

MANITOBA HABITAT HERITAGE CORPORATION

Homegrown conservation since 1986.



2021

ANNUAL REPORT



Least Bittern, Christian Artuso

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MANITOBA **HABITAT HERITAGE** CORPORATION

The Manitoba Habitat Heritage Corporation is a non-profit corporation working to sustain biodiversity, healthy ecosystems and community well-being in Manitoba. This is achieved with private land stewardship programs and funding provided by the Conservation Trust, GROW Trust and Wetlands GROW Trust.

Overview



Yellow-headed Blackbird, Robert Taylor

MESSAGE FROM THE CHAIR AND CEO



Brent Pooles

CHAIR



Stephen Carlyle

CEO

As the world around us changes, new conservation opportunities and challenges arise. The Manitoba Habitat Heritage Corporation (MHHC) is launching into a new era of conservation and evolving to address this new landscape of conservation program funding and delivery. As part of this evolution, in 2021, MHHC became Manitoba's newest and largest environmental not-for-profit by transitioning from a Crown corporation to a charity. With new status as a charitable organization, a diverse and growing team, and a new strategic plan in development, MHHC is poised to harness and create conservation opportunities.

Public attention on environmental issues remains high and solutions to integrate sound environmental management with social and economic viability are ever more important. Through the Trusts and MHHC's conservation program delivery, 2021 saw a record investment (\$14.2 million) in nature-based solutions to challenging issues like climate change, and extreme weather variability.

By using opportunities like funding for carbon storage and the desire to integrate nature-based solutions to human challenges, like the use of trees to protect critical infrastructure and human safety along the Trans-Canada highway, MHHC is continuing to grow its conservation benefits through direct program delivery, as well as through the funding of other Manitoba-based conservation groups via the Trusts. With this two-pronged approach, MHHC is ignited and ready to make bold new conservation opportunities and investments for the benefit of all Manitobans.

Executive Summary

Building on the Manitoba Habitat Heritage Corporation's past success and strengths as a Crown corporation since 1986, in 2021 MHHC became a not-for-profit charitable organization. As Manitoba's Homegrown Conservation organization launches this bold new phase, its team is exploring new opportunities and partnerships to conserve, restore and enhance Manitoba's wildlife populations and landscapes.

While MHHC was making foundational changes to its organizational structure, including growing and diversifying the team, the on-the-ground work of conserving Manitoba's natural habitats continued. In 2021 MHHC expended \$14.2 million to complete conservation actions in Manitoba. This included over \$2.3 million in payments made directly to Manitoba landowners

to permanently conserve 7,054 acres (2,919 hectares) of habitat and \$599,575 in funding to producers to aid the adoption of beneficial management practices on 21,510 acres (8,705 hectares) of pasture lands. These conservation investments improve farm and ranch viability as well as provide habitat for species at risk, waterfowl and other wildlife.

Adding to this direct program delivery by MHHC, the Conservation Trust, GROW Trust, and Wetlands GROW Trust (i.e. Trusts) invested \$8.3 million into 32 organizations to implement 35 projects that support Manitoba's watersheds, wetlands, natural wildlife habitats, and enhance Manitobans' connections with nature.

Vision

Habitats across Manitoba's lands and waters sustain biodiversity, healthy ecosystems, and community well-being.

Objects

Conservation, restoration and enhancement of Manitoba fish and wildlife habitats and populations.

Mission

To be a leader, and a partner of choice, in delivering diverse habitat conservation programs through partnerships with the community and governments.

MHHC'S Conservation LEGACY

15,750
acres of MHHC-owned,
publicly accessible lands

**\$18
MILLION**
approved grants

197,821
acres of land
permanently conserved by
conservation agreements

65,863
acres of donated
habitat

IN 2021 MHHC ACHIEVED

- **\$8.3 million** available for granting to conservation groups
- **35 conservation projects** funded by the Trusts

- **1,827 acres** of watershed habitat conserved
- **336 acres** of wetlands restored
- **206,525 kilograms** of phosphorus stored

- **17,926 ducks** living on habitat conserved by MHHC
- **6,182 acres** of wetlands conserved
- **40,213 acre-feet** of water retained on the landscape during a large rain event

- **14,685 acres** of Species at Risk habitat conserved
- **52,664 acres** of grasslands enhanced
- **210 watering systems** installed for livestock during a drought year

- **609,040 tonnes** of carbon sequestered
- **15,750 acres** of MHHC land ready to be explored by Manitobans
- **771 cattle** grazing on MHHC lands



PROGRAM DELIVERY SUMMARY

The MHC program delivery team achieved a banner year in 2021. MHC staff accomplished permanent securement of 7,053.5 acres (2,857 hectares) of habitat through conservation agreements. These easements, which conserve habitats for wildlife on private property, paid landowners \$2,346,995 from various funders focusing on Manitoba's diverse landscape of wetlands, grasslands and woodlands.

The Grassland Stewardship Program expanded exponentially this year with funding from two new sources being added. Agreements were signed with 57 livestock producers to provide funding for everything from fencing to watering systems to pasture improvements. During a difficult drought year, every little bit of help was appreciated by these hard-working producers. The 21,510 (8,705 ha) acres of grassland pasture

they manage are conserved with 10-year agreements and provide wildlife habitat, groundwater recharge, carbon storage and a multitude of other benefits to society.

MHC increased its funding from groups working to mitigate habitat impacts that occur in the course of infrastructure development. Manitoba Highways continued to work with MHC to help to mitigate the impacts of road construction on wetlands. Manitoba Hydro provided funding to mitigate for two large projects, a new transmission line near Birtle and the Bipole III Transmission Project. While these groups are obligated to mitigate for the development impacts, they are not required to work with MHC. Having these groups place their trust in MHC to accomplish on the ground work is a testament to the work MHC does.



MHC staff at the dedication of an MHC property to long-time staff, Tim Sopuck

THE TRUSTS SUMMARY

In 2017 Manitoba's Climate and Green Plan introduced an ambitious and unique plan to provide long-term funding for conservation initiatives across Manitoba by establishing three Trusts: The Conservation Trust (\$102 million), the GROW Trust (\$52 million), and the Wetlands GROW Trust (\$50 million) for a combined irrevocable contribution of \$204 million dollars to Winnipeg Foundation, where the funds are held and invested in perpetuity. From those investments, an annual revenue stream for conservation projects was guaranteed for Manitoba-based conservation groups. This level of investment in conservation, especially for a province of modest means, and which guarantees

long-term funding, are unprecedented in Canada. As of June 2021, \$17.9 million has been granted to fund 119 conservation projects in Manitoba.

