



# Annual Report

## 2005-2006



**FARMCENTRE.COM**

Your Farm Management  
Web Site



**Canadian Farm Business Management Council**  
**Conseil canadien de la gestion d'entreprise agricole**



**Agriculture and  
Agri-Food Canada**

**Agriculture et  
Agroalimentaire Canada**



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## CORPORATE PROFILE

The Canadian Farm Business Management Council is Canada's only national organization devoted exclusively to developing and distributing farm management information. CFBMC partners with governments, public and private sector organizations, farm and commodity associations, and other organizations to promote and foster the development of excellence in Canada's agricultural sector.

It is supported by Agriculture and Agri-Food Canada, and generates additional income from the sales of farm management information products, sponsorships, memberships, and other sources such as advertising and conference fees.

Incorporated as a not-for-profit organization, the Council is governed by a nine-person Board of Directors, consisting of four directors who are agricultural producers, four who represent the provincial or territorial governments and one representative from the private sector. Membership in the Council is open to individuals, associations and corporations.

The Council's raison d'être is the belief that management skill, not production expertise, is the critical element for success in agriculture in the 21<sup>st</sup> century. In order to develop and continually enhance their management skills, Canadian producers need access to practical, low-cost and easily accessible management tools and information.

The Council's goal is not only to be a premier supplier of such tools and information, but also to be a world leader in the development of excellence in farm business management.

The Council operates an office in Ottawa with a small staff and contracts with experts in a variety of fields from across the country on an individual basis.

All work is guided by its mission: *To advance farm business management so that managers have access to the skills and tools for success.*

This 2005-2006 Annual Report details the accomplishments of the Council and its partners over the past year and highlights new initiatives currently under development.

### Board of Directors:

Bill MacFarquhar (Chair), Scott Dingwell (Vice Chair), Corry Martens (Secretary), Bev Connell (Treasurer), Réginald Cloutier, John Coté, Gene Hachey, John Molenhuis, Mike Pylypchuk

Secretariat: Wendell Joyce (Executive Director), Melissa Dumont (Project Manager), Chantal Fortier (Project Manager), Kay Grulich (Senior Project Manager), Susy Kilby (Project Manager), Don Singer (Financial Controller), Johanne Blondin (Administration & Distribution), Nancy Loney (Accounting & Administration), Danielle Lefebvre (Administration & Membership Services)

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## MESSAGE FROM THE MINISTER



Congratulations to the Canadian Farm Business Management Council for another successful year of delivering practical and useful farm management information to Canadian farmers.

The Government of Canada is committed to standing behind our farmers and helping them be informed of the latest information and tools for managing their farms, and to capture new opportunities in the global marketplace.

That is why the role of the CFBMC is so important. I applaud the various measures you are taking to secure a prosperous future for Canadian agriculture and help Canadian farm families turn challenges into opportunities. From beginning farmer initiatives, to the popular [www.farmcentre.com](http://www.farmcentre.com) website or the new

webinar series, you are helping deliver pertinent, bankable information to assist farmers improve their management skills in key areas.

CFBMC focuses on networking and partnerships as a driver of success in the sector. Collaboration with federal and provincial government partners, educators, researchers, associations and individual farmers is helping you develop programs that respond to farmers' needs.

I am particularly proud of the strong partnership that has developed between the Council and Agriculture and Agri-Food Canada. Funding delivered under the Renewal pillar of the Agricultural Policy Framework provides farmers with knowledge, information, and other farm business management tools to help them make informed choices about the best direction of their businesses.

I look forward to working with the Council towards our common goal of securing a prosperous future for Canadian farmers.

Chuck Strahl

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## MESSAGE FROM THE CHAIR



The past year has been a landmark year for the Canadian Farm Business Management Council. We have finished the most successful year of providing resources and programming that the council has had in its history.

We have had the opportunity to make connections with thousands of agricultural business managers. We have also had the opportunity to connect with a great group of partners that have helped us in reaching the grassroots farm managers. Most importantly we are getting positive feedback that our products are fulfilling the needs of our customers. The feedback we received at our Managing Excellence conferences has been very positive. Our Agri-Webinars were subscribed far beyond our projections and participants were very pleased to be able to meet on line with world-class management speakers on a number of timely topics. A number of other organizations have also employed the technology to do educational programs or hold meetings. Our website, Farmcentre.com continues to have high traffic and our newsletter has a growing readership. Sales of products are strong and brand recognition for the council continues to grow.

Most importantly I want to recognize the contribution that our executive director Wendell Joyce and the staff have played in the success of CFBMC. This group of talented, enthusiastic, and committed people are who make us what we are. They are the face of the council at the office and on the road at trade shows. They are the people who take responsibility for coming up with the yearly work plan for council activities. They make sure that new or revised products are of maximum value to our clients. They are the ones who pull together the expert minds to make sure our products and programs are timely and relevant for the needs of the client.

I want to thank the board of directors for their contribution to the council. Their vision and passion for farm business management has helped to position the Canadian Farm Business Management Council where it is today.

Looking forward, the council is already planning for the era after our contract with the Agricultural Policy Framework is finished. The board and staff are conscious of the need for management resources for farm and ranch managers in our country as well as the world. We have two years remaining of funding under the Renewal section of the APF in which we have plans in place to continue to deliver the best offering of products and programs to our clients. We are continually looking for new committed partners and members to help advance the council's goals. We are also always searching out feedback and evaluation of

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what we are doing so that we will know if we are creating good value for our clients with public dollars invested by the council.

