



Canadian Seed Growers' Association

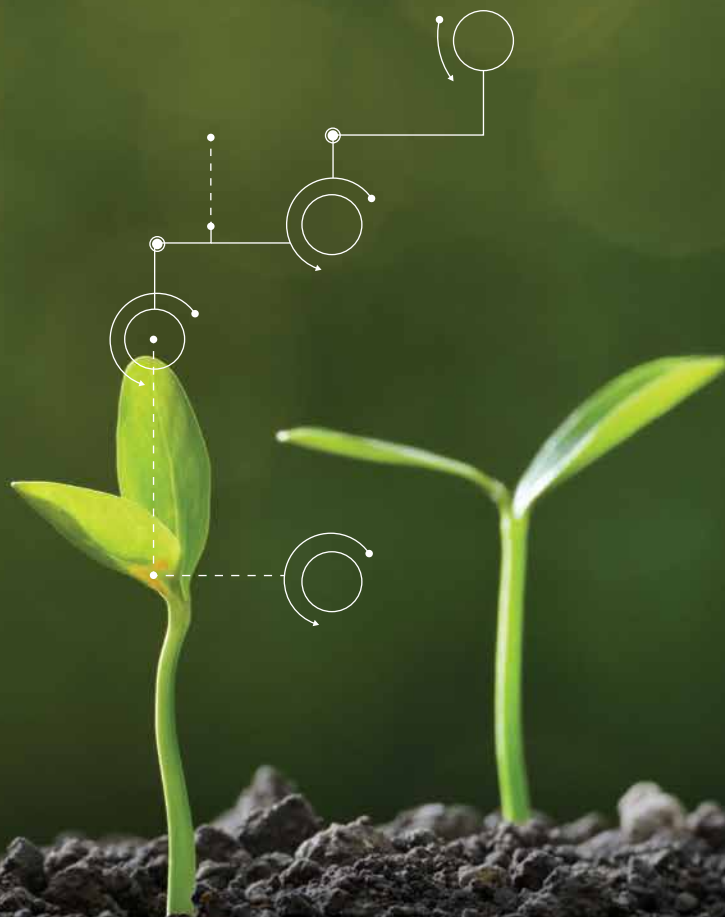
ANNUAL REPORT

2017-2018



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• CSGA's Audited Financial Statements for 2017–2018 and Minutes of the 2017 Annual Meeting are available at www.seedgrowers.ca.

MESSAGE FROM THE PRESIDENT

Since the launch of our Strategic Plan at the 2017 Annual Meeting in Halifax, we've been working on priorities identified by members and that's the theme of this message.

But first some thanks. Building the Strategic Plan for 2017–2023 took a lot of input and I'd like to thank everyone who shared their ideas and vision for the future especially CSGA directors. Special thanks go out to the Board for this investment in the future of CSGA especially to those directors retiring in 2018: Doug Heaman, Norm Lyster, Bob Rugg and Jack van Roestel.

Throughout 2017 feedback from members, online, at meetings and from surveys, told us to get working with members and value chain partners to implement priorities in the five Key Result Areas (KRAs) of our new Strategic Plan. I am pleased to see some very concrete 'nuts and bolts' initiatives taking shape.

In 2017, CSGA launched its Assurance System Modernization Project which includes updating our regulations, *Circular 6*. Last winter, six crop-specific advisory groups from across the seed sector provided short term (Phase 1) and medium term (Phase 2) recommendations for changes in standards and procedures to improve the CSGA certification system. By 2018, over 30 changes to certification standards were approved by our Board and in place for crop inspections this summer.

The Government of Canada has earmarked 2020 to update *Seeds Regulations* and also *Plant Breeders' Rights Regulations*. And at six regional Seed Synergy workshops last winter, CSGA heard members explain about what they wanted in new regulations. But there

are still farmers we haven't yet connected with and this will be a priority in 2018. While there is need for more dialogue, what we know already is this—our members want to be holding the pen... or at least one of the pens that develops new regulations for a next generation seed system.

My family has farmed near New Liskeard for 115 years and over my 30 years of growing seed crops, with all five sons now farming with us, I have seen significant change in the seed industry... and the speed at which change happens is only accelerating. CSGA is committed to working with like-minded partners in the seed sector, under the Seed Synergy umbrella, to present a unified voice to government supporting an industry led, government enabled, modernized seed system. And finally the question: if not now, when? If not us, then who?

Kevin Runnalls
President



WHO WE ARE

*The **Canadian Seed Growers' Association (CSGA)** is legally designated as the national standards and certification organization to assure seed crop varietal integrity for the seed certification system in Canada. Since 1904, this non-profit organization, with 3,500 members in nine provinces, seven Branches and five time zones across Canada, has managed varietal certification of the crops that provide the pedigreed seed for commercial crop production. Working closely with value chain partners, within the official seed certification system administered by the Canadian Food Inspection Agency (CFIA), the CSGA annually certifies seed crops of more than 2300 varieties of more than 50 crop kinds on more than 1.3 million acres, one of the largest, most diverse national acreages of certified seed in the world. This ensures a reliable supply of high quality seed with assured genetic identity for both Canadian and export markets.*

From its unique position in the agri-food sector, the CSGA mission, vision and values also include representing seed growers and certified seed through a broad national and international network of stakeholders. These activities are reported later in *Our Results: Communications, member services and stakeholder relations*.

CSGA members range in size and scope from independent family farms to large seed companies. As leaders of innovation in Canadian agriculture, seed growers are at the heart of the agri-food sector. CSGA is committed to representing and supporting them, advancing the seed and agriculture sector with its partners and explaining their importance to society.

CSGA membership, crops and acreage certified in 2017 are reported later in *Our Results: Certification and technology services*.

CSGA STRATEGIC PLAN

OUR MISSION

Represent and support our members, advance the seed industry and with our partners, deliver and promote a flexible, responsive, and cost effective seed certification system in Canada

OUR VISION

The CSGA is an innovative, science-based organization committed to supporting a competitive Canadian agriculture sector as a respected global leader in seed quality assurance and genetic traceability

OUR VALUES

Responsibility, Integrity, Accountability, Transparency, Collaboration, and Respect



OUR RESULTS: **STRATEGIC PLAN 2017–2023**

Launched at the 2017 Annual Meeting in Halifax, the Strategic Plan for 2017–2023 provides CSGA with a clear vision for the future with specific work plan goals. Starting in a members' workshop at the 2016 Annual Meeting at Clear Lake, Manitoba, the CSGA launched a major review of every aspect of its business. Simply stated, the purpose was to chart a course to build a stronger CSGA and overall seed system for the future. The CSGA's Strategic

Plan was developed in good part as a response to the federal government's stated intention to modernize the entire seed regulatory system.