MHC's role in the Trusts is outlined by agreements between Manitoba, The Winnipeg Foundation and MHC. Those agreements give MHC responsibilities to manage a granting program, which includes responsibilities for project selection, financial and project results monitoring, grant program evaluation, and reporting. The provincial Trusts initiative has transformed funding for conservation in Manitoba, not to mention adding a new dimension of activities for MHC to undertake.



Avocet, Cameron Meuckon

TRUST ACTIVITIES

All three of the Trusts focus on projects that achieve measurable change on the ground with the ultimate objective of building extensive landscape resilience to the impacts of climate change. From these three revenue sources, two grant proposal intakes occurred.

In March 2021, the MHHC Board of Directors approved the funding of 23 projects through the Conservation Trust for \$2,781,576. The majority of the projects were under the Habitat and Wildlife category (ten), with three projects falling into the Watershed category, four projects under the Soil Health Category, one project in the Innovation category, two in Conservation Planning, and three within the Connecting People to Nature category.

In June 2021, MHHC Board of Directors approved the funding of 12 projects through the GROW Trusts granting \$5,533,272 with \$2,132,000 of those funds requested for Temporary Wetland Incentive Programs through the Wetland GROW Trust (see page 19).

Since inception, a total of 119 projects have been funded by the Trusts.

Completed projects have measurable, landscape based results (outputs). Grantees report acreage summaries for wetlands, water retention projects, grasslands/perennial cover, riparian areas and wooded areas affected by Trust project activities that are reported as being conserved, restored, or enhanced. Additionally, other significant outputs are reported including: number of trees/ shrubs planted, structures for wildlife, structures (trails/ signage), communication activities, areas influenced by resource management plans, and decision-support tools developed.

For the purposes of this report and for ease of interpretation, project outputs have been grouped into three categories: Wetland, Watershed, and Habitat Values.

To date, Trust funded projects have resulted in the restoration of approximately 4,682 acres of grasslands and 306 acres of wetlands as well as the conservation of approximately 1,077 acres of grasslands and 170 acres of wetlands.

For the MHHC Trust Team, it was also a year of continuing to evolve its systems for financial and information management, project review and reporting. A major activity has been development of a reporting database for all trust projects. It will be implemented in 2022, and will simplify reporting for grantees and improve MHHC's ability to track and report project results and landscape impacts.

Complementing this database, MHHC contracted the International Institute for Sustainable Development (IISD) to complete the Outcome Assessment Tool (OAT); which uses the best science available to measure the environmental goods and services outcomes from Trust-supported projects, especially in relation to water quality, flood and drought mitigation, carbon sequestration, soil health, conservation of priority wildlife species, and biological diversity (See page 26).

Using the results from the Outcome Assessment Tool (OAT), Trust-funded projects are estimated to store 42,674 tonnes of carbon and 42,603 Kg of phosphorus each year, holdback 3,394 acre-feet of water and replenish 2,001 acre-feet of groundwater supplies during each large rain event and have enhanced 55,748 acres (22,560 hectares) of habitat for wildlife.



WATERSHEDS



CONNECTING PEOPLE TO NATURE



HABITAT AND WILDLIFE



SOIL HEALTH



INNOVATION AND PLANNING



FINANCIAL COMMITMENTS

At MHHC, we take seriously the judicious spending of every dollar received from our funders. We ensure the funds are spent on projects that produce the greatest conservation impact in Manitoba and commit to upholding high standards of transparency, accountability and trust.

In the 2021B fiscal year, MHHC invested 94% of the funds received into habitat conservation, of which 12% was for direct conservation program delivery expenses, 20% in tangible capital assets (perpetual and term agreements) and 62% for granting activities through Conservation Trust.

Uses of Funds	2021B		2021A		2020	2019
	Goals	Results	Goals	Results	Results	Results
Conservation Trusts	9,050,750	8,813,468	6,164,017	7,880,679	3,249,608	755,769
Conservation Program	4,271,084	1,769,146	1,068,808	1,058,200	1,629,575	1,989,114
Investment in Tangible Capital Assets	1,992,701	2,779,455	911,052	673,400	1,549,896	1,536,340
Administration	855,480	879,468	627,252	542,241	579,074	431,734
	16,170,015	14,241,537	8,771,129	10,154,520	7,008,153	4,712,957

Footnote:
MHHC has an extended fiscal year 2021, this was because of its transition from Crown corporation to a private not for profit charitable organisation and change of fiscal period from April – March to January - December. Fiscal Year 21A is made up of the last 10 months as a Crown corporation (April 2020 – January 2021) while Fiscal Year 21B is the first 11 months as a private not for profit charitable organisation (February 2021 – December 2021).

LOOKING AHEAD TO 2022

Amidst various impact of COVID-19, MHHC is growing and planning to realize \$20.4 million in gross revenue in 2022.

Sources of Revenue	2021B	2021A	2020	2019
Non-Government Partnerships	10,233,430	8,506,264	3,823,249	1,128,611
All Sources	2,779,455	673,400	1,549,896	1,536,340
Government Partnerships	1,517,811	1,217,055	1,648,167	1,925,754
Land Use Revenue	156,046	84,975	76,559	66,747
Other Revenue	154,016	37,141	83,945	44,153
	14,840,757	10,518,835	7,181,816	4,701,605

CONSERVING MANITOBA'S
Watersheds

1,827
 acres
CONSERVED

206,525
 kilograms of
PHOSPHORUS
 stored

336
 acres of wetlands
RESTORED

MCNISH RESTORED WETLANDS A TIMELY DECISION

Terry and Allyson McNish live south of Strathclair Manitoba in the Rural Municipality of Oakview.

"We bought the farm in 2011 with a plan to convert the cultivated cropland to permanent forage/grass cover and grazing land," said Terry. "The soil was stripped of nutrients and the wetlands were impacted, so we really wanted to bring some health back to the quarter."

"Our conservation priorities for the farm were to plug the drains to restore wetlands and to get forage cover established within a rotational grazing system," continued Terry. "MHHC was good at explaining the different options within their programs. They wanted to make sure the programming would work for us today and into the future."

The McNishes decided to sign a Conservation Agreement (CA) to permanently protect the perennial grasslands, woodlands and wetlands on their farm. "The McNish Conservation Agreement (CA) was unique in that it was the first CA signed by MHHC to keep the grasslands in permanent forage production," said MHHC's Roy Bullion. "In the past MHHC would only approve grassland pastures under permanent grass cover (no cultivation). The McNish CA allows the option to renovate forage stands as needed by seeding to a crop for a year and then seeding back to forages the next year."

