



Canadian Seed Growers' Association

# ANNUAL REPORT

2018-2019



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Audited Financial Statements for 2018–2019 and Minutes of the 2018 Annual Meeting are available at [www.seedgrowers.ca](http://www.seedgrowers.ca).

# MESSAGE FROM THE PRESIDENT

*As President, I am committed to strengthening the Canadian seed system by keeping the CSGA accountable to and engaged with its members and clients, which for the most part are one and the same. Publishing an Annual Report is an important part of this process, one that ensures transparency and allows members to assess whether the association's priorities are aligned with theirs. Staying in touch with members priorities begins, for me, down on the farm.*

I understand the value of a reliable seed certification system in Canada. Growing up on a seed farm in New Brunswick, my father Ivan encouraged me to get involved with CSGA. He had served on the CSGA Board and before passing in 2016, produced pedigreed seed for forty years. For the last eight years, I've worked at the national level and feel fortunate now to be your President at this critical juncture in the evolution of the Canadian seed system.

I also understand the importance of dedicated CSGA directors to the organization's and the seed industry's success. In my time on the Board I have served with the best, some of whom we recently gave special thanks to for their many years of outstanding service. Norm Lyster and Ron Markert from Alberta, Bob Rugg from Saskatchewan, Doug Heaman and Patti Rothenburger from Manitoba and Jack van Roestel from Nova Scotia all retired in 2018 and their wise counsel will be missed.

This year's Annual Report is noteworthy for covering a 9 month rather than a 12 month reporting period. This is the direct result of the recent Board decision to move the Association's financial year end from April 30<sup>th</sup> to January 31<sup>st</sup>, 2019. This decision was ratified at a Special Members Meeting in Winnipeg in November 2018. With this change come new benefits to members, including the ability to submit crop certification and membership applications up to

two months earlier in the season and to access CSGA's Annual Report prior to the July Annual General Meeting.

While Canada's seed certification system is tried and true and the blue tag continues to add value, there is always room for improvement. Our strategic plan leaves no doubt on this point, with its focus on continuous improvement on both the organizational and the seed system level. Nowhere is this more evident than in the CSGA's commitment to building partnerships, one of the most important of which is the Seed Synergy Collaboration Project.

In my short time as President, I've seen first hand the commitment of our Seed Synergy partner organizations (the Canadian Seed Trade Association, the Canadian Seed Institute, the Commercial Seeds Analysts Association of Canada, the Canadian Plant Technology Agency, CropLife Canada) and our provincial associations to work together to modernize the seed regulatory system. Thanks to this collective effort, our industry's modernization objectives are increasingly well understood and shared by both government and other key stakeholders. This is in no small part due to the release of the Seed Synergy White Paper in December 2018 and the efforts to build understanding and consensus around the ideas contained within it; as outlined in the *Partnerships* section of this Report.

In closing, back on our seed farm in New Brunswick, my son follows in the footsteps of his father and grandfather and builds on their work every day. As your President, I'll do everything in my power to ensure that you and your sons and daughters have the same opportunities going forward.

**Jonathan Nyborg**  
President



# WHO WE ARE

*The **Canadian Seed Growers' Association (CSGA)** is the national standards and certification organization assuring seed crop varietal integrity for the seed certification system in Canada. Since 1904, this non-profit organization, with 3,500 members in nine provinces and seven branches, 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 different varieties, of more than 40 different crop kinds, on more than 1.3 million acres. This constitutes one of the largest and diverse national acreages of certified seed in the world and ensures a reliable supply of high quality seed with assured genetic identity for both Canadian and export markets.

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 represents their interests on an ongoing basis and in a manner consistent with the continued well being of both Canadian agriculture and the pedigreed seed system.

CSGA membership, crops and acreage certified in 2018 are reported in the ensuing section *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

*Developed over a one year member engagement period from Spring 2016 and to Spring 2017, the CSGA's 5 year strategic plan was presented to members at its Annual General Meeting in Halifax, Nova Scotia in July 2017. The Plan provides CSGA's Board, staff and membership with a blueprint for positive change and clear deliverables. To date it*

*has proved effective in keeping CSGA focused on a core set of strategic objectives. In the process, it has helped seed growers provide the leadership expected of them in the ongoing effort to build a stronger seed system for Canada.*

Throughout the extensive consultations required in 2016–2017 to develop the Strategic Plan, CSGA members were asked to consider the changing environment in which the Association was operating. In particular, members were asked to examine the challenges and opportunities presented by that change, with a view to determining how CSGA could best contribute to the development of the seed sector as a whole. The federal government had recently revealed plans to modernize the entire seed regulatory system.

Information technology innovations were rapidly providing new ways to manage seed information and transforming the certification process itself. Disruptive biotechnologies, such as gene editing were providing new ways to develop seed traits and varieties. And five other national seed organizations and CSGA had just begun a collaborative dialogue that became known as the Seed Synergy Collaboration Project, with a view to developing a shared industry vision for a Next Generation Seed System.

The outcome was an ambitious Plan built around **five Key Result Areas** (KRAs) that reflected members profound commitment to ensuring that the CSGA put the Canadian seed sector and by extension Canadian agriculture first. Their foresight is even more apparent now than it was then, as these KRA's have proved to be of enduring relevance and strong drivers for positive change over the last two years of partnership and consensus building in the seed sector. They are:

## 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**

# OUR RESULTS:

## CERTIFICATION AND TECHNOLOGY SERVICES

*In 2018, 3,487 members applied for seed crop certification of 14,074 fields and 2,630 plots on 1,334,973 acres (540,244 ha) which included 2,326 different varieties of 46 different crop kinds.*

*Crop certification trends of 2018, from 2017, included:*

- soybeans (401,033 acres) continue to exceed wheat (378,429 acres);
- reduced acres of all major forage crops due to large carryover inventories: alfalfa (15%), brome grass (30%), fescue (28%), ryegrass (16%) and timothy (30%); and
- increased inspected acres of both wheat (3%) and canola (14%).

*The top five pedigreed crops by acreage in 2018 were soybeans, wheat, barley, peas and alfalfa.*

*The next five crops by acreage 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 CSGA certification.*

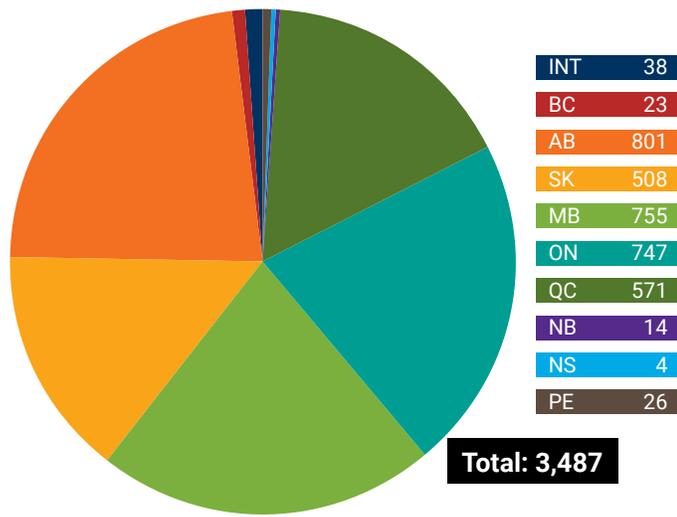


**Table 1: 2018 Inspected Acreage**

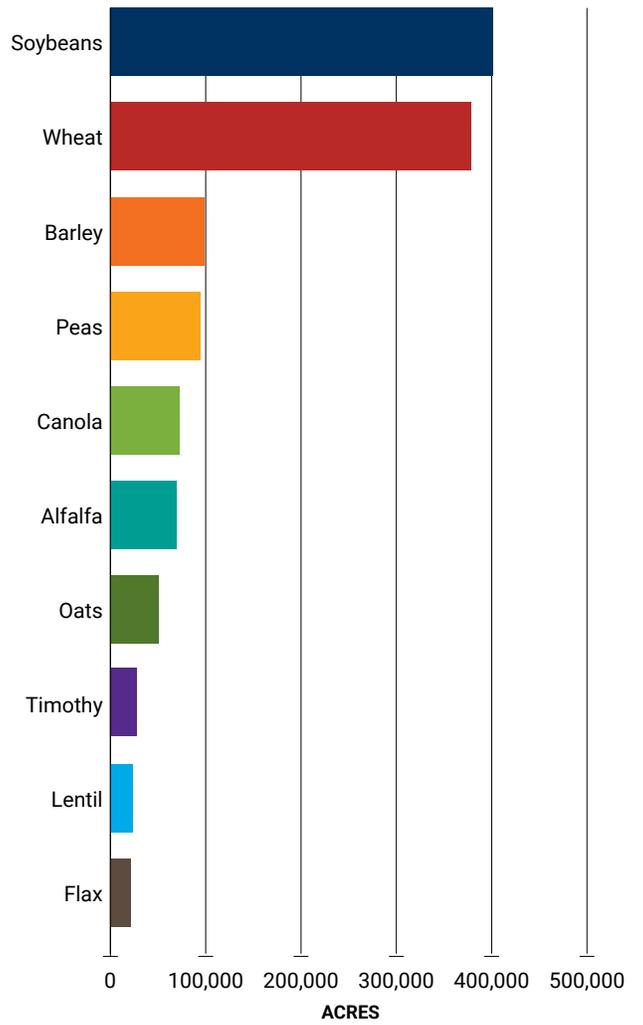
CROP KIND	PE	NS	NB	QC	ON	MB	SK	AB	BC	INT	2018	2017	2016	2015	2014	2013	2012	CHANGE (+/-)*
ALFALFA						12,028	14,008	43,614			69,650	81,573	81,260	69,967	56,319	51,019	47,456	-11,923
BARLEY	366		1,028	8,075	3,918	8,119	31,794	44,657	341		98,298	93,440	118,207	111,474	92,313	134,700	147,490	4,858
BEAN					2,500	607	329				3,436	4,163	3,348	3,846	4,032	4,001	5,645	-727
BIRDSFOOT TREFOIL						2,237	100				2,337	2,872	2,107	2,606	3,910	7,442	7,315	-535
BROMEGRASS						498	2,454	3,995	478		7,425	10,750	9,872	6,685	5,372	5,587	5,138	-3,325
BUCKWHEAT			453			414					867	1,352	1,582	1,141	730	743	1,231	-485
CANARYGRASS							2,115	35			2,150	1,624	550	195	275	385	1,654	526
CANOLA					257	55	18	66,190	93	6,337	72,951	59,263	58,801	53,831	62,942	79,861	68,184	13,688
CHICKPEA							2,583	2,626			5,209	3,207	2,814	956	3,508	4,476	1,921	2,002
CLOVER						920	2,755	921			4,596	6,243	6,106	5,870	2,494	4,247	3,886	-1,647
HYBRID CORN					15,247	50					15,297	18,224	18,487	13,692	19,161	31,926	29,562	-2,927
FABA BEAN					64	448	1,884	2,028			4,424	6,331	8,528	13,421	10,993	3,609	1,869	-1,907
FESCUE						5,277	1,155	6,725	300		13,457	18,675	19,398	14,501	10,230	12,039	10,875	-5,218
FLAX			15			3,467	12,630	5,014	74		21,200	21,341	21,081	40,017	39,338	24,649	16,545	-141
HEMP		18	20	133	475	1,085	1,727	1,736			5,193	13,373	7,248	8,322	9,690	5,595	7,388	-8,180
LENTIL							21,389	2,388			23,776	35,390	43,266	29,454	22,385	19,742	29,340	-11,614
MUSTARD						9	1,595	2,644			4,247	1,443	4,162	3,126	2,480	2,188	2,641	2,804
OATS	211		2,148	11,661	3,170	15,081	10,756	7,368	414		50,809	48,919	51,939	59,966	46,718	51,798	49,683	1,890
PEAS	2,288		155	217		6,029	42,401	41,989	965		94,044	85,565	92,668	71,426	64,354	58,165	58,311	8,479
RYE			22	159	53	760	196	1,568			2,758	3,581	7,783	6,186	5,659	6,775	5,318	-823
RYEGRASS						13,259	1,970	875			16,104	19,204	25,386	24,851	15,714	15,564	18,469	-3,100
SOYBEANS	911		434	49,190	128,345	204,250	17,138	765			401,033	402,254	314,533	338,769	319,416	299,350	255,062	-1,221
TIMOTHY						13,847	3,545	7,096	1,796		26,284	37,177	42,246	43,763	41,271	37,582	33,012	-10,893
TRITICALE			221	152			997	1,970			3,340	1,650	4,136	3,511	4,264	3,526	2,485	1,690
WHEAT	477	35	212	16,624	20,548	91,312	149,181	99,504	537		378,429	366,009	365,045	399,470	320,626	437,810	387,349	12,420
WHEATGRASS							1,470	4,646	30		6,146	6,387	6,376	5,044	4,959	3,857	5,290	-241
MINOR CROPS					1	389	94	985	42		1,511	3,221	9,136	3,716	2,626	3,284	3,648	-1,710
<b>2018</b>	<b>4,253</b>	<b>53</b>	<b>4,020</b>	<b>86,749</b>	<b>174,728</b>	<b>380,139</b>	<b>324,284</b>	<b>349,340</b>	<b>5,070</b>	<b>6,337</b>	<b>1,334,973</b>							
<b>2017</b>	2,873	74	3,660	87,139	178,398	390,982	330,473	345,766	6,874	6,935		1,353,175						-18,202
<b>2016</b>	2,105	125	4,052	93,684	181,200	357,791	327,480	345,216	5,655	8,758			1,326,064					27,111
<b>2015</b>	2,162	123	6,463	99,692	193,732	380,131	333,293	304,971	6,426	8,812			1,335,805					-9,741
<b>2014</b>	2,126	88	6,015	94,596	184,924	311,190	276,310	279,331	7,094	10,103				1,171,779				164,026
<b>2013</b>	3,471	62	6,563	89,356	205,373	330,648	330,040	325,708	5,962	12,736					1,309,919			-138,140
<b>2012</b>	3,364	98	6,322	88,310	194,771	298,430	312,510	289,286	4,887	8,786						1,206,765		103,154
<b>CHANGE (+/-)*</b>	<b>1,380</b>	<b>-21</b>	<b>360</b>	<b>-390</b>	<b>-3,670</b>	<b>-10,843</b>	<b>-6,189</b>	<b>3,574</b>	<b>-1,804</b>	<b>-598</b>								

\*Change between 2018 and 2017

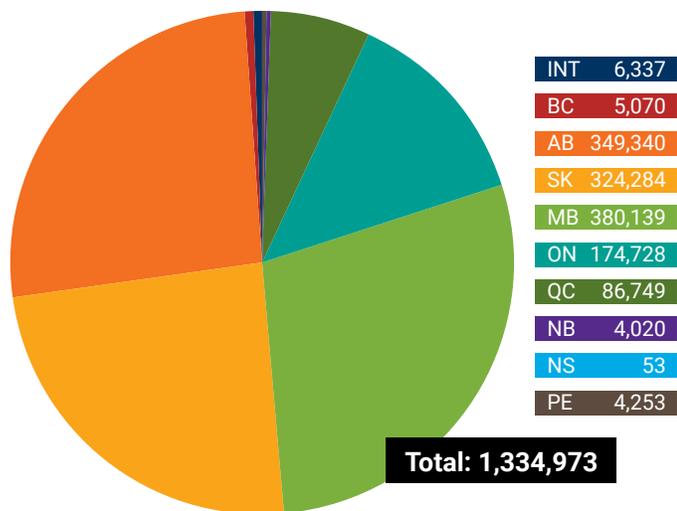
### CSGA Membership by Province 2018

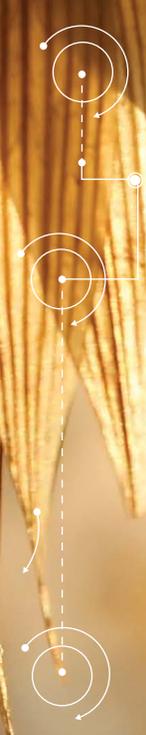


### Canada's Top 10 Pedigreed Seed Crop Kinds 2018



### Pedigreed Seed Crop Acreage by Province 2018





## OUR RESULTS:

# CERTIFICATION AND TECHNOLOGY

### Demotion Analysis

#### *2018–2019 Follow-up Actions on 2017 Demotion Analysis*

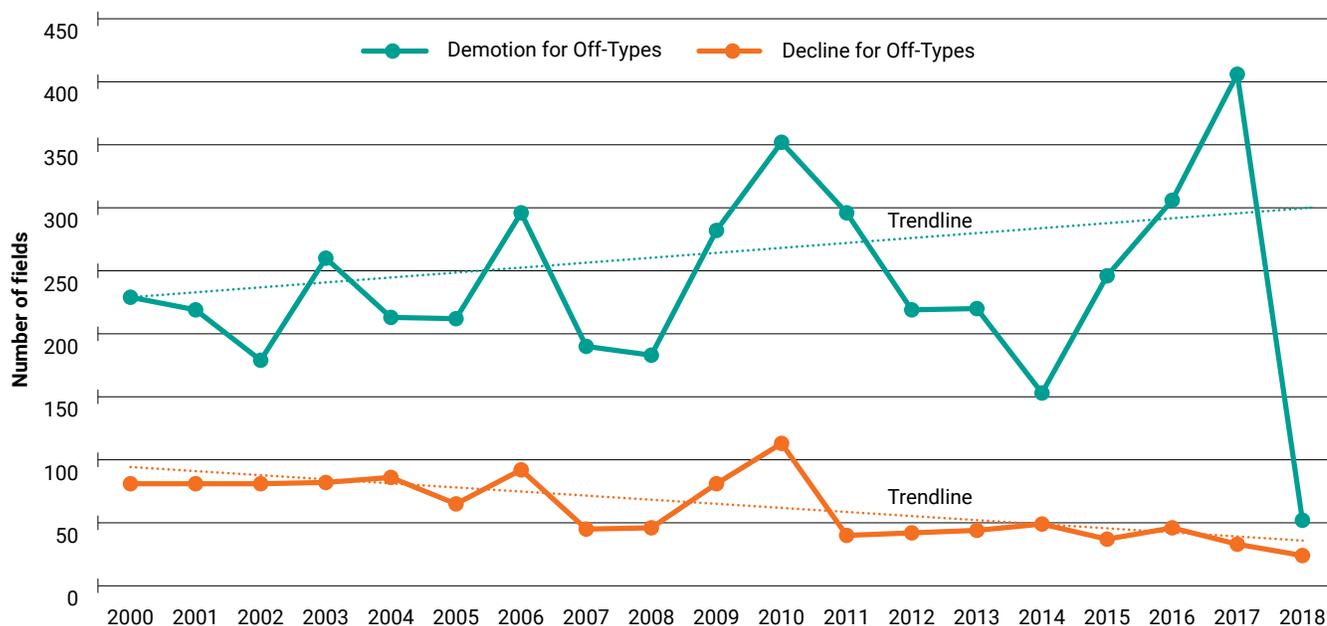
*In 2017–2018 there was a significant and unusual spike in demotions. This led to a comprehensive demotions analysis exercise in 2017 and the introduction of mitigating measures in 2018.*

### Background

When seed crops do not meet certification standards they are declined or demoted. Declined crops do not meet the standards for the lowest class (Certified); demoted crops receive a crop certificate for a class lower than originally intended (e.g., Registered or Certified instead of Select or Foundation). Reasons for declines or demotions include previous land use and impurities such as other varieties, off-types or other crop kinds.

As outlined in the table below, declines and demotions have traditionally involved about two percent (2%) of all crops. In 2017, however, demotions of seed crops hit an all-time high of more than 400 fields, a sharp spike from the low of 153 in 2014.

## Off-Type Demotions and Declines Trends (2000–2018)



In 2017, discussions with breeders, growers and distributors and analysis by CSGA staff identified potential contributing factors as well as potential solutions:

### Potential Contributing Factors:

1. Unstable varieties
2. Inadequate variety descriptions
3. Very strict standards for off-types

### Potential Solutions

1. Flush unstable varieties out; replacements are in the pipeline (developers)
2. New templates and online tools for submitting variety descriptions (CSGA, 2018)
3. New standards for soybean off-types (Circular 6 Modernization, CSGA, 2018)

In 2018, the potential solutions developed in 2017 were implemented. New templates and online tools were created for submitting variety descriptions and new standards for soybean off-types were approved. Of the measures taken, the introduction of new standards was likely the most impactful.

As outlined in the table above, the number of demotions in 2018 fell to 52 fields, mostly due to a reduction in soybean demotions from 300 to eight (8) fields. In addition, the number of soybean crops that were declined fell from eight (8) to one (1) in 2018.

Most soybean stakeholders were pleased with the adjustments to the soybean crop varietal purity standards and agreed that these provided a certified product that was fit for purpose. Some stakeholders in the non-genetically modified (GM) identity preserved (IP) soybean market expressed concerns that the changes to the standards would result in more incidences of GM contamination of non-GM soybean seed. Consequently, CSGA has increased their ongoing dialogue and information sharing with IP soybean stakeholders to ensure that the rationale for and potential impact of changes in seed crop standards is fully understood and that future adjustments remain sensitive to potential impacts on Non-GM crop production.



## OUR RESULTS:

# ASSURANCE SYSTEM AND STANDARDS MODERNIZATION

*An Assurance System and Standards Modernization initiative was launched in 2017. This multi-year initiative involves a comprehensive review and updating of CSGA's certification assurance system, standards and procedures.*

### Assurance System

Continuous improvement is an essential element of the CSGA quality management system (QMS). This includes modernization of information management (IM/IT) systems, vital to improving organizational efficiency and effectiveness, a Key Result Area in the CSGA Strategic Plan. In 2018, improvements for the Assurance System included:

- increased automation to CSGA's ability to annually review more than 7,500 tags and process more than 100 000 documents. A notable example was the replacement of manual daily distribution of post-inspection requirement notifications, with automated hourly distribution. This automation measure contributed to both improved internal process efficiency and more timely feedback and advice to growers with respect to what is required in particular cases to ensure rapid completion of crop certification.
- a new online Application Modification Form for growers to facilitate rapid adjustments to applications for crop certification after they have been processed by CSGA but before crop inspections have occurred. This provided growers with easier access to and control of their field records in the CSGA database while increasing the general level of data accuracy.
- a strategic transformation of the corporate ISO certification model, with its annual third party audit, from the limited scope of ISO 9001:2008 to ISO 9001:2015 which now includes all aspects of CSGA work. The scope of the new model extends to policy and program development, certification, standard setting, member services and other functions. This in turn supports CSGA objectives for customer satisfaction, reduction in errors and delays, cost effectiveness, benchmarking, increased productivity, evidence-based decision making and continuous improvement.

- improvement of inspection report appraisal performance through expansion of the seasonal Remote Appraiser Program to provide cost effective surge capacity. Seasonal appraisers were trained for Registered and Certified inspection reports of cereals and pulse crops. This additional investment resulted in decreased processing time for all crop types and freed experienced full time staff to engage in the more challenging appraisals and other business priorities. The overall impact in 2018 was a 20% improvement in turnaround time for appraisals.
- comprehensive strategic audit of CSGA IM/IT systems in 2018 revealed a need to enhance system capacity and capability in anticipation of future demands. This in turn led to informed Board decisions to accelerate investment in technology solutions.
- significant progress was made in developing end-to-end digital solutions to respond to evolving client needs. This included database development to support electronic Pedigreed Seed Declarations and other seed certification documents as well as new measures to address the longstanding problem of incomplete and/or unavailable variety descriptions.
- work advanced on a Proof-of-Concept for Single Window and related Seed Blockchain enabled services in consultation with government regulators, growers, variety developers and distributors, among others.

## Standards and Procedures

As part of the Assurance System Modernization initiative, CSGA began a complete review of its *Regulations and Procedures for Pedigreed Seed Crop Production* (Circular 6) in autumn 2017. Six crop-specific working groups were established to review and recommend changes to the standards. These changes took the form of Phase One (technically simpler) changes that were implemented in 2018 and Phase Two (more difficult) changes that were identified as future priorities.

Working groups, for Cereals, Pulses, Soybeans, Canola/ Mustard, Forages and Hemp, included plant breeders, seed growers, variety developers and distributors, crop inspectors and government representatives. Phase One resulted in approximately 30 changes to Circular 6

Standards in 2018. These included requirements for previous land use, isolation, weeds, and maximum impurity standards, primarily in cereal, pulse, soybean and hemp crops.

To inform Phase Two work, a survey of seed value chain stakeholders was undertaken in 2018. It ran from mid-winter to late fall and resulted in several of the crop-specific working groups proposing changes that were implemented for 2019. These include new standards for hybrid wheat, revising isolation and inspection timing standards for hemp, and clarifying impurity standards for canola crops.

Responding to issues identified in ongoing member engagement, two new working groups emerged in 2018, a Mustard Working Group and an Identity Preserved (IP) Soybean Working Group, to develop standards for hybrid mustard and communicate the objectives and limitations of seed varietal certification, respectively.

Stakeholders have strongly supported the process of modernizing CSGA standards through the crop-specific working group model and their associated technical expertise and related consultation surveys of seed value chain stakeholders. Consequently, the CSGA Board of Directors will be incorporating the expert working group model into a modernized Terms of Reference for its Standards and Circular 6 Committee, making it a permanent fixture going forward.

Future plans for Assurance System Modernization of CSGA standards and procedures include updating the format and design of Circular 6 as well as improving access to these standards. In this regard, an online tool is being developed so this information is more easily accessible to users.

Perhaps more importantly, the Board of Directors has begun to examine more closely key components of the current CSGA system, with a view to informing the broader exercise of Next Generation Seed System Development being addressed by the Seed Synergy Partnership (through its White Paper) and the CFIA through its Seed Regulatory Modernization initiative.



## OUR RESULTS:

# COMMUNICATIONS, MEMBER SERVICES AND STAKEHOLDER RELATIONS

*CSGA is committed to providing prompt effective services and communications in both official languages to its members and clients. Members have secure online access anytime to their certification records and have a range of communication options with CSGA staff, including phone, email or online chat. In addition, CSGA Executive, Board and Staff proactively engage on matters of import to our members and to the seed certification system on an ongoing basis.*

### **Communications:**

- *Seed Scoop*, a regular e-newsletter covering CSGA activities of note.
- *Seed to Succeed*, a semi-annual publication on current seed sector issues

### **Member Services:**

- a *National Pedigreed Seed Locator*, an online searchable database tool for all seed crops annually certified by the CSGA including members' previous year carryover seed. This data is also provided to publishers of provincial seed guides.
- Access to seed education modules for colleges, universities, secondary and elementary schools
- Access to an Agri-Retailer Education Program on Certified seed with the Canadian Association of Agri-Retailers (CAAR)

2018–2019 initiatives of note include:

- The initiation of work to develop and implement a national online training program for seed production. This four-year project will provide the seed sector with readily accessible learning materials to

support on-the-job training and seed grower quality management systems development. In 2018–2019 efforts focused on the initial phase of development of national occupational standards for seed production via a series of workshops with growers across the country.

- Continued advocacy for seed grower access to the temporary foreign workers program.
- SeedTALK, CSGA’s member engagement platform, was enhanced in 2018 to more effectively survey and capture member feedback on specific issues like standards modernization recommendations, a review of membership structure and Seed Synergy project proposals.
- The CSGA fiscal year was changed from ending April 30<sup>th</sup> to January 31<sup>st</sup> at a Special Meeting of Members in Winnipeg, Nov 21, 2018. This will help CSGA produce financial plans better aligned with its primary operating season period and enable delivery to members of the annual audited financial statements well in advance of their Annual General Meeting in July. With this change, CSGA membership and crop certification applications will also be available earlier each spring, letting members complete their initial application paperwork well before field work begins.

### Stakeholder Relations:

- Always a priority at CSGA, stakeholder relations activities ensure that the Seed Grower voice is heard wherever and whenever it needs to be. In 2018–2019 the CSGA was able to increase the effectiveness and efficiency of its efforts in this area by increasing coordination with its industry partners, in the process reducing costs to CSGA and increasing impact. These partners include:
  - **Branch Associations** provide regional representation of seed growers and seed certification interests in each province and an important challenge function within the national the CSGA assurance system. CSGA directors are nominated by each Branch and provincial government advisors are nominated by their respective Ministers. A staff level Inter-Branch Management Team ensures effective communication,

coordination and joint decision making among the national and provincial associations.

- **Plant Breeders** from many countries, who meet CSGA regulatory requirements, are provided professional recognition by the CSGA for Breeder seed certification. In 2018–2019, nine (9) new Breeders and three (3) new Associate Breeders joined the 596 Breeders and Variety Maintainers recognized by CSGA.
- **The Seed Synergy Partners** worked closely to ensure optimal alignment of seed industry positions on a wide range of issues in 2018–2019. The details surrounding their achievements outlined in the next section of the Report: *Our Results: Partnerships*. The Partners are:
  - **Canadian Seed Growers’ Association**
  - **Canadian Seed Trade Association**
  - **Canadian Seed Institute**
  - **CropLife Canada**
  - **Commercial Seed Analyst Association of Canada**
  - **Canadian Plant Technology Agency**
- **Value Chain Partners**
  - **Canadian Federation of Agriculture (CFA):** Active membership by CSGA supports seed sector policy coordination with the CFA position on agricultural policies and programs.
  - **Canada Grains Council (CGC):** Active CGC membership by CSGA and participation in the Grains Roundtable ensures seed sector policy coordination with grains and oilseed sectors.
  - **Canadian Association of Agri-Retailers (CAAR):** provides the Agri-Retailer Certified Seed Training Program developed with CSGA.
  - **Canadian Agricultural Human Resource Council (CAHRC):** In 2018, CSGA received CAHRC approval for funding, from Employment and Social Development Canada (ESDC), and CAHRC support to develop and implement a national online training program for seed production. This four-year project will provide the seed sector with learning materials to support on-the-job training and quality

management systems that meet industry standards. The first step in 2018 involved experienced seed growers defining the specific tasks to be included in new National Occupation Standards for seed production.

- **Canadian Roundtable for Sustainable Crops (CRSC):** CSGA actively supports the CRSC's mission to create value for all members of Canada's grains sector as a national forum for advancing, reporting on and communicating the sustainability of Canada's grain production.

- **Federal Government**

- **Agriculture & Agri-Food Canada (AAFC):** CSGA is active on AAFC Roundtables for Grains, Special Crops, Seed and Bee Health. All involve issues that can impact seed growers.
- **Canadian Food Inspection Agency (CFIA):** CSGA works closely with many CFIA staff in seed related programs. In 2018-2019, this involved ongoing Alternative Service Delivery transition work by the Technical and Industry-Government Working Groups, standards for licensed seed crop inspectors, improving variety description operations, lab liaison and priorities for the Variety Verification Program as well as ongoing senior management discussions of CFIA regulatory modernization plans.
- **Health Canada (HC) (Cannabis Legalization and Regulation Branch):** CSGA is an original member of the Interdepartmental Working Group on Hemp Cultivars which annually recommends those hemp varieties to be on HC's List of Approved Cultivars and any that should be removed from the list due to high THC levels. In 2018, CSGA provided technical support for standards development required for cannabis legalization and partnered with HC to publicise seed import regulatory requirements.
- **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.
- **Innovation, Science and Economic Development Canada (ISED):** On behalf of itself and a number of partner organizations, CSGA led efforts to

secure long term funding for seed and crop systems modernization through ISED Canada's Strategic Innovation Fund (SIF) while advancing industrial research, development and technology demonstration through collaboration among academia, non-profit organizations and the private sector.

- **Canadian General Standards Board (CGSB):** CSGA provides input to CGSB committees developing national standards for the agri-food sector such as organic certification.

- **Provincial Governments:** Provincial government Advisors on the CSGA Board, appointed by provincial Ministers of Agriculture, provide important advice and guidance on governance and policy development.

- **International**

- **Association of Official Seed Certifying Agencies (AOSCA):** As a founding and ongoing prominent member of AOSCA, CSGA plays a key leadership role in ensuring that this important standard setting organization effectively facilitates the movement of pedigreed seed among 44 U.S. states, Argentina, Australia, Brazil, Chile, New Zealand, South Africa and Canada. The CSGA works closely with the CFIA, the CSI and other Canadian seed industry stakeholders to develop and advance Canadian positions and its staff are actively engaged in the governance and operation of the organization. In 2018, AOSCA undertook a number of initiatives of relevance to Canada, including changes to chickpea and breeder seed label standards and research on requirements for cereal seed hybridity verification.
- **OECD Seed Schemes:** At meetings of its 61 member countries, CSGA actively supports the CFIA in developing and representing Canadian positions on the development of internationally recognized seed varietal certification standards as well as the Seed Schemes' liaison with the International Seed Federation (ISF), International Seed Testing Association (ISTA) and the International Union for the Protection of New Varieties (UPOV). In 2018, the rules of the OECD Seed Schemes were revised to permit certification of varietal mixtures of maize (corn) to enable certification of varietal blends for plant pest management purposes (i.e. refuge in a bag). To address emerging technical challenges, a new working group was established in 2018 on new seed production techniques for hybrids.



## OUR RESULTS: **SEED SYNERGY**

*The Seed Synergy Collaboration Project was CSGA's priority partnership building initiative in 2018–2019 and is a cornerstone of its current Strategic Plan. In 2018–2019 a significant amount of staff and board time was invested in the project, with substantial progress made on all fronts.*

The Project was launched in 2016 and involves six national seed organizations. They are the Canadian Seed Growers' Association (CSGA), Canadian Seed Trade Association (CSTA), Canadian Seed Institute (CSI), Commercial Seed Analysts Association of Canada (CSAAC), Canadian Plant Technology Agency (CPTA) and CropLife Canada (CLC).

The goal of the project is to develop a shared vision of a Next Generation Seed System for Canada and to develop and implement a plan to achieve it. The current version of the Plan is the "White Paper." A copy of the Paper, along with other Seed Synergy Project material documenting the steps of its development, is available at [www.seedsynergy.net](http://www.seedsynergy.net).

In late 2018, after almost two years of consultation, analysis, concept development and refinements, the Seed Synergy White Paper was finalized and endorsed

by the respective boards of directors of the participating organisations as a basis for engaging government, members and other stakeholders. The paper proposes six specific reforms in three thematic areas as follows:

### **Stimulating Innovation**

1. Improved delivery of the regulatory scheme for plant breeding innovation
2. Seed variety use agreement (trailing royalty) for intellectual property (IP)-protected varieties

### **Modernizing the Seed Regulatory Framework**

3. Amend the *Seeds Regulations* to allow for incorporation by reference and other changes
4. Delegate authority for the seed certification program to a consolidated industry body
5. Create a single window for all seed regulatory services

### **Building the Next Generation Seed Organization**

6. Create a more efficient and effective industry organizational model

## STIMULATING INNOVATION

Engagement with government and other agricultural industry stakeholders around the White Paper themes began in earnest in the fall of 2018. Initial efforts centred on advancing the development of options for improving the regulatory scheme for plant breeding innovation. This led to the formation of a number of industry-regulator working groups to address outstanding issues.

In parallel, work progressed on efforts to build consensus on the need to strengthen intellectual property protection for PBR protected varieties. By late 2018, Agriculture and Agri-Food Canada (AAFC) and the Canadian Food Inspection Agency (CFIA) began a preliminary engagement process on new funding models for cereals research and variety development in Canada. Two models were proposed, with both designed to generate additional revenue for breeders from farm saved seed (FSS) and both enabled by amendments to the *Plant Breeders' Rights Regulations*.

The two proposed Value Creation models were described by AAFC and CFIA as:

*End point Royalty model (EPR)*: royalties collected on all harvested grain, including production from FSS, and distributed to plant breeders; and

*Trailing Royalty model (TR)*: royalty collection enabled via production contracts with contractual restrictions on FSS use or royalty payments for FSS made directly to plant breeders.

Initial response to these proposed models from most primary producer organizations has been to request a third option and more on-farm economic impact information.

## MODERNIZING THE SEED REGULATORY FRAMEWORK

Discussions with government on the Seed Synergy proposals for Modernizing the Seed Regulatory Framework were initiated in late 2018. In early 2019, agreement was reached to use Agriculture and Agri-Food Canada's Seed Sector Value Chain Round Table (with its cross section of seed and agriculture sector stakeholders) as the primary vehicle for developing recommendations to CFIA on Seed Regulatory Modernization. This vehicle provides an important means for the CSGA and its partners to inform the governments' priorities in this area.

## BUILDING THE NEXT GENERATION SEED ORGANIZATION

Prior to the CSGA Board's endorsement of the White Paper in December 2018, CSGA Board level representatives Jonathan Nyborg and Ron Markert had been engaged in discussions with representatives of their Seed Synergy partner organizations on the Next Generation Seed Organization Model. These discussions, which occurred in the fall of 2018, served to identify a number of questions around the role of a new organization, how it would be governed, the relationship of provincial seed grower associations to a new organization, the membership criteria, and other questions.

In late 2018, the CSGA Board met to consider advice from key committees and experts on the Next Generation Seed Organization model idea; including membership structure considerations, potential governance models and other merger related analysis. After comprehensive deliberations, the Board concluded that CSGA's next essential step was to share this advice and get members' feedback on the White Paper proposals at the annual meetings of provincial branches and associations.



## OUR RESULTS: **FINANCIAL UPDATE**

*The change in CSGA fiscal year to end January 31<sup>st</sup>, instead of April 30<sup>th</sup>, passed by resolution at a Special Meeting of Members on Nov 21, 2018, will help the CSGA produce financial plans more aligned with its primary operating season and provide annual financial reports to members well in advance of their Annual General Meeting in July.*

### **STATEMENT OF FINANCIAL POSITION**

The financial position of the association is improved as of January 31, 2019 relative to the previous year as the association's net assets increased by \$73,676. The most notable contribution to the change in net assets is an operational surplus of \$63,740.

The association's net assets have a healthy operating reserve of 61.08% (available net assets over total expenses). This operating reserve is over 79.86% when third party expenses that flow through CSGA are taken into consideration (Branch fee paid out, CFIA inspections). 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**

The Statement of Operations for 2018–2019 covers a nine month period. This stems from the change in the Association's year end from April 30<sup>th</sup> to January 31<sup>st</sup>. Any comparison with the previous reporting period should take this into account.

Fee revenue relative to the previous year remained stable despite the shorter reporting period. This is due to the fact that CSGA fee revenue is collected primarily in the May to January period and therefore was not impacted by the shortened reporting period. Government funding for CSGA's major special projects ended on March 31, 2018 and was not available in 2018-2019. This explains the drop in project contributions of \$638,874 as well as the drop in total revenue of \$625,978 relative to the previous year.

The absence of external funding for major special projects in 2018–2019, most notably the Seed Synergy and CSGA modernization initiatives, resulted in an increase in CSGA special project expenditures of \$167,275 relative to the previous year. This stemmed from the CSGA Board's decision to continue to invest in this work in the absence of government support. Other areas impacted by the Board's decision to continue supporting these initiatives were directors' and staff travel expenses which increased by respectively \$80,210 and \$30,682 relative to the previous year.

Overall, the general administrative expenses of the association were higher than the previous year in the amount of \$50,021. As previously noted, this is attributable primarily to increased CSGA investment in

advancing priority special project initiatives previously underwritten by external contributions.

\*Audited Financial Statements for 2018–2019 are available at [www.seedgrowers.ca](http://www.seedgrowers.ca).

## Statement of Operations

Period ended January 31, 2019, with comparative information for the year ended April 30, 2018

	BUDGET	ACTUAL 2019	ACTUAL 2018
<b>Revenue:</b>			
Acreage fees	\$ 1,300,000	\$ 1,312,385	\$ 1,342,303
Membership fees	720,000	699,400	716,700
Project contributions	759,956	–	638,874
Branch acreage fees	450,000	480,049	446,789
Client service fees	464,342	429,014	388,496
Other revenue	446,100	229,214	206,637
Assessment for CFIA inspections	259,459	195,891	230,057
Branch membership fees	150,000	146,780	150,025
Plot fees	80,000	87,120	85,950
	<b>4,629,857</b>	<b>3,579,853</b>	<b>4,205,831</b>
<b>Expenses:</b>			
General and administrative expenses (schedule)	3,169,566	2,753,598	2,610,235
Branch fees paid out	600,000	626,829	596,814
CFIA inspections	259,459	195,641	230,057
Project expenses	500,000	–	638,874
	<b>4,529,025</b>	<b>3,576,068</b>	<b>4,075,980</b>
Excess (deficiency) of revenue over expenses before the undernoted	100,832	97,127	129,851
<b>Other income (expense):</b>			
Amortization of deferred capital contributions	59,956	59,955	139,422
Loss on disposal of capital assets	–	–	(2,327)
	<b>–</b>	<b>59,955</b>	<b>137,095</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 100,832</b>	<b>\$ 63,740</b>	<b>\$ 266,946</b>

## Statement of Changes in Net Assets

Period ended January 31, 2019, with comparative information for the year ended April 30, 2018

	INVESTED IN TANGIBLE CAPITAL AND INTANGIBLE ASSETS	UNRESTRICTED	2019	2018
Balance, as reported	\$ 244,231	\$ 1,986,864	\$ 2,231,095	\$ 2,063,367
Excess (deficiency) of revenue over expenses	-	63,740	63,740	266,946
Remeasurements related to pension liability	-	9,938	9,938	(99,218)
Purchase of tangible capital and intangible assets	51,692	(51,692)	-	-
Amortization of tangible capital and intangible assets	(110,732)	110,732	-	-
Amortization of deferred capital contributions	59,955	(59,955)	-	-
<b>Balance, end of period</b>	<b>\$ 245,146</b>	<b>\$ 2,059,630</b>	<b>\$ 2,304,773</b>	<b>\$ 2,231,095</b>



## Schedule of General and Administrative Expenses

Period ended January 31, 2019, with comparative information for 2018

	BUDGET	ACTUAL 2019	ACTUAL 2018
Salaries	\$ 1,125,765	\$ 927,186	\$ 957,390
Employee benefits	364,444	293,162	255,149
Travel, directors	259,000	316,041	235,831
Amortization of tangible capital and intangible assets	204,000	110,732	199,114
Annual general meeting	250,000	180,277	142,913
Travel, staff	135,000	141,410	110,728
Data processing	110,144	91,450	107,735
Special projects	80,000	247,275	107,231
Rent	108,165	79,595	106,048
Technical and data development	157,809	89,426	105,274
Honoraria	84,000	83,500	63,000
Professional fees	95,000	56,560	50,219
Insurance	32,472	26,466	38,763
Membership fees	32,425	9,956	26,552
Publicity	32,000	21,955	21,358
Rental of equipment	14,500	12,361	18,389
Internet and web site service	19,242	9,364	16,340
Office supplies and stationery	21,500	18,141	14,851
Postal services	12,000	10,819	13,151
Telephone	8,000	8,007	9,305
Printing	4,000	5,770	4,469
Presentations and sponsorships	12,600	11,330	3,200
Bad debts	5,000	2,572	2,178
Promotional material	1,500	-	649
Subscriptions	1,000	243	398
	<b>\$ 3,169,566</b>	<b>\$ 2,753,598i</b>	<b>\$ 2,610,235</b>



# OUR 2018 ANNUAL MEETING

*Highlights of the CSGA's 114<sup>th</sup> Annual General Meeting, July 10–12, 2018, at the Sheraton Centre Montreal, included a special joint session all Wednesday morning, July 11<sup>th</sup> to discuss CSGA and CSTA members' concerns about the next generation seed system proposed by the Seed Synergy Collaboration Project. The large turnout at this session was made possible by CSGA and CSTA agreeing to coordinate their annual meetings in Halifax 2017, Montreal 2018 and Whistler in 2019. This increased not only business networking opportunities but also shared social events.*

After a joint CSGA-CSTA lunch on Wednesday, a panel discussion on how Canada's seed system compares

to other countries, especially the Netherlands and France, followed a related presentation by Dr. John Groenwegen author of *Canada's Seed System: Economic Impact Assessment and Risk Analysis*. Panelists who shared their experience on this topic included Bryan Harvey, University of Saskatchewan emeritus barley breeder, André Lussier, a CSGA director from Quebec, Ken Bertsch, State Seed Commissioner from North Dakota, Marcus Weidler, seeds vice-president with Bayer CropScience and Laurie Wakefield, a CSGA director from Saskatchewan. Laurie and André were delegates on the CSGA visit to Europe in 2018 to meet seed industry and government officials to learn how other countries organize their seed certification systems.

At the Wednesday afternoon business meeting, Kevin Runnalls, CSGA President, reported on 2018 activities of the Association and recent Seed Synergy developments especially the next steps required with other agricultural organizations to build consensus around the emerging vision of a next generation seed system. The President's report included asking members for a show of hands on Seed Synergy progress so far which confirmed CSGA was on the right track.

Jonathan Nyborg, CSGA 1<sup>st</sup> Vice President, presented the Executive Committee Report and Glyn Chancey the Executive Director's Report with updates on CSGA staff, ISO 9001:2015 certification, office priorities and an overview of the audited Financial Report for CSGA.

To close the Wednesday afternoon business meeting, Chet Boruff, CEO of the Association of Official Seed Certifying Agencies (AOSCA), reported on developments in 2018 at AOSCA, which Canada helped launch in 1919 and now includes member agencies from 44 U.S. states, Argentina, Australia, Brazil, Chile, Canada, New Zealand and South Africa.

The CSGA business meeting on Thursday morning, July 12<sup>th</sup>, after the SeCan Annual General Meeting, opened with Jonathan Nyborg thanking and presenting service recognition plaques to directors retiring from the CSGA Board: Norm Lyster and Ron Markert from Alberta, Bob Rugg from Saskatchewan, Doug Heaman and Patti Rothenburger from Manitoba and Jack van Roestel from Nova Scotia.

Norm Lyster, CSGA Past President presented the Nominations Report, introduced the eight CSGA Board Advisors to the Board appointed by their provincial Ministers as well as the fifteen Grower Directors elected by members of their Branches.

Highlighting Thursday morning was a panel session on *CSGA Modernization: Laying the Foundation for a Next Gen Seed System* moderated by Shawn Brook of Issues Ink. Panelists included Rick Frieman, of RICOH Canada digital business services, Eric McLean and Dale Connell, CSGA directors and experienced grower-conditioners, Roy van Wyk, Executive Director of Canadian Seed Institute (CSI), and Doug Miller, CSGA Managing Director. Panel discussions included CSGA modernization priorities for professional development and IT systems and an overview of the Single Window proposed by Seed Synergy.

The morning business meeting on Thursday closed with a report by Wendy Jahn, National Manager of the CFIA Seed Section, on Regulatory Modernization plans and recent seed related developments at the CFIA. In response to members' questions about a potential conflict of interest for CSGA as a regulator in the National Seed Organization proposed by the Seed Synergy project, she replied that the proposal could work as long as any potential conflicts of interest are recognized and systems are created to manage them.

Thursday afternoon opened with a panel discussion on *CSGA's Grassroots: Where to go next?* moderated by consultant Jeremy Latta. Panelists included experienced seed growers and some members of CSGA's Grassroots Committee: Martin Provencher, Annie Bergeron, Mike Scheffel, Barry Reisner, Craig Riddell, Glenn Logan and Carl Bolton. Panel discussions provided experienced grassroots perspectives on next generation seed system and Seed Synergy proposals.

To close the Thursday, July 12<sup>th</sup> CSGA business meeting, Kevin Runnalls passed the gavel to Jonathan Nyborg and introduced him as the new President of CSGA.

At the closing Awards Dinner of CSGA's 114<sup>th</sup> annual meeting in Montreal, some of the best in our seed sector were recognized by the CSGA. Honorary Life Awards were presented to David Akister of Yorkton, Saskatchewan, Ellen Sparry of Palmerston, Ontario and Cécile Tetreault of St-Hyacinthe, Québec. Robertson Associate Awards were presented to Marc Bercier of St-Isidore, Ontario, and Daniel Lanoie, Saint-Hugues, Québec.

\* Minutes of the 2018 Annual Meeting are available at [www.seedgrowers.ca](http://www.seedgrowers.ca).

# OUR BOARD

## EXECUTIVE

**Jonathan Nyborg**  
President

**Joe Rennick**  
1<sup>st</sup> Vice President

**Dale Connell**  
2<sup>nd</sup> Vice President

**Kevin Runnalls**  
Past President

**Djiby Sall**  
Provincial Government Advisor

**Glyn Chancey**  
Executive Director

## BRITISH COLUMBIA

**David Wuthrich**  
Cecil Lake, Seed Grower Director

## ALBERTA

**Glenn Logan**  
Lomond, Seed Grower Director

**Richard Stamp**  
Enchant, Seed Grower Director

**Mark MacNaughton**  
Lacombe, Provincial Government Advisor

## SASKATCHEWAN

**Joe Rennick**  
Milestone  
1<sup>st</sup> Vice President, Seed Grower Director

**Laurie Wakefield**  
Maidstone, Seed Grower Director

**Mitchell Japp**  
Regina, Provincial Government Advisor

## MANITOBA

**Eric McLean**  
Oak River, Seed Grower Director

**Ryan Murray**  
Decker, Seed Grower Director

**Chami Amarasinghe**  
Morden, Provincial Government Advisor

## ONTARIO

**Dale Connell**  
Palmerston, 2<sup>nd</sup> Vice President,  
Seed Grower Director

**David MacKellar**  
Alvinston, Seed Grower Director

**Kevin Runnalls**  
New Liskeard, Past President,  
Seed Grower Director

**Hugh Berges**  
Guelph, Provincial Government Advisor

## QUÉBEC

**André Lussier**  
St-Hyacinthe, Seed Grower Director

**Martin Provencher**  
Bécancour, Seed Grower Director

**Djiby Sall**  
Québec, Executive Committee,  
Provincial Government Advisor

## NEW BRUNSWICK

**Jonathan Nyborg**  
New Denmark, President,  
Seed Grower Director

**Peter Scott**  
Fredericton, Provincial  
Government Advisor

## NOVA SCOTIA

**Jim Baillie**  
Tatamagouche, Seed Grower Director

**Steven Tattrie**  
Kentville, Provincial Government Advisor

## PRINCE EDWARD ISLAND

**Peter Boswall**  
Charlottetown, Seed Grower Director

**Steven Hamill**  
Charlottetown, Provincial  
Government Advisor

## ACADEMIC ADVISOR

**Dr. Bryan Harvey**  
Saskatoon, Academic Advisor

# OUR COMMITTEES

## EXECUTIVE

Jonathan Nyborg\*  
Glyn Chancey  
Dale Connell  
Joe Rennick  
Kevin Runnalls  
Djiby Sall

## APPEALS

Dale Connell\*  
Chami Amarasinghe  
Peter Boswall  
André Lussier  
Dave MacKellar  
Mark MacNaughton  
Ryan Murray  
Djiby Sall  
Peter Scott  
Richard Stamp  
Laurie Wakefield

## AUDIT

André Lussier\*  
Roy Klym  
Joe Rennick  
Peter Scott  
Richard Stamp

## AWARDS

Kevin Runnalls\*  
Jim Baillie  
Dale Adolphe  
Dale Connell  
Eric McLean  
Martin Provencher  
Joe Rennick  
David Wuthrich

## EDUCATION AND PUBLICITY

Ron Markert\*  
Hugh Berges  
Mitchell Japp  
André Lussier  
David MacKellar  
Ryan Murray  
Marian Stamp

## PLANT BREEDERS

Bryan Harvey\*  
Annie Claessens  
Bruce Coulman  
Kevin Falk  
Robert Graf  
David Hume  
Art McElroy  
Jay Patel  
Istvan Rajcan  
Tom Warkentin

## POLICY, PLANNING AND GOVERNANCE

Jonathan Nyborg\*  
Peter Boswall  
Dale Connell  
Mitchell Japp  
Bryan Harvey  
Norm Lyster  
Ryan Murray  
Joe Rennick  
Martin Provencher  
Kevin Runnalls  
Djiby Sall  
Richard Stamp  
Laurie Wakefield  
David Wuthrich

## RESEARCH AND DEVELOPMENT

Bryan Harvey\*  
Chami Amarasinghe  
Hugh Berges  
Glenn Logan  
Mark MacNaughton  
Eric McLean  
Ron Markert  
Joe Rennick  
Djiby Sall

## STANDARDS AND CIRCULAR 6

Joe Rennick\*  
Chami Amarasinghe  
Jim Baillie  
Cathy Breadner  
Jim Downey  
Willy Drost\*\*  
Anita Gilmer\*\*  
Steve Hamill  
Bryan Harvey  
Wendy Jahn  
Glenn Logan  
Rick Love  
André Lussier  
David MacKellar  
Mark MacNaughton  
Eric McLean  
Martin Provencher  
David Wuthrich

\* Chair

\*\* Official Observers

# OUR STAFF

**GLYN CHANCEY**

Executive Director

**PAM COLES**

Managing Director, Finance and Administration

**CAROLINE LAFONTAINE**

Managing Director, Communications and Client Services

**DOUG MILLER**

Managing Director, Certification and Technology Services

**MIKE SCHEFFEL**

Managing Director, Policy and Standards

**GAIL HARRIS**

Manager, Standards

**GAYE O'BERTOS**

Executive Assistant and Event Planner

**BRIANNA CHOUINARD**

Manager, Certification

**EMMANUEL FONDI**

Policy and Certification Officer

**KELSEY COURTNEY**

Policy and Certification Officer

**LUCIE LAFLEUR**

Client Service Coordinator

**RABYA KHANAN**

Communications Officer

**TOMEK SYSAK**

Communications Officer