In the extensive consultations undertaken in 2016–2017 to develop the Strategic Plan, CSGA members were asked to take a step back, look at the big picture and the potential for positive change; including through information technology innovations that are rapidly providing new ways to manage seed information, as well as disruptive biotechnologies, that are creating new pathways to develop seed traits and varieties.

In parallel, five other national seed sector organizations and the CSGA formed the Seed Synergy Collaboration Project to bring the vision for a Next Generation Seed System to life.

The CSGA Strategic Plan for 2017–2023 integrates the Seed Synergy Vision into its **five Key Result Areas (KRAs)** which frame the primary Strategic Plan deliverables, including:

OUR FIVE KEY RESULT AREAS (KRA)

KRA 1 OBJECTIVE

The right regulations and systems to support a growing, sustainable seed and agriculture sector

TRUSTED, HIGH PERFORMING SEED SYSTEM

KRA 2 OBJECTIVE

The right professional development and technical support services to enable members' business opportunities

SUPPORTING MEMBERS

KRA 3 OBJECTIVE

A growing seed industry that provides members access to profitable new varieties and value creation and sharing opportunities

SECTOR GROWTH

KRA 4 OBJECTIVE

Industry and Government partners mobilized to enable seed sector success

PARTNERSHIPS

KRA 5 OBJECTIVE

A CSGA that cost-effectively enables all the above

ORGANIZATIONAL EFFICIENCY & EFFECTIVENESS

From the KRAs, medium-term priorities in the KRAs already identified are:

- Modernizing *Circular 6, the Regulations and Procedures for Pedigreed Seed Crop Production*, to revise outdated requirements and make them more accessible to mobile, online growers;
- Improving the efficiency of seed certification by developing an efficient, effective single window approach to seed certification that lowers costs through further integration or alignment of service providers;
- Strengthening education, training and professional recognition programs for seed growers to help them take advantage of emerging market and business opportunities;

- Increasing collaboration with partners to realize a strong, industry-led, government-enabled seed system.

In mid-2017, the CSGA's Strategic Plan 2017–2023 was distributed, in hard copy and online, to all members with their Spring edition of the *Seed to Succeed* publication. In it, President Kevin Runnalls reminded growers that the CSGA Strategic Plan confirms a core responsibility to work closely with partners in government and industry to support a competitive Canadian agriculture sector and maintain Canada's reputation as a respected global leader in seed quality assurance and genetic traceability. It also reaffirms a longstanding commitment of the CSGA to deliver and promote a flexible, responsive and cost-effective seed regulatory and certification system for Canada.

OUR RESULTS: CERTIFICATION AND TECHNOLOGY SERVICES

In 2017, 3,536 members applied for crop certification of 14,816 fields and 2,566 plots on 1,353,174 acres (547,610 ha). To process these applications, over the six-month crop certification season in Canada, CSGA reviewed more than 7,800 seed tags and 104,000 documents.

New in 2017, soybean acres exceeded wheat acres for the first time in Canadian history, driven by the

ever-increasing soybean acreage in Manitoba. The top five pedigreed crops by acres were soybeans, wheat, barley, peas and alfalfa. The next five crops by acres were canola, oats, timothy, lentils and flax.

The following reports provide membership as well as national and provincial summaries of acreage and crop kinds inspected for certification by the CSGA.