The present economic environment in agriculture is dictating more than ever that managers have the best skill set possible. Difficult times in any industry require that managers must have a thorough understanding of their business strengths and weaknesses. They must manage risk, have great human resource skills, be entrepreneurial, and constantly be evaluating new opportunities. The people who are doing the best job of identifying new opportunities and adapting to the environment that affects their business and those that are succeeding. The margins for error are

small and the recovery period following bad years is longer than ever.

The need for quality management resources and training has never been greater. It is the council's goal to meet this need and to continually work at identifying what tomorrows and next years needs will be. Our goal is to provide the "Right Information at the Right Time " so that our clients can achieve their business goals.

Bill MacFarquhar P.Ag.  
Chairman of the Board of Directors





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## MESSAGE FROM THE EXECUTIVE DIRECTOR



“I’ve been cautious in my investments. I don’t have any \$250,000 tractors in the yard. I follow good crop rotation. I use quality seed; follow crop protection recommendations to the letter. I’m enrolled in crop insurance and CAIS. I forward contract part of my crop. I’ve even looked into diversifying my operation. Tell me what else I need to do to get a profit out of my farm?”

Then comes the awkward silence as I search for an intelligent response. How to respond to a career farmer, who by all the traditional measures meets every criteria of success – smart, dedicated, hard-working, a life of experience learning from his success and errors? This has to be the toughest situation I encounter as a CFBMC representative meeting with fellow farmers in trade shows and events.

I measure my words carefully. I don’t want my response to be misconstrued as preachy, “canned”, or patronizing, yet I feel compelled to respond. Not just because Council pays me to talk to farmers, but also because collectively within our industry we have to find answers to this question.

I begin with more than a bit of trepidation, and describe what Council has to offer in terms of business planning and marketing resources, promote CFBAS as a cost-effective and worthwhile exercise, and impress upon them the need to continue their search for credible resources and stay networked with their industry peers, to collectively seek new opportunities. I talk about my own farm experience and offer examples from success stories I have witnessed. Usually the “no magic bullet” phrase enters the discussion. There’s a nod, often a smile, a firm farmer handshake, as he continues his trek down the isle disappearing into a sea of new technology, shiny steel and the professionally trained sales reps, leaving me to ponder the possible inadequacy of my answer and ultimately the question – “are we making a difference”.



Luckily, interspersed between the conversations I have just described, are the encounters where a visitor energetically walks up and states – “you’re the people who do the Webinars,

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they're great. I go on your website all the time. There's lots of good information there. I like it." Then they spot the display copies of the Canadian Farm Manager. "I get that. The articles are always great; not too long; I can read the whole thing in a couple of evenings."

Which leads me to conclude that definitely CFBMC is making a difference. Neither Rome, nor a successful farm business, was built in a day. CFBMC definitely does not have a silver bullet, but we do continue to build the array of resources that we can offer farm managers on their steady climb toward their ultimate farm business management goals.

Innovative approaches such as the Webinar series offer cost effective delivery options to managers pressed for time. Our many partners assist us in spreading the culture of farm management. Will we soon see the day when every farm in Canada has a complete farm business plan? Maybe not next year, but we're inching ever closer to that "tipping point", where 'management' will overtake 'production' as farmers' principle focus. I can feel it coming and CFBMC will be a part of this management revolution.



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## THE YEAR IN REVIEW

The word is out. CFBMC is no longer the best-kept secret in Canadian farm business management circles. Whether by attending a Managing Excellence in Agriculture conference, logging on to a Webinar, surfing farmcentre.com as one of the 100,000 monthly visitors, or browsing a copy of the Canadian Farm Manager, farmers are getting to know and appreciate the CFBMC.

Recognition is increasing, not due to any slick branding campaigns with glossy ads, but by what we do best - providing information and tools to help Canadian farm managers excel in challenging times! In fact one of the most common comments we receive goes something like..." this is great stuff... you should promote what you offer to every farmer in Canada".

In the ensuing paragraphs I will do my best to capture the highlights of 12 months of work, for 8 dedicated CFBMC team members, delivering more than 40 projects, in collaboration with a number of key partners.

Dr. Don Jonovic, the keynote speaker, delivered an entertaining, but forceful, call to action for the 320 participants at the Managing Excellence in Agriculture conference. Judging by the responses received from the conference evaluations his message was not only heard and appreciated, but people went home with a commitment to follow through. The speaker slate was rounded out with a mix of Canadian and international farm management specialists, including:

Richard Worzel, internationally recognized futurist; Danny Klinefelter, Texas A&M; Doug Jose, University of Nebraska; Ted Darling, Alberta Agriculture; Richard Cressman; Gary Pike; Steve Hofing; and Maria Labrecque Duchesneau. Several farmers spoke to how they have addressed the featured topics within their own organizations. Garry Meier, Saskatchewan, Alphonse Pittet, Quebec, and Maurice Delage, Saskatchewan, gave first hand accounts of how they have implemented practical solutions within their respective farming businesses.



2006 Agriculture Excellence Conference participants

Two pre-conference workshops were offered on a first come basis to a limited number of participants. The "Value Chain" and "Energy" workshops permitted 40 attendees to spend an afternoon in a more intimate group setting where there was ample time for discussion and questions.

This year the conference was offered in two locations; Mont St. Sauveur,

Quebec, and Kananaskis, Alberta to facilitate access by as many producers as possible. Another strategy was to keep registration cost reasonable and follow a pricing policy that facilitated multiple attendees from the same farm enterprise. A judiciously balanced mix of speakers, location, and networking activities proved to be a winning combination that was appreciated by the participants. 95% said they would attend another similar conference and the remaining 5% said that they 'likely' would.

