

2010 Annual Report
Proceedings of the 82nd Annual Meeting
Saskatchewan Seed Growers Association Inc.

Canadian Room, Saskatoon Inn, Saskatoon, Sask.

January 11, 2011

Call to Order:

The meeting was called to order by President Lyndon Olson at 1:25 p.m. Approximately 155 members and guests were in attendance. In his opening remarks, he welcomed the members and several guests, including: CSGA President Gerald Girodat of Shaunavon, SK; Dale Adolphe, Executive Director and Randy Preater, Special Projects Manager of CSGA Ottawa; visiting delegates from Manitoba, Alberta and Ontario Seed Growers Associations, Agriculture and Agri-Food Canada personnel; University of Saskatchewan Crop Development Centre personnel; Canadian Seed Institute personnel and Saskatchewan Agriculture & Food representatives.

1. Approval of Agenda

Motion (Dan Kirkham/Tim Charabin) That the agenda of the 82nd annual meeting be approved as presented. Carried.

2. Disposal of Minutes

Motion (Joe Rennick/Warren Kaeding) That the minutes of the 81st annual meeting of January 12-13, 2010 be approved. Carried.

3. Appointment of Committees

President Lyndon appointed Brent Bews and Donna Edwards to the Nominations Committee and asked for further nominations from the floor.

Motion (Bill Farley/Bill Hetland) That nominations for the Nominations Committee cease. Carried.

President Lyndon appointed Laurie Wakefield and Roy Klym to the Resolutions Committee, and asked for further nominations from the floor.

Motion (Ed Seidle/Dan Kirkham) That nominations for the Resolutions Committee cease. Carried.

4. President's Report

Lyndon presented the President's Report, highlighting some of the activities, issues and challenges that have faced the Association over the past year. A difficult growing season added many challenges to seed production and the work of the board throughout the year. Weather issues caused a substantial reduction in the number of pedigreed seed acres, which in turn put financial pressure on the Association, although the organization came through the difficulties better than anticipated.

A considerable amount of the Board's time was spent on the CSGA White Paper, which is examining the future direction and program requirements for the Canadian Seed Growers Association. Midge tolerant wheat varieties were moved into the marketplace in 2010, requiring changes to the certification system for those varieties. Participants in the seed industry are becoming more cognizant of potential liability issues as different stakeholders and unanticipated events, including international trade concerns, impact the industry. All those topics and more will be explored more fully during the annual meeting.

Saskatchewan Seed Growers were more active on the international front, providing support and help in the wake of the European Union's reaction to unapproved GM traits in Canadian flax shipments; and meetings had been held with international delegations at the request of the Canadian Department of Foreign Affairs and Trade (DFAIT) to discuss the value and role of the Canadian seed industry.

He expressed his appreciation to members of the Board of Directors for their service and support over the past two years of his tenure, and to the advisors who serve with the Board, and bring the insight and support of various industry stakeholders. He extended a special thank you to Dr. Brian Rossnagel, who will be stepping down after more than 30 years as the U of S Crop Development Centre advisor to the Board. Dr. Rossnagel will be retiring as the CDC's Oat and Barley Breeder later this spring.

Motion

(Lyndon Olson/Roy Klym) That the President's Report be accepted as presented. Carried.

5. Executive Director's Report

Dave Akister presented the Executive Director's report. He opened his remarks by recounting a story told of Albert Einstein, who administered the same exam to a class of students two years in a row. When questioned, Einstein told his assistant that he used the same exam because the answers had changed – and agriculture can draw the same parallel. While many of the same questions are being asked, many of the old solutions don't seem to work any more. The answers have obviously changed.

The agriculture industry has changed drastically over the past 100 years, but much of the pedigreed seed system hasn't. The Government of Canada is moving away from plant breeding institutions and developing research clusters; farmers don't buy a lot of their seed from seed growers anymore, but get it from agriculture supply companies and fuel or chemical dealers; and in a growing number of crops, farmers don't own the seed, they're licensed to use the technology that pedigreed seed contains.

CSGA is looking at its governance, policies and programs in a White Paper, and asking questions about what the core business of CSGA is, and whether it's still relevant. The same questions can be asked of SSGA. Two of the pillars on which the pedigreed seed industry was built -- purity and traceability -- may no longer be valid, since Certification is now offered for seed that's blended, and a lot of seed is handled after the Blue Tag is applied, by entities that are unregulated, unmonitored and sometimes uninformed.

