

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

The meeting was called to order at 4:28 P.M. Brad Blackwell chaired the meeting, Lori Chapman recorded the minutes.

Quorum was achieved.

Number of Attendees (Registered Producers): 50

- Brad Blackwell advised that Resolutions can be received until 5:00 P.M., Jacqueline Carleton and Jason Hennes, served as the Resolutions Committee Members.
 - Resolutions are an opportunity for pulse growers to provide direction to the Board.
 - Resolutions are non-binding.
 - Any resolutions received at the meeting will require a two-thirds majority to be added to the agenda.

1. Adoption of the 2020 Annual General Meeting Agenda:

AGM AGENDA

1. Adoption of Agenda
2. Introduction of the Board and Staff
3. Declaration of Election Results
4. Approval of Minutes from Last Annual General Meeting (January 14, 2019)
5. Business Arising from the Minutes
6. Presentation of the Audited Financial Statements
7. Appointment of Auditor for 2019/20
8. Report from the Organization
 - Chair's Report
 - Executive Director's Report
9. Proposed Changes to SPG's Regulations
 - Addition of Fenugreek to SPG Mandate
 - Addition of Appointed Directors
10. Resolutions
 - The Carbon Tax
 - SPG Seed Co.
 - Checkoff Funding

Additions: None

Deletions: None

MOTION: By Corey Loessin, seconded by John Bumbac to adopt the agenda as presented.

Carried

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

2. Introduction of the Board

- Brad Blackwell introduced the SPG Board members for 2019:
 - Jackie Carleton, Bracken
 - Chad Doerksen, Dalmeny
 - Shaun Dyrland, Kyle
 - Lee Moats, Riceton
 - Brad Blackwell, Dinsmore
 - Trent Richards, Assiniboia
 - Corey Loessin, Radisson
- Brad also welcomed John Bumbac from Assiniboia and Jason Hennes from Eatonia, to the 2020 Board.
- Brad also welcomed guests from Alberta Pulse Growers, Pulse Canada, Soy Canada, Grain Growers of Canada and the USA Dry Pea and Lentil Council.

3. Declaration of Election Results

- SPG received three nominations for three open seats. The three nominees: Brad Blackwell, John Bumbac and Jason Hennes were acclaimed to the SPG Board of Directors.

MOTION: By Don Kolla, seconded by Chad Doerksen to accept the election results as presented.

Carried

4. Review and Approve Minutes from Last Annual General Meeting (January 14, 2019)

- Errors or omissions: None

MOTION: By Gerrid Gust, seconded by Jean Harrington, to adopt the minutes of the Annual General Meeting of January 14, 2019.

Carried

5. Business Arising from the Minutes

- None noted.

6. Presentation of the Audited Financial Statements

- Corey Loessin, Chair of the Audit and Finance Committee, presented the highlights from the audited financial statements for the 2018-19 fiscal year.
- SPG complied with the provisions of the following legislative and related authorities:
 - The Agri-Food Act, 2004
 - The Pulse Crop Development Plan Regulations

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

- Saskatchewan Pulse Crop Development Board's control was effective, in all material respects, to meet the objectives below:
 - To safeguard Board resources
 - To prepare reliable financial reports; and
 - To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding Board resources, and revenue raising, spending, borrowing, and investing.
- Corey reviewed the financial statements included in the annual report.
- No questions were brought forward.

MOTION: By Gerry Hertz, seconded by Jim Wickett to accept the 2018/19 audited financial statements as presented.

Carried.

7. Appointment of Auditor for 2019/20

MOTION: By Corey Loessin, seconded by Brian Carleton, to appoint Twigg and Company Chartered Accountants as auditors for the fiscal year 2019/20.

Carried.

8. Report from the Organization

- **Chair's Report**
 - SPG had a close look at its needs for financial reserves and the Board approved a new fiscal reserve policy. There are three primary needs for holding reserve funds:
 1. To ensure organization closure costs would be covered if SPG ever needed to be wound down for whatever reason.
 2. To have funds in place to cover unexpected reductions in levy revenue.
 3. To allow SPG to make major strategic investments from time to time that add value for farmers.
 - Organization closure reserves has been set at \$1.6M, the revenue variability reserve has been calculated at \$10.6M and the strategic investment fund of up to \$1M to use for larger projects that are not budgeted as part of the regular operations is not currently funded.
 - In September 2020, our current breeding agreement with the Crop Development Center (CDC) will be coming to an end. Since 1997 SPG provided \$41.7M to the breeding program in exchange for commercialization rights to all pulse crop varieties that the program produced. An additional \$20M was invested in targeted genetic and genomic research. SPG was interested in continuing a similar agreement, however the CDC has decided instead to seek investment from a range of new partners which will mean that growers will pay for access to new varieties through royalties. SPG will retain access to all pulse crop related intellectual property developed at the CDC prior to the end of the agreement in September 2020.

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

- SPG intends to fund targeted, outcome-based projects that help meet the needs of Saskatchewan growers, we expect that the CDC will continue to be an integral partner for SPG.
- Mac Ross, Director of Market Access and Trade Policy at Pulse Canada provided an update on trade with India. India's government is incentivizing production in India in order to increase income for India's farmers. Trade has experienced technical issues including fumigation requirements and restrictions due to weed seeds, there have also been policy/tariff issues. The major markets for Canadian pulses are China, India and Bangladesh and we are in transition to find new markets for pulses. A large part of that is to increase the domestic market, once it is up and running it is expected to be 700,000 tonnes.
- **Executive Director's Report**
 - Carl Potts reviewed the 2019-20 budget, budgeted revenue is \$10.6M, expense budget is \$13.6M; with a budgeted deficit of \$3M.
 - SPG has five key result areas
 - Increasing the yields of established pulse crop: 128 varieties have been released since 1997. SPG has also supported research programs screening for herbicide resistant varieties.
 - Diversifying markets for pulse crops: SPG works with Pulse Canada on the 25 by 2025 campaign to have 2 million tonnes of pulses marketed to new markets through ingredient use, pet food and feed and through foodservice. SPG has held training programs over 130 chefs that collectively serve 29 million meals per year.
 - Developing and driving the adoption of new pulse crops: SPG is working to increase the seeded area of fababean, chickpea and soybeans in Saskatchewan.
 - Decreasing barriers to market access: Pulse Canada is the lead for market access issues, access to international markets is critical. Mac Ross provided an update on market access earlier in the meeting.
 - Increasing SPG's engagement with growers: SPG drew attention to the 'keep it clean' campaign through billboards, social media as well as producing the staging guide which shows the different stages and moisture levels for lentils.
 - SPG is weathering the storm, with major declines in revenue for growers and SPG, expenditures have been reduced by 36%. SPG has focused investments in R&D, market development and communications. We are well positioned for the future and anticipate a return to a balanced budget for 2020-21.

9. Proposed Changes to SPG Regulations

- **Addition of Fenugreek to SPG Mandate**
 - Brad Blackwell reviewed the proposal to add fenugreek to SPG's mandate. Fenugreek would be treated the same as all pulse crops; a mandatory, non-refundable levy would be applied and collected by SPG.
 - Questions that arose from the floor were:
 1. What is the market? There are currently 10,000 acres and one processor in the province.
 2. What will the cost be to growers? This is unknown at this time, the first step is to get it approved, then the Board will assess the needs and opportunities for fenugreek. It is

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

expected that initially the R&D costs will be higher than the revenue, however, that was also the case for lentils years ago.

MOTION: By Norm Hall, seconded by Shaun Dyrland, to support the amendment of SPG's regulations to add fenugreek as a crop under SPG's mandate.

Carried.

- **Addition of Appointed Directors**
 - Brad Blackwell reviewed the proposal to appoint directors to SPG's Board. The addition of two directors would:
 1. Reduce director workload
 2. Fill gaps in expertise/experience
 3. Attract new directors to run for elected positions
 - The proposed regulation changes would allow the board to appoint up to two directors, but would not require the appointment of any.

MOTION: By Gerrid Gust, seconded by Chad Doerksen, to support the amendment of SPG's regulations to allow for the appointment of up to two additional Directors to SPG's Board.

- Concerns were raised that having appointed Directors lacks accountability, democracy, and integrity on the Board. While it was agreed that the workload is high, and having another two directors would be advantageous. Comments were made that directors should be elected not appointed.
- It was suggested that staff could attend the various committee meetings, however, the Directors advised that it is important to have the voice of the growers should be heard at the meetings.
- It was suggested that when expertise is required, the Board could bring in someone with expertise in the area, but not appoint someone and give them the right to vote at Board meetings.
- There was discussion about tabling this motion to next year.

MOTION: By Norm Hall, seconded by Ken Rosaasen to table the motion to next year's AGM.

Defeated

- There was discussion about amending the motion to provide for a larger board, but with elected board members, not appointed members. A motion to amend the original motion was made.

MOTION TO AMEND: By Gerrid Gust, seconded by Jean Harrington to replace the word "appointment" in the original motion with the word "election".

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

- The amendment was discussed. The comment was made that the proposed amendment fundamentally changes the nature of the motion originally put forward.
- Comments were made that it was better to defeat the original motion and bring a new resolution to the meeting than to amend the original motion.
- The motion to amend was then withdrawn by the mover and seconder of the amendment.

Withdrawn

Debate on the original motion “By Gerrid Gust, seconded by Chad Doerksen, to support the amendment of SPG’s regulations to allow for the appointment of up to two additional Directors to SPG’s Board” finished and the vote was held.

Defeated

10. Resolutions

- Three resolutions were received in advance of the meeting

1. Carbon tax

Whereas...many studies have concluded that continuous cropping is an effective tool in CO₂ mitigation

Be it resolved the SPG lobby to have primary producers paid for their contribution to the reduction of CO₂

Submitted by Dave Marzolf

MOTION: Dave Marzolf moved the resolution, Don Kolla seconded.

Carried

- The carbon tax will continue to increase, farmers should be recognized for CO₂ sequestration, SPG should lobby for this recognition.
- Jocelyn Velestuk, president of the Saskatchewan Soil Conservation Association spoke regarding this issue, she noted that SSCA is involved in policy creation and are making sure that farmers have a voice at the table. SPG is represented at their carbon advisory committee table.
- It is noted that there is risk to farmers that costs or penalties due to land clearing or wetland drainage in the past could offset benefits of sequestration.

2. SPG Seed Company

Whereas the current agreement with CDC is ending and SPG still has trailing investments in R&D

And whereas the federal government and others are looking to implement a seed royalty system also known as a seed tax.

Therefore if be resolved SPG looks to continue ownership of varieties in development

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

through the creation of a farmer owned seed company
Submitted by Dave Marzolf

MOTION: Dave Marzolf moved the resolution, Vicki Dutton seconded.

Carried

- Having a SPG seed company would make sure that farmers continue to own the rights to the varieties.
- SPG is currently working on the end of the agreement and the details regarding who owns the rights to the research that has been done.

3. Checkoff Funding

Whereas a resolution has been passed for the implementation of refundable check-offs
And whereas that was not implemented....

And whereas the Federal government has funded Pulse Canada....

And whereas the value for dollar does not increase with the size or acreage of the crop grown....

Therefore be it resolved Saskpulse checkoff funding becomes voluntary where a producer can decide how much he donates to Saskpulse.

Submitted by Dave Marzolf

MOTION: Dave Marzolf moved the resolution, Bill Gehl seconded.

Defeated

- The mover does not see how paying the levy makes his farm more valuable. Would like to have the opportunity to withdraw his funds if he is unhappy with what the organization is doing.
- Gerrid Gust provided background information regarding what took place when this resolution was brought forward in 2016. A majority of farmers preferred a non-refundable levy. As a result of the surveys and feedback, the Board chose to keep the levy non-refundable. He also noted that money is needed for things such as owning a seed company, if levy is pulled out, there could be a situation where there isn't enough fund the pulse industry and keep it viable.
- The comment was made that there are a lot of moving parts in the industry and it would be irresponsible to saddle the Board to do everything but not have the funding with which to accomplish what needs to be done.
- UPOV – with the discussion for trailing royalties and the requirement for farmers to pay for seed, if they don't pay for levy/research it is not fair to those who do.
- If some people get their levy money back, it would mean that others would have to pay more and it isn't fair.

**Saskatchewan Pulse Growers (SPG)
Annual General Meeting (AGM) Minutes
TCU Place, Saskatoon, Saskatchewan
Monday, January 13, 2020**

- **Resolution from the floor**
 - Vicki Dutton brought forward a motion to elect two additional members to the Board. She noted that there is too much work for seven directors but additional directors should be elected, not appointed as suggested in the motion discussed earlier

MOTION: By Vicki Dutton seconded by Norm Hall to add the resolution to the agenda.

Carried

MOTION: By Vicki Dutton, seconded by Norm Hall, to support the amendment of SPG's regulations to allow for up to nine elected Directors on SPG's Board.

Carried

MOTION: By John Bumbac to adjourn the meeting at 6:00 P.M.

THIS IS AN OFFICIAL COPY OF THE MINUTES OF AN ANNUAL GENERAL MEETING OF THE SASKATCHEWAN PULSE GROWERS HELD ON JANUARY 13, 2020 AND AS REVIEWED AND APPROVED BY THE MEMBERS AT THE ANNUAL GENERAL MEETING HELD ON JANUARY 12, 2021.

Date

Chair, Saskatchewan Pulse Growers