New resource offerings for 2005/06 included the bilingual "Inter-active Farm Transfer CD" designed with the input of the Beginning Farmers' Advisory team. The CD has been a hit with farmers and advisors. It provides an excellent catalyst to succession planning discussions within the farm family, and provides an inventory of available resources for each province.

The updated Farm Business Planning book and accompanying CD, with its distinctive 'piggy-bank' cover, has been well received and more than 500 copies have been distributed. Several colleges have adopted the book as the resource text for their Farm Business Planning project course.

Take a great proven concept, blend in some CFBMC catalyst, add a dash of regional flair, sprinkle with local producer and agri-business commitment and you get not one but two successful Marketing Caravans. The BC and Maritime versions of the Marketing Caravan were built on the proven concept from Quebec and tailored to the regional needs in collaboration with our

partners in the host province, and the Centre de Référence en Agriculture et Agroalimentaire du Québec (CRAAQ) who designed the original version.

The BC version entitled "On a Roll With Agriculture" was a "traveling caravan" in the true sense, visiting five locations – Nanaimo, Abbotsford, Creston, Penticton, and Kamloops – over five days. Presented in collaboration with the BC Agricultural Tourism Association, the 375 participants heard from expert speakers in a convenient regional setting.



Marketing Caravan – New Brunswick

The Maritime version held in Memramcook, New Brunswick, was attended by 212 participants from three provinces. Participant feedback was overwhelmingly positive and the event also attracted substantial media attention. The New Brunswick Ministers of Agriculture and Tourism, as well as local officials, participated in the banquet. Overall, an outstanding example of national, provincial, and regional cooperation to promote a farm business management agenda, again illustrating that networking resources across Canada is part of what CFBMC does best.

Business objective – 300% year-over-year increase in clientele – sounds unrealistic by most measures. Not if the “business” in question is CFBMC farm management “Webinars”. From 500 participants in 2004/05 the audience has grown to over 1500, as farmers turn increasingly to the web for their information needs. Top-notch farm management expert speakers on 17 pertinent topics, easy access, and a user-friendly format proved to be a winning combination for the Webinar series. The Webinars have captured the attention of the agricultural community from coast to coast. Attendee feedback was extremely positive. Many appreciative comments highlighted the quality of the information, ease of use and cost savings associated with not having to travel to obtain information.



Never ready to rest on our laurels, we laid the groundwork for a re-vitalization of our ever popular website, farmcentre.com, starting with a user survey. The survey found that 20% of our web clientele visit farmcentre.com every day and that 50% of users log on at least once a week. 85% of users rated the information on the site as useful or very useful. An incredible 90% of users reported that farmcentre.com lead to improvements in their business management practices, as illustrated in the table below:

**Survey responses to the question – “In what areas has the information you obtained on farmcentre.com improved your farm business management practices.”**

	Responses	% of Total
Market Management	52	17.3
Financial Management	58	19.3
Human Resource Management	22	7.3
Production Management	43	14.3
Business Planning	52	17.3
Succession Planning	31	10.3
No Improvement	23	7.7
*Other:	19	6.3
<b>Total</b>	<b>300</b>	<b>100</b>

Farmcentre.com welcomes 100,000 visitors every month. Approximately 60% are active farm managers. The survey indicates that farmcentre is a valuable tool for Canadian farm managers. Our goal is to build on our success to date, and create an ever more powerful and user-friendly website in the year to come.

Several other resources were submitted to an independent evaluation process, including the Canadian Farm Manager bi-monthly publication, and two top selling books, “Cultivating AgriTourism” and “Building Added Value Through Diversification”.

Survey results demonstrated that most purchasers not only read all, or selected parts of the books, but also found it useful for their farm business management needs. The AgriTourism book continues to be a popular resource for workshops hosted by the industry.

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The Canadian Farm Manager is one of Council's four most visible products, together with the AgExcellence Conference, our website, and the Webinar series. Well written, punctual, thought provoking, are some of the terms readers use to describe the CFM. Distributed to 14,000 readers in hard copy, and downloaded by as many more, the CFM continues to garner the most positive unsolicited feedback of all our resources. The vast majority of readers gave the CFM top marks for content and format. Over 90% indicated that they felt the publication highlights innovative and practical solutions to current business challenges.

Networking national resources is one of CFBMC's strengths. We continued to fulfill this role in 05/06 with the ongoing facilitation of the National Agri-Tourism Working Group and a new initiative bringing together the representatives of Farm Help Lines from across Canada, in collaboration with the Canadian Agricultural Safety Association. Despite the range of advanced communication technologies available to groups, we continue to see amazing results, when we make a modest investment to bring the key individuals face-to-face, to "get the ball rolling", on national networking, sharing, and collaboration.

CFBMC relies on partners for much of what we deliver. We continued to reap the benefits of generous relations with numerous key partners in 05/06.

Partnering with the FCC on 90 AgriSuccess workshops and seminars nation-wide meant that an additional

3,200 people were introduced to CFBMC and our resources. A number of AgriSuccess workshops use our books as resource volumes. FCC was also the lead sponsor for the AgExcellence conference with AgriSuccess supporting the pre-conference workshops.

Partners joining with Council to promote the Webinar series included: RBC Financial Group, the University of Guelph, the Canadian Federation of Agriculture, La Fédération des Producteurs de Lait du Québec, the Canadian Association of Farm Advisors, Alberta Chamber of Commerce, the George Morris Centre, AAFC, CRAAQ, North American Farmers Direct Marketing Association, and the Beef Export Council.

CFBMC provided support to 75 agricultural groups and associations to bring high caliber speakers to their events. This program delivered key farm management messaging to 7,000 conference attendees across the country, and was fully subscribed in 2005/06. Speakers treated the entire range of topics within our mandate: succession planning, human resources; finance and general management; marketing; business risk management; and science and technology.