The Seeds Act says that seed must meet standards at time of sale, but wording that made sense more than 80 years ago is open to interpretation and dispute today. There are no clear definitions of when the sale took place or who the seller really is. Whose responsibility is it to protect the farmer or the consumer, and he challenged members to make their views known, come up with new answers and provide direction for the industry as those questions continue to be asked.

Dave reviewed the operations of the provincial office and the activities of the Board over the past year which ranged from representing Saskatchewan growers' interests at meetings across the country to providing input into many of the issues previously discussed.

He also acknowledged and thanked the Annual Meeting sponsors, including: Ag Guru, Alliance Seed Corporation, BMO Financial Group, Brett Young Seeds, Can-Seed Equipment, Canadian Wheat Board, Canterra Seeds, Cimbria Canada, Crop Production Services, Discovery Seed Labs, EMW Industrial, Farm Business Consultants, Farrell Agencies Ltd., FP Genetics, LDM Foods - Yorkton, Lendon Seed Lab, Lewis M. Carter Manufacturing, Mastin Seeds, Novozymes Biologicals, Secan, T&L Seeds, Viterra, and Western Producer Publications. The Association also continues to explore other avenues of funding to relieve the financial burden on grower members. A copy of the report is attached to these minutes.

Motion

(Tim Charabin/Brad Jones) That the Executive Director's Report be accepted as presented. Carried.

6. Education and Publicity Report

Bob Rugg presented the Education and Publicity Report, reviewing the past year's activities. Projects include development of a directors' manual to assist Board members; procedures to assist farmers when dealing with seed performance issues; involvement on industry committees to promote the pedigreed seed message; and exercising influence on industry stakeholders to tighten up regulations and ensure that pedigreed seed continues to meet the high standards promised by the Blue Tag.

The Seed Industry Plus Insurance Program, developed by Farrell Agencies at the request of SSGA, continues to gain interest from growers, and is now being copied and imitated by other insurance providers across the country.

In spite of a lack of attendance in the past, the committee continues to examine options for holding courses for new and probation select growers, although future courses will not be held without a prior commitment from members to ensure attendance. However, regular workshops and courses are held for Board members, with a governance session held during the year to review roles and responsibilities of directors, and methods for running effective meetings.

This marks the 29th year of partnership with the Western Producer in publishing the seed guide and promoting the pedigreed seed industry message to Saskatchewan Producers. The partnership also includes publishing articles in the Producer on a regular basis; hosting of the SaskSeed website; and advertising discounts for members. With that, he called on Larry Hertz, Publisher, and Kelly Berg, Marketing Director of the Producer who updated members on the website and a new Internet presence for the publications. They expressed appreciation for the partnership with SSGA, and presented a cheque for more than \$14,800 to President Lyndon as the Association's share of advertising revenue from the SaskSeed publication. A copy of the report is attached to these minutes.

Motion (Bob Rugg/Lawrence Edwards) That the E & P Report be approved as presented. Carried.

7. National Directors' Report

Joe Rennick and Donna Edwards gave the National Directors' report, reviewing some of the issues facing the Canadian Seed Growers Association. Joe was asked by President Lyndon to complete the remainder of Gerald Girodat's term after he was elected CSGA President in July. Since then he has attended two Board meetings and two conference call and sits on the Appeals Committee and the Standards and Circular 6 Committee.

CSGA will be asking the provinces to name a representative to the National E&P Committee. According to CSGA bylaws, Saskatchewan's membership fell below the minimum number for two representatives, but changes will be made so that any province with more than 400 members will have two directors. It's difficult to limit representation from the province with the largest pedigreed acreage.

Donna sits on the CSGA E&P, R&D and Awards Committees. The R&D Committee reviewed 10 applications for funding, accepting two. However, the committee is not requesting any funding for new research projects to save costs.