"Manitoba Habitat Heritage Corporation coordinated installing the earth plugs in drained sloughs to restore four wetlands late in the fall," said Terry. "MHHC surveyed, designed and installed the plugs. It was timely as there was little spring runoff and the summer was drying everything up."

In 2021, MHHC signed 30 CAs with landowners which conserved 7,054 acres (2,857 hectares) of habitat on these private properties. Wetland restorations on 336 acres were completed by MHHC and Trust recipients in 2021. Overall, MHHC has conserved 197,820 acres (80,117 hectares) of habitat on private land through CAs and restored 1,844 acres (747 hectares) of wetlands.

"Overall, we felt the Conservation Agreement process worked out well," Terry said. "The support from MHHC made the whole process very easy. The funding we received from MHHC helped us to do upgrades on the farm. The restored wetlands help hold water for our cattle and sheep, it helps our well, and we feel good about storing water to prevent downstream flooding problems. As we get older, we realize how much we enjoy seeing the ducks, geese, deer and moose. Our farm plans seemed to be on the same page as MHHC's habitat protection plans, so it worked out well."



"The restored wetlands help hold water for our cattle and sheep, it helps our well, and we feel good about storing water to prevent downstream flooding problems."
 – Terry McNish

Restored wetland

BUILDING RESILIENCY THROUGH SHELTERBELTS

MHHC provided trust funds to Central Assiniboine Watershed District (CAWD) to carry out the Building Climate Change Resiliency and Wind Erosion Resiliency by way of Shelterbelts project. Through this project CAWD worked with five landowners to plant over 7,543 trees in 12 km of multi row field shelterbelts. The landscape where these shelterbelts were installed is seeing extensive annual deforestation to make room for cultivated acres.

“The partner producers were interested in reducing crop damage from wind. We combined White Spruce and Okanese poplar in the shelterbelt planting to reduce soil erosion and trap snow” Neil Zalluski, manager of the Central Assiniboine Watershed District

The plantings were targeted to border annually cropped land and away from dwellings to achieve the most benefit

to the agricultural landscape as possible. The plantings were completed by the landowner as their in-kind contribution and the watershed district supplied the trees, tree planter, and mulch applicator machine. The district will monitor the project for four years to ensure successful establishment of the plantings.

Shelterbelts are rows of planted trees and shrubs that provide multiple benefits to society. The trees planted store carbon, soak up excess nutrients from adjacent fields, provide shelter for wildlife, and increase pollinator habitat on the landscape.

Through 2021, Trust Funded projects have established 27 kilometers of new shelterbelts and enhanced a further 39 kilometers.



Shelterbelt being planted



Roy Bullion, MHHC habitat conservation specialist; Samantha Rairie, SLWD resource technician; and John Sandborn (left to right)

HABITAT PROTECTION MADE EASY THROUGH PARTNERSHIP AGREEMENT

Benito area grain farmer John Sandborn recently donated pristine woodland habitat to MHHC through a Conservation Agreement (CA). The agreement will protect the habitat forever. The Swan Lake Watershed District (SLWD) partnered with John and MHHC to facilitate signing of the CA.

The Watershed District Board supports the CA program as it helps them achieve habitat objectives defined in their integrated watershed plan,” said Swan Lake Watershed interim manager Edward Shao. “Partnering with MHHC helps the Board take positive steps toward environmental management and sustainability within the watershed.”

“The agreement to protect the habitat would not have happened without the Swan Lake Watershed District,” John Sandborn said. “The staff had all the information, they explained the process and what to expect. They made it easy for me. It turned out that my objectives and those of MHHC and the Watershed District were one and the same.”

“MHHC is happy to partner with Watershed Districts in Manitoba to conserve habitat through voluntary agreements with landowners,” relayed MHHC habitat conservation

specialist Roy Bullion. “We have the administrative capacity and expertise with conservation easements to help support local Watershed Boards and their landowners.”

“With CA donations there is almost always a sentimental connection between a piece of land and a family,” said Curtis Hullick, MHHC field manager. “Often there is a desire to leave a wildlife habitat area in its natural state as a legacy. One benefit to habitat donations is MHHC can provide a tax receipt to the landowner for the value of the habitat. A donated CA protects the habitat in perpetuity by an easement registered on the title of the land. The land itself remains in private ownership.”

“My Swedish grandfather Johan Sundborn homesteaded the farm in 1910,” said John Sandborn. “Three Sandborn generations have conserved this forest habitat in its natural state. I got to know this property well as I tended my trapline when I was in elementary school. I feel good about protecting the habitat for the birds and animals in perpetuity. It pleases me to know that my niece, who will inherit the property, is fully supportive of the Conservation Agreement.”

Conservation Agreement: A conservation agreement (CA) is an easement that permanently conserves the habitat and supports beneficial outcomes like water quality enhancements and biological diversity without affecting the parcel's ownership. Through a CA, a landowner may continue to use and manage the property as they have in the past while making a long-term contribution to the environment. Landowners receive financial compensation for signing a CA in the form of a cash payment or tax receipt.

CONSERVING MANITOBA'S
Wetlands



6,182

acres of wetlands
CONSERVED

40,213

acre-feet of
WATER RETAINED
 on the landscape
 during a large
 rain event

17,926

DUCKS
 living on habitat
 conserved by MHHHC

Canvasbacks, Fred Greenslade

**HAYLANDS AND GRASSLANDS
 WELCOME WATERFOWL**

April is prime time for migrating waterfowl to return to southwest Manitoba. Why is this area so special to waterfowl? The wetlands, haylands and grasslands of the Prairie Pothole Region are some of the best waterfowl nesting habitats on the planet. Spring is a critical time in the life cycle of a duck. The migration from their southern winter home is a strenuous journey. Early arriving duck pairs are quick to seek out areas to feed, breed and nest. "Lakes and wetlands are often frozen in early spring, so ducks search out shallow depressions in farmers' fields and pastures that fill with runoff from melting snow and rain," says habitat conservation specialist Roy Bullion. "The nutrient rich soils warm rapidly and create an ideal environment for the growth of aquatic invertebrates such as insect larvae, snails, and shrimp. These provide the protein and calcium the nesting hens need to build up their energy to produce a clutch of eggs."

The female duck chooses the nesting area. Healthy stands of haylands and grasslands are a welcome site to nesting waterfowl. "In most cases the hen is homing to the site of her birth or a site where she successfully hatched a nest," Roy says. "The hen targets sheltered spaces near water with a lot of vegetation so she can stay safe and camouflaged while she incubates her eggs." Unfortunately, of the ducklings that hatch, 40 to 60 percent will not survive to fly.