Colleges and universities are key collaborators. Council was invited to participate at the annual meeting of the Canadian Association of Diploma in Agriculture (CADAP) college group. We look to Canadian teaching institutions as partners in needs assessment, product design, construction, and evaluation. Their

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students will be tomorrow's leading farm managers, with whom we wish to build an early and enduring relationship. The CFBMC writing competition was created as part of the strategy to build this relationship and encourage a culture of farm business management. The first five winners of the essay writing contest are: Vanessa McDougall, Kemptville College; Marie-Claude Nadeau, CEGEP de Victoriaville; Bryson Ruitter, McGill University; Callum Sears, University of Alberta; Matthew Walker, Atlantic Veterinary College.

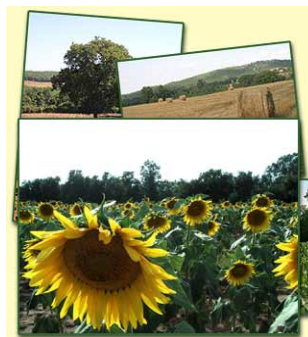
Central to our partnership efforts are the provinces, and their respective Renewal and farm business management teams. Twice a year we host a meeting of the provincial representatives to Council, our Class "B" members. These meetings are excellent forums for exchange, sharing of best practices and projects, and serve as an incubator for joint initiatives. The "export" of the Marketing Caravan from Québec to British Columbia and the Maritimes is an example of this sharing. Another example is the "Cost of Production" project initiated this year, born from discussions at the Class B members' forum. A searchable database will pull together all the budgeting tools developed by the provinces in an easily accessible format. A work plan to augment the array of available budgets is part of the project going forward into 2006/07.

A key partner is of course our funding body, Agriculture and Agri-Food Canada. We continue to benefit not only from our stable funding through our contribution agreement to March 2008,

but also from an excellent on-going working relationship with Renewal Program staff. We thank AAFC for this steadfast support and look forward to collaborating on the plan for the next generation APF, and demonstrating how CFBMC can continue to make a growing contribution to the success of Canadian farmers.

2006/07 promises to be an even more exciting year. Directors, staff, and members will be challenged to begin strategic planning for Council as our contribution agreement with AAFC approaches the 2008 renewal date. We have a jam-packed work plan which includes: the re-vitalization of our flagship website [farmcentre.com](http://farmcentre.com), updating our resource inventory on "marketing"; hosting another successful and much anticipated "AgExcellence" conference; collaborating with our college partners to host an on-line skills assessment tool with accompanying searchable database of learning resources nationwide; and of course more Webinars, to name but a few.

We thank all our members, partners, and stakeholders who contributed to the success CFBMC enjoyed in 2005/06, and invite you to be part of an even bigger success in the year to come.







**Canadian Farm Business Management Council**  
**Conseil canadien de la gestion d'entreprise agricole**

**Financial Statements**  
**États financiers**  
For the year ended March 31, 2006  
pour l'exercice terminé le 31 mars 2006

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## Auditors' Report

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### To the Members of the Canadian Farm Business Management Council

We have audited the balance sheet of the Canadian Farm Business Management Council as at March 31, 2006 and the statements of changes in net assets, revenue and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Council'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 Council as at March 31, 2006 and the results of its operations, changes in its net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Collins Barrow Ottawa LLP*

Chartered Accountants

April 24, 2006

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## Rapport des vérificateurs

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### Aux Membres du Conseil canadien de la gestion d'entreprise agricole

Nous avons vérifié le bilan du Conseil canadien de la gestion d'entreprise agricole au 31 mars 2006 ainsi que les états de l'évolution des actifs nets, des revenus et dépenses et des flux de trésorerie de l'exercice terminé à cette date. La responsabilité de ces états financiers incombe à la direction du Conseil. Notre responsabilité consiste à exprimer une opinion sur ces états financiers en nous fondant sur notre vérification.

Notre vérification a été effectuée conformément aux normes de vérification généralement reconnues au Canada. Ces normes exigent que la vérification soit planifiée et exécutée de manière à fournir un degré raisonnable de certitude quant à l'absence d'inexactitudes importantes dans les états financiers. La vérification comprend le contrôle par sondages des éléments probants à l'appui des montants et des autres éléments probants fournis dans les états financiers. Elle comprend également l'évaluation des principes comptables suivis et des estimations importantes faites par la direction, ainsi qu'une appréciation de la présentation d'ensemble des états financiers.

À notre avis, ces états financiers présentent fidèlement, à tous égards importants, la situation financière du Conseil au 31 mars 2006, ainsi que les résultats de ses activités, de ses flux de trésorerie et de l'évolution de ses actifs nets pour l'exercice terminé à cette date, selon les principes comptables généralement reconnus au Canada. Conformément aux exigences de la Loi sur les corporations canadiennes, nous déclarons que ces principes ont été appliqués, selon nous, de la même manière qu'au cours de l'exercice précédent.

