

ALBERTA CANOLA

PRODUCERS COMMISSION

ANNUAL REPORT

2019 - 2020

Our

Mission

**To support the long-term success
of canola farmers in Alberta.**

Our

Vision

To be leaders in agriculture.

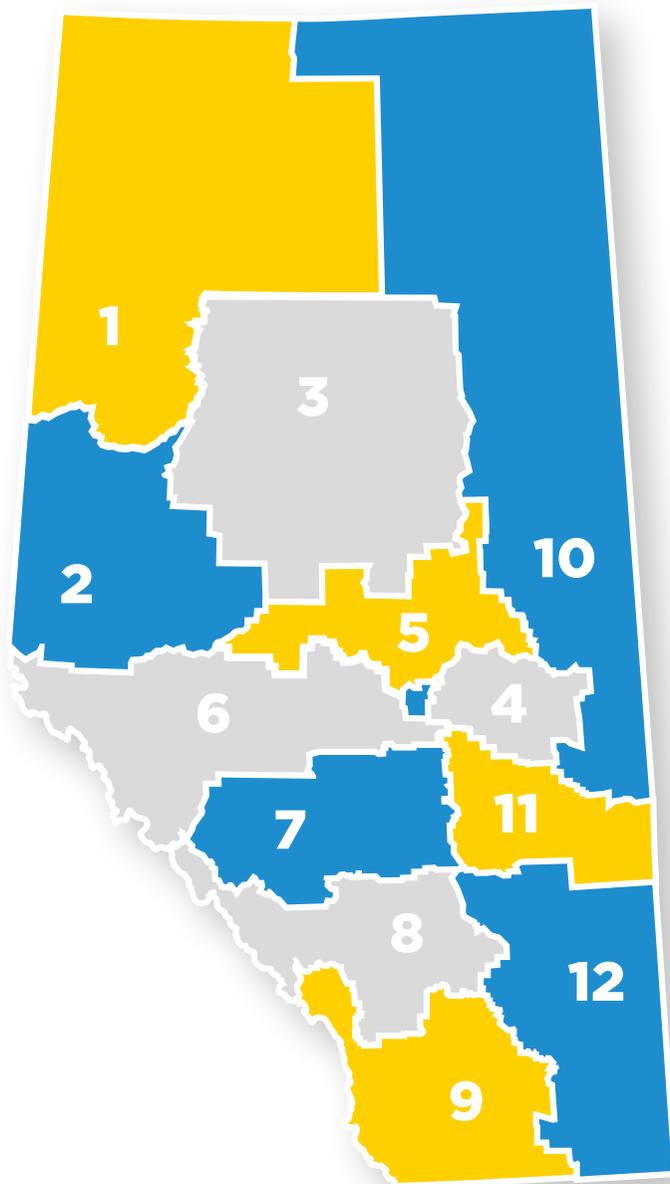
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Alberta

Regions Map



Regions and BOARD OF DIRECTORS



Dan Doll

Region 1 - Fairview



Andre Harpe

Region 2 - Valhalla Centre



Denis Guindon

Region 3 - Falher



John Mayko

Region 4 - Mundare



John Guelly

Region 5 - Westlock



Wayne Schneider

Region 6 - Nisku



Mike Ammeter

Region 7 - Sylvan Lake



Ian Chitwood

Region 8 - Airdrie



Kevin Serfas

Region 9 - Turin



Cale Staden

Region 10 - Vermilion



Roger Chevraux

Region 11 - Killam



Holly White

Region 12 - Rolling Hills

Alberta Canola Producers Commission

30TH ANNUAL GENERAL MEETING

January 28, 2020 | Edmonton



In attendance: Producers, guests, and friends of the industry. A total of 117 registered producers were in attendance.

Chair: John Guelly

Recording Secretary:
Karla Bergstrom

1. CALL TO ORDER

At 2:48 p.m., Chair Guelly opened the meeting by welcoming producers, guests and canola industry representatives.

2. APPROVAL OF AGENDA

MOTION: Mike Ammeter/Darryl Tuck moved that the agenda be approved as circulated, with the power to add if required.
CARRIED

3. INTRODUCTION OF ALBERTA CANOLA DIRECTORS

John Guelly, Chair and Director for Region 5, introduced all current Alberta Canola Directors by region:

Region 1: Dan Doll

Region 2: Andre Harpe

Region 3: Denis Guindon

Region 4: John Mayko

Region 6: Wayne Schneider

Region 7: Mike Ammeter

Region 8: Ian Chitwood

Region 9: Kevin Serfas

Region 10: Cale Staden

Region 11: Roger Chevraux

Region 12: Holly White

4. INTRODUCTION OF ALBERTA CANOLA STAFF

Chair Guelly introduced the Alberta Canola staff:

Ward Toma, *General Manager;*

Rick Taillieu,

Manager of Grower Relations & Extension;

Karla Bergstrom,

Manager of Government & Industry Affairs;

Tara Baycroft,

School and Agriculture Coordinator;

Michelle Chunyua,

Communications Coordinator;

Brittany Hennig,

Research Administration;

Kamilla Sulikowski, *Controller;*

Cheryl Rossi, *Records Administration;*

Julia Elliott, *Administrative Assistant;*

Aymie Haslam, *Policy Intern*

5. APPROVAL OF THE MINUTES OF 29TH ANNUAL GENERAL MEETING

The following correction was made to the 2019 AGM Minutes as found on page 4 of the 2018/19 Annual Report.