Ducks need wetlands to survive. Across the Prairie Pothole Region, including southwest Manitoba, wetlands and natural

grasslands are disappearing. Estimates indicate up to 70% of wetlands have been lost or degraded in populated Manitoba.

"Most ducks in Manitoba will be raised on private farmland," says habitat conservation specialist Ian Fortune. "So, it is important to develop and implement programs and policies that provide financial incentives for landowners to retain and restore wetlands and nesting habitat. There are a number of conservation organizations and watershed districts in Manitoba that offer incentive programs."

In 2021, MHHHC permanently conserved 5,816 acres (2,355 hectares) of private land through conservation agreements. This adds to the 117,063 acres (47,374 hectares) of wetland habitat that MHHHC has conserved previously.

"MHHHC offers financial compensation through conservation agreements to landowners who are interested in protecting wetlands and important uplands for the benefit of waterfowl, species at risk and other wildlife," says Ian. "MHHHC also offers wetland restoration programs to restore previously drained wetlands. In partnership with Delta Waterfowl, MHHHC installs and maintains duck nest tunnels primarily in the Minnedosa and Shoal Lake regions."

Each spring 12 of the most common duck species make the flight north to the Prairie Pothole Region. Up to 50 percent of the North American population of 8 of these duck species is supported by prairie pothole habitat.



Hen house

FLOCKING TOGETHER FOR DUCKS

Ducks have learned a thing or two about survival. For one, they head for warmer climes when the chill autumn air sweeps across the Canadian prairies, just like many of the people of the prairies. But perhaps more importantly, they form groups and flock together to help ensure their survival. This too, is something that conservation groups, many of whom are helping preserve those very waterfowl, do to ensure their work can continue into the next season.

The array of MHHC's accomplishments can only be achieved through partnerships with other like-minded individuals, non-government organizations, and governments. Through MHHC's close partnership with Delta Waterfowl Foundation, MHHC received more than \$440,000 in funding from US states in 2021, including Illinois, Louisiana, Mississippi, Tennessee, and Wisconsin via their duck stamp programs. These funds contribute to their Fall Flights objectives. Using these funds, MHHC leverages additional monies from both Canadian and US sources, including those from Canada's own stamp program, The Canadian Wildlife Habitat Conservation Stamp program, that is administered by Wildlife Habitat Canada. Working with an array of partners such as these ensures that MHHC's on-the-ground conservation actions can continue well into the future.



WATERFOWL PROGRAM PARTNERS

 Environment and Climate Change Canada / Environnement et Changement climatique Canada

 Manitoba



North American Wetlands Conservation Act
NAWCA



Cameron Meuckon



Ian Fortune, MHC Habitat Conservation Specialist (right) with the Alexander Family

CATTLE AND HABITAT ARE A GOOD FIT

Bill Alexander and his wife Darla recently signed two conservation agreements with MHC to protect the wetlands and surrounding grassland pastures on their farm.

“Our farm is strictly a cow-calf operation,” said Bill. “The soil just isn’t suited to grain. The farm does much better in grass. Keeping it in pasture with perennial grass and forage cover really helps the soil.”

Bill and Darla’s farm plan to preserve and sustainably manage their wetlands and native and tame grassland pastures fit perfectly with MHC’s goal to work with Manitoba cattle producers to protect wetlands, grasslands and maintain healthy habitat for wildlife, waterfowl, and at-risk species.

This mix of wetlands and surrounding grassland turns out to be a great fit for waterfowl production as well. The wetlands give the ducks a place to feed and the surrounding grasslands provide excellent nesting habitat for upland nesting ducks. This type of habitat is exactly what the North American Waterfowl Management Plan (NAWMP) are looking for to maintain duck populations. Funding for these types of projects can come from several NAWMP partners including the United States Fish and Wildlife Service, individual State Duck Stamp Funds, Wildlife Habitat Canada and Environment and Climate Change Canada.

“It’s a great property,” said MHC habitat specialist Ian Fortune. “Their farm happens to be located within the NAWMP target landscape and the Mixed Grass Prairie target landscape. That makes it a biodiversity hot spot!”

“Most of the original Mixed Grass Prairie is now cultivated cropland, which is a challenge for wildlife that adapted to a grazed grassland ecosystem for 8,000 years prior to settlement,” said Ian. “From a resource inventory, MHC found that the Alexander farm is host to a variety of grassland birds like Sharp-tailed Grouse and many species of waterfowl such as Blue Winged Teal, Mallard and Northern Shoveler.”

“Darla and I decided to sign two conservation agreements with MHC,” said Bill. “There was some hesitancy with signing up in perpetuity, but our grazing plans didn’t have to change and the financial compensation for protecting the grassland pastures and habitat was pretty good.”

“Working with Ian through the process to sign up and register a conservation agreement with MHC went well,” said Bill. “MHC looked after everything. Ian was excellent to work with.”

PAYMENTS FOR TEMPORARY WETLANDS OFFER FARMERS AN ALTERNATIVE TO DRAINAGE

Temporary wetlands can be a problem for farmers. Shallow field depressions trap spring snow melt on cultivated crop land, keeping soils wet, which can delay spring seeding. Heavy rainfall during the growing season can pool and drown crops. Because they can be easily drained, temporary wetlands are the most “at risk” wetlands in Manitoba.

These same wetlands provide tremendous ecological goods and services to society. Temporary wetlands remove pollution, improve water quality, recharge groundwater, control floods, store carbon, provide habitat for plants and animals and improve biodiversity.

So, we have a dilemma: How can crop production and temporary wetland protection take place on the same landscape? Is there any common ground? The answer is a solid “maybe”, and finding the right program and approach is essential.

“The provincial GROW (Growing Outcomes for Watersheds) Program delivered by Manitoba’s Watershed Districts includes a temporary wetlands option that can pay farmers to keep these wetlands in place,” said Tim Sopuck, Manitoba Habitat Heritage Corporation’s Trusts Program Manager.

Most of Manitoba’s 14 Watershed Districts have funding from the Wetlands GROW Trust to offer temporary wetland conservation incentives to landowners. The expertise of watershed boards and local GROW committees is essential to the delivery of the temporary wetlands program.

“Basically, the producer signs an agreement with the Watershed District to not drain or fill their temporary wetlands. In return they receive an annual financial payment,” said Ryan Canart, Assiniboine West Watershed district manager. “The landowner can farm the same as they always have through the temporary wetlands.”

Zack Koscielny is a 5th generation farmer in the Strathclair area. “Our Temporary Wetlands Program application was approved by the Assiniboine West Watershed,” Zack said. “The application wasn’t hard to complete, and the Watershed staff were good to work with. We have a lot of shallow wetlands on our land. The program fit well with our land management philosophy and the annual payment helps our bottom line. We feel it is good to recognize farm contributions towards healthy ecosystems.”