*Collins Barrow Ottawa S.R.L.*

Comptables agréés

le 24 avril 2006

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**Canadian Farm Business Management Council****Conseil canadien de la gestion  
d'entreprise agricole****Balance Sheet**  
As at March 31, 2006**Bilan**  
au 31 mars 2006

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
<b>Current</b>		
Accounts receivable	\$ 103,933	\$ 22,261
Receivable from Agriculture and Agri-Food Canada (Note 3)	829,792	742,096
Prepaid expenses	<u>38,971</u>	<u>59,340</u>
	972,696	823,697
<b>Capital assets (Note 4)</b>	<u>26,730</u>	<u>19,759</u>
	<b>\$ 999,426</b>	<b>\$ 843,456</b>

# Canadian Farm Business Management Council

# Conseil canadien de la gestion d'entreprise agricole

**Balance Sheet**  
As at March 31, 2006

**Bilan**  
au 31 mars 2006

	2006	2005
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Bank overdraft (Note 5)	\$ 119,512	\$ 149,943
Accounts payable and accrued liabilities	87,694	64,375
Deferred revenue	4,223	9,728
	<u>211,429</u>	<u>224,046</u>
<b>Contingent Liabilities (Note 6)</b>		
<b>Net assets</b>		
Invested in capital assets	26,730	19,759
Unrestricted	761,267	599,651
	<u>787,997</u>	<u>619,410</u>
	<u>\$ 999,426</u>	<u>\$ 843,456</u>

On behalf of the Board

Au nom du Conseil d'administration

President \_\_\_\_\_

Président \_\_\_\_\_

Treasurer \_\_\_\_\_

Trésorier \_\_\_\_\_

## Canadian Farm Business Management Council

## Conseil canadien de la gestion d'entreprise agricole

### Statement of Changes in Net Assets For the year ended March 31, 2006

### État de l'évolution des actifs nets pour l'exercice terminé le 31 mars 2006

	Net investment in capital assets/ Investi en immobilisations	Unrestricted/ Non-affecté	Total 2006	Total 2005	
Balance, beginning of year	\$ 19,759	\$ 599,651	\$ 619,410	\$ 576,821	Solde, au début de l'exercice
Excess (deficiency) of revenue over expenses for the year	(10,562)	179,149	168,587	42,589	Excédent (insuffisance) des revenus sur les dépenses de l'exercice
Increase in net investment in capital assets	17,533	(17,533)	-	-	Augmentation des actifs nets investis en immobilisations
Balance, end of year	\$ 26,730	\$ 761,267	\$ 787,997	\$ 619,410	Solde, à la fin de l'exercice

## Canadian Farm Business Management Council

## Conseil canadien de la gestion d'entreprise agricole

### Statement of Revenue and Expenses For the year ended March 31, 2006

### État des revenus et dépenses pour l'exercice terminé le 31 mars 2006

	2006	2005
<b>Revenue</b>		
Agriculture and Agri-Food Canada	\$ 2,847,333	\$ 2,189,258
Sales of products and royalties	125,466	98,475
Interest	6,274	3,136
Conference fees and sponsorships	88,757	-
CFBMC membership fees	14,970	16,190
Web advertising revenue	13,599	9,744
Miscellaneous revenue	818	4,336
	<u>3,097,217</u>	<u>2,321,139</u>
<b>Expenses</b>		
Council projects (schedule)	2,015,416	1,447,158
Board and member activities	131,800	180,096
Secretariat	760,341	633,347
Amortization of capital assets	10,562	10,497
Business partnership development	10,511	7,495
Gain on disposal of capital assets	-	(43)
	<u>2,928,630</u>	<u>2,278,550</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 168,587</b>	<b>\$ 42,589</b>
<b>Excédent des revenus sur les dépenses de l'exercice</b>		
	<b>\$ 168,587</b>	<b>\$ 42,589</b>

#### Revenus

Agriculture et Agroalimentaire Canada  
Ventes et redevances des produits  
Intérêts  
Frais d'inscription aux conférences et commandites  
Adhésion des membres au CCGEA  
Revenus de publicité sur le Web  
Revenus divers

#### Expenses

Council projects (schedule)  
Board and member activities  
Secretariat  
Amortization of capital assets  
Business partnership development  
Gain on disposal of capital assets

#### Dépenses

Projets du Conseil (annexe)  
Activités du Conseil d'administration et des membres  
Secrétariat  
Amortissement des immobilisations  
Élaboration de partenariats d'affaires  
Perte sur cession d'actif

#### Excédent des revenus sur les dépenses de l'exercice

#### Excess of revenue over expenses for the year

# Conseil canadien de la gestion d'entreprise agricole

## Canadian Farm Business Management Council

### État des flux de trésorerie pour l'exercice terminé le 31 mars 2006

### Statement of Cash Flows For the year ended March 31, 2006

	2006	2005
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 168,587	\$ 42,589
Adjustments for		
Amortization of capital assets	10,562	10,497
Gain on disposal of capital assets	-	(43)
	<u>179,149</u>	<u>53,043</u>
Changes in non-cash working capital items		
Accounts receivable	(81,672)	7,116
Receivable from Agriculture and Agri-Food Canada	(87,696)	(144,249)
Prepaid expenses	20,369	(16,495)
Accounts payable and accrued liabilities	23,319	(10,623)
Deferred revenue	(5,505)	(14,080)
	<u>47,964</u>	<u>(125,288)</u>
<b>Cash flows from investing activities</b>		
Net proceeds on disposal of capital assets	-	43
Acquisition of capital assets	(17,533)	(4,070)
	<u>(17,533)</u>	<u>(4,027)</u>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	<u>30,431</u>	<u>(129,315)</u>
<b>Bank overdraft, beginning of year</b>	<u>(149,943)</u>	<u>(20,628)</u>
<b>Bank overdraft, end of year</b>	<u>\$ (119,512)</u>	<u>\$ (149,943)</u>
<b>Flux de trésorerie liés aux activités de fonctionnement</b>		
Excédent des revenus sur		
les dépenses de l'exercice	168,587	42,589
Ajustements pour		
Amortissement des immobilisations	10,562	10,497
Perte sur cession d'immobilisations	-	(43)
	<u>179,149</u>	<u>53,043</u>
Variation des éléments hors caisse du fonds de roulement		
Débiteurs	(81,672)	7,116
À recevoir d'Agriculture et Agroalimentaire Canada	(87,696)	(144,249)
Frais payés d'avance	20,369	(16,495)
Créditeurs et charges à payer	23,319	(10,623)
Revenus reportés	(5,505)	(14,080)
	<u>47,964</u>	<u>(125,288)</u>
<b>Flux de trésorerie liés aux activités d'investissement</b>		
Produits de la cession d'immobilisations	-	43
Acquisitions d'immobilisations	(17,533)	(4,070)
	<u>(17,533)</u>	<u>(4,027)</u>
<b>Augmentation (diminution) des espèces et quasi-espèces au cours de l'exercice</b>	<u>30,431</u>	<u>(129,315)</u>
<b>Découvert bancaire, au début de l'exercice</b>	<u>(149,943)</u>	<u>(20,628)</u>
<b>Découvert bancaire, à la fin de l'exercice</b>	<u>\$ (119,512)</u>	<u>\$ (149,943)</u>