Major E&P program initiatives at the national level include Seed Business Success Workshops, Seed Education Modules, and an End User Advocacy program to promote the use of pedigreed seed to end users. The E&P Committee is expanding on its post-secondary education modules by developing sections for seed professionals; and some provinces are running seed marketing workshops during their annual meetings. Advertising may be sold on the CSGA website in an effort to raise money. The E&P goal is to make CSGA a more important marketing tool for the seed industry. Seed Scoop, CSGA's newsletter, will be distributed electronically, starting this spring, in an effort to reduce costs.

Motion (Joe Rennick/Dan Kirkham) That the National Directors' Report be approved as presented. Carried

8. Financial Report

The Auditor's Report was presented by Executive Director Dave Akister, outlining the Association's financial position for 2010. The report showed total revenues of \$111,512 and expenses of \$118,950, for an operating deficit of \$7,438. The deficit is due to a large decline in pedigreed seed acreage in Saskatchewan in 2010, because of the difficult growing season. While membership revenue was down more than \$13,000, some of the shortfall was made up with increased sponsorship and Seed Guide revenue, and a reduction in expenses.

Current member equity in the Association is \$240,952 compared to \$248,390 reported last year. Those funds will be used to operate the Association for the next year, since membership fees aren't paid until late fall. The Association continues to be able to operate for a year with a year's operating funds in reserve. Highlights of the report included income of \$14,028 from publication of the Seed Guide and SSGA continues to support the Saskatchewan Variety Performance Evaluation trials in the amount of \$5,000. A copy of the report is appended to these minutes.

Motion (Randy Bergstrom/Barry Reisner) That the Financial Report be approved as presented. Carried.

9. 2011 Budget

The 2011 Budget was presented by Vice President Les Trowell. He proposed revenues based on 340,000 acres at 22 cents/acre, and 575 members at \$40 per member. Total income was projected at \$127,000,

and expenses were forecast at \$126,000 for an anticipated surplus of \$1,000. In comparison to 2010 actual costs, the 2011 budget was presented as follows:

	Actual 2010	Budget 2011
Receipts		
Interest	1,462	3,000
Membership Fees	84,643	97,800
Miscellaneous Income	0	
SaskSeed Communications	14,028	10,000
Proceeds from Meetings	1,429	3,200
Sponsorship	<u>9,950</u>	<u>13,000</u>
	\$111,512	\$127,000
Disbursements		
Advertising & Promotion	\$ 0	\$ 500
Agribition	5,442	5,500
Annual Meeting	19,872	22,000
Crop Production Week	779	1,200
Educational Programs	1,298	1,500
Grants	2,200	2,500
Interest & Bank Charges	241	125
Miscellaneous	95	200
Newsletters	2,571	4,000
Office Contract	27,075	27,075
Office Contract Extension	8,833	9,900
Office Supplies	2,053	1,800
Postage & Mailing	1,181	1,200
Professional Fees	5,722	5,800
Sask Variety Performance Group	5,000	5,000
Telephone & Fax	2,164	2,200
Travel - Board	10,844	10,000
Travel - Out of Province	18,110	20,000
Travel - Staff	<u>5,468</u>	<u>5,500</u>
	\$118,948	\$126,000
Surplus (Deficit):	\$ (7,436)	\$ 1,000

Motion (Les Trowell/Warren Kaeding) That the 2011 Budget be approved as presented. Carried.

Motion (Les Trowell/Bill Farley) That Virtus Group Chartered Accountants of Saskatoon be retained as the Association's auditors for 2011. Carried.

10. The Pedigreed Seed Picture: Quantity, Quality and Questions

Bruce Carriere of Discovery Seed Labs spoke about the quantity and quality of pedigreed seed supplies that could be expected across the province in 2011. He told members that in general, germination rates for samples going through the lab are as low as he's ever seen, and are 15-20% below the long term average. Germinations are low across almost all crop kinds, and he pointed to the wide-spread, adverse weather conditions throughout the 2010 growing season as the primary cause.

Carry-over seed, however, is testing well, but he cautioned members to monitor bins to make sure that the seed isn't deteriorating. While there may be sufficient carry-over stocks to meet most of the demand in 2011, Bruce anticipates shortages in some crop kinds, especially barley. As in the past, germination levels in barley are dropping over time.

On the disease side, he reported that almost all diseases were well above long term averages but fusarium infection was "astronomical" and evident in almost all crop districts across the province. Of the certified flax samples tested, none have shown any trace of Triffid flax with 9% of the commercial samples showing the presence of Triffid. It's still out there, he told members, but at very low levels.

