

MINUTES

CSGA Special General Meeting of Members

Sheraton Cavalier Saskatoon

November 20, 2019

J. Rennick opened the meeting and confirmed the meeting rules of order for participants. There were 56 CSGA members in attendance.

Motion to approve the Agenda as presented. Moved by Renee Hoyme. Seconded by Shawn Fraser.

CARRIED

G. Chancey introduced and explained the motions. Representatives of StrategyCorp Inc. (SCI) were in attendance. SCI is an advisory firm specialized in public affairs, strategic communications, and management consulting, hired by the Seed Synergy Collaboration Project partners to develop and facilitate implementation of a proposal to amalgamate the Canadian Seed Growers' Association, the Canadian Seed Trade Association, the Canadian Seed Institute, the Canadian Plant Technology Agency, and the Commercial Seed Analysts Association of Canada.

Resolution 1

WHEREAS the CSGA Board of Directors has expressed its position on the Seed Synergy White Paper vision for a Next Generation Seed System in Canada including the proposed consolidation of the CSGA with the Canadian Seed Trade Association, the Canadian Plant Technology Agency, the Commercial Seed Analysts Association of Canada and the Canadian Seed Institute;

AND WHEREAS work on the structure and details of the consolidation is continuing.

AND WHEREAS once a detailed consolidation proposal has been finalized and approved by the CSGA Board and the boards of the other parties, it will be submitted to the CSGA members for ratification and final approval, which approval may be sought as early as July 2020;

Be It Resolved that the CSGA Members hereby support the direction proposed by the Board as set out in the recitals of this resolution.

Discussion

Representatives of SCI were in attendance and responded to a range of questions in relation to the draft Target Operating Model (TOM) for a proposed National Seed Organization (NSO), presented earlier in the day. The area of greatest member interest was the proposed governance model for the NSO and the role within it of CSGA branches.

In this regard, members signalled their desire to see a more detailed description of the TOM and highlighted areas in need of additional attention. SCI undertook to provide more detail and to reflect the importance of a strong regional role in any future versions of the governance model, noting that these

discussions marked the beginning of an iterative member feedback and TOM refinement process that would continue into Spring 2020.

Some members questioned the proposed July 2020 target date for completion of the member ratification process, as not providing enough time to properly consider the TOM. However, there was general agreement among those present that the process should be permitted to unfold as planned. It was felt that the CSGA Board of Directors could determine whether to continue with the amalgamation when they meet in March 2020, after all branches and members had had the opportunity to weigh in.

Some members expressed a preference for maintenance of the status quo or for a stepwise approach to the amalgamation. Some proponents of a stepwise approach favoured the amalgamation of those participating associations with a regulatory mandate as a first step, together with enhanced coordination of policy positions among the six seed synergy organizations. The majority, however, preferred to keep the focus on a single national seed organization and the CSGA Board was encouraged to achieve the July 2020 ratification targets, if possible.

Resolution 1

Moved by Dan Curtis; Seconded by R. Klym **CARRIED**

Resolution 2

WHEREAS the CSGA Board is considering measures that would facilitate the establishment of a membership fee structure that includes separate categories for the individual member and for the business with which that individual is associated, with a view to removing current disincentives (high member fees) for individuals to participate in an ongoing manner in current and future seed grower professional development opportunities offered through CSGA or a future National Seed Organization (i.e. the consolidation referred to in Resolution #1 above);

AND WHEREAS it is noteworthy that these measures are proposed in the context of broader discussions on the relative merits of changes to the CSGA membership structure that could establish the business unit (with its associated quality management systems) as the entity to which a crop certificate is issued, to which certain voting rights are assigned and to which fees associated with crop certification are charged;

AND WHEREAS it is also noteworthy that these discussions include consideration of the merits of simultaneously recognizing the professional standing of individual seed growers for the purpose of seed certification and other functions, and to whom certain voting rights are assigned and to which professional fees associated with crop certification are charged;

Be It Resolved that the CSGA Members hereby support the direction proposed by the Board as set out in the recitals of this resolution.

Discussion

It was emphasized that the primary purpose of the resolution was to seek feedback on a CSGA Board proposal to attract new members and to improve membership retention from year to year, by reducing the cost of adding additional individual members to a given CSGA grower account. It was noted that

Select Seed Grower status required 6 years of continuous documented seed production (through membership) and that the cost of membership was often cited as a barrier to retention and continuity, in turn contributing to shortages of Select Growers in some areas. It was also noted that by reducing the costs of multiple memberships linked to the same business account, a clearer picture of who was involved in pedigreed seed production would emerge over time, which in turn would support CSGA's strategic objectives in the area of professional development and operational transparency.

By way of illustration, a family farm where 4 persons worked directly in pedigreed seed production currently require annual CSGA membership payments of \$800 (4 x \$200), if all persons wished to have their seed grower standing recognized in a given year. Under the proposed changes, the first grower on the farm account would pay a comparable fee to what each person pays now. However, the second and subsequent growers would pay much less, with the exact amount to be determined by the CSGA Board when it set fees for 2020-2021.

It was also noted that the original intent of the resolution was to solicit member feedback on fundamental change to the CSGA membership structure, namely establishment of separate business and individual (professional) membership categories. However, as the Target Operating Model (TOM) for the proposed National Seed Organization included provisions for multiple membership categories, the CSGA Board had decided to address these structural questions in the context of the amalgamation proposal for now, rather than through a CSGA specific process.

In response to questions raised, it was confirmed that the CSGA definition of a regular member and their related rights was not being considered for change at this time. Consequently, the CSGA member definition would remain, as per By-law 3.01, as:

- a. any person, partnership or organization producing or undertaking to produce Pedigreed seed; ...
- b. any person elected or appointed a Director, Officer, or, pursuant to By-law 6:03 b), an Advisor of the Association; and
- c. any person elected as a Robertson Associate pursuant to By-law 4:01

Questions related to fees, plot accreditation, voting rights and individual retention of membership rights were asked and answered. Some members expressed concern over potential increases to base membership fees and their relationship to acreage and other fees. In this regard and more generally, the CSGA Board was encouraged to carefully consider the impacts of future fee structure changes and how CSGA revenue generation costs are distributed. In addition, some members emphasized the need to retain voting rights for seed growers under any new membership model, whether it be in a new NSO or a continuation of the CSGA.

Resolution 2

Moved by Shannon Bieman, Seconded by Simon Ellis. **CARRIED**

Resolution 3

WHEREAS the CSGA is considering a temporary fee increase designed to generate up to \$500,000 for modernization and consolidation initiatives and up to \$500,000 for employee "defined benefit" pension

plan termination costs associated with the implementation of CSGA's Strategic Plan and the White Paper;

AND WHEREAS it is noteworthy that these measures, if implemented, would be for the 2020 crop year only, with the precise level of fee increases and their allocation across different fee categories to be determined by the CSGA Board;

AND WHEREAS requirements beyond the 2020-21 fiscal year will be assessed on an annual basis and communicated to members at/or following the 2020 Annual General Meeting in Winnipeg, Manitoba;

Be It Resolved that the CSGA Members hereby support the direction proposed by the Board as set out in the recitals of this resolution.

Discussion

Members asked a range of questions related to both the status of the pension fund and associated liabilities and the nature and extent of costs that would be covered by the proposed increases.

Following a brief presentation on the CSGA pension fund, its assets and liabilities, as well as recent analysis of divestiture options, most agreed that there was no compelling reason to raise new revenues to top up or divest the pension fund at this juncture. Overall, when considered in the context of the proposed amalgamation, there was consensus that if the proposed NSO was to absorb CSGA assets, they should also be prepared to accept any pension liabilities.

In examining investment in Seed Synergy Collaboration Project related expenditures, some members felt that efforts should focus primarily on the amalgamation process, while others felt it important to continue to invest in both CSGA and system wide single window focused modernization. Clarification was sought on total Seed Synergy Collaboration Project expenditures, on CSGA reserves and on whether a draw down on reserves was a viable alternative to fee increases. Access to government funding was highlighted as a priority and CSGA was encouraged to seek funding where possible to offset current costs.

Overall, there was consensus that the Board was well positioned to determine spending priorities and should do so with due consideration for the impact of fee increase on the seed businesses, individual members and clients that depend on CSGA.

Resolution 3

Moved by Dan Curtis, Seconded by Hamid Naeem. **CARRIED**

Motion to adjourn. Moved by Dan Curtis; Seconded by Shannon Bieman.