# Canadian Farm Business Management Council

## Notes to Financial Statements March 31, 2006

# Conseil canadien de la gestion d'entreprise agricole

## Notes complémentaires au 31 mars 2006

### 1. Nature of Organization

The Canadian Farm Business Management Council is a not-for-profit organization incorporated under Part II of the Canada Corporations Act. The Council's main objective is to engage in national activities that lead to an improvement in the management of individual farm businesses in Canada through greater use of effective decision-making and farm management practices. The Council is not subject to income taxes.

### 1. Nature de l'organisation

Le Conseil canadien de la gestion d'entreprise agricole est un organisme à but non lucratif constitué en vertu de la partie II de la Loi sur les corporations canadiennes. Le mandat du Conseil est de se consacrer à des activités nationales qui permettent d'améliorer la gestion des diverses entreprises agricoles canadiennes grâce à une meilleure utilisation du processus de prise de décision et de gestion d'entreprise agricole. Le Conseil n'est pas assujéti aux impôts sur le revenu.

### 2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

#### *Use of Estimates*

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

#### *Financial Instruments*

The Council's financial instruments consists of accounts receivable, receivable from Agriculture and Agri-Food Canada, bank overdraft, and accounts payable and accrued liabilities. It is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

### 2. Conventions comptables

Les états financiers ont été dressés selon les principes comptables généralement reconnus du Canada et tiennent compte des conventions comptables suivantes:

#### *Utilisation d'estimations*

La préparation d'états financiers, selon les principes comptables généralement reconnus, exige que la direction fasse des estimations et des hypothèses qui affectent les montants présentés d'actif et de passif à la date des états financiers, ainsi que les montants présentés des recettes et des dépenses durant la période de déclaration. Les résultats réels peuvent varier des estimations de la direction à mesure que les informations supplémentaires deviendront disponibles. Tous changements nécessaires seront apportés dans l'année où l'information devient disponible.

#### *Instruments financiers*

Les instruments financiers de l'organisation sont composés de l'encaisse, des débiteurs, des montants à recevoir d'Agriculture et Agroalimentaire Canada et des créditeurs et charges à payer. Selon la direction, le Conseil n'est pas exposé à un risque de taux d'intérêt, à un risque de taux de change, ni à un risque de crédit qui serait matériel et qui proviendrait des instruments financiers.



# Canadian Farm Business Management Council

## Notes to Financial Statements March 31, 2006

### *Capital Assets*

Capital assets are recorded at cost. The Council capitalizes any assets with a cost in excess of \$1,000. Amortization is calculated using the straight-line method over five years.

### *Revenue*

The Council receives contributions from Agriculture and Agri-Food Canada, which are based on an annual budget and paid as corresponding expenses are incurred. Revenue is recognized on the deferral method when received or receivable.

Membership revenue is recorded in the period to which the membership relates.

Revenue from the sale of products is recognized when the product is sent to the customer.

Revenue from conferences is recognized in the period in which the conference takes place.

### 3. **Economic Dependence**

Under the Renewal element of the Agricultural and Agri-Food Policy for the 21st Century, the Canadian Farm Business Management Council has entered into a contribution agreement with Agriculture and Agri-Food Canada. This agreement provides for the contribution of funds to enable the administration of operations and the provision of services by the Council.

As this contribution arrangement represents the Council's major source of revenue, its ability to continue viable operations is dependent upon maintaining this funding arrangement.

The financial allocation under the contribution agreement expires March 31, 2008.

# Conseil canadien de la gestion d'entreprise agricole

## Notes complémentaires au 31 mars 2006

### *Immobilisations*

Les immobilisations sont comptabilisées au coût. Le Conseil capitalise les immobilisations dont le coût excède 1 000 \$. L'amortissement est calculé selon la méthode de l'amortissement constant sur une durée de cinq ans.

### *Revenus*

Le Conseil reçoit des contributions d'Agriculture et Agroalimentaire Canada établies d'après un budget annuel et payées lorsque les dépenses afférentes sont encourues. Les revenus sont constatés selon la méthode du report une fois reçus ou à recevoir.

Les revenus provenant des adhésions sont comptabilisés dans la période au cours de laquelle les adhésions se rapportent.

Les revenus provenant de la vente de produits sont comptabilisés lorsque les produits sont envoyés au clients.

Les revenus provenant des conférences sont comptabilisés dans la période où la conférence a lieu.