“Keeping the Class 1 and 2 wetlands intact is very positive for water quality in our watershed,” said Ryan. “These wetlands maintain the soil and nutrients on the field, and they help reduce runoff causing downstream erosion, flooding, and road/crossing infrastructure damage. Overall, this program is good for the land and good for the health of our watershed.”

Temporary wetlands can continue to be farmed as the weather allows. The landowner receives an annual payment for 10 years. It is voluntary, incentive based, there is no lock in, and it is administered locally. Landowners agree to not drain or fill their temporary wetlands. The program aims to benefit landowners, the watershed and all Manitobans. It’s that simple!



The best time to see temporary wetlands is in spring when they have water in them. Later in the season, they tend to disappear into crops or grasslands.

CONSERVING MANITOBA'S
Species at Risk



14,685

acres of Species at Risk habitat
CONSERVED

210

watering systems
INSTALLED
 for livestock during
 a drought year

52,664

acres of grasslands
ENHANCED

Sprague's Pipit, Christian Artuso



CONSERVATION TRUST FUNDING HELPS SUSTAINABILITY OF PRAIRIE ECOSYSTEMS IN MANITOBA'S COMMUNITY PASTURES

Conservation Trust program funding has granted over one million dollars over three years to the Association of Manitoba Community Pastures (AMCP) to help maintain prairie grasslands and biodiversity in Manitoba's Community Pastures.

"Through the Conservation Trust, MHHC was pleased to provide funds to the AMCP," said Stephen Carlyle, Chief Executive Officer for MHHC. "The Trust funding supports range management projects to provide healthy grazing land for local beef producers, as well as to protect and sustain natural prairie ecosystems."

AMCP operates 19 Community Pastures with over 300,000 acres (121,405 hectares) of rangelands across four ecoregions in Manitoba. "Conservation Trust funding helped immensely to support grassland habitat diversity and rangeland sustainability in the Community Pastures," said AMCP board chair Greg Genik. "The Community Pastures provide essential species at risk habitat across the Province."

Trust-funded activities in Community Pastures are geared to projects that improve rotational grazing systems and livestock distribution. Projects include new water sources, cattle crossings, brush management controls, and new

cross-fencing. "Well managed grazing lands deliver a number of benefits including good forage production, resiliency during drought, improved habitat for species at risk, improved biodiversity, healthy soils, and good water quality," said Greg.

"The Association of Manitoba Community Pastures provides grazing services to over 43,000 head of livestock annually," said Barry Ross, general manager of AMCP. "The grazing lands also support some of the largest tracts of remaining mixed and tall grass prairie ecosystems in the province."

Prairie is one of the most endangered habitats in Canada. "There is less than one percent of the original tallgrass prairie left in Manitoba and less than eighteen percent of the original mixed grass prairie," said Rachel Whidden, project manager, AMCP. "As a result of habitat loss, research shows grassland dependent wildlife species have experienced overall population declines by forty four percent."

In 2021, 14,000 acres (5,665 hectares) of Community Pasture rangelands were enhanced through the support of Conservation Trust funding.



CATTLE PRODUCERS CONTINUE EFFORTS TO PROTECT GRASSLANDS AND SPECIES AT RISK

Brian and Kristen Breemersch operate a cow-calf farming operation located southwest of Brandon. Their land is primarily pastureland that is interspersed with wetlands. This mix of habitat attracts a rich variety of waterfowl and wildlife, which Brian and Kristen enjoy.

Several years ago, the Breemersches contacted MHC to discuss conservation. “At the time we didn’t have a lot of program opportunities or funding for farmers looking to improve their grasslands and pastures,” said habitat conservation specialist Kasie McLaughlin. “But we did have the conservation agreements (CA) program and funding to partner with private landowners to perpetually conserve wildlife habitat.

“The land we put into a conservation agreement is my pastureland,” said Brian. “It is only good for livestock. By my standards, it should remain as pasture and wildlife habitat. Marginal land and habitat are disappearing and being drained. There are places that will not grow crop that are good for livestock and great for wildlife. I am in favor of farming

with livestock and leaving the habitat, so the conservation agreement program was right for me. It’s a win-win.”

When MHC developed a new program, the Grassland Stewardship Agreement (GSA) program offering funding incentives to implement beneficial management practices (BMPs) on pasture lands across Manitoba, Kasie knew the Breemersches may be interested. MHC recognizes that grazed pastures provide a multitude of ecosystem and wildlife benefits, including protection of species at risk on private land. In 2021, the GSA program expanded with funding of almost \$600,000 going to livestock producers to fund enhancements on 21, 510 acres (8,705 hectares) of pastureland.

“I would recommend this MHC program to anyone if they have grazed pastures with wildlife habitat,” said Brian. “MHC recognizes the wildlife benefits in maintaining grazing lands, and I am 100% in favor of that and working together. It is a phenomenal program for producers to get money for the land to keep grazing it as it is and preserving it for wildlife.”

Allan and Jacqueline Downey have a similar story to tell, having signed a CA with MHC and then working on pasture enhancements through the GSA program when that became available. They manage native prairie pasture in the Blind Souris River Valley, an area that boasts a large number of prairie species at risk.

“It is common for our habitat programming to change over time,” said MHC habitat conservation specialist Tom Moran. “MHC has developed incentive programs for beef producers that recognize the positive connection between grasslands, cows, wildlife habitat and protection of species at risk.”

“We really appreciated Tom contacting us to discuss the new program,” said Allan. “The financial assistance helped, and the new fence sure looks nice. In the end, the funding MHC provided allowed us to replace 9 miles of permanent perimeter

fence, put in 2.6 miles of temporary cross fence, and build 6 new dugouts.” These pasture improvements help ensure that the prairie grasslands will continue to be available, not only to the livestock that graze them, but also the multitude of grassland wildlife who live on them.

Eighty percent of Manitoba’s mixed grass prairie is now gone. The grasslands that the Downeys and the Breemersches manage, along with pastures all across Manitoba, are helping to protect this at risk habitat inhabited by many prairie species, including the threatened Ferruginous Hawk, Baird’s Sparrow, and Sprague’s Pipit.

“The summer of 2021 was one of mixed blessings,” Allan said. “It was so dry that for the first time we never baled any hay, but we had time to pound posts and replace old fence.”

“ We care a lot for our cows and native prairie grasslands. There are fewer cattle producers every year and 2021 was a tough year for many. It is encouraging that MHC understands that beef producers are protecting grasslands, raising food and helping endangered species at the same time. It is nice to feel appreciated.”