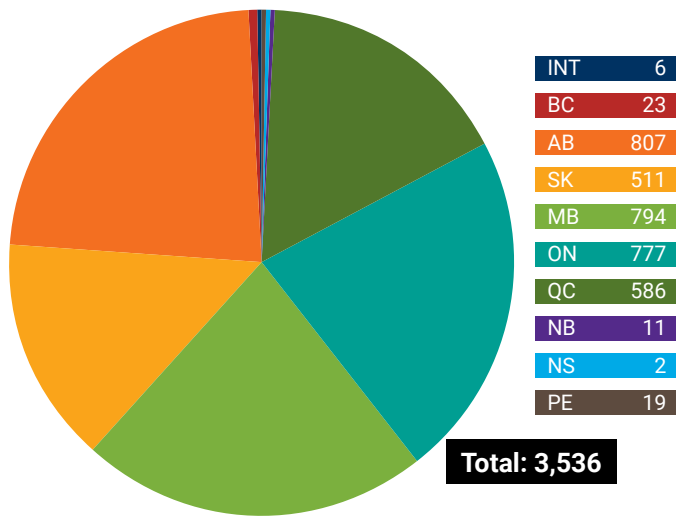


Table 1: 2017 Inspected Acreage

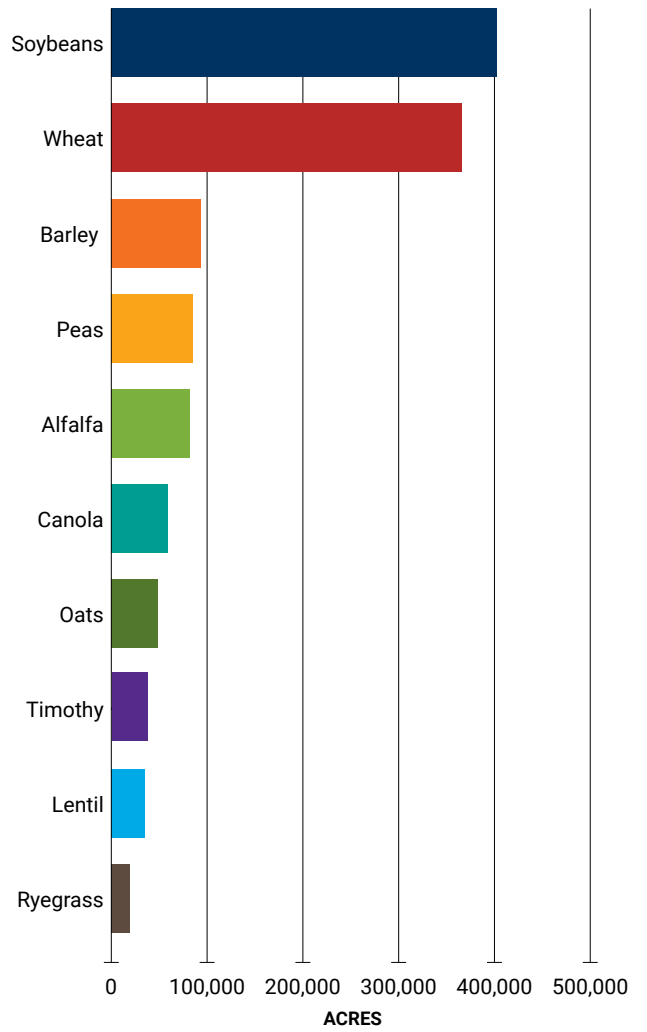
CROP KIND	PE	NS	NB	QC	ON	MB	SK	AB	BC	INT	2017	2016	2015	2014	2013	CHANGE (+/-)*
ALFALFA						13,468	16,401	51,704			81,573	81,260	69,967	56,319	51,019	313
BARLEY	268		717	8,346	3,276	8,356	30,047	42,273	157		93,440	118,207	111,474	92,313	134,700	-24,767
BEAN					2,518	758	887				4,163	3,348	3,846	4,032	4,001	815
BIRDSFOOT TREFOIL						2,772	100				2,872	2,107	2,606	3,910	7,442	765
BROMEGRASS						496	3,358	6,228	668		10,750	9,872	6,685	5,372	5,587	878
BUCKWHEAT				418	217	717					1,352	1,582	1,141	730	743	-230
CANARYGRASS						115	1,509				1,624	550	195	275	385	1,074
CHICKPEA							1,388	1,819			3,207	2,814	956	3,508	4,476	393
CLOVER						508	2,018	3,717			6,243	6,106	5,870	2,494	4,247	137
HYBRID CORN					18,192	32					18,224	18,487	13,692	19,161	31,926	-263
FABA BEAN						334	4,540	1,457			6,331	8,528	13,421	10,993	3,609	-2,197
FESCUE						7,091	456	10,328	800		18,675	19,398	14,501	10,230	12,039	-723
FLAX				21		3,557	12,622	4,996	145		21,341	21,081	40,017	39,338	24,649	260
HEMP				136	264	3,263	4,051	5,659			13,373	7,248	8,322	9,690	5,595	6,125
CANOLA					249	80	240	51,759		6,935	59,263	58,801	53,831	62,942	79,861	462
LENTIL							29,767	5,623			35,390	43,266	29,454	22,385	19,742	-7,876
MUSTARD							494	949			1,443	4,162	3,126	2,480	2,188	-2,719
OATS	181		2,235	10,769	2,479	13,847	14,088	5,001	319		48,919	51,939	59,966	46,718	51,798	-3,020
PEAS	798		62	154	582	4,980	37,668	40,336	985		85,565	92,668	71,426	64,354	58,165	-7,103
RAPE												3,464	407	863	1,994	-3,464
RYE				342	4	875	440	1,920			3,581	7,783	6,186	5,659	6,775	-4,202
RYEGRASS						16,457	1,065	1,562	120		19,204	25,386	24,851	15,714	15,564	-6,182
SOYBEANS	1,014	8	230	50,686	129,448	202,143	17,454	1,271			402,254	314,533	338,769	319,416	299,350	87,721
TIMOTHY				50		20,473	4,355	10,063	2,236		37,177	42,246	43,763	41,271	37,582	-5,069
TRITICALE				100	34		335	1,181			1,650	4,136	3,511	4,264	3,526	-2,486
WHEAT	612	66	417	16,118	21,108	89,873	144,338	92,545	932		366,009	365,045	399,470	320,626	437,810	964
WHEATGRASS							1,270	4,647	470		6,387	6,376	5,044	4,959	3,857	11
MINOR CROPS					27	790	1,633	729	42		3,221	5,672	3,309	1,763	1,290	-2,451
2017	2,873	74	3,660	87,139	178,398	390,982	330,473	345,766	6,874	6,935	1,353,175					
2016	2,105	125	4,052	93,684	181,200	357,791	327,480	345,216	5,655	8,758		1,326,064				27,166
2015	2,162	123	6,463	99,692	193,732	380,131	333,293	304,971	6,426	8,812			1,335,805			-9,741
2014	2,126	88	6,015	94,596	184,924	311,190	276,310	279,331	7,094	10,103				1,171,779		164,026
2013	3,471	62	6,563	89,356	205,373	330,648	330,040	325,708	5,962	12,736					1,309,919	25,886
CHANGE (+/-)*	768	-51	-392	-6,545	-2,802	33,191	2,993	550	1,219	-1,823						

*Change between 2017 & 2016

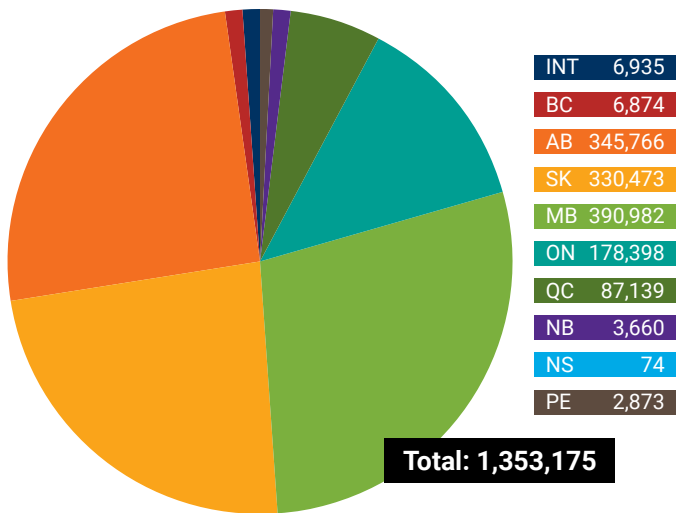
CSGA Membership by Province 2017



Canada's Top 10 Pedigreed Seed Crop Kinds 2017



Pedigreed Seed Crop Acreage by Province 2017





OUR RESULTS: CERTIFICATION AND TECHNOLOGY

Demotion Analysis

In 2017, the case study analysis of a large increase in crop demotions for excessive levels of off-type plants, highlighted the problem solving potential of CSGA's data analytics capacity embedded in its quality assurance system. As outlined in below, analysis of CSGA certification data from 2016–17 revealed a sharp spike in crop demotions for excessive levels of off-type plants (the OVD code below, for 'Other Variety Demotion) and further analysis led to the conclusion that a collection of mini-trends were at the roof of this phenomenon.

Analysis of certification data revealed that most of these demotions involved:

- a) crops planted with Foundation class seed;
- b) soybean crops; and
- c) a very limited number of varieties.

Further analysis and discussions with breeders, growers and distributors identified potential contributing factors and also potential solutions.