Bruce again reminded growers that they could stretch seed stock further and reduce costs to their customers by promoting precision seeding. Rather than using bushels per acre, which is a volume

measure, seeding rates should be based on the optimum number of plants per square foot for the crop, and seed should be sold by the pound, based on thousand kernel weight (TKW).

As for 2011 seeding expectations, he expected that wheat, chickpea and lentil acreage would be up, with red lentils showing a marked increase. Durum, oats, barley and field pea acreage are all expected to be down, with canola “flat”, he told growers. Flax acreage is also expected to be down because of a shortage of seed.

11. Resolutions Committee Report

Resolutions Committee Chair Laurie Wakefield reviewed the rules and announced that written resolutions were now being accepted. He reported on the action taken on the 2010 resolutions.

12. Nominations Committee Report

Nominations Committee Chair Brent Bews announced that nominations were being accepted for the positions of President; Vice President, two Directors to serve two-year terms; one director to serve a one-year term; one National Director to serve a two-year term and one National Director to serve a one-year term.

14. The Liability Chain: Where Does the Buck Really Stop?

SSGA Director Laurie Wakefield moderated the panel discussion: “The Liability Chain: Where Does the Buck Really Stop?” Panellists included: Lyndon Olson, a Seed Grower from Archerwill; Chris Churko of Regina, Seed Production Manager for Viterra; Tanya Staffen of Saskatoon, CIFA Program Officer; and Dave Nussbaumer of Yorkton, with Farrell Agencies Insurance.

In his opening remarks, Laurie pointed out that while seed growers have a quality assurance system in place when they retail pedigreed seed, the same checks and balances are not in place when other retailers get involved. After the Blue Tag is applied, seed lots may pass through many hands over which the grower or processor has no control, even though they are ultimately responsible for the seed meeting standards.

Trucking companies, distribution centers, retail locations and even end users can all affect the integrity of the seed. When it comes to the question of who is responsible and when, liability can be a grey area, especially when some contracts appear to leave all the responsibility with the grower or the processor.

Lyndon Olson opened discussion from the seed grower’s point of view. When the seed grower was also the processor and retailer, there was an unbroken chain of custody between the grower and the farmer. Now the grower has many partners, and not all of them are held accountable through third party monitoring. Contracts are written by seed retailers, he told members, and they’re different for some growers in some provinces.

All contracts are written to protect the retailer, but they seldom spell out what type of insurance the retailer has, and when it comes into effect. In most cases, the retailer wants the grower to be insured, and the protection is expected to cover the retailer. At what point does the liability move from the grower to the retailer to the farmer, he asked.

The Certified Seed tag is the only identification that follows the seed lot from processing right through to the farmer. However, in most cases, the grower/processor has no control over the seed after the tag is applied. Where does the grower’s responsibility end?

Chris Churko spoke about the approach his company takes when drafting a contract. With some 60,000-80,000 acres of contract production involving as many as 180 growers and 260 retail facilities annually across Western Canada, contracts are a necessary part of the system. While there are many factors to consider, there are ultimately two points that much be considered: protection for the grower and protection for Viterra, which has one of the clearest contract wordings in the industry.

He said there has been a shift in where errors are occurring in seed production. In the past, most problems were performance related, and were limited to smaller quantities of seed/acres; relatively low cost to

resolve; the complaint originated at the commercial production level and delivery into the grain handling system was considered an end to the problem.

Today, purity is emerging as the single most costly seed quality issue, and while there are few occurrences, they involve a high volume of seed; are considerably more costly to resolve; can originate at any point in the value chain; can be traced to the point of origin and are subject to potential litigation. The further along the value chain an issue is discovered, the higher the potential liability. He cited examples where 11 performance related complaints in 2009-10 resulted in a cost of \$13,000; there were 98 instances of purity related problems over the same period, at a cost of \$559,000. In a worst case scenario where a problem was found in malting barley when it was on the ship, the losses could exceed \$4 Million.

“Your Quality Assurance Process is a critical part of our Quality Control System,” he told seed growers, “and we want to ensure your business is protected as well.”