– Allen Downey



Cattle in the Blind Souris River Valley, Christian Artuso



GRAZED PASTURES ESSENTIAL TO SONGBIRD SURVIVAL

After a long winter, many look forward to spring and the return of Manitoba's migratory songbirds. Unfortunately, there are fewer songbirds arriving every spring.

Migratory songbird populations are suffering a serious decline. Overall, the population of grassland birds along with their songs has declined by 55%; including the Western Meadowlark (75% decline), and Bobolink (80% decline).

If nothing is done, we could lose these species at risk, and with them, their beautiful songs as a symbol of spring. The journal Science reports there are 3 billion fewer birds in Canada and the United States than there were in 1970.

"Grassland birds are the most threatened type of bird," said Curtis Hullick, Habitat Field Manager for MHHC. "The top five threatened grassland bird species are the Chestnut-collared Longspur, Ferruginous Hawk, Loggerhead Shrike, Baird's Sparrow and Sprague's Pipit. These birds are now limited to the cattle-based pasture lands of southwest Manitoba. Grazed pastures are not only beneficial for these species at risk, but they are also essential to their survival."

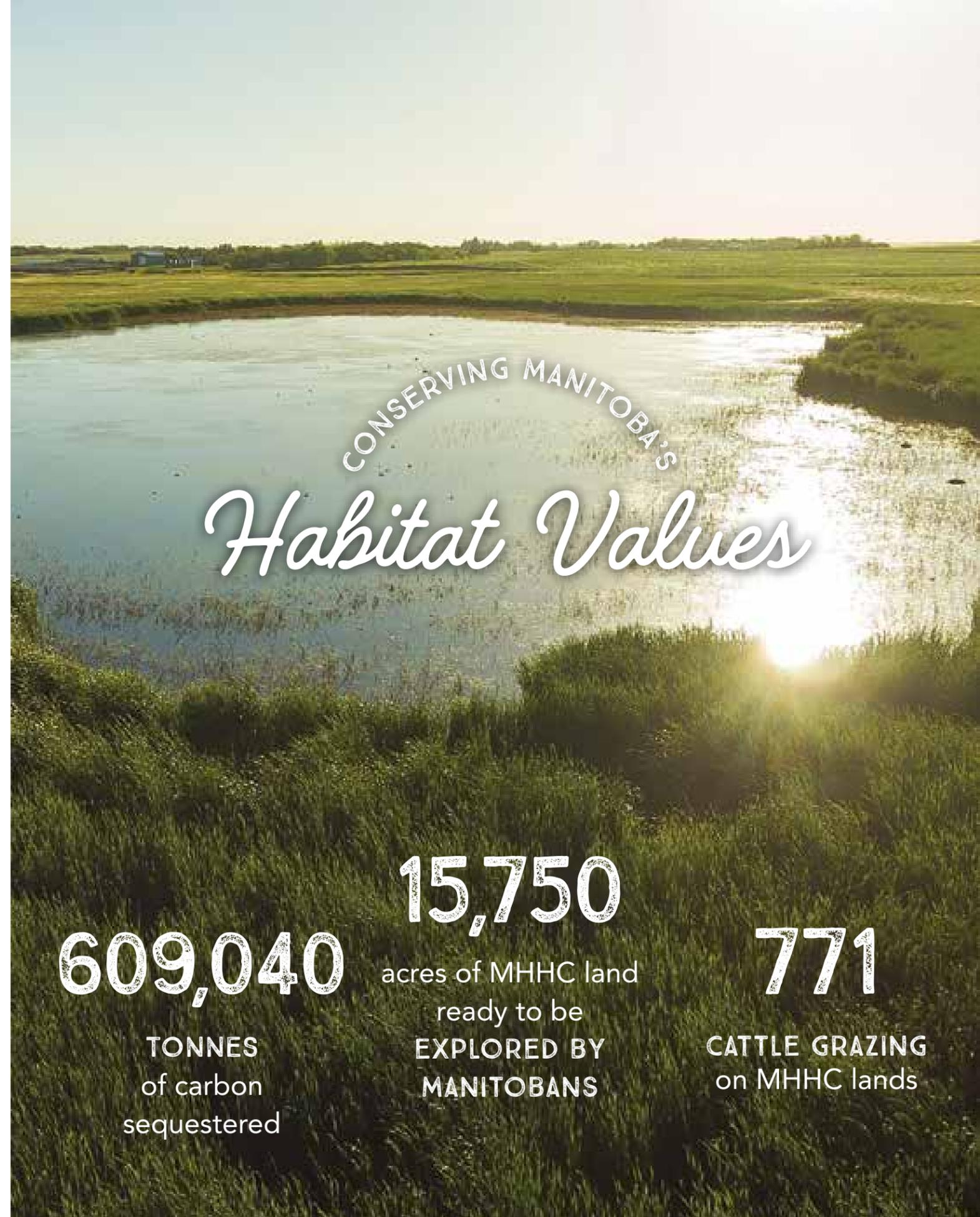
In 2017 the Manitoba Beef Producers partnered with Environment Canada and Climate Change Canada to provide funding to implement a Species at Risk Partnership on Agricultural Lands (SARPAL) in southwest Manitoba. The grassland habitat program is now in its 5th year. About 70 producers who manage over 36,000 acres (14,570 hectares) have enrolled in the Manitoba Beef Producers SARPAL program.

MHHC was contracted to deliver the Manitoba Beef Producers Species at Risk program. "Healthy pastures help the threatened birds," says Carol Graham, habitat conservation specialist with MHHC.

"The Manitoba SARPAL program is geared to farm-specific projects to maintain and enhance grassland habitat", says Carol. "The Keep Grazing project provides funding for pasture fencing, cross fencing, a rotational grazing strategy, alternate watering systems or relocation of watering systems for pasture efficiency, and shrub mowing to support healthy grasslands. The funding has proven beneficial to young cattle producers who are faced with the high costs of expanding their pasturelands and herds."

In 2021, MHHC expanded its SARPAL funding into the Grassland Stewardship Agreement program to include additional funding from Manitoba Beef Producers, Environment and Climate Change Canada and the Weston Foundation for projects geared towards maintaining pastures in the province. Together, these groups funded projects to enhance 21,510 acres (8,705 ha) of prairie pastures in 2021. These lands are now also conserved for the next 10 years or more. A further 1,200 acres (485 ha) of species at risk habitat was secured in perpetuity by conservation agreements, ensuring these pastures will continue to welcome the birds back each spring.