- Item 7 should read Henry Vos nominated

MOTION: Dan Doll/Ian Chitwood moved to approve the minutes.

CARRIED

6. 2018/19 RESOLUTION UPDATE

Chair Guelly reported that as directed by canola growers at the last AGM, Alberta Canola worked with Team Alberta and the Alberta Transportation Ministry to allow agricultural workers to apply for a one-year extension from the Mandatory Entry Level Training (MELT) program as part of Alberta's new Class 1 drivers licence regulations. Team Alberta continues to collaborate on this file to find ways to reduce the cost of training for the agriculture industry.

7. NOVEMBER 2019 ELECTIONS

Returning for a second three-year term are:

Region 1 – Dan Doll (acclaimed 2nd term)

Region 4 – John Mayko (elected 2nd term)

Region 7 – Mike Ammeter (acclaimed 2nd term)

Region 10 – Cale Staden (acclaimed 2nd term)

8. COMMITTEE REPORTS

A video outlining the various activities of Alberta Canola committees was shown. Chair Guelly went over the work Alberta Canola does with the Canola Council of Canada (CCC), the Canadian Canola Growers Association (CCGA) and Team Alberta.

9. ADMIN & FINANCE

Vice-Chair and Chair of the Governance and Finance Committee, Kevin Serfas, spoke to the 2018/2019 audited financials published in the annual report and presented the 2019/2020 budget.

Question: Jack Swainson asked how the contribution to CCC is calculated?

Vice-Chair Serfas responded that the three prairie provincial grower organizations pay 50% of the Canola Council of Canada’s budget. The share is calculated by the percentage of canola production for each province.

MOTION: Andre Harpe/Darryl Tuck moved to appoint Grant Thornton as the auditors for Alberta Canola.

CARRIED

10. 2019/2020 RESOLUTION

(submitted 10 business days prior to the AGM)

Chair Guelly read the resolution as brought forward:

As the provincial government plans to discontinue production research and looks for a new way to support agriculture research through Farmer-led groups.

Be it Resolved that the Alberta Canola Producers Commission commit to working with SARDA Ag Research and Team FarmRite to ensure a healthy future for agriculture in the province and to



provide a viable, collaborative structure that the province can fund and support into the future

MOTION: Michel Benoit / Leonard Desharnais moved the resolution. The mover spoke to the motion.

The body spoke to the motion, asked for clarification, and suggested it be amended to be more inclusive.

MOTION: Neil Gorda/Jack Swainson moved to table the resolution until the next AGM.

CARRIED

11. PYP EVALUATION PRIZE DRAW

Wayne Tkachuk's name was drawn. He attended the Vegreville Powering Your Profits regional meeting.

12. UPCOMING EVENTS

Chair Guelly highlighted key upcoming events including the Peace Region Clubroot Response Workshop, Making the Grade, and canolaPALOOZA.

13. NEW BUSINESS /QUESTIONS

No new business or questions were brought forward.

14. 30TH ANNIVERSARY GUEST SPEAKER

The Honourable Devin Dreesen, Minister of Agriculture and

Forestry, brought greetings and congratulations from the Government of Alberta. He stated it was impressive that Alberta Canola has been advocating for issues and educating governments for 30 years and that we do make a difference in moving the needle.

15. 30TH AGM ACKNOWLEDGEMENTS

Chair Guelly recognized Ward Toma, General Manager, and thanked him for his 20 years of service to the canola industry.

16. ADJOURN

MOTION: Kevin Serfas moved to adjourn the meeting.

MEETING ADJOURNED AT 3:53 P.M.



2019 / 2020

CHAIR'S REPORT

The 2019-2020 crop year in Alberta had many challenges and successes. No two growing seasons seem to ever be the same, but again farmers in many parts of Alberta had difficult harvest weather getting the 2019 crop in the bin, deeming it “The Harvest from Hell”. The trade issues with China continued, but a new market in Europe evolved for sustainable biofuels and canola seed and oil remained a final destination in China, via many other countries. Canola continues to be a mainstay of income for crop farmers across the province.

The crop year ended in the midst of the global Covid-19 pandemic. While there was great concern about logistical issues getting inputs and equipment parts, the 2020 crop was seeded without any major issues. This success was accomplished by the cooperation of the fertilizer, seed, chemical, trucking and retail companies, as well as the government declaration of agriculture as an essential service and the hard work and diligence of prairie farmers.

The Public Engagement and Promotion (PEP) Committee pursued a very busy education program until Covid put a halt to most of the activities in mid March. Sharing the health benefits of locally grown canola oil in diets to students at Alberta schools is very important. The Canola! Eat Well program officially began its partnership with Alberta Canola, SaskCanola and the Manitoba Canola Growers at the end of the crop year. A video campaign to support



“Good organizations are the result of good people.”

restaurants during Covid with the 'Takeout Day' program was spread across the country on various social media channels.

Alberta Canola was again very busy interacting with the provincial and federal governments through the Government and Industry Affairs Committee. Changes to the Business Risk Management suite, lobbying for a Bio fuel mandate increase and the MELT program requirements were some of the many files that were worked on. Team Alberta, a four-crop commission group with Wheat, Pulse and Barley, was further strengthened and had a significant positive impact for Alberta farmers.