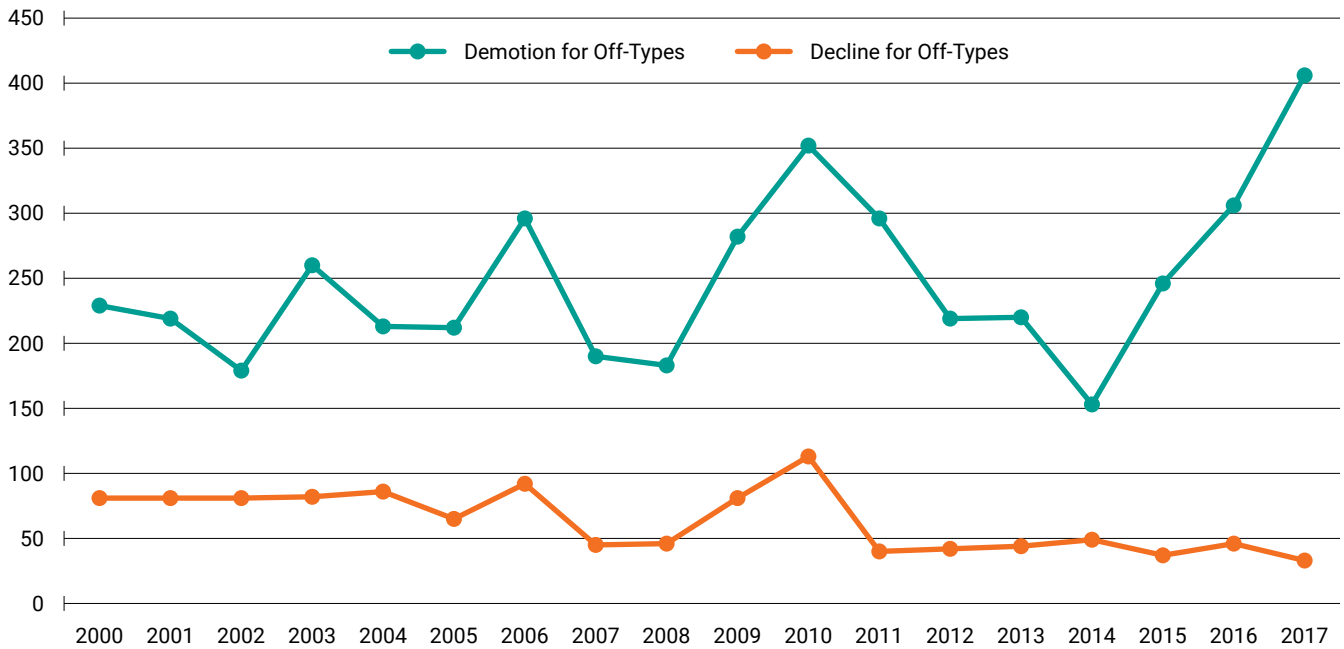
Potential Contributing Factors

1. unstable varieties
2. some varieties coming to market too early
3. inadequate variety descriptions
4. increased use of secondary descriptors
5. many new Inspectors and new seed growers
6. very strict standards for off-types

Potential Solutions

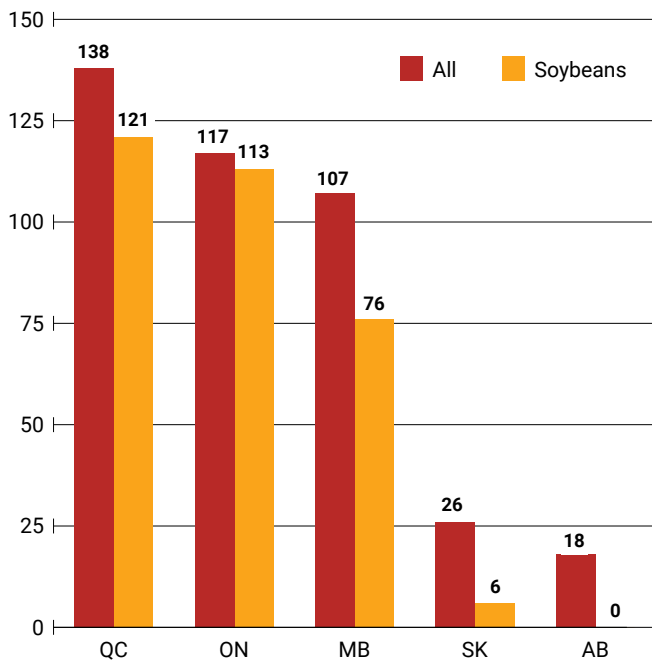
1. flush unstable varieties out; replacements are in the pipeline
2. discourage rushing varieties to market
3. new templates and online tools for submitting variety descriptions (Spring 2018)
4. limit use of secondary descriptors
5. improve support for new growers and inspectors
6. new standards for soybean off-types (Circular 6 Modernization, Spring 2018)

Off-Type Demotions and Declines Trends (2000–2017)