Pictured above, left to right: Chestnut-collared Longspur, Loggerhead Shrike, Baird's Sparrow by Christian Artuso



CONSERVING MANITOBA'S

Habitat Values

609,040

TONNES
of carbon
sequestered

15,750

acres of MHHC land
ready to be
EXPLORED BY
MANITOBANS

771

CATTLE GRAZING
on MHHC lands

HOW MHHC DETERMINES ECOLOGICAL GOODS AND SERVICES

MHHC has reported on several Ecological Goods and Services (EG&S) throughout this report. Ecological Goods and Services is a broad term used to describe the various benefits to society that are provided naturally through ecological processes. They are also known as natural or green infrastructure as the services that are provided can replace or supplement municipal infrastructure services such as water filtration and flood protection.

As part of Manitoba's Climate and Green Plan, the Conservation Trust was established to cost-effectively provide EG&S outcomes from conservation activities in Manitoba's agricultural and municipal landscapes. These EG&S include Water Quality, Flood Mitigation, Drought Resilience, Biodiversity, Harvestable Wildlife, Carbon Sequestration and Soil Health. The question became how to report on these values in a measurable and accurate way. MHHC enlisted the help of the International Institute of Sustainable Development (IISD) to develop a new tool to measure these EG&S.

Over the past two years IISD reviewed the scientific literature and consulted with an expert steering committee to determine average measures for various EG&S. They developed the Conservation Trust Outcomes

Assessment Tool (CT OATs). This tool takes the basic reporting information provided by Trust recipients, such as acres of specific habitats, and provides an estimate of the EG&S that are provided. In cases where changes are made to enhance or restore the habitat, CT OATs will estimate the increase of EG&S that the landscape will now provide in its new condition. When the habitat is conserved in its existing natural state, the tool gives an estimate of the change that is avoided by this habitat remaining on the landscape and not being lost to development.

While CT OATs is a useful way to measure some of the benefits that are achieved through conservation actions, there is no way to measure the intangible benefits that conserving nature brings to each one of us. Over time the tool will be revised and updated as new science and measures become available but each one of us should measure personally the benefits that nature brings to us. How do you measure the value of a sunrise over a misty wetland, the sound of prairie birds in spring, or deer browsing in a field? These outcomes will never be fully measured but forever treasured!

MHHC EG&S VALUES FOR 2021

WATER QUALITY: 206,525 Kg of Total Phosphorus and 1,807,388 Kg of Total Nitrogen removed from downstream flow annually

FLOOD REDUCTION: 40,213 acre-feet of water prevented from contributing to surface runoff

DROUGHT RESILIENCE: 149,422 acre-feet of water storage capacity and 20,456 acre-feet of groundwater recharge annually

CARBON SEQUESTRATION: 609,040 tonnes of carbon from all sources (expressed in CO₂ equivalents) sequestered annually

SOIL HEALTH: 439,015 tonnes of soil organic carbon (expressed in CO₂ equivalents) incorporated annually

BIODIVERSITY & HARVESTABLE WILDLIFE: 269,981 acres (109,257 hectares) of habitat conserved, restored or enhanced for wildlife

TED POYSER PLANT IDEAS ENDOWMENT FUND LAUNCHED

"People need a passion," said the late Ted Poyser, renowned Manitoba soil scientist, agrologist and conservationist. "Mine was about soil and water conservation and sustainability of watersheds. 'Land use without abuse' was my guide. Always remember, in a watershed we are all in it together!"

If you have ever enjoyed the natural beauty of Spruce Woods, Assessippi or Birds Hill and many other provincial parks, then you can thank Ted Poyser. If you have ever used Manitoba Soil Survey reports, participated in watershed district incentive programs, benefitted from major water management systems in southern Manitoba or taken advantage of soil, water and wildlife conservation programs offered by MHHC or other conservation groups, then you should know that Ted Poyser spent his life to help support you.

Ted helped to establish the Whitemud Watershed as the first Conservation District in 1972. Today there are 14 Watershed Districts in Manitoba covering most of agricultural/municipal Manitoba.

To recognize Ted's contributions to Manitoba and to help carry forward the message of land and water sustainability, MHHC has established the Ted Poyser Plant Ideas Endowment Fund. "The objective is to establish a \$100,000 fund at The Winnipeg Foundation to advance environmental sustainability in the agricultural landscape," said Tim Sopuck, MHHC's trusts program manager. "Annual revenues from the Fund will support the exchange of ideas that promote Ted's vision of a landscape in which agricultural production and environmental conservation go hand-in-hand."

"With funds and pledges received to date, we are seeking an additional \$15,000 in gifts from individuals and organizations to meet the \$100,000 objective," said Tim. "The Ted Poyser Plant Ideas Endowment Fund provides an opportunity to advance Ted's passion for years to come."

If you are interested in donating to the "Ted Poyser Plant Ideas Fund", or other MHHC initiatives, please visit our website at www.mhhc.mb.ca/donations for donation options.



Ted Poyser



Elizabeth Ajibola
ACCOUNTING MANAGER

MESSAGE FROM THE ACCOUNTING MANAGER

With a continued focus on financial stability and sustainability, MHHC achieved an outstanding result in the fiscal year 2021B, amidst its transition from Crown corporation to a private not for profit charitable organisation. Our recent growth was driven majorly by the substantial increase in the revenues through investment returns from Trust Fund Endowments and increases in various governmental and non-governmental grants.

As of December 31, 2021, MHHC has over \$33 million in tangible capital assets for which we have internally restricted \$1.2 million for our long-term commitment to conservation assets. The internally restricted funding is for future land management and potential legal liability that may arise from the existing conservation assets. These funds provide the flexibility to act quickly to defend these assets when the need arises.

MHHC currently administers funding for habitat conservation from three perpetual conservation-focused endowment funds established by the Province of Manitoba and held with The Winnipeg Foundation. This is pivotal to our recent growth and enhances MHHC's commitment to communicating the importance of, and conserving, natural landscapes for wildlife and all Manitobans.

MHHC's governance structure and its commitment to transparency has continued to position the corporation as the premier conservation organization of Manitoba. With MHHC's strong partnerships and presence within the conservation community, we are transforming the way conservation is both delivered and perceived.

MHHC strives to always maintain at least 90 percent of its annual expenditure as investment in habitat conservation. We achieved a 94 per cent investment in conservation expenditures in fiscal year 2021B (2021A – 95 per cent).

To all our distinguished funders, thank you for the vital role you've played in our accomplishments this past year. We look forward to your continued support.