Many of the events, including Canola Leaders, that the Grower Relation and Extension Committee had planned were ultimately cancelled for public safety reasons due to Covid-19. FarmTech, and a 2nd Clubroot Workshop in Grande Prairie were some of the events that were very successfully hosted prior to March. The Powering Your Profits event was held in each of the 12 regions across Alberta in November. Alberta Canola also became the title sponsor of the Tax Update for Professionals course that updates Accountants on the latest annual tax law as it relates to agriculture. The committee also continues to sponsor several agriculture agronomy, management and safety organizations and fund our four exceptional Alberta Canola Council of Canada Agronomy Specialists.

The Research committee scrutinized many new project applications and selected seven great projects, where approx. \$800,000 was invested to help make Alberta canola farmers more successful. Projects funded included pathology research into clubroot, blackleg and sclerotinia as well as identifying beneficial predator insects in canola fields. We also

partnered with The North Peace Applied Research Associations on a seed project. Finally, the committee funded a University of Alberta health project on how well canola oil improves the immune health of infants.

We continue our representation on the boards of Canola Council of Canada (CCC) and the Canadian Canola Growers Association (CCGA). The CCC has been very busy trying to support the resolve to trade issues as well as finding new markets and uses for canola. CCGA continues to be a provider of the Cash Advance Program as well as federal policy monitoring and lobbying.

In January of 2020, Scott Meers, the Alberta Agriculture and Forestry, Insect Management Specialist, retired. Scott graduated in 1982 from the University of Alberta with a degree in Agriculture and later took a leave from Alberta Agriculture and Forestry to get a Masters degree in Entomology from Montana State University in 2004. Scott was tireless in his research, monitoring and extension of insects that effected Alberta crops, especially canola. Scott will certainly be missed by all but we certainly wish him all the best in the new chapter in his life and hope that he remains a part of the canola family.

In June, the canola family lost Phil Thomas, a past Alberta Oilseed Specialist. "Having literally written the book on canola (fittingly titled "The Canola Growers Manual"), Phil was known as "Mr. Canola" for his work with thousands of growers in Alberta, across Canada and around the world." Our deepest sympathies to Phil's family and hope that

Phil's extension can live on in every canola farmers thoughts.

I would again like to thank all of Alberta Canola's staff who work tirelessly to help make our commission a success. Our Board of Directors set the direction and guidance for the organization, but it's the staff that continue to deliver the programs, events, communications, extension, lobbying, education and administration on a day to day basis. Good organizations are the result of good people.

As I complete my 6 years on the Board and 2nd year as Chair this winter, I would like to thank everyone that has helped me guide Alberta Canola during my tenure. I have been extremely fortunate to work with numerous great people and that made my time on the board not only extremely rewarding, but also very enjoyable. I have had so many unbelievable opportunities and experiences and met a huge amount of incredible people from throughout our industry, across the country. Thank you for the opportunity and I have all the confidence that Alberta Canola will continue to work for farmers for years to come.

Regards,



John Guelly
Chair

THE CANOLA ORGANIZATIONS

Canada's canola industry is represented by these organizations: provincial grower associations, the Canola Council of Canada and the Canadian Canola Growers Association.

	PROVINCIAL GROWER ORGANIZATIONS:	NATIONAL VALUE CHAIN ORGANIZATION:	NATIONAL GROWER ORGANIZATION:
	  		
PURPOSE	<p>These three Prairie canola grower organizations invest levy dollars into research, extension, public affairs, advocacy and canola promotion to support the long-term sustainability of canola growers.</p>	<p>Uniting the full canola value chain including growers, processors, exporters and life science companies to advance the sector. The CCC leads industry strategies in market access and trade; canola production and innovation, including national research coordination; and targeted promotion to export markets.</p>	<p>As the national policy voice for canola growers CCGA enhances the competitiveness of canola growers by conducting in-depth policy analysis and advocating for policy changes that impact farm profitability. Through the Advance Payments Program the association also provides growers access to interest-free and low interest cash advances.</p>
BOARD	<p>SaskCanola: 8 grower-directors</p> <p>Alberta Canola: 12 grower-directors</p> <p>Manitoba Canola Growers: 8 grower-directors</p>	<p>15 directors, including four canola growers (one from CCGA board and one each from SaskCanola, Alberta Canola and Manitoba Canola Growers), three representatives of life science companies, four exporters and four processors.</p>	<p>10 grower-directors, appointed by the five provincial canola grower associations: B.C. Grain Producers Association, Alberta Canola, SaskCanola, Manitoba Canola Growers and Ontario Canola Growers Association.</p>
FUNDING	<p>Growers fund their provincial canola organizations through a levy collected when crop is sold.</p>	<p>The three Prairie canola grower organizations together provide 50 per cent of CCC core funding. The other 50 per cent comes from processors, exporters and life science companies.</p>	<p>CCGA operates using funds generated from its core business operations. Provincial member organizations contribute a modest annual membership fee.</p>
WEBSITE	<p>saskcanola.com albertacanola.com canolagrowers.com</p>	<p>canolacouncil.org</p>	<p>ccga.ca</p> 

CANOLA COUNCIL OF CANADA

By Kevin Serfas, CCC Director

Through the Canola Council of Canada, Alberta Canola works in partnership with the entire value chain to advance canola’s success and sustainability. The following report highlights some of the key activities in support of the canola industry’s strategic plan in 2019/20. It was a year filled with unusual challenges, from the toughest harvest in recent memory to the COVID-19 virus.

Seeking a Return to Predictable Trade

One of the most difficult challenges was the ongoing disruption of seed trade with China. The CCC worked closely with the federal government, providing technical advice and pushing for concrete actions to diversify canola markets at home and abroad. As developments unfolded, the CCC kept the value chain informed through a central information hub on the canolacouncil.org website, webinars with federal trade and agriculture ministers, podcasts, video updates and media interviews. The CCC continues its efforts to focus attention in Ottawa on finding science-based solutions and resuming stable trade.

Pursuing New Market Opportunities

Biofuels

For canola oil, one of the most promising diversification opportunities is the growing biofuel market, led by the European Union and the U.S. The CCC is seeking full recognition of the Canadian industry’s environmentally friendly practices in these markets so that our canola can generate the most value as a renewable fuel feedstock.



Webinars hosted by the CCC and Canadian Canola Growers Association (CCGA) provided information updates and the opportunity to ask questions related to trade with China as well as impacts of COVID-19.





With the new federal Clean Fuel Standard (CFS) under development, 2019/20 was also the opportune year to push for more canola-based biofuels in Canada. Alongside partners like the CCGA, the CCC has urged governments to increase the minimum requirement for renewable content in diesel from two per cent to five per cent, and make the CFS fair for canola. In July 2020, the CCC launched the Flower Power social media campaign to generate and demonstrate public support for canola-based biofuels as part of the advocacy effort with the federal government.

Global engagement amid Covid-19 restrictions

When COVID-19 made trade visits impossible, the CCC turned to digital technology to continue to build customer understanding of Canadian canola oil and meal attributes in global markets.

Thailand represents a market diversification opportunity for Canadian canola meal exports. Through a virtual meeting in July, CCC members and canola meal traders shared information on Canadian canola with Thailand's CP Group, one of the world's largest feed producers. In the U.S., Canada, Mexico and China, over 800 dairy professionals participated in webinars featuring nutrition expert presentations on the use and versatility of canola meal in dairy diets.

The annual Japan-Canada pre-consultation meeting also took the form of a video conference, instead of happening in-person at a Canadian location. I was pleased to be among those taking part. It was an important opportunity to share information on issues, particularly those impacting the predictability of trade. This year, we focused on Japan's plans to amend aspects of phytosanitary measures affecting maximum residue limits



As a follow-up to the CCC's trade mission to Pakistan last December, the CCC hosted a webinar on best management practices for storing canola – an important topic of discussion with Pakistani processors and importers.

and the importance of clarity in Canada’s model for plant breeding innovation.

At the consumer and influencer level, the CCC continued to ensure the CanolaInfo website and social media program proactively addressed misinformation by delivering relevant, accurate information on canola and canola oil that is aligned with general public interests. A survey of U.S. consumers was also conducted in February to help monitor the perception and reputation of canola oil and inform future strategies to preserve and nurture knowledge on the canola brand and attributes.

Managing Market Access Risk

Through the Market Access Committee, the CCC continued to monitor and avert potential market access issues related to pesticide regulation and innovation in seed technology. In 2019/20, some of these concerns stemmed from domestically focused policies in key export markets, which could foreseeably impact these countries’ import tolerances. For example, the EU published two strategies with ambitious targets for reduction of pesticide use and growth of organic production. Another concern was a

push in France to ban domestic cultivation of Clearfield canola without any scientific basis. In both cases, the CCC worked in close coordination with the Canada Grains Council to engage with governments and industry with the aim of retaining science-based import tolerances.

Through the Keep it Clean awareness program, the CCC also continued to work together with Cereals Canada and Pulse Canada to encourage production practices that meet the requirements of our domestic and export customers. Responding to feedback from farmers about the importance of their crop input suppliers, agronomists and grain buyers as a source for Keep it Clean program information, toolkits and webinars were provided to these companies and organizations to amplify engagement.

Sustainable Supply

Advice for dealing with a tough harvest for the CCC agronomy team, the biggest challenge of the year was helping the industry navigate 2019’s wet, snowy harvest, which hit Alberta the hardest. The CCC used online tools like Canola Watch, social media and media outreach to help growers deal with



Visual crop staging guides and videos available on keepingitclean.ca share important timing messages with growers and advisors for pre-harvest glyphosate application to avoid unacceptable product residues.



The Canola Watch video series provided timely and concise tips throughout the growing season.



combining, unharvested acres and storage of tough and damp canola. Storage and inventory management advice was also provided to elevator managers, processors and international customers.

Assisting growers while respecting COVID-19 protocols

Digital communication took on renewed importance this growing season, as opportunities for in-person contact were restricted. In connection with the weekly Canola Watch e-newsletter, the CCC produced 25 1-minute videos on key production issues, plus quizzes and Canola Watch podcasts. CCC agronomy specialists were frequent guest speakers at virtual events with commercial agronomists, retailers and grower groups, as well as a series of small, carefully managed “Thanks for Farming” in-person meetings across the Prairies.

Leadership on regulatory issues

The proposed ban of two neonicotinoid seed treatments used on canola were the prime regulatory concern in 2019/20. The CCC and CCGA encouraged the Pest Management Regulatory Agency and Health Canada to consider all information received – including

results of our 2019 canola wetland monitoring program, which showed no residues in 80 per cent of samples and residues well below the level of regulatory concern in the remaining 20 per cent of samples.

The CCC also played a leading role in the Canadian Roundtable for Sustainable Crops, including chairing the scientific advisory committee on the Code of Practice for grains and oilseed production. The Roundtable will soon be seeking feedback on the Code, which is aimed at demonstrating the sustainability of Canadian agricultural production.

Keeping research moving forward

After COVID-19 prompted Agriculture and Agri-Food Canada (AAFC) to put many field research and laboratory projects on hold, the CCC worked with researchers and other commodity groups on advocacy for continuation of research projects with appropriate safeguards in place. AAFC responded by moving ahead with about 90 per cent of planned Canola AgriScience Cluster projects. The CCC is working closely with partners on re-profiling unused research funds to next year so projects can be completed as planned.

CANADIAN CANOLA GROWERS ASSOCIATION

35 Years of Helping Farmers Succeed:

Helping Farmers Succeed

In 2019, Canadian Canola Growers Association (CCGA) celebrated 35 years of Helping Farmers Succeed.

CCGA has been at the forefront of driving change for canola farmers, representing their interests on national and international agricultural issues, programs and policies. CCGA has also long supported the financial needs of Western Canadian farmers through its administration of the Advance Payments Program.

As the national policy voice for Canada's 43,000 canola farmers, CCGA enhances farm competitiveness by conducting in-depth policy analysis and advocating for policy, regulatory and legislative changes that impact farm profitability. CCGA is governed by 10 farmer directors who represent Canada's five provincial canola associations.

Advance Payments Program

CCGA has been an administrator of the Advance Payments Program since 1984, providing cash advances to help farmers better market their farm commodities and finance their operations. The Advance Payments Program is a federal loan program administered by CCGA. It offers Canadian farmers marketing flexibility through interest-free and low-interest cash advances.

Cash advances can be a valuable tool for any farmer wanting to better manage their operating cash flow, improve their farm returns and reduce their borrowing costs. In 2019, CCGA provided advances to farmers across Western Canada on more than 50 different commodities including grains, oilseeds, pulses, specialty

crops, organic commodities, large and small livestock and honey. During the year, advances totaling \$2 billion were issued to over 11,000 farmers in B.C., Alberta, Saskatchewan, and Manitoba.

CCGA is continually innovating its cash advance services, delivering more value to farmers. In 2019, CCGA offered a significant interest rate savings for interest bearing advances at prime less 0.5%. With an expansion of program limits announced by the Minister of Agriculture in May 2019, farmers had access to an expanded program limit to \$1 million and an expanded interest-free benefit, for canola only, of up to \$400,000.

After the announcement, CCGA immediately got to work ensuring each CCGA advance customer benefited from the maximum eligible interest-free portion they were entitled to under the new limits without having to contact CCGA or completing any additional paperwork.

National Voice of Canada's Canola Farmers

CCGA's Government Relations and Policy Development teams work in concert to bring the voice of Canadian canola farmers to the forefront of agricultural policy discussions at the national and international level.

In addition to face-to-face meetings with Members of Parliament, Ministers and their staff, and public servants, CCGA also engages with the federal government through various consultations and forums, including appearing before Parliamentary and Senate Standing Committees. To help advance common issues, CCGA also partners with like-minded agriculture groups to convey consistent messaging to the federal government.

During the 2019-20 fiscal year, CCGA advocacy efforts focused on priority areas including international trade, business risk management, biofuels, transportation, sustainability, science-based regulatory approaches and more. Leading up to the fall federal election, CCGA launched a communication campaign directed to federal candidates from all parties, raising awareness of these priorities for the next government.

With the fall election of Canada's first minority government in eleven years, coupled with the emergence of a global pandemic in the spring, CCGA worked to ensure the voice of canola farmers remained at the table despite the uncertain times.

In 2019-20 CCGA's advocacy activities included submitting 35 submissions and letters to government, three appearances at parliamentary committees, and conducting 54 meetings with Parliamentarians, political staff, and high-ranking departmental officials. A highlight of the year was a joint lobby day with the Canola Council of Canada on January 30th at Parliament Hill.

A ROADMAP FOR CANADA'S NEXT GOVERNMENT

Canola is a Canadian success story – a leader in sustainable production that supports 250,000 jobs across the country. The industry is facing significant disruption and urgently needs to restore stability to grow and prosper.

4 KEY PRIORITIES FOR CANOLA

Regain access to China and grow global export markets
Engage with China to regain our market. Establish new markets for our exports.

Increase renewable fuel content from canola
Use more canola in Canada, reduce greenhouse gases and stimulate investment.

Support canola producers through uncertainty and falling revenues
Improve Business Risk Management programs.

Improve the Pest Management Regulatory Agency
Ensure robust, science-based decisions for safe and sustainable use of crop protection products.



Growing a Sustainable Future with Canola



CANADIAN
CANOLA GROWERS
ASSOCIATION
www.ccca.ca



2019-20 Policy Priorities

Trade and International Advocacy

CHINA: CCGA is a member of the Canola Working Group, tasked with finding a path forward regarding canola exports to China. Key areas of focus for CCGA at the Working Group include restoring full trade with China, export market diversification, providing support to farmers through improvements to Business Risk Management programming, and domestic market diversification including canola-based biofuels.

CCGA and CCC cooperated on a number of webinars to update farmers about the status of trade with China, as well as a 6-minute video update about trade with China. CCGA also represented canola farmers at the Canola Working Group.

In 2019, Canadian canola exports to China lost half their value from 2018. Canada exported 1.6 million tonnes of canola seed (\$853 million) in 2019 compared to 4.8 million of seed (\$2.8 billion) in 2018.

CUSMA: CCGA supported ratification of the Canada U.S. Mexico Agreement (CUSMA), appearing before the House Committee on International Trade and providing written submissions throughout the legislative process.

INTERNATIONAL ADVOCACY: CCGA currently chairs the International Agri-Food Network with the goal of elevating farmers' voices on international issues and influencing policy that reflects North America's modern agriculture. Highlights included raising the importance of global supply chains, Codex maximum residue limits (MRLs) for agricultural trade and farmers' access to innovation.

Business Risk Management

Both independently and in collaboration with its AgGrowth Coalition partners, CCGA has been actively working to implement effective BRM program changes for farmers. To that end, CCGA along with other producer groups continues to ask for immediate changes to AgriStability, including the removal of the Reference Margin Limit as well as providing coverage starting at 85% of the historical reference margin. Model farm analysis completed for CCGA demonstrates the ineffectiveness of AgriStability in responding to farmers' current needs. CCGA has participated in numerous media interviews, advocacy meetings and issued press releases related to BRM: Canola Farmers Disappointed with Outcome of FPT Ag Ministers' Meeting.



Biofuels

As Canada and markets around the world choose canola-based biofuels, the Canadian canola industry has an opportunity to meet growing demand. Canola is a high-quality, domestically sourced, sustainable biofuel feedstock that can play a key role in reducing greenhouse gas (GHG) emissions in transportation fuel. An increase in Canada's Renewable Fuel Standard from 2% to 5%, would create an additional domestic demand for 1.3 million tonnes of canola seed, a market similar in size to annual exports to Japan.

For many years, CCGA has advocated for changes that would see the domestic biofuel industry grow, and CCGA continues to lead advocacy efforts with meetings, submissions to government consultations, and a digital advocacy campaign in 2019. More details about CCGA's work in this area can be found here and also on CCGA's twitter feed.

Canada's Clean Fuel Standard should be updated to require all diesel fuel to contain



**a minimum 5%
renewable content**

Increasing the renewable content in diesel fuel 2% to 5% would be a win-win-win scenario., with benefits for the environment, farmers and the economy.

Rail Transportation

CCGA continues to work on rail transportation issues to support efficient and responsive rail service for farmers. CCGA is a member of the Crop Logistics Working Group and currently holds the Industry co-chair role. Through its participation in the Ag Transport Coalition (ATC), CCGA helps to ensure transparency of information about the movement of grain within Canada's grain transportation system. The ATC provides daily, and weekly performance reporting on movement of grain by Canada's railways. CCGA actively participated in regulatory consultations with Transport Canada in 2019, and engages in advocacy on behalf of farmers, including communicating with media: Canola Farmers Call on Government to Resolve Shipping Disruption at CN and Canola Farmers Remain Concerned Over Rail Shipping Disruptions.

Sustainability

The canola industry has set sustainability goals to 2025 in five areas including energy, land efficiency, carbon sequestration, soil and water health, and biodiversity. For more information on these goals read Canola's Sustainable Future.

CCGA is working to bring the canola farmer voice forward in national sustainability conversations. CCGA participates in several committees related to the development of a national Code of Practice for Canada's grain industry. Farmers will be able to participate in consultations, beginning Fall 2020.

Innovation & Sound Science

In 2019, CCGA lead a neonic water monitoring project across the Prairies. With over 130 samples taken and analyzed, the research

was successful in generating encouraging and meaningful data for the industry and regulators. A presentation was made during Canola Discovery Forum in November 2019.

Marketing

CCGA supports farmers grain marketing activities with several extension tools including the Know Your Grade website, which includes resources on grading, dockage, sampling and producer protections. The site also hosts CCGA's grain contracts booklet, which advises farmers on important things they should know about grain contracts.

Our Social Responsibility

CCGA is involved in numerous organizations and projects that provide support to the agriculture community. These include:

- Agriculture in the Classroom Canada
- BeGrainSafe
- Nuffield Canada
- Mental health in agriculture projects – several projects
- Prostate Cancer Centre ManVan
- STARS air ambulance

Learn More

CCGA's website (www.ccca.ca) is an extensive resource for farmers interested in agriculture policy as well as cash advances.

- Find out more about CCGA's advocacy priorities from "Canola: Growing Canadian Prosperity"
- Learn about CCGA's many partnerships and working groups on "Our Partners" page
- **Follow CCGA on Twitter @ccga_ca for the latest press releases, updates on cash advances, and more**



RESEARCH

Chair: John Mayko

**Directors: Dan Doll, Denis Guindon,
Cale Staden, John Guelly**



The Alberta Canola Research committee reviewed its priorities this past year and while the list of challenges that farmers and the canola industry face is a long one, helping canola growers succeed in the face of pressure from disease, insects and weeds continues to rank at the top and the projects that Alberta Canola funded reflect these priorities. Challenges also existed in canola utilization and Alberta Canola was able to support a significant project in this area in this past year.

In 2020 Alberta Canola was able to secure matched funding for seven projects in a variety of research areas that aim at improving canola's use and the ability to fight of insects, diseases and weeds. The Alberta Canola Research Committee takes in project proposals via two collaborative groups: The Canola Agronomic Research Program and The Agriculture Funding Consortium.

The Canola Agronomic Research Program, or CARP as it is commonly known, began as a collaborative way for the canola grower groups in Alberta, Saskatchewan and Manitoba to coordinate research priorities and funding. After 30 years the program has

seen hundreds of research projects funded by western Canadian canola growers.

Alberta Canola also participates in the Alberta Agriculture Funding Consortium, which consists of government and farmer funded organizations. The Ag Funding Consortium is a mechanism by which the groups receive proposals for research projects in a single window system. This collaboration allows for collective development of research priorities and project funding and has allowed Alberta Canola to receive a more diverse type of research proposal and participate in more projects with more funding partners. The final result is increased leverage of grower dollars with other funding agencies.

New Projects for 2020

	Alberta Canola Funding	Total Project
Establishing the importance of Canola-derived long chain n-3 polyunsaturated fatty acids on immune development Dr. Catherine Field, University of Alberta	\$401,000	\$695,250
Identifying key predators and their role in canola insect pest suppression. Dr. Boyd Mori, University of Alberta	\$104,098	\$312,296
Suitability and Efficacy of Chaff Lining for Weed Control in Western Canada Dr. Breanne Tidemann, Agriculture and Agri Food Canada	\$268,000	\$268,000
Biological control of lygus plant bugs in established and emerging crops. Dr. Hector Carcamo, Agriculture and Agri Food Canada	\$22,000	\$141,025
Monitoring the canola flower midge with pheromone-baited traps Dr. Boyd Mori, University of Alberta	\$21,446	\$128,678
Pre-breeding lines combining canola quality with sclerotinia resistance, good agronomy and genomic diversity from PAK93 Dr. Sally Vail, Agriculture and Agri Food Canada	\$46,666	\$280,000
Evaluating the effect of canola seeding rate and seed size seeded into wheat stubble in flea beetle damage and population Dr. Maria Angelica Ouellette, North Peace Applied Research Association	\$208,050	\$208,050
Improving heat and drought resistance in canola (<i>Brassica napus</i>) through regulating diacylglycerol acyltransferase activity Dr. Gavin Chen, University of Alberta	\$120,000	\$416,750
Clubroot Pathotype Surveillance & Research Dr. Stephen Strelkov, University of Alberta	\$20,000	\$615,904

Funding in Core Areas since 2012

	Alberta Canola Funding	Total Project Cost	Matching Funds
Agronomy	\$1,599,589	\$4,999,859	\$3.13
Genetics	\$582,933	\$2,059,863	\$3.53
Insects	\$1,221,390	\$4,249,689	\$3.48
New Product/New Uses	\$1,287,081	\$2,085,157	\$1.62
Disease	\$2,005,563	\$9,184,404	\$4.58
Canadian AgriScience Canola Cluster 25 projects over 5 years	\$1,030,142	\$20,100,000	\$19.51
Total	\$7,706,698	\$42,687,972	\$5.52

GROWER RELATIONS & EXTENSION

Chair: Cale Staden

Committee: Denis Guindon, John Mayko, Wayne Schneider, Kevin Serfas, Holly White, John Guelly

Alberta Canola is committed to providing access to agronomy, marketing and management information that will support the long-term success of canola farmers in Alberta.

Alberta Canola has a comprehensive program to engage growers through strategic communications and high-quality learning opportunities. Partnering with other agricultural organizations at a national, provincial, and regional level is a fundamental component of the grower relations and extension program.

GROWER COMMUNICATIONS

www.albertacanola.com

Alberta Canola’s website is canola growers’ source for agronomy, marketing, and management information along with information on the goals and activities of the Commission.



Site users and pages viewed increase every year, along with an increasing percentage of users visiting the site from a mobile device

50,353 users accessed 195,865 pages

SOCIAL MEDIA

Alberta Canola has a strong presence on social media, delivering timely information and event updates to growers on three major platforms.

Twitter Followers

8,985+

Facebook Page Likes

1,804+

Instagram Followers

841+

ELECTRONIC NEWSLETTERS

Subscribers receive media releases from the Alberta Canola Producers along with the Alberta Canola Connections Newsletter which provides information on agronomy, marketing and management resources and updates on the activities of the commission and information on upcoming events.

Subscribers

5,013

CANOLA DIGEST

Alberta Canola partners with SaskCanola, the Manitoba Canola Growers Association and the Canola Council of Canada to provide 4 issues of the Canola Digest to all canola growers in Alberta.

The 7th Annual edition of the science digest was sent to all growers in Alberta in the fall of 2019. This advertising free issue highlights the research that Alberta Canola has invested research dollars in.



@AlbertaCanola



/AlbertaCanola



@AlbertaCanola

Key Extension Events



Powering Your Profits

NOVEMBER 2019

In November 2019, each of Alberta Canola’s twelve directors hosted a Powering Your Profits event to provide farmers with information on growing canola, marketing canola and farm management. The meetings also provide growers with the opportunity to learn about Alberta Canola’s activities, review the Alberta Canola budget, provide feedback, and to give input.

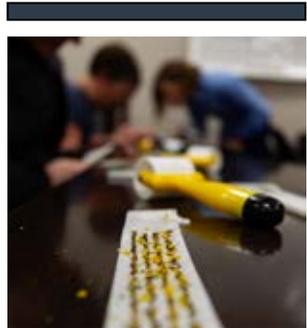


FarmTech Conference

JANUARY 2019

Alberta Canola is one of the hosts of The FarmTech Conference along with Alberta Barley, Alberta Pulse Growers, Alberta Seed Growers Association and the Alberta Wheat Commission.

Agronomy, marketing, and farm management are key components of the agenda. FarmTech 2020 was held at the Edmonton EXPO Centre and attracted a crowd of over 1,600 delegates. The Alberta Canola Annual General Meeting is also held during the event.



Making the Grade

FEBRUARY 2020

Grande Prairie was home to Making the Grade in February. Hosted by Alberta’s canola, barley, pulse and wheat commissions, the event offers hands-on training on grain and oilseed grading, along with agronomic and storage information to help get the highest grade possible.



Bringing knowledge to Farmers and consumers



Clubroot Response Workshop

JANUARY 2020

A clubroot response workshop was held in Grande Prairie in February. Researchers, agronomists and farmers shared the latest science that is helping farmers develop practical management techniques for their farms.



Suspended Events

In response to the COVID-19 Pandemic, several of Alberta Canola's flagship extension events were cancelled during the period of March to July 2020. These included:

Canola Leaders *(March)*

A leadership course for young farmers from across Alberta
canolaPALOOZA *(July)*

The agronomy event of the summer where there is an expert answer for every canola question

Canola Director Crop Walks

Hosted by the directors each summer.

Alberta Canola looks forward to when we can once again host interactive and engaging events.

Sponsorships and Partnerships

Agriculture Update for Professionals

The Agriculture Update for Professionals provides hundreds of accountants and other professionals across Alberta with the latest information on tax updates and planning for their clients. Alberta Canola is the exclusive sponsor of this course.

Farm Management Canada

Alberta Canola has a strategic alliance agreement to support Farm Management Canada financially and to work cooperatively to provide Alberta Growers with greater access to the tools needed to advance their farm management skills.



Sprayers 101

Alberta Canola sponsors the sprayers101.com website which provides growers with the knowledge and resources for best practices in the safe, efficient, and effective operation of agricultural sprayers.

DoMoreAg

Alberta Canola is proud to support the DoMoreAg Foundation and its efforts to change the conversation and to provide valuable resources for mental health in the agriculture community.



BeGrainSafe

Alberta Canola sponsors the Canadian Agricultural Safety Association's BeGrainSafe program. At the heart of this program is a mobile grain entrapment demonstration and rescue training unit.



Supporting Farmers & Education



Canadian Agronomist

Alberta Canola is proud to support CanadianAgronomist.ca which translates research into agronomic knowledge that agronomists and farmers can use to grow better crops. Sign up for your free subscription and receive email notifications of new Research Insights postings.



AgSafe Alberta

Farm Safety is critical to the long-term success of Alberta farmers, and Alberta Canola is proud to support AgSafe Alberta. AgSafe Alberta offers resource materials, training, and incident support as it relates to safety on the farm.

Applied Research Associations

Alberta Canola provides funding for extension programs to Farming Smarter, SARDA, Mackenzie Applied Research Association (MARA), Battle River Research Group (BRRG), Chinook Applied Research Association (CARA), Gateway Research Organization (GRO), Lakeland Agricultural Research Association (LARA), North Peace Applied Research Association (NPARA), and Peace Country Beef & Forage Association (PCBFA).

Conference & Event Sponsorship

Alberta Canola provides sponsorship each year to support events including the Lacombe Field Day, Western Forum on Pest Management, Plant Pathology Society of Alberta Conference, Farming Smarter Conference, Peace Agronomy Update, Ag-Excellence Conference, and the Alberta Beekeepers Summer Field Day.

PUBLIC ENGAGEMENT & PROMOTION

Committee Chair: Andre Harpe

Committee: Ian Chitwood, Holly White, Wayne Schneider, Cale Staden, John Guelly



Help farmers operate under increased public scrutiny



Long term inclusion of agriculture in all school curriculum



Increase Canadian market share



Ensure continued market development in international markets.



When it comes to major events Alberta Canola worked closely with the national Canola! Eat Well team, which is made up of Alberta Canola, SaskCanola and Manitoba Canola growers to promote both the general use and health benefits of canola to a larger general audience, across the country. Canola! Eat Well will have information and resources for the larger and general audience.

It has been very successful at raising the profile of canola in Eastern Canada, and by reinvor-

ating the partnership we plan to make it bigger and extend its reach and impact all over Canada.

International market development efforts are led by the Canadian Canola Growers Association and the Canola Council of Canada. The market access issues continue to highlight the importance of international market diversification to minimize the impacts on farmers of trade disruptions.

Public Education

Alberta Canola believes students should not only understand where their food is coming from but also be informed about making critical decisions about the food they eat. We assist teachers with incorporating various aspects of canola into the curriculum across all grades.

This past year Alberta Canola's involvement with Public Engagement and Promotion took a new direction in education to further reach classrooms. The new agriculture and school program's focus is to support and develop educational resources across all grades and subjects (K-12) in the provincial school systems. These resources will be expanded upon as the program is further developed and is intended to meet the curricular outcomes of the provincial program of studies. The resources are meant to be used by educators as a teach-the-teacher guide in addition to serving as an accessible on-line resource for students and families interested in learning more about canola production and agriculture.

Alberta Canola continues to work