### 3. **Dépendance économique**

En vertu du volet Renouveau du Cadre stratégique pour l'agriculture pour le 21<sup>e</sup> siècle, le Conseil a conclu un accord de contribution auprès d'Agriculture et Agroalimentaire Canada. Cet accord a assuré la contribution de fonds pour faciliter l'administration d'opérations et la disposition de services par le Conseil.

Étant donné que cet accord constitue la principale source de revenus du Conseil, la possibilité de continuer avec succès ses opérations dépend de la rétention de cet accord financier.

L'allocation financière que reçoit le Conseil selon l'accord de contribution expire le 31 mars 2008.

## Canadian Farm Business Management Council

## Conseil canadien de la gestion d'entreprise agricole

Notes to Financial Statements  
March 31, 2006

Notes complémentaires  
au 31 mars 2006

### 4. Capital Assets

### 4. Immobilisations

	2006		2005	
	Accumulated Amortissement/ cumulé	Net Book Value/ Valeur nette	Accumulated Amortissement/ cumulé	Net Book Value/ Valeur nette
	Cost Coût		Cost Coût	
Office and computer equipment	\$ 102,977	\$ 76,247	\$ 85,443	\$ 19,759
		\$ 26,730	\$ 65,684	\$ 19,759
				Équipement de bureau et d'informatique

### 5. Bank Overdraft and Credit Facility

### 5. Découvert bancaire et ligne de crédit

The Council's bank accounts are held at two chartered banks and earn nominal interest. The credit balance of cash at March 31, 2006 and 2005 results from cheques outstanding at year-end and is not an actual overdraft position in any of the accounts.

Les comptes bancaires du Conseil sont détenus par deux banques à charte et portent intérêt à un taux nominal. Le solde créditeur de l'encaisse au 31 mars 2006 et 2005 est causé par des chèques en circulation en fin d'exercice et ne constitue pas un découvert bancaire dans les comptes de l'organisation.

The Council has an operating line of credit facility with a maximum availability of \$100,000. Interest is payable at the bank's prime rate plus 0.25%. This operating facility is secured by the Council's accounts and contributions receivable. As at March 31, 2006, the operating facility remains unused.

Le Conseil a une ligne de crédit d'un montant maximal disponible de 100 000 \$, qui porte intérêt au taux préférentiel plus 0,25%. La ligne de crédit est garantie par les débiteurs et les contributions à recevoir du Conseil. Au 31 mars 2006, la ligne de crédit demeure inutilisée.

### 6. Contingent Liabilities

### 6. Passifs éventuels

The Council has entered into an accountable contribution arrangement with Agriculture and Agri-Food Canada. This program is subject to audit by Agriculture and Agri-Food Canada and any adjustments resulting from an audit would result in repayments of contributions.

Le Conseil a conclu un accord de contribution à justifier auprès d'Agriculture et Agroalimentaire Canada. Ce programme peut être l'objet d'une vérification par Agriculture et Agroalimentaire Canada et tout redressement suite à cette vérification devra être remboursé.

# Canadian Farm Business Management Council

# Conseil canadien de la gestion d'entreprise agricole

Notes to Financial Statements  
March 31, 2006

Notes complémentaires  
au 31 mars 2006

## 7. Contribution of Goods and Services

The Council acknowledges the financial support from Agriculture and Agri-Food Canada. The Council also acknowledges the contribution of donated goods and services from the Ministries of Agriculture of the ten provinces and two territories as part of the Renewal element of the Agricultural and Agri-Food Policy for the 21st Century. Only contributions received in cash are reflected on the financial statements.

## 7. Contribution de biens et de services

Le Conseil remercie Agriculture et Agroalimentaire Canada pour son appui financier. Le Conseil remercie également les ministères de l'agriculture des dix provinces et deux territoires pour leur contribution de biens et de services en vertu du volet Renouveau du Cadre stratégique pour l'agriculture. Seules les contributions reçues en espèces sont comptabilisées aux états financiers.

## 8. Commitments

The Council has entered into operating leases for equipment and office space with payments over the next five years and thereafter as follows:

2006 - 2007
2007 - 2008
2008 - 2009
2009 - 2010
2010 - 2011
Thereafter

## 8. Engagements

Le Conseil s'est engagé en vertu de contrats de location-acquisition pour de l'équipement et des locaux dont les paiements pour les cinq prochains exercices sont les suivants:

\$	56,305
	56,305
	31,318
	8,229
	8,229
	2,057
	<u>162,443</u>

## 9. Retirement Assistance

The Council contributes to employees' RRSPPs by matching the employees' contributions. Contributions are 5% of employees' salary. The employer's contributions for the year were \$22,882 (2005 - \$19,301).

## 9. Aide à la retraite

Le Conseil contribue aux REER des employés, versant les mêmes contributions que l'employé. Les contributions représentent 5 % du salaire des employés. Les contributions de l'employeur pour l'exercice atteignaient 21 882 \$ (2005 - 19 301 \$).

## 10. Related Parties

The Council is the sole member of the Foundation for Agricultural Research and Management (F.A.R.M.). This corporation has been non-operating and has no business activity since its incorporation in 1994.

## 10. Parties liées

Le Conseil est le seul membre de la Fondation en Recherche et en Gestion Agricole (F.R.G.A.). Cette compagnie n'est pas exploitée et n'a aucune activité d'affaires depuis sa création en 1994.