Tanya Staffen, Program Officer with the Canadian Food Inspection Agency, said that CFIA’s role is to enforce the Seeds Act and Regulations, not to serve as an arbitrator when there is a dispute. The Seeds Act requires that seed must meet the prescribed standards when sold, and the Regulations prescribe standards for germination, purity and labelling.

She said CFIA inspectors will investigate every suspected case of non-compliance they are aware of, determine if a violation has been committed, and will work with the regulated parties to bring the seed back into conformance when possible. Under the Seeds Act, inspectors have the authority to enter any place; open any package; examine the seed and take samples; and require any person to produce documentation pertaining to the seed. If a violation is found, enforcement can include a verbal warning; letter of non-compliance; seizure of the product, or legal action, including prosecution.

CFIA can also suspend or revoke an establishments registration; an operator’s license; or the accreditation of a grader or analyst. The type of enforcement action taken depends on what is in the best interest of the public, the nature of the violation, effectiveness in achieving the desired results, and consistency in enforcement.

Dave Nussbaumer addressed the issue from the insurance industry’s perspective. Errors and Omissions insurance effectively means that growers are transferring their financial risk to the insurance company. He cautioned members to ensure that they have the right type of insurance in place, however. A general liability policy is not the same as E&O insurance, he told members. If the policy doesn’t specify that it covers economic loss, then it probably isn’t adequate for the seed industry.

“Make sure your broker understands what you need,” he told members. “Your Board of Directors has helped design an insurance program (Seed Industry Plus) for your industry. It isn’t the only program out there, but it’s probably the only one that’s designed for seed growers. Whichever one you choose, make sure you protect yourself properly.”

The audience also got involved in the discussion, raising questions about whether contracts and insurance were becoming necessary because the industry was getting careless and if a “standard contract” could be developed for the industry.

Members were told that growers should carry as much E&O insurance as they can afford, and to take advantage as coverage amounts are increased. Growers aren’t getting more careless, society is getting more litigious, especially if they think they can get something for nothing. There are instances where the seed buyer did not suffer any economic loss, and the seed was not at fault, but a claim was initiated against the grower anyway. It is costly to defend a claim, even if it is frivolous, and sometimes the insurance company just settles, even though the practice sends a poor message to those looking for ways to take advantage.

The stakes are much higher now. In the past, the seed grower was responsible for a truck load going to the neighbour. Now the industry wants the seed grower to take responsibility for a shipload of product

going across the ocean. When the grower loses physical contact with the seed and has no control over who or how it's handled, the liability (to the grower) should end there as well, panellists were told..

The take-away messages for growers were to deal with an insurance broker that knows the seed industry; that there are differences between Errors and Omissions and General Liability insurance and that whoever has "ownership" of the seed is responsible for it at the time of sale. An awareness of the potential pitfalls, education of everyone who handles seed and a good working knowledge of various contracts are good first steps to reducing the risk for growers.

Laurie thanked the panel and the members for the excellent, thought-provoking discussion. The meeting recessed at 5:15 pm, to be reconvened the following morning.

Awards Banquet

SSGA Director Brent Bews presided over the Awards banquet, held in Ballroom B. Greg Brkich, MLA for Arm River Watrous and Legislative Secretary to the Minister of Agriculture brought greetings on behalf of the Province and the Minister.

Awards chairman Joe Rennick presented Outstanding Service awards to Tim Charabin of North Battleford and Randy Bergstrom of Birsay, while Jim McCullagh of Ottawa, former Executive Director of the Canadian Seed Institute, was presented with an Honorary Life Membership in the Association. Joe also paid tribute to growers achieving milestones of 15, 20, 25, 30, 35, 40, 45, 50 and 55 years of pedigreed seed production. Bill Farley of Grand Coulee and Ed Seidle of Medstead were in attendance to receive their 50-year certificates. Also receiving a 50-year certificate was Fred Ostapovitch of Theodore, and Arnold Petracek of Esterhazy was recognized for 55 years of Pedigreed Seed production.