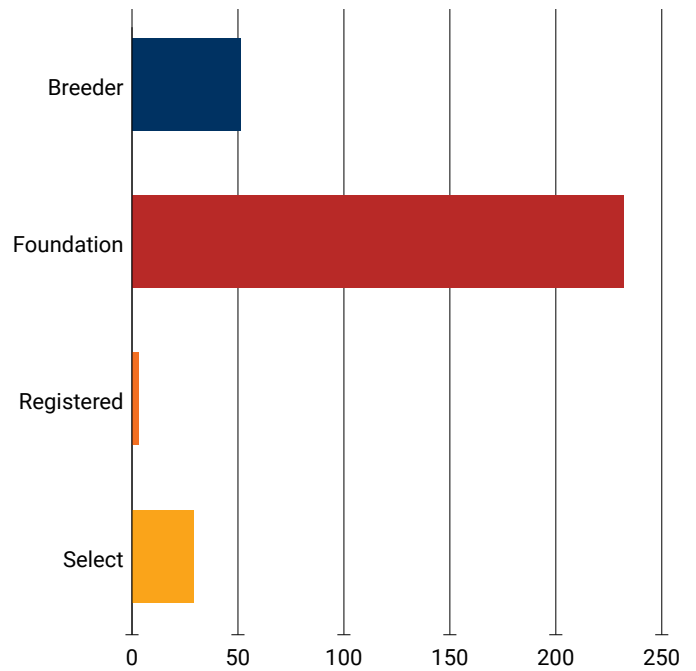


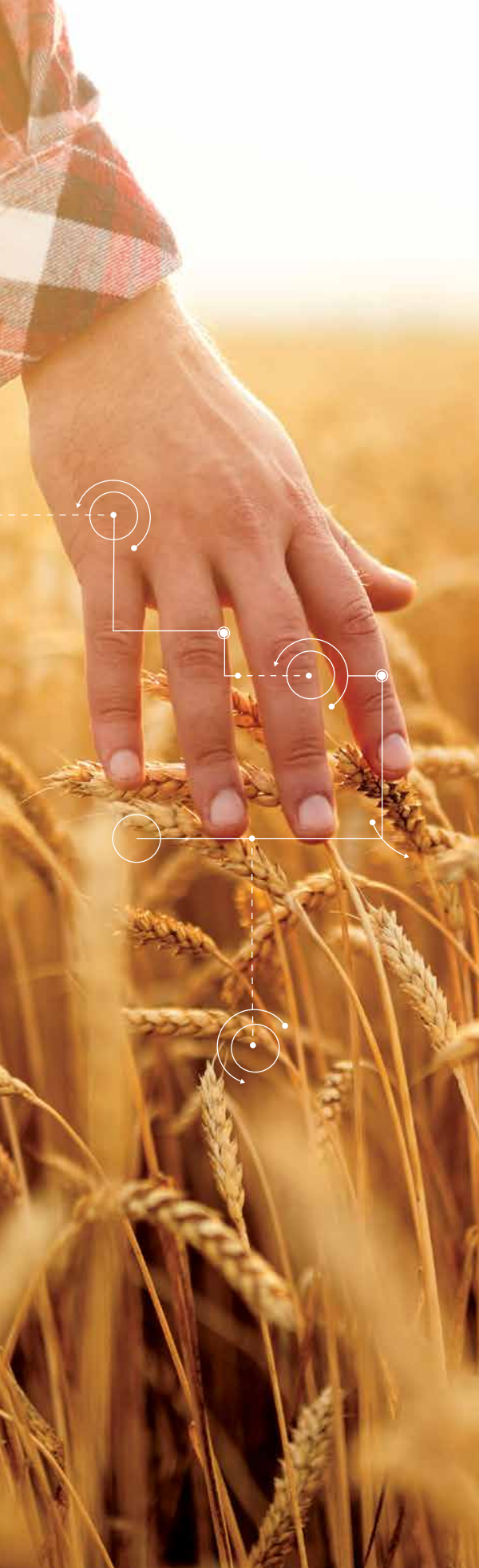
Demotions for Off-Types Trend Analysis by Province for 2017

(Soybeans Separated Out)



Demotions for Off-Types in Soybeans Trend Analysis in 2017





OUR RESULTS:

MODERNIZING CSGA'S ASSURANCE SYSTEM AND STANDARDS

In 2017–2018, the Assurance System Modernization Project was launched at CSGA. This two phase, multi-year project involves a complete review and updating of CSGA's certification system, standards and procedures.

Assurance System

Continuous improvement is a top priority for the quality management system. CSGA annually reviews more than 7,000 parent seed tags and 100,000 client documents and is subject to annual third party audits for ISO 9001:2015 certification. Modernization of online and information management (IM) systems is an essential element to improving their organizational efficiency and effectiveness, a Key Result Area in the new Strategic Plan.

In 2017–2018, technical system improvements included:

- system wide updates especially to CSGA internal software;
- a new server and firewall and improvements to CSGA e-tools;
- a new hardware support service provider;
- new *Seed Crop Inspection Report* and *Check Inspection Report*;
- new variety description e-tools and Variety Notification System; and
- introduction of a Remote Appraiser Program.

Technical planning projects included:

- Proof-of-Concept for Single Window and for Seed Blockchain; and
- Database development for Pedigreed Seed Declarations and seed related documents.

Standards and Procedures

In September, 2017, CSGA launched a review of its *Regulations and Procedures for Pedigreed Seed Crop Production* (Circular 6). Six working groups were established to review and recommend changes to the standards, in Phase 1 for implementation in 2018, and in Phase 2, to identify priority issues for future changes. Working groups were organized by crop types: Cereals, Pulses, Soybeans, Canola/ Mustard, Forages and Hemp and included seed growers, seed trade, seed crop inspectors, plant breeders and government representatives. To consult more widely, Synthesis Agri-Food Network surveyed seed value chain stakeholders on changes proposed by the working groups to the Standards and Circular 6 Committee. For Phase 1, approximately 30 recommended changes to Circular 6 standards for 2018 were approved by the CSGA Board.

Examples of major changes in 2018 include:

- Isolation requirements for Foundation, Registered and Certified Cereal, Flax, Pulse and Soybean crops are revised. For mechanical (other kind) purity, the standard is revised from 3 to 2 meters. For varietal purity 3 meters is still required to different varieties of the same kind but staking is permitted between pedigreed seed crops of the same variety.
- Maximum varietal impurity standards for Registered and Certified Barley, Buckwheat, Canaryseed, Durum, Flax, Oat, Rye and Triticale crops are revised: Registered from 1 to 3 and Certified from 5 to 8.

- Maximum varietal impurity standards for Fababean and Soybean crops are revised: Foundation Fababean from 1 to 5, Registered Fababean from 2 to 10 and Certified Fababean from 5 to 20; Select and Foundation Soybean from 2 to 10, Registered Soybean from 4 to 20 and Certified Soybean from 20 to 30.

The Assurance System Modernization Project will also address updating the format and style of Circular 6 as well as access to this information. A searchable database of the certification standards is being developed so seed growers, seed production companies and inspectors can easily find the information they need from their desktops, tablets or mobile devices.





OUR RESULTS:

COMMUNICATIONS, MEMBER SERVICES AND STAKEHOLDER RELATIONS

CSGA is committed to providing prompt effective services and communications in both official languages. Members have secure online access anytime to their certification records and can contact the CSGA office by phone, email or online chat.

Ongoing communications and member services include:

- *Seed Scoop*, a members' e-newsletter on CSGA regulations and activities;
- *Seed to Succeed*, a semi-annual publication on current seed sector issues;
- a *National Pedigreed Seed Locator*, an online searchable database tool for all seed crops annually certified by the CSGA;
- seed education modules for colleges, universities, secondary and elementary schools;
- seed certification support in the presentations of the Canadian International Grains Institute (CIGI) for international trade missions.

In 2017–2018, CSGA communications and member services were improved by:

- SeedTALK, CSGA's member engagement platform, to capture member feedback on specific issues like standards modernization;
- an Agri-Retailer Education Program on Certified seed with the Canadian Association of Agri-Retailers (CAAR);
- a members' needs assessment was conducted, with input from the Canadian Agricultural Human Resource Council (CAHRC), to determine member and industry needs in training, and education, and to assess the level of support for professionalization;
- Partnered with CSTA, CAHRC, and the Seed Corn Growers of Ontario to advocate for seed grower access to the temporary foreign workers program and for seed to be added to the National Commodity List.