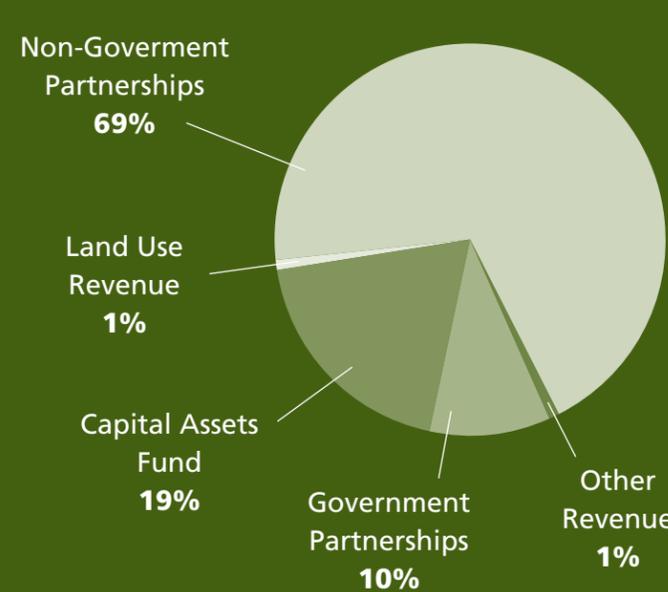
OVERVIEW

SOURCES OF REVENUE

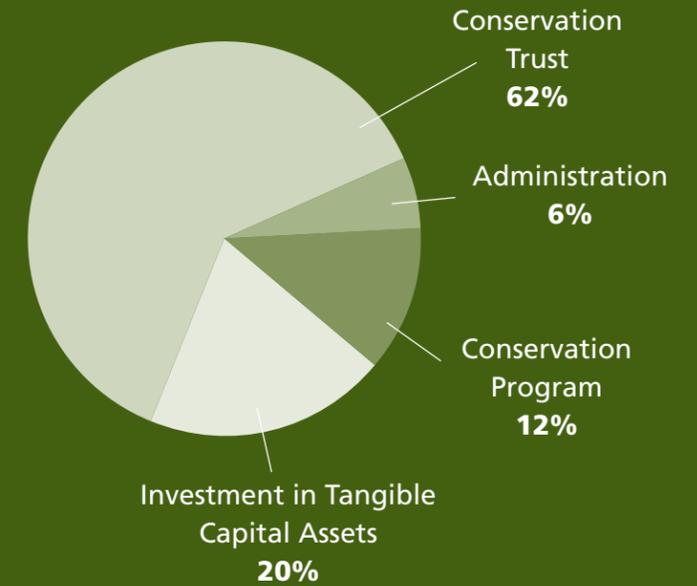
MHHC generates revenue from four primary sources:

- Non-governmental partnerships include grants from organizations such as The Winnipeg Foundation, Delta Waterfowl Foundation, Wildlife Habitat Canada, Manitoba Beef Producers and Watershed Districts.
- Government partnerships include grants from federal (both Canada and US), provincial and state government.
- Capital Assets Fund was funded by both Government and Non-Government partnerships.
- Land use revenue, including fees collected on leasing MHHC land to ranchers for grazing activities.
- Other revenue includes management fees, interest income and individual donations.

SOURCES OF REVENUE



USES OF FUNDS



USES OF FUNDS

Some of the strength of MHHC, that is attributable to its outstanding achievement in the fiscal year 2021B includes:

- Diverse revenue sources
- Financial strength
- Efficient use of funds
- Committed employees

STATEMENT OF FINANCIAL POSITION
December 31, 2021

	December 31 2021	January 31 2021 (Unaudited)	April 1 2020 (Unaudited)
ASSETS			
CURRENT ASSETS			
Cash and Bank	2,837,987	4,455,987	1,034,141
Accounts Receivable	7,075,195	2,311,497	4,180,880
Inventory - Conservation Program	1,555	6,091	-
Prepared Expenses	86,150	74,325	73,839
	10,000,887	6,847,900	5,288,860
SHELTERBELT PROJECT FUNDS	4,545,511	-	-
GRANT FUNDS HELD IN TRUST			
The Winnipeg Foundation	20,612,175	16,928,067	9,864,018
TANGIBLE CAPITAL ASSETS	33,423,460	31,035,995	30,381,138
PREPAID LAND USE RIGHTS	1,073,292	808,458	728,418
	69,655,325	55,620,420	46,262,434
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Account Payable and Accrued Liabilities	1,815,005	2,007,654	1,236,210
Grant Payable	9,727,579	5,784,761	2,313,962
DEFERRED CONTRIBUTIONS - OPERATING	9,368,196	5,067,016	2,177,718
DEFERRED CONTRIBUTIONS - FUTURE CAPITAL	1,602,770	622,149	666,729
DEFERRED CONTRIBUTIONS AVAILABLE FOR GRANTING	11,075,571	8,817,914	7,584,603
	33,589,121	22,299,493	13,979,223
COMMITMENTS			
NET ASSETS			
Unrestricted	1,161,235	1,062,186	976,952
Internally Restricted	1,191,900	1,019,123	973,021
Externally Restricted	289,609	203,623	(47,901)
Investment In tangible capital assets	33,423,460	31,035,995	30,381,138
	36,066,204	33,320,927	32,283,210
	69,655,325	55,620,420	46,262,433

Approved on behalf of the Board:

Chair 

Secretary-Treasurer 

STATEMENT OF OPERATIONS
11-month period ended December 31, 2021
(with comparative figures of the ten-month ended January 31, 2021)

	December 31 2021	January 31 2021 (Unaudited)
REVENUE		
Conservation Trusts	\$9,066,765	\$8,346,557
Grant Revenue	1,882,638	1,350,011
The Agency Fund - Province of Manitoba	546,305	-
Other Revenue	254,016	37,141
Land Use Revenue	156,046	84,975
Mitigation Revenue	155,532	26,753
	12,061,302	9,845,437
EXPENSES		
Conservation Trusts	\$8,314,704	\$7,473,029
Administrative Expenses	2,454,300	1,671,415
Conservation Program	693,078	336,676
	11,462,082	9,481,120
Excess (Deficiency) of revenue over expenses for the period	\$599,220	\$364,316

For more detailed information please consult MHC Independent Auditors Report - Financial Statements December 31, 2021.

2021 Board of Directors



Kathy Jasienczyk (Vice-Chair), Caron Clarke, Brent Pooles (Chair),
Maureen Krauss, Jonathon Lyon, Cornell Pashé, Ken Sharpe, Tim
Sopuck (CEO), Rhian Christie, and Nathan Sims, (pictured left to right)



Chestnut-collared Longspur, Cameron Meuckon

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