

**Manitoba Canola Growers Association
Annual General and Special Meeting
February 11, 2021
Virtual Meeting**

Link:

https://www.dropbox.com/sh/tubzxbev8vclwql/AAAxKv_jhcSX9jwPGaaUbMVqa/MB%20Canola%20Edit.mp4?dl=0

29 voting members
45 Guests
74 Total in attendance

1. Welcome and introduction by Clayton Harder, President – MCGA.

2. Adoption of Agenda:

Motion: To adopt the AGSM agenda.

M/S/C (Curtis McRae/Bill Nicholson)

3. Adoption of the minutes from February 13, 2020 Annual General Meeting.

Motion: To approve minutes of February 13, 2020 Annual General Meeting.

M/S/C (Charles Fossay/Don Thiessen)

4. Annual Report of the Association:

- MCGA Annual Report Video

5. CCGA Update

- Rick White CCGA update Video

6. CCC Update

- Jim Everson CCC update Video

Questions for Jim: How is our trade relationship with China?

Answer: 38:25 – We certainly continue to have market access issues with China. Two of our major exporters are still not able to trade canola seed with China. It is something the Canola council and CCGA have been working very hard on as we have alluded to in the videos up until now. It is a complex issue, it is impacted by bigger issues with the relationship with Canada and China and the relationship between USA and China. We've asked the Government of Canada to work with us, to ensure we have return to open predictable trade and have equity between the exporters and Canada. We are working really hard on the diversification side of things. We want to have China back and all of our exporters have access to it but we had a very successful mission with

South Korea, that Nicolea Dow has been involved with have been working with bio fuels issues and have had sessions with Japan, Pakistan, and Vietnam. Yes, we need to get China back, we need to continue our efforts on Market Development to increase value to producers and options for our industry.

Questions for Rick: Any changes in the cash advance program in 2021?

Answer: 40:46 – The cash advance program for 2021, there are no planned changes. The government made a change a year ago now by increasing to a million per advance per farmer and we don't see any additional changes. We at CCGA are enhancing our online application to eliminate the need of farmers to sign the electronic application by hand and send it back to us, and seeded acreage reports. We wanted to do electronic signatures to streamline it for you. That's on our end and being tested on our platform and should be done in a few weeks. Ongoing, we are working with Ag Canada trying to simplify the rules for existing APP customers. Those farmers who are already getting advance, are known to us already have a good track record, we think we should be able to lighten the load to streamline the process. We are working with Ag Canada to make that simpler.

Questions from the floor: Wilfred Harder asking CCGA what is your net income and value of total assets in 2020?

Answer: 42:42 – Not normally numbers they disclose but will share. CCGA net worth is \$50 million. Keep in mind our program in 2019 was a \$2 Billion program. Annual revenues are around \$36 million mark. All of our profits are generated by interest spreads between cheap rates from the banks and a very modest rate we issue to farmers. Our admin paid is \$0, our interest is prime -.75%.

Question to CCC: Ian Robson asked: Two companies had issues working in China, what did those companies do? What is CCC to do?

Answer: 44:45 – China had made a complaint that there was contamination in some seed deliveries that lead to these permits being removed. We have contested that; the companies have contested that and the Government of Canada has contested that. Working with China we have made efforts to determine what China's testing procedures have been. This is really tied up in a larger set of political issues between Canada and China and is going to be resolved as the government works through with China and its partners.

Clayton discussed MCGA's stance on the Responsible Grains Code of Practice, developed and proposed by the Canadian Roundtable for Sustainable Crops.

7. Financial Report George & Associates, CPA Inc. – Curtis McRae & Alex George

- Alex George presented the 2019/2020 financial statement of the association.

Questions from the floor: Ian Robson

There might be a proposed code re grain, but farmers have to meet CGC standards, which require best practice as it is right now. Vital to keep the CGC vs any switch to a voluntary code. Good to be concerned about code, Farmers are concerned about our

work, would be nice to get some pay to do so, rather than being squeezed by costs which rise with the price of grain---see fertilize which is just going up--for excuses.

Answer: 57:58 – Delaney Ross Burtnack: Certainly, one of the things we've acknowledged as we were reviewing this code put forward by the Canadian roundtable for sustainable crops. A good portion of the code referenced the law and various standards that we already adhere to. There is a significant amount of law and expectations governing farmers and that is something that needs to be acknowledged in whatever action that may or may not be taken from this, the story about farmers and their various ways they are sustainable, and their excellence needs to be told.

Questions from the floor: Jenneth Johanson Administration line increased year over last and exceeded budgeted value, what was the reasoning for increase of 85K? What is the budget for 2021 administration line item, is it expected to increase?

Answer: 59:48 – Alex George: It did increase along with wage increases which is the cost of living allowances included in that, as well as the new hire, Brenda Dyck. Oksana took on additional responsibilities so there are additional wage costs with that. There was also some turnover with some staff so that would have some impact there.

Action: To get back to Jenneth Johanson on this year's budget on administration line item.

Questions from the floor: Roberta Galbraith: What kind of strategy does MCGA have on the refund rates on check offs?

Answer 1:01:50 – Delaney Ross Burtnack: There are always important and valid reasons that farmers choose to refund their dollars, however it is also a reflection of us as an organization and the value we bring to our membership. We take that very seriously, that we as an organization can demonstrate our value in all the ways we deliver the programming. So, regarding a member's decision to keep their dollars with us, that is instilled in all of our programming. Addressing the membership – those farmers who are with us and those who are considering a refund, if the reason related to that refund is related to what we have done as an organization, that is a message to us to ensure that we are delivering the best that we can in meeting and exceeding our farmers expectations. Making sure we are delivering value and what our farmers need of us, is inherent in everything we do, and making sure the return back to farmers is maximized.

Motion: To approve the 2019/2020 Financial Report as presented.

M/S/C (Curtis McRae/Bill Nicholson)

Questions from the floor: Dean Harder: Fertilizer prices are quite high, would MCGA join other groups to raise the issue?

Answer : 1:04:45 -Delaney Ross Burtnack: That is something we can take back and look into, we have had discussions around the board table. The margin is impacted when the cost of input continues to rise.

Motion: To appoint DF George as the auditor for MCGA for the financial period ending July 31, 2021.

M/S/C (Don Thiessen/Nicolea Dow)

8. Bylaw amendments

Motion: To approve the bylaw amendments as amended to correct item #19.

M/S/C (Gunter Jochum/Nicolea Dow)

Motion: to approve the bylaw amendments as amended in item 19 of bylaw #1/2020.

M/S/C (Roberta Galbraith/Nicolea Dow)

Questions from the floor: Brendan Philips: A couple questions! While many of us farmers have serious concerns with the current code of practice as drafted, do you not feel producer groups issuing statements before consultation for individual producers closed might discourage some individual producers from engaging the process on their own? I feel feedback from farmers is far more important in this process than any other feedback, and my concern in issuing statement against the code of practice before consultations closed is that it inadvertently discourages participation by those who need to engage most in these consultations. What will MCGA do to help drive more producer engagement in this process? Us farmers can be known to shy away from these consultations.

Answer: 1:19:00- Delaney Ross Burtnack: Great point! It's a challenging situation to be in. There was a significant amount of feedback coming back from some of our members, raising concern and demanding where we stand on this code. Our board, recognizing that consultation is extremely important, (side bar) the canola family, all recognized that consultation by farmers was going to be critical on this code. We took a step beyond to ensure that there was an opportunity to take a deep dive into the consultation, that a surface level consultation was not going to cut it. We took it upon ourselves to create a focus group of 50 farmers from across the prairies, to dive into this and our communications have been heavily focused on encouraging farmers to get involved. The board did come forward with an interim statement that they object to the code as it is written but recognize action needs to be taken to some degree to deal with the risk that the farmers are facing more and more with the pressure from consumers to have their food sourced from a sustainable source, there is a risk to farmers there that we recognize. I can say with confidence, that it was not our intent to prevent farmers from getting involved, we encourage them to get involved and need to be involved. Our response has yet to be drafted in full, and we have yet to put our position forward. We strongly encourage farmers to share with us what their reaction is, what their comments are, whether they object, or they agree with comments. On our website we have included a member feedback form under the advocacy tab and it's a great way to use that form on what you have to say.

9. Resolutions

Resolution 1 –MCGA work with other commissions and organizations to advocate for the establishment of an Export Sales Reporting Program where all sales over the set minimum volume for canola seed, oil and meal, and other crops, must be reported daily to be compiled weekly and released in a timely fashion, to add valuable knowledge to aid producers in marketing of their production.

Whereas grain markets function best when all parties have access to the same sales information.

Whereas there are currently gaps in the market knowledge for canola and other crops grown in Western Canada.

Whereas Canada currently does not have mandatory export sales data reporting like producers have access to in the USA and a significant portion of Canadian canola seed, oil and meal is exported.

Be it resolved that MCGA work with other commissions and organizations to advocate for the establishment of an Export Sales Reporting Program where all sales over the set minimum volume for canola seed, oil and meal, and other crops, must be reported daily to be compiled weekly and released in a timely fashion, to add valuable knowledge to aid producers in marketing of their production.

M/S/C (Ron Krahn/Gunter Jochum)

Call for resolutions from the floor – Clayton Harder

- No resolutions came forward from the floor.

Motion: Manitoba Canola Growers Association act as the agent for producers in all matters relating to Scientific Research and Experimental Development (SR&ED) in regards to canola, as funded through MCGA.

M/S/C (Charles Fossay/Simon Ellis)

Motion: All acts, contracts, by-laws, proceedings, appointments, and payments, enacted, made, done, and taken by the directors and officers of the Association holding office from time to time since the last meeting of Members as previously reported or are as set out or referred to in the Annual Report of the Board or in the financial statements of the Association, be and are hereby approved, ratified, sanctioned and confirmed.

M/S/C (Robert Misko/Pam Bailey)

10. Other Business

- Thanked John Sanborn for his service to the board and Chuck Fossay for his time as President.

Note: We have a vacant spot on the board since John Sandborn left and will be taking nominations in the fall.

11. Canola Award of Excellence Video – Brian Chorney

12. Adjourn the 2020 MCGA Annual General & Special Meeting.- Clayton Harder