Stakeholder Relations

Always a priority, stakeholder relations activities at CSGA ensure that capable representatives bring the voice of seed growers to the many meetings that could impact the interests of seed growers or seed certification. Always a high priority for CSGA, the Board's Action Plan of 2015 supported increasing stakeholder relations activities, especially building common vision and leverage for change with government and value chain partners.

Notable stakeholder relations in 2017–2018 include:

- i) **Branch Associations** that provide regional representation of seed growers in each province. The National office continued to meet regularly with the Inter-Branch Management Team to improve coordination on issues.
- ii) **Plant Breeders** from many countries, who meet CSGA regulatory requirements, are provided professional recognition by CSGA and for Breeder seed certification. In 2017–2018, five (5) new Breeders joined the 591 active Breeders and Variety Maintainers recognized by CSGA.
- iii) **Seed Synergy Partner**
 - a) **Canadian Seed Institute (CSI)**
 - b) **Canadian Seed Trade Association (CSTA)**
 - c) **Commercial Seed Analysts of Canada (CSAAC)**
 - d) **Canadian Plant Technology Agency (CPTA)**
 - e) **CropLife Canada**
- iv) **Value Chain Partner**
 - a) **Canadian Federation of Agriculture (CFA)**: Active membership by CSGA supports seed sector policy coordination with the CFA position on agricultural policies and programs.
 - b) **Canada Grains Council (CGC)**: Active membership by CSGA ensures seed sector policy coordination with grains sector.
 - c) **Canadian Association of Agri-Retailers (CAAR)**: provides the Agri-Retailer Certified Seed Training Program developed with CSGA.
- d) **Canadian Agricultural Human Resource Council (CAHRC)**: In 2017, provided CSGA with support required for stakeholder feedback sessions on grower education, training and professionalization and planning sector needs assessment. Partnered with CSTA and Ontario Corn Growers, CSGA has advocated for seed growers' access to the Temporary Foreign Workers Program and currently participates in a review of the national commodity list.
- e) **Canadian Roundtable for Sustainable Crops (CRSC)**: CSGA actively supports development of this national agri-food traceability framework.
- v) **Federal Government**

CSGA meets regularly with senior members of many key government departments. In 2017–2018, CSGA's Government Relations Plan included ministerial meetings and meeting with parliamentarians and senior officials in Ottawa on issues that included small business taxation, the Canadian Agricultural Partnership, cannabis regulation, carbon management and seasonal agricultural workers.

 - a) **Agriculture & Agri-Food Canada (AAFC)**: CSGA is active on AAFC Roundtables for Grains, Bee Health and the Seed Sector Value Chain. All involve issues that potentially impact seed growers.
 - b) **Canadian Food Inspection Agency (CFIA)**: CSGA works closely with many CFIA staff in seed related programs. In 2017–2018, this involved ongoing ASD transition tasks by the Technical and Industry-Government. Work Groups, standards for seed crop inspectors, improving variety description operations, lab liaison and priorities for the Variety Verification Program as well as a Board meeting briefing by senior management on CFIA modernization plans.
 - c) **Health Canada, Office of Controlled Substances (HC OCS)**: CSGA is an original member of the Interdepartmental Working Group on Hemp Cultivars and, in 2017–2018, provided technical support for cannabis standards development. We also partnered with them to promote seed import regulatory requirements.

d) **Environment and Climate Change Canada (ECCC):**

CSGA provides technical and policy input to EC committees developing input for seed related meetings such as the Convention on Biological Diversity and the Food and Agriculture Organization (FAO) Treaty of the United Nations on Plant Genetic Resources for Food & Agriculture.

e) **Canadian General Standards Board (CGSB):**

CSGA provides input to committees developing standards for the agri-food sector such as organic certification.

vi) **Provincial Government**

Advisors on CSGA Board, appointed by provincial Ministers of Agriculture, provide crucial input on governance and policy development.



vii) **International**

a) **Association of Official Seed Certifying Agencies (AOSCA):**

As a founding member of AOSCA, which involves agencies from 44 U.S. states and 7 other countries, the CSGA is a recognized leader there with Doug Miller as Global Region co-chair on the Certification Standards Council, Mike Scheffel with his many years of regulatory experience and Glyn Chancey on the Board of Directors. In 2017–2018, Gail Harris, CSGA's Senior Standards Officer, was added as a member of AOSCA's Grass Committee and Alfalfa Committee, and Caroline Lafontaine, CSGA's Managing Director of Communications and Member Services, was added as a member of AOSCA's Education and Publicity Committee. In 2017, revisions of AOSCA standards included reduced the number of inspections for hybrid wheat crops and clarified certification requirements for contrasting kernel colours of wheat seed.

b) **OECD Seed Schemes:** At meetings of 61 member countries, CSGA actively supports the CFIA in representing Canadian concerns in the development of internationally recognized seed varietal certification standards and liaison with International Seed Federation (ISF), International Seed Testing Association (ISTA) and the International Union for the Protection of New Varieties (UPOV). In 2017, the OECD Seed Schemes adopted a more streamlined strategic plan with a focus on maintaining and promoting the technical quality and international value of its standards. Plans for 2018 include identifying implementation priorities for the new strategic plan.



OUR RESULTS: **SEED SYNERGY**

Launched in 2016, the Seed Synergy Collaboration Project involves the six organizations that make up the Canadian seed industry working together to develop a vision proposal for a next generation seed system. The six organizations are: Canadian Seed Growers' Association (CSGA), Canadian Seed Trade Association (CSTA), Canadian Seed Institute (CSI), Commercial Seed Analysts of Canada (CSAAC), Canadian Plant Technology Agency (CPTA) and CropLife Canada (CLC).

In 2016, the Canadian Food Inspection Agency (CFIA) announced modernization plans that included a complete review of the *Seeds Regulations* and CFIA seed program delivery. Members' views and their vision for a next generation seed system were important to CSGA and were confirmed by the partnership priorities established in the new CSGA Strategic Plan 2017–2023, in member input gathered through previous consultations in 2016, and an online survey in early 2017.

By mid-2017, a consensus summary document had been developed to describe Canada's seed system as well as a range of options for a next generation system. An official letter advised the Government of Canada of the *Seed Synergy Collaboration Project*.

At their 2017 annual meetings, the boards of all six organizations discussed how to move forward on the Seed Synergy Collaboration Project.

By late 2017, a Seed Synergy Oversight Committee, formed to ensure involvement of Boards in the project, oversaw development of a Green Paper which outlined proposals for a next generation seed system. The proposals involved reform in the areas of:

1. Research and Development
2. Market Entry and Commercialization
3. Production and Processing
4. Sales and Distribution

The proposals also involve a new value creation model and improved governance coordination of the seed system.

In early 2018, six workshops were held across Canada, in Charlottetown, Drummondville, Guelph, Winnipeg, Saskatoon and Edmonton, to solicit feedback on specific proposals in the Green Paper. And within CSGA, for more extensive input on Seed Synergy governance and EU Study Group issues, the CSGA Priorities Planning and Governance Committee formed a 'grassroots sub-committee'. To get more 'hands-on' experience with alternative governance models for national seed systems, a CSGA delegation completed a study tour and visited seed certification agencies in the Netherlands and France.

Next steps in 2018 involve follow-up work to the comprehensive Economic Impact and Risk Analysis of Green paper related change options identified in the Green Paper proposals. This includes further work in key areas such as Plant Breeding Innovation, Value Creation, Traceability and Single Window, as well as engagement within the seed industry and with other industry stakeholders and government.



OUR RESULTS: FINANCIAL UPDATE

STATEMENT OF FINANCIAL POSITION

The financial position of the association is improved as of April 30, 2018 relative to the previous year as the association's net assets increased by \$166,824. Notable contributions to the change in net assets is an operational surplus of \$266,946 and a re-measurement related to the pension liability that is against the association in the amount of \$99,218.

The association's net assets have a healthy operating reserve of 48.75% (available net assets over total expenses). This operating reserve is over 70% when third party expenses that flow through CSGA are taken into consideration (Branch fee paid out, CFIA inspections, Agri-Risk Program). This combined with low long-term debt provides the association with a good ability to fund future programs and support its mission.

The association should continue to target higher assets over current liability to ensure the required funds are available to meet future obligations.

STATEMENT OF OPERATIONS

Fee increases and continued strong membership and acreage levels as well as demand for client services led to an increase in fee revenue for the year-ended April 30, 2017 relative to the previous year of \$610,796. This combined with increased government program funding of \$638,874 accounts for the significant increase in total revenue of \$1,153,121.

Salaries and employee benefits increased by \$115,022 over the prior year, in part due to an increase in seasonal staffing to address increased cyclical work load pressures and in part as a result of initial efforts to begin to provide appropriate wage increases to bring staff remuneration into line with the industry norms; this to avoid losing key employees and incurring high training costs at a critical juncture in the organization's evolution.

This said, general administrative expenses of the association were lower than the prior year in the amount of \$60,812.00. This is attributable mainly to the availability of government funding to cover Seed Synergy Collaboration Project activities and CSGA standards modernization and a large decrease in special projects costs related to the completion of CSGA's strategic plan development project.

Other notable favourable decreases to general expenses over the prior year were to amortization expenses, the annual general meeting and professional fees for \$52,688, \$24,006 and \$151,394 respectively.

Notable increases to general expenses in the prior year were to staff travel, rent and directors' honoraria for \$29,777, \$11,372 and \$21,000 respectively.

There was good adhesion to the core (general and administrative expenses) budget since actual figures were significantly lower than the budget by \$438,467 and favourable for the association. The largest single deviation from the core budget was \$97,682 related to lower special project expenses followed closely by fewer director travel at \$96,879. Net fees were slightly higher than budget, and other revenue were lower than the budget.

The areas of highest deviation in the overall budget were in relation to the offsetting government grant (Agri-risk and Agri-marketing) components of revenues and expenses of \$638,874. This is explained by the fact that these funds were applied for after the 2017-18 budget was approved. We expect revenue and expenses associated with the Seed Synergy Collaboration Project and CSGA modernization work in future years, potentially as part of the government contribution agreements.

SUMMARY

Operating surpluses of \$266,946 occurred during the 2017–18 fiscal year and have contributed to strengthening the Association's overall financial position. Actual operations expenses were favourable when compared to the budget targets and overall, the association appeared to meet or exceed most of its financial performance targets.

*Audited Financial Statements for 2016–2017 are available at: www.seedgrowers.ca

Statement of Operations

Year ended April 30, 2018, with comparative information for 2017

	BUDGET	ACTUAL 2018	ACTUAL 2017
Revenue:			
Acreage fees	\$ 1,300,000	\$ 1,342,303	\$ 1,107,018
Membership fees	700,000	716,700	357,200
Project contributions – AgriRisk Program (schedule)	125,000	480,783	–
Project contributions – AgriMarketing Program	–	158,091	–
Branch acreage fees	440,000	446,789	436,443
Client service fees	394,705	388,496	372,485
Other revenue	315,325	206,637	233,181
Assessment for CFIA inspections	273,115	230,057	318,288
Branch membership fees	145,000	150,025	143,075
Plot fees	74,250	85,950	85,020
	3,767,395	4,205,831	3,052,710
Expenses:			
General and administrative expenses (schedule)	3,048,702	2,610,235	2,671,047
Branch fee paid out	585,000	596,814	579,518
CFIA inspections	273,115	230,057	318,883
Project expenses – AgriRisk Program (schedule)	–	480,783	–
Project expenses – AgriMarketing Program	–	158,091	–
	3,906,817	4,075,980	3,569,448
Excess (deficiency) of revenue over expenses before the undernoted	(139,422)	129,851	(516,738)
Other income (expense):			
Amortization of deferred capital contributions	139,422	139,422	163,591
Loss on disposal of capital assets	–	(2,327)	–
	139,422	137,095	163,591
Excess (deficiency) of revenue over expenses	\$ –	\$ 266,946	\$ (353,147)

Statement of Changes in Net Assets

Year ended April 30, 2018, with comparative information for 2017

	INVESTED IN TANGIBLE CAPITAL AND INTANGIBLE ASSETS	UNRESTRICTED	2018	2017
Balance, as reported	\$ 166,251	\$ 1,897,116	\$ 2,063,367	\$ 2,081,650
Excess (deficiency) of revenue over expenses	(2,327)	269,273	266,946	(353,147)
Remeasurements related to pension liability	-	(99,218)	(99,218)	334,864
Purchase of tangible capital and intangible assets	139,999	(139,999)	-	-
Amortization of tangible capital and intangible assets	(199,114)	199,114	-	-
Amortization of deferred capital contributions	139,422	(139,422)	-	-
Balance, end of year	\$ 244,231	\$ 1,986,864	\$ 2,231,095	\$ 2,063,367



Schedule of General and Administrative Expenses

Year ended April 30, 2018, with comparative information for 2017

	BUDGET	ACTUAL 2018	ACTUAL 2017
Salaries	\$ 1,028,407	\$ 957,390	\$ 882,582
Employee benefits	278,419	255,149	214,935
Travel, directors	332,700	235,831	230,641
Amortization of tangible capital and intangible assets	272,810	199,114	251,782
Annual general meeting	175,635	142,913	166,919
Travel, staff	92,600	110,728	80,951
Data processing	98,931	107,735	101,907
Special projects	204,913	107,231	259,129
Rent	96,197	106,048	94,676
Technical and data development	130,340	105,274	99,432
Honoraria	43,893	63,000	42,000
Professional fees	114,224	50,219	79,953
Insurance	32,487	38,763	32,460
Membership fees	25,425	26,552	18,251
Publicity	42,000	21,358	26,187
Rental of equipment	18,242	18,389	18,838
Internet and web site service	16,500	16,340	17,562
Office supplies and stationery	9,540	14,851	15,188
Postal services	12,879	13,151	12,901
Telephone	9,600	9,305	10,858
Printing	3,760	4,469	7,616
Presentations and sponsorships	5,700	3,200	3,150
Bad debts	1,000	2,178	1,694
Promotional material	1,500	649	1,003
Subscriptions	1,000	398	432
	\$ 3,048,702	\$ 2,610,235	\$ 2,671,047



OUR 2017 ANNUAL MEETING

The CSGA's 113th annual general meeting took place from July 10th to the 13th, 2017 at the Westin Nova Scotian in Halifax in conjunction with CSTA's annual general meeting. Highlights included the unveiling of CSGA's new strategic plan implementation priorities for 2017–2023 as well as debates and discussion on a wide range of seed sector policy issues. A joint CSGA-CSTA opening reception and dinner on July 10th and a joint business session on July 12th attracted over 700 participants between them. This new joint approach will be continued in Montreal, Quebec in 2018; Whistler, British Columbia in 2019 and Winnipeg, Manitoba in 2020.

At the Tuesday, July 11th business session, committee reports were presented and members approved the budget and financial statements; including changes to director compensation levels and modalities.

The focus of the Wednesday, July 12th joint session was the Seed Synergy Collaboration Project. Project highlights and accomplishments as well as work plan priorities were presented by the Executive Directors from the six member associations:

- Dave Carey for Canadian Seed Trade Association (CSTA);
- Glyn Chancey for Canadian Seed Growers' Association (CSGA);
- Roy van Wyk for Canadian Seed Institute (CSI);
- Lorne Hadley for Canadian Plant Technology Agency (CPTA);
- Krista Erickson for Commercial Seed Analysts of Canada (CSAAC); and
- Stephen Yarrow for CropLife Canada (CLC).

A seed sector panel then discussed Seed Synergy Collaboration options and answered audience questions. Moderated by Shawn Brook of Issues Ink, panel members included Jay Bradshaw, Cathy Fedoruk, Scott Horner, Jonathan Nyborg, Jeff Reid and Morgan Webb.

End Point Royalties (EPRs) were the focus of the next industry session on Wednesday. Anthony Parker, of the Canadian Food Inspection Agency (CFIA) explained how EPRs could work with amendments to the Plant Breeders Rights (PBR) Act. Erin Armstrong, of Canterra Seeds, reviewed EPR discussions of the Value Creation Working Group of the Grains Value Chain Round Table. Then an industry panel, moderated by Erin Armstrong, discussed the pros and cons of EPRs and replied to audience questions. The panelists were Kofi Agblor of the Crop Development Centre at University of Saskatchewan, Harvey Brooks of Saskatchewan Wheat Development Commission, Crosby Devitt of Grain Growers of Ontario and Lorne Hadley of Canadian Plant Technology Agency.

The final session on Wednesday involved the new CSGA Strategic Plan 2017–2023 with a focus on implementation priorities. These included updating content of and access to Circular 6, single window access to seed certification services, non-mandatory training and professional recognition programs for growers and increased collaboration with seed sector partner organizations.

The Wednesday meeting closed with an entertaining presentation by communication expert and humourist, Bill Carr, with his fresh perspective on how to face daily challenges.

After its own annual meeting on Wednesday, SeCan provided a lobster dinner and 'down east' entertainment for more than 200 members and industry colleagues at The Shore Club in nearby Hubbards.

On Thursday, July 13, reports were presented to CSGA members on recent activities of the:

- Association of Official Seed Certifying Agencies (AOSCA) by CEO, Chet Boruff;
- Authorized Seed Crop Inspection Service (ASCIS) Association by Director, Annie Bergeron;
- Canadian Seed Institute (CSI) by Executive Director, Roy van Wyk;

- Commercial Seed Analysts Association of Canada by President, Morgan Webb; and
- Canadian Food Inspection Agency (CFIA) Seed Section by National Manager, Wendy Jahn.

After a member to member session, resolutions were considered and two that were supported by members proposed clarifying the CSGA data provided to seed guide publishers and the licensing of all grain cleaning facilities.

At this 113th annual meeting in Halifax, the following CSGA recognition awards were presented to our industry's best:

- Honorary Life Award: Dale Adolphe of Ottawa, Ontario, Peter Boswall of Charlottetown, Prince Edward Island, and Dr. Richard Martin of Bedford, Nova Scotia;
- Robertson Associate Award: Jim Baillie of Tatamagouche, Nova Scotia, and Grahame Hardy of Iroquois, Ontario, and Kathy Hardy of Iroquois, Ontario.

*Minutes of the 2017 Annual Meeting, and a full listing of award recipients, are available at: www.seedgrowers.ca



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Glyn Chancey

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Dave MacKellar
Mark MacNaughton
Ryan Murray
Patti Rothenburger
Chami Amarasinghe
Bob Rugg
Djiby Sall
Peter Scott
David Wuthrich

AUDIT

André Lussier*
Roy Klym
Joe Rennick
Peter Scott
Richard Stamp

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Dale Connell
Doug Heaman
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Martin Provencher
Joe Rennick
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Bruce Coulman
Kevin Falk
Robert Graf
David Hume
Art McElroy
Jay Patel
Istvan Rajcan
Tom Warkentin

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Mitchell Japp
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Ryan Murray
Marian Stamp

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Dale Connell
Doug Heaman
Mitchell Japp
Bryan Harvey
Jonathan Nyborg
Joe Rennick
Martin Provencher
Djiby Sall
Richard Stamp
David Wuthrich

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Chami Amarasinghe
Hugh Berges
Bryan Harvey
Doug Heaman
Mark MacNaughton
Ron Markert
Joe Rennick
Djiby Sall

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Cathy Breadner
Jim Downey
Willy Drost**
Anita Gilmer**
Bryan Harvey
Rick Love
André Lussier
Norm Lyster
David MacKellar
Mark MacNaughton
Ron Markert
Ryan Murray
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Chami Amarasinghe
Bob Rugg
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* Chair

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