Shannon McArton, Past President of Canadian Western Agribition and an Honorary Life Member of the Saskatchewan Seed Growers Association, called on the sponsors of each of the classes of Agribition Pedigreed Seed Show to present the winners with their trophies. Robert and Dave Ostafie of Canora were named the Premiere Exhibitor of the Event, with Grand Aggregate Awards going to Robert and Dave Ostafie of Canora, SK for cereals; Ray Craswell of Strasbourg, SK for oilseeds and Lorne Fell of Staffa, ON for Pulses. It marked the first time that the Agribition awards were presented at the event. Agribition celebrated its 40th anniversary in November, 2010, and it marked the 30th anniversary that the Pedigreed Seed Show has been part of Agribition.

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Canadian Room, Saskatoon Inn, Saskatoon, Sask.

January 12, 2011

Call to Order:

The meeting was called to order by President Lyndon Olson at 8:25 a.m.

1. CSGA President's Report

CSGA President Gerald Girodat of Shaunavon, SK, brought greetings from the Canadian Seed Growers Association. He expressed appreciation to Donna Edwards who is stepping down from the National Board after serving for two terms; and thanked Joe Rennick for stepping in to fill Gerald's spot on the CSGA Board when Gerald assumed the President's role in July.

Gerald reviewed the Association's White Paper on Structure and Governance. He told members that the review was being held to examine ways to streamline committee structures and governance, and that Provincial Board executives would be invited to participate in that process at a Strategic Planning Session later in the year.

Balancing the Budget continues to be a challenge as membership and acreage continues to decline. Efforts continue to reduce expenses and find new sources of revenue, but it may mean looking at more drastic steps such as reducing the size of the national board, or limiting directors' travel. Succession planning is also an important consideration, not only within CSGA staff and Board, but on individual grower's farms.

2. Report from Canadian Seed Growers Association

CSGA Executive Director Dale Adolphe also expanded on the issues facing the National Board that had been discussed earlier. He reviewed CSGA's response to resolutions that had passed at the 2010 annual meeting, including lobbying CFIA to limit the validity of a germination certificate to no more than 12 months; that CSGA have its on-line application system operating by April, 2011; and that CSGA work with other stakeholders to keep CFIA involved in field crop inspections.

Other resolutions called on CSGA to implement a strong accounts receivable policy to ensure the financial well-being of the Association; end its Research & Development funding in an effort to reduce costs; and to impose a \$100 membership fee and increase acreage fees by 10 cents per acre, effective in 2011, all in an effort to improve the financial health of the association.

The CSGA annual meeting also directed the national organization to work with partners in the seed sector to assist universities in recruiting students into crop improvement programs to ensure a continuing supply of Canadian plant breeders for future needs; and to lobby provincial and federal levels of government to maintain current programs and increase future funding in Canada's public plant breeding programs.

Dale reported on the membership and acreage picture across the country in 2010, which are down marginally across the country, but substantially in Saskatchewan. The reductions in this province may have been due, in large part, to the difficult growing season. Pedigreed seed acres in Saskatchewan were down more than 65,500 acres from 2009 levels.

3. Midge Tolerance Stewardship Report: The Good, The Bad and the Ugly

SSGA President Lyndon Olson called on industry representatives to discuss the progress, pros and cons of the program to release midge-tolerant wheat variety blends to commercial producers. Blends of two similar varieties one resistant to the midge and the second one susceptible, are necessary to ensure the insect doesn't become immune to the resistance. The practice is expected to extend the effectiveness of the technology to 90 years or more, but requires a stewardship program to ensure that growers and commercial producers follow protocols.

Panellists included: Rob Hannam of the Midge Tolerant Wheat Stewardship Committee who developed the stewardship program; Dr. Ron DePauw, AAFC wheat breeders who developed one of the varieties; Todd Hyra of Secan, who handles the distribution and marketing of midge tolerant varieties, and Warren Kaeding a seed grower from Churchbridge, who spoke to the challenges of multiplying blended varieties, and the reaction by farmers.

Rob Hannam provided an overview of the stewardship program and the reasons why it was necessary. He said farmers are required to sign a Stewardship Agreement limiting farm-saved seed to one generation past Certified seed because the refuge may change substantially over multiple generations and not provide adequate protection. Most seed industry stakeholders are represented on the committee, and its major thrust is the education of producers about the technology and the need for stewardship.

He said the program is working as more producers are aware of the need for stewardship and are adopting the varieties for their farms. Surveys indicate that 86% of producers feel that the technology has met or exceeded their expectations, with 1,208 farmers signing on in 2010. Based on those numbers, more than 350,000 acres of wheat were planted with midge tolerant varietal blends this past season.

