Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

We have examined the financial statements of Saskatchewan Pulse Crop Development Board for the year ended August 31, 2015 and have issued our report thereon dated December 9, 2015. We have examined the system of internal control as at August 31, 2015 and have issued our report to you dated December 9, 2015. We have also made an examination to determine whether Saskatchewan Pulse Crop Development Board complied with specified legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue-raising, borrowing and investing activities during the year ended August 31, 2015 and have issued our report to you dated December 9, 2015.

Our examinations were 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 those instances, if any, that our study and evaluation of internal control disclosed conditions indicating that internal controls were inadequate or not complied with, substantive tests were performed to detect any case in which:

1. any officer or employee of Saskatchewan Pulse Crop Development Board has willfully or negligently omitted to collect or receive public money belonging to the Crown;
 2. there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person;
- and
3. an expenditure was made which was not properly vouchered or certified.

During the course of these examinations, nothing came to our attention that would indicate to us that:

1. any officer or employee of Saskatchewan Pulse Crop Development Board has willfully or negligently omitted to collect or receive public money belonging to the Crown;
 2. there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person;
- and
3. an expenditure was made which was not properly vouchered or certified.

December 9, 2015
Saskatoon, Saskatchewan



Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31, 2015

	2015	2014
	\$	\$
ASSETS		
CURRENT		
Cash	990,510	1,092,874
Investments (Note 3)	7,429,068	8,762,912
Accounts receivable (Note 5)	3,500,205	3,852,325
Prepaid expenses	534,908	263,174
Accrued interest receivable	123,507	130,382
Breeder seed Inventory	475,792	279,080
	13,053,990	14,380,747
Internally restricted investments (Note 3)	6,200,000	5,250,000
Investments (Note 3)	7,849,815	5,717,437
Capital assets (Note 4)	1,138,258	1,171,940
	28,242,063	26,520,124
LIABILITIES		
CURRENT		
Accounts payable (Note 6)	4,489,493	4,772,436
	4,489,493	4,772,436
NET ASSETS		
Invested in capital assets	1,138,258	1,171,940
Internally restricted (Note 10)	6,200,000	5,250,000
Unrestricted	16,414,312	15,325,748
	23,752,570	21,747,688
	28,242,063	26,520,124
Commitments (Notes 7, 8, and 9)		

Approved by the Board:



Chair



Vice-Chair

STATEMENT OF OPERATIONS

for the year ended August 31, 2015

	2015 Budget (Unaudited) (Note 11)	2015 Actual	2014 Actual (Note 15)
	\$	\$	\$
REVENUE			
INDUSTRY REVENUE			
Levy	13,700,000	18,327,882	13,068,850
Industry partnership	73,000	225,280	257,460
Variety commercialization	323,800	300,973	558,684
Advertising	100,000	90,793	137,979
Sponsorship	24,000	39,050	204,320
	14,220,800	18,983,978	14,227,293
GOVERNMENT FUNDING			
Agriculture and Agri-Food Canada - Cluster	218,769	168,860	208,358
Government of Saskatchewan	100,000	48,000	99,600
	318,769	216,860	307,958
INTEREST AND DIVIDENDS	432,230	466,973	470,101
UNREALIZED GAINS (LOSSES)	-	(109,363)	122,920
OTHER REVENUE	2,500	36,901	195,432
	14,974,299	19,595,349	15,323,704

	2015 Budget (Unaudited) (Note 11)	2015 Actual	2014 Actual (Note 15)
	\$	\$	\$
EXPENSES			
RESEARCH AND DEVELOPMENT			
Pulse breeding	2,935,380	2,956,403	2,881,161
Agronomy and sustainability	1,890,317	1,927,507	819,085
Genetic improvement	2,306,609	1,651,477	1,919,788
Processing	1,085,753	1,712,792	613,680
Health outcomes	1,008,062	997,806	734,545
Strategy development and support	1,065,708	925,530	920,993
	10,291,829	10,171,515	7,889,252
MARKET PROMOTION			
Canadian lentil awareness	1,946,850	2,619,815	1,565,534
International market promotion	-	23,982	314,720
Product utilization, feed, and other promotion	273,027	223,632	176,001
	2,219,877	2,867,429	2,056,255
COMMUNICATION			
PULSE CANADA (Note 7)	1,730,000	1,655,000	1,200,000
VARIETY COMMERCIALIZATION	736,248	497,794	640,243
LEADERSHIP AND MANAGEMENT			
Board of Directors	299,837	247,482	269,744
Management and administration	1,147,248	1,031,052	1,113,608
	17,467,437	17,590,467	14,266,970
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(2,493,138)	2,004,882	1,056,734

STATEMENT OF CHANGES IN NET ASSETS

for the year ended August 31, 2015

	Invested in Capital Assets	Internally Restricted	Unrestricted	2015 Total	2014 Total
	\$	\$	\$	\$	\$
NET ASSETS, BEGINNING OF YEAR	1,171,940	5,250,000	15,325,748	21,747,688	20,690,954
Excess of revenue over expenses	-	-	2,004,882	2,004,882	1,056,734
Internal restriction of investments (Note 10)	-	950,000	(950,000)	-	-
Purchase of capital assets	5,238	-	(5,238)	-	-
Disposition of capital assets	(656)	-	656	-	-
Gain (loss) on disposition of capital assets	(4,219)	-	4,219	-	-
Amortization	(34,045)	-	34,045	-	-
NET ASSETS, END OF YEAR	1,138,258	6,200,000	16,414,312	23,752,570	21,747,688

STATEMENT OF CASH FLOWS

for the year ended August 31, 2015

	2015	2014 (Note 15)
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses	2,004,882	1,056,734
CHANGES TO INCOME NOT INVOLVING CASH		
Amortization	34,045	48,909
Loss on disposition of capital assets	4,219	1,249
	2,043,146	1,106,892
CHANGES IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS		
Accounts receivable	352,120	(224,988)
Inventory	(196,712)	(58,004)
Prepaid expenses	(271,734)	110,049
Accrued interest receivable	6,875	(461)
Accounts payable	(282,943)	405,494
	(392,394)	232,090
Total from operating activities	1,650,752	1,338,982
INVESTING ACTIVITIES		
Repayment of note receivable	-	250,000
Proceeds from sale of capital assets	656	615
Purchases of capital assets	(5,238)	(31,121)
Net purchases of investments	(1,748,534)	(1,308,776)
Total from investing activities	(1,753,116)	(1,089,282)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(102,364)	249,700
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,092,874	843,174
CASH AND EQUIVALENTS, END OF YEAR	990,510	1,092,874

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2015

1. DESCRIPTION OF BUSINESS

The Saskatchewan Pulse Crop Development Board (SPG) is a non-profit organization which was established in 1984 under the Agri-Food Act of Saskatchewan. The Saskatchewan Pulse Crop Development Board collects a mandatory, non-refundable levy of 1% of the gross value of sales of pulse crops. The mission of SPG is to provide leadership for a profitable Saskatchewan pulse industry through research, market development, and communication.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

(A) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions, which include government funding and grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred contributions. 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.

Levy revenue is recognized at the time of settlement.

Industry revenue including industry partnership, advertising, and sponsorship are recognized as related activities occur and related costs are incurred.

Variety commercialization revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the selling price to the buyer is fixed, and collection is reasonably assured.

Interest, dividends, and other revenue are recognized as earned.

(B) CAPITAL ASSETS

Capital assets are recorded at cost, less accumulated amortization. SPG provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of capital assets over their estimated useful lives. The annual amortization rates are as follows:

Equipment	Declining balance	20% - 50%
Leasehold improvements	Straight-line	7 years

(C) IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, which comprise capital assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(D) INVENTORY

The inventory balance consists of harvested beans, peas, chickpeas, and lentils and is measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any provisions for impairment.

(E) RESEARCH AND DEVELOPMENT EXPENSE RECOGNITION

Research and development expenses are recognized in these financial statements in the period defined in the terms and conditions of the respective agreements for contract

based expenditures. Grant based expenditures are recorded when eligibility has been determined and the grant has been authorized.

(F) INCOME TAXES

No provision for income taxes has been made in these financial statements as SPG is exempt from income tax under Section 149 (1) of the Income Tax Act.

(G) FINANCIAL INSTRUMENT CLASSIFICATION

Investments and internally restricted investments are recorded at fair value. Transactions are recorded on a trade basis and transaction costs are expensed as incurred.

Other financial instruments, including cash, accounts receivable, accrued interest receivable, and accounts payable and accrued liabilities, are initially recorded at their fair market value and are subsequently measured at amortized cost, net of any provisions for impairment.

(H) USE OF ESTIMATES:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Significant estimates include, but are not limited to the valuation of accounts receivable and inventory and the useful lives of property, plant, and equipment.

(I) CONTRIBUTIONS IN-KIND

Contributions in-kind are recorded at fair value for goods or

services used in the normal course of operations that would otherwise have been purchased.

3. INVESTMENTS

The investments balance consists of the following:

	2015	2014
	\$	\$
Fixed income	18,705,631	15,758,686
Cash and cash equivalents	1,884,568	3,016,008
Equity funds	888,684	955,655
	21,478,883	19,730,349

	2015	2014
	\$	\$

CURRENT ASSETS

Investments	\$ 7,429,068	\$ 8,762,912
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LONG-TERM ASSETS

Internally restricted investments	6,200,000	5,250,000
Investments	7,849,815	5,717,437
	\$ 21,478,883	\$ 19,730,349

The investment balance is a result of the excesses of revenue over expenses from operations in prior years due to increased volume and value of pulse production. Expenses have increased at a lesser rate than revenue, resulting in growth of net assets. The surplus money is held in investments and provides flexibility to cover expenditure commitments in years where operations result in a cash deficit. SPG has set in place investment policy guidelines as to the portfolio mix in order to ensure the investments are safeguarded against large market fluctuations.

4. CAPITAL ASSETS

The capital assets balance consists of the following:

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Equipment	247,895	202,355	45,540	62,075
Leasehold improvements	193,044	90,161	102,883	120,030
	440,939	292,516	148,423	182,105
Land	989,835	-	989,835	989,835
	1,430,774	292,516	1,138,258	1,171,940

5. ACCOUNTS RECEIVABLE

The accounts receivable balance consists of the following:

	2015	2014
	\$	\$
Levy receivables	2,515,722	1,333,547
Pulse Science Cluster receivables (Note 12)	613,413	2,058,515
Other receivables	371,070	460,263
	3,500,205	3,852,325

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of the following:

	2015	2014
	\$	\$
Trade payables	575,173	347,702
R&D contracts payable	2,139,732	1,358,965
Pulse Science Cluster payables (Note 12)	1,364,272	2,953,126
GST payable	116,671	50,414
Payroll liabilities	31,370	32,309
Accrued liabilities	262,275	29,920
	4,489,493	4,772,436

7. PULSE CANADA COMMITMENTS

Pulse Canada is the national industry association that represents growers, processors, and traders of pulse crops in Canada. Direction and funding for Pulse Canada is provided by the Alberta Pulse Growers Commission, Saskatchewan Pulse Growers, the Manitoba Pulse and Soybean Growers Association, the Ontario Bean Growers, and the processors and exporters of Canadian peas, lentils, beans, and chickpeas that are members of the Canadian Special Crops Association (CSCA). Pulse Canada's key activities include:

- Market Access: To minimize additional supply chain costs created by market access barriers such as import duties, taxes, sanitary and phytosanitary measures, regulatory and other barriers, and work to ensure no new additional trade barriers are introduced.
- Business Development: Health, Nutrition, Functionality and Sustainability: Increase demand for Canadian pulses in

existing and new markets by marketing health, nutritional, functional, and sustainability attributes.

- Transportation: To eliminate barriers associated with accessing equipment and rail service to reduce risk in transporting products.

SPG is providing program and project funding to Pulse Canada. The amount committed for future years are below:

Year ending August 31	\$
2016	2,105,500
2017	1,200,000
2018	700,000

Included in the amount for 2016 is \$905,500 for International Year of Pulses initiatives including activities that Global Pulse Confederation (GPC) and its partners are organizing to promote pulses around the world.

8. RESEARCH AND DEVELOPMENT COMMITMENTS

SPG 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:

Year ending August 31	\$
2016	3,874,351
2017	2,464,173
2018	1,216,913
2019	337,689
2020	172,498

9. LEASE COMMITMENTS

Lease commitments include a seven year lease agreement with the Saskatchewan Opportunities Corporation for the premises at 207-116 Research Drive, Saskatoon, Saskatchewan, that expires June 2018, and multi-year agreements with various suppliers of office equipment. Yearly payments due in each of the next four years are as follows:

Year ending August 31:	\$
2016	237,695
2017	237,695
2018	198,994
2019	5,150

10. INTERNALLY RESTRICTED NET ASSETS

SPG has approved the allocation of certain funds generated from operations to be set aside as internally restricted net assets to be used to cover potential shortfalls in levy revenue. Consistent with Board policy a transfer has been made to internally restricted net assets for future projects of \$950,000 (2014 - \$550,000) during the year so that the restricted net assets are not less than 30% of next fiscal year's budgeted operating and capital expenditures.

11. BUDGETED FIGURES

Budgeted figures are unaudited and are based on the budget as presented at the Annual General Meeting held on January 12, 2015. No revisions were made after this date.

12. PULSE SCIENCE CLUSTER

SPG provides administration and overall management of the Pulse Research Clusters 1 and 2 spanning from April 1, 2010 to March 31, 2013 and April 1, 2013 to March 31, 2018 respectively. The Clusters are national in scope and include research addressing the needs of pulse growers in other areas of Canada. The final payments related to Cluster 1 were made in March 2015, as such the management activities related to Cluster 1 are complete.

Only Cluster research expenditures funded by SPG and Cluster management expenditures and reimbursement of these expenditures are reflected in the Statement of Operations. The flow of Pulse Research Cluster funding benefiting external parties is reflected in the Statement of Financial Position. Throughout the lifespan of the Clusters balances fluctuate and as at August 31, 2015 the balances reported on the Statement of Financial Position are specifically Cash \$793,041 (2014 - \$871,698), Accounts receivable \$613,413 (2014 - \$2,058,515) and Accounts Payable \$1,364,272 (2014 - \$2,953,126).

13. FINANCIAL INSTRUMENTS

INTEREST RATE RISK

SPG is exposed to interest rate risk with respect to its investments in fixed income investments and a pooled fund that holds fixed income securities and its note receivable because the fair value will fluctuate due to changes in market rates.

CREDIT RISK

SPG is exposed to credit risk in connection with its accounts receivable and its investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

COMMODITY PRICE RISK

Commodity price risk is the risk that revenue will fluctuate due to changes in market prices affecting the dollar amount of pulse crops sold.

OTHER PRICE RISK

SPG is exposed to other price risk through changes in market prices in connection with its investments in equity securities and pooled funds.

LIQUIDITY RISK

SPG is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities.

14. ALLOCATION OF EXPENSES

SPG presents the statement of operations by function with salaries, benefits, directly related staffing costs and some overhead costs allocated by function.

15. COMPARATIVE FIGURES

The comparative figures have been reclassified, where applicable, to conform to the presentation used in the current year.

SCHEDULE 1: SCHEDULE OF EXPENSES

for the year ended August 31, 2015

	2015 Budget (Unaudited) (Note 11)	2015 Actual	2014 Actual
	\$	\$	\$
RESEARCH AND DEVELOPMENT			
PULSE BREEDING			
Variety improvement	2,139,705	2,155,705	2,103,638
Pea genetic improvement program	795,675	800,698	777,523
	2,935,380	2,956,403	2,881,161
AGRONOMY AND SUSTAINABILITY			
Weed management	179,455	203,711	94,383
Disease management	337,346	364,258	77,730
Rotation and plant nutrition management	104,822	57,837	103,842
Soil fertility	165,153	165,153	-
Nitrogen fixation	309,124	365,178	141,978
Sustainability	278,296	419,902	120,394
Pea yield	124,429	124,428	112,121
Other yield stability	391,692	227,040	168,637
	1,890,317	1,927,507	819,085
GENETIC IMPROVEMENT			
Breeding tools	1,898,513	1,417,195	1,415,666
Weed science	85,995	86,143	179,471
Disease resistance	75,623	73,798	104,566
Biofortification	-	36,165	-
Other yield enhancement	246,478	38,176	220,085
	2,306,609	1,651,477	1,919,788
PROCESSING AND UTILIZATION			
Pulse processing	998,159	1,622,527	530,505
Pulses and feed	87,594	90,265	83,175
	1,085,753	1,712,792	613,680
HEALTH OUTCOMES	1,008,062	997,806	734,545
STRATEGY DEVELOPMENT AND SUPPORT	1,065,708	925,530	920,993
	10,291,829	10,171,515	7,889,252

	2015 Budget (Unaudited) (Note 11)	2015 Actual	2014 Actual
	\$	\$	\$
MARKET PROMOTION			
CANADIAN LENTIL PROMOTION	1,946,850	2,619,815	1,565,534
INTERNATIONAL MARKET PROMOTION	-	23,982	314,720
OTHER PROMOTION AND SUPPORT	273,027	223,632	176,001
	2,219,877	2,867,429	2,056,255
COMMUNICATIONS			
GROWER COMMUNICATIONS	645,300	760,860	485,385
INDUSTRY AND EXTERNAL COMMUNICATIONS AND SUPPORT	397,098	359,335	612,483
	1,042,398	1,120,195	1,097,868
PULSE CANADA			
STRATEGIC INITIATIVES	1,200,000	1,200,000	1,200,000
INTERNATIONAL YEAR OF PULSES	530,000	455,000	-
	1,730,000	1,655,000	1,200,000
VARIETY COMMERCIALIZATION			
BREEDER SEED	635,050	403,900	586,661
EXTENSION ACTIVITIES AND SUPPORT	101,198	93,894	53,582
	736,248	497,794	640,243
LEADERSHIP AND MANAGEMENT			
BOARD OF DIRECTORS			
Election	-	9,381	20,253
Honouraria, benefits, and allowances	139,686	115,307	109,212
Professional fees	16,000	15,763	23,960
Travel	101,400	83,193	72,129
Other	42,751	23,838	44,190
	299,837	247,482	269,744
MANAGEMENT AND ADMINISTRATION			
Professional fees	130,000	110,676	123,253
Rent and occupancy	239,000	189,619	194,445
Salaries and benefits	492,490	508,860	540,680
Travel	53,720	34,910	30,645
Other	232,038	186,987	224,585
	1,147,248	1,031,052	1,113,608
	17,467,437	17,590,467	14,266,970



SASKATCHEWAN
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