## Canadian Farm Business Management Council

## Conseil canadien de la gestion d'entreprise agricole

**Schedule of Council Projects**  
For the year ended March 31, 2006

**Annexe des Projets du Conseil**  
pour l'exercice terminé le 31 mars 2006

### Objective 1:

#### **Science and Innovation Projects**

Science and technology information dissemination  
International Farm Management Association conference

\$ 41,899  
18,593  

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60,492

### Objectif 1:

#### **Projets sur la science et l'innovation**

Diffusion d'information sur la science et la technologie  
Conférence International Farm Management Association

### Objective 2:

#### **Business Risk Management Projects**

Farm Business Planning publication  
Farm management advisory services  
Business risk speaker sponsorship  
Cost of production templates  
Farm business management partnerships

44,449  
4,447  
57,733  
17,578  
4,273  

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128,480

### Objectif 2:

#### **Projets sur la gestion des risques de l'entreprise**

Publication, Guide de planification de l'entreprise agricole  
Services consultatifs en matière de gestion agricole  
Commandite de conférenciers sur la gestion du risque  
Modèles de budgets - coûts de production  
Partenariats en gestion d'entreprise agricole

### Objective 3:

#### **Future Skills Needed by Farmers**

Sector council representative

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### Objectif 3:

#### **Compétences de l'avenir dont ont besoin les agriculteurs**

Représentant du conseil sectoriel

### Objective 4:

#### **Beginning Farmer Program**

Web site development and beginning farmer kit  
Succession speaker sponsorship  
Web site course directory  
Canadian beginning farmers team meetings  
Farm management clubs  
Family farm transfer guide  
Farm mentorship expansion  
Agricuture college essay awards  
Case studies in Agribusiness

33,585  
39,949  
434  
31,952  
15,046  
26,642  
27,198  
4,073  
15,822  

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194,701

### Objectif 4:

#### **Programme d'aide pour les agriculteurs débutants**

Développement du site web et trousse pour agriculteurs débutants  
Commandite de conférenciers sur le transfert de ferme  
Répertoire de cours dans le site Web  
Réunions de l'équipe canadienne dédiée à la relève  
Groupes-conseils en gestion agricole  
Guide sur le transfert de l'exploitation agricole familiale  
Mentorat agricole  
Prix d'excellence pour les étudiants en agriculture  
Étude de cas en agroalimentaire

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## Canadian Farm Business Management Council

## Conseil canadien de la gestion d'entreprise agricole

Schedule of Council Projects  
For the year ended March 31, 2006

Annexe des Projets du Conseil  
pour l'exercice terminé le 31 mars 2006

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**Objective 5:**

***Continuing Initiative Projects***

Canadian Farm Manager  
Canadian Broadcasting Corporation commentaries  
FARMCENTRE.COM web site  
AgriSuccess project  
Evaluation of products  
CFBMC product catalogue  
Manage People on Your Farm publication  
Marketing publication and workshops  
Managing the Multi-Generational Family Farm  
Managing Farm Business Risk  
Managing Agriculture in Excellence conference

114,453  
38,194  
111,248  
122,314  
16,795  
72,552  
14,194  
3,414  
38,924  
3,974  
333,435  

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869,497

**Objectif 5:**

***Projets sur les initiatives continues***

Le Gestionnaire d'entreprise agricole  
Les commentaires Radio-Canada  
Site Web FARMCENTRE.COM  
Projet AgriSuccès  
Évaluation de produits  
Catalogue de produits du CCGEA  
Publication, Gérer le personnel d'une entreprise agricole  
Publication et ateliers sur le marketing  
Gestion de la ferme familiale transmise de génération en génération  
Guide de gestion des risques agricoles  
Conférence-Gérer l'excellence en agriculture

## Canadian Farm Business Management Council

## Conseil canadien de la gestion d'entreprise agricole

**Schedule of Council Projects**  
For the year ended March 31, 2006

**Annexe des Projets du Conseil**  
pour l'exercice terminé le 31 mars 2006

### Objective 6:

#### ***New Development Projects***

Canadian Agri-tourism working group	1,059
Distant learning seminars on internet	62,079
Farm management newspaper articles	11,505
Farm management conference speakers	47,895
Human Resources Management conference speakers	37,624
Farm show marketing	64,537
Marketing to agriculture colleges and universities	23,743
Farm management innovation workshop	35,494
Marketing Caravan	149,894
Farm management on radio	30,774
Farm management on television	58,735
National farm management meetings	28,532
Regional farm management conferences	8,275
Freshfromthefarm.com	22,606
Best practices in farm management	4,433
Support for farmers in distress	18,224
Marketing and communication plan	34,650
Commodity value-chain initiatives	37,653
Agriculture expert training	8,140
	<b>685,852</b>

### Objectif 6:

#### ***Nouveaux projets de développement***

Groupe de travail sur l'agrotourisme	1 059
Séminaires d'apprentissage à distance par Internet	62 079
Articles de journaux sur la gestion agricole	11 505
Conférenciers sur la gestion agricole	47 895
Conférenciers sur la gestion des ressources humaines	37 624
Marketing lors des expositions agricoles	64 537
Marketing auprès des collèges et universités	23 743
Atelier sur l'innovation en gestion agricole	35 494
Caravane du marketing	149 894
Gestion agricole à la radio	30 774
Gestion agricole à la télévision	58 735
Réunions nationales des gestionnaires agricoles	28 532
Conférences régionales en gestion agricole	8 275
Freshfromthefarm.com	22 606
Meilleures pratiques en gestion agricole	4 433
Soutien pour les agriculteurs en détresse	18 224
Plan de marketing et communication	34 650
Valeur ajoutée/chaîne de valeur	37 653
Formation sur AgExpert	8 140
	<b>685 852</b>

### Other Initiatives:

Product reproduction and marketing	56,970
Partner products for resale	19,424
	<b>76,394</b>

### Autres Initiatives:

Reproduction et commercialisation des produits	56 970
Produits achetés pour la revente	19 424
	<b>76 394</b>

**\$ 2,015,416**