Dr. Ron DePauw outlined the science behind the technology, and why it was important to get it in the hands of farmers as soon as possible. Her presented statistics showing that crop losses rose from \$2.6 Million in 2004 to \$16.5 Million in 2009. Those losses were estimated at \$301.9 Million in 2007 in a year of particularly severe infestation. About 65% of the losses occur in the field through reduced yield with 25% of losses due to reduced weight of retained damaged seed, and 10% due to cleaning of seed to removed damaged seed.

He discussed the agronomic advantages of the midge tolerant varieties, noting that they allow the farmer to not only retain more yield, but to have fewer damaged kernels, resulting in less dockage when the grain is sold. Studies have also shown that the blend is stable, although some blends may be more so than others. However, the refuge does change over time, compounded by the chance that varieties will be co-mingled with others at the commercial producer level, changing the effectiveness of the blend.

Todd Hyra talked about the successes, challenges and opportunities in dealing with midge-tolerant blends. He reiterated the reasons as to why stewardship agreements were important and said that while there is pent-up demand in some areas, there is little in others. The varieties offer strong agronomic performance, but the stewardship agreement scares some off, as does the price of seed, while others are not experiencing the same midge pressure, and don't feel the need to have the technology.

Successes have included the cooperation of the entire industry to get it started, the number of producers who have embraced the technology, the strong agronomic advantages of the varieties and market acceptance. Challenges have included the need for a stewardship agreement, additional paperwork, and the need for testing and finding ways to keep the blends within tolerance. The opportunities will come with the reduction in losses to midge and improved economic returns for wheat.

Warren Kaeding told members about his experiences as a seed grower working with the new technology and addressing the concerns of farmer customers. Like Todd, he saw a series of successes and challenges. He produces about 4000 acres of pedigreed seed on the eastern side of the province, an area that faces heavy midge pressure, and getting customers interested in the technology was not difficult.

He said that on the success side, it has probably been the highest yielding wheat he's ever grown on the farm, and that the technology works. On the challenge side was separating the grower and retailer responsibilities for the technology. Getting accurate lab tests in a timely fashion could prove difficult, and changing a blend to bring it back into spec, only to find out the lab tests were in error proved challenging. As a retailer, additional paperwork and convincing customers that the need for stewardship was in their best interests was difficult at times. Overall, the success of the technology far outweighs the challenges, he told the crowd.

4. Nominations/Election of Officers

Nominations Committee Chair Brent Bews presented the committee's slate of officers for 2011 and asked

for further nominations from the floor.

Motion a) President - Les Trowell
(Larry Littman/Berny Wiens) That nominations cease. Carried. With no further nominations, Les Trowell of Saltcoats was declared elected as President for the next one year term.

Motion b) Vice President - Laurie Wakefield
(Wayne Amos/Jason Gizen) That nominations cease. Carried. With no further nominations, Brent declared Laurie Wakefield of Maidstone elected to a one-year term as vice-president.

Motion c) Saskatchewan Directors - Cathy Fedoruk/Jason Gizen/ Roy Klym
(Larry Littman/Tim Charabin) That nominations cease. Carried. With no further nominations, Brent informed the membership that an election would be required to fill two positions for two-year terms, and one position for a one-year term, and that the successful candidate receiving the fewest votes would serve the one-year term. He named Ontario Seed Grower President Dave McKellar, Alberta President Richard Stamp and Manitoba Director Ryan Murray as scrutineers. Following the vote, he declared Roy Klym of Regina and Cathy Fedoruk of Canora elected to two year terms and Jason Gizen of Prelate elected to a one-year term.

Motion d) National Director - Joe Rennick/Bob Rugg
(Hans van Burck/Brad Jones) That nominations cease. Carried. With no further nominations, Brent informed the membership that an election would again be required to fill one position for a two-year term, and one position for a one-year term, and that the successful candidate receiving the fewest votes would serve the one-year term. Following the vote, Joe Rennick of Milestone was declared as the National Director nominee for Saskatchewan for the next two-year term, with Bob Rugg of Elstow elected to the one-year term.

Motion (Barry Reisner/Donna Edwards) That the ballots cast for Director and National Director candidates be destroyed. Carried.

5. New Varieties Update

David Gehl, Head of the Seed Increase Unit at the Indian Head Research Station, reported on the new Agriculture and Agri-Food Canada varieties that are in development, including 7 wheat varieties; two-row malting and milling barley varieties; a white-hulled oat variety and several field pea and field bean varieties. He also discussed canola and mustard varieties coming out of the Saskatoon Research Centre, and five alfalfa varieties. Of note in the wheat lines were a solid stem variety that has good yield and disease packages and a line out of the program in Winnipeg that is showing possible resistance to UG99 stem rust.

Dr. Brian Rossnagel of the University of Saskatchewan's Crop Development Centre outlined a number of promising varieties that are under development, and/or are moving forward for possible registration in 2011, including hullless, feed and malting barley varieties; pulses, flax, several high-yielding wheats, and milling oats. He also outlined a number of varieties that are available for public release from the CDC. He reminded the audience that Breeder Seed for public release varieties are available to anyone, including seed growers, for multiplication and marketing and there are no royalties or seed marketing fees. Subsequent production may be Pedigreed but it's the buyer's choice and the buyer may increase or sell seed in any way.

9. Resolutions

The Resolutions Committee of Laurie Wakefield and Roy Klym Trowell presented two resolutions to the members for consideration:

RESOLUTION #1

WHEREAS: The current Saskatchewan Crop Insurance system groups all Pedigreed Seed fields into a pool for yield loss coverage; and

WHEREAS: the value of Select, Foundation and Registered status crops can be significantly greater than Certified crops; and

WHEREAS: The production of Pedigreed Seed is done on a variety rather than a crop type basis;

BE IT RESOLVED: That the SSGA Board be directed to enter discussions with Saskatchewan Crop Insurance to explore ways of providing yield loss coverage for Pedigreed Seed, where varieties and status are considered to be independent crop types.

Moved by Bill Hetland

Seconded by Roy Klym

Carried.

RESOLUTION #2

WHEREAS: The Saskatchewan Seed Growers Association would like to officially recognize the contributions of those individuals and organizations that have assisted in this Association's annual meeting;

BE IT RESOLVED: That Saskatchewan Seed Growers Association extend its sincere appreciation to:

- 1) the Guest Speakers and program participants for their enlightening presentations, including: Mr. Bruce Carriere, Mr. Chris Churko, Ms. Tanya Staffen, Mr. Dave Nussbaumer, Mr. Rob Hannam, Dr. Brian Rossnagel, Dr. Stephen Fox, Mr. Todd Hyra, Mr. Dale Adolphe, Mr. Gerald Girodat, Mr. Warren Kaeding, Mr. David Gehl;
- 2) Board of Directors and Staff of the Canadian Western Agribition for their participation and support of the SSGA Awards Banquet;
- 3) the Sponsors for their generous contributions and support of this annual meeting, including: Ag Guru, Alliance Seed Corporation, BMO Financial Group, Brett Young Seeds, Business Farm & Ranch Direct, Can-Seed Equipment, Canadian Wheat Board, Canterra Seeds, Cimbria Canada, Crop Production Services, Discovery Seed Labs, EMW Industrial, Farm Business Consultants, Farrell Agencies Ltd., FP Genetics, LDM Foods - Yorkton, Lendon Seed Lab, Regina, Lewis M. Carter Manufacturing, Mastin Seeds, Northstar Genetics, Novozymes Biologicals, SeCan, T&L Seeds, Viterra, Westeel
- 4) and to any others who have contributed to the success of this meeting.

Moved by Larry Littman

Seconded by Lionel Danielson

Carried

With no other business, President Lyndon expressed his appreciation to the speakers, guests and the members for their participation at the annual meeting and for their support of the Association.. He called Past President Joe Rennick forward and presented him with a plaque in recognition of his contributions and service to the SSGA Board of Directors from 2000-2011. As his final act in office, Lyndon presented newly-elected president Les Trowell with the official President's Gavel. Les expressed his appreciation to the membership for their vote of confidence, and presented a Past President's plaque to Joe.

Motion (Wayne Amos/ Roy Klym) That the 82nd Annual Meeting of the Saskatchewan Seed Growers Association be adjourned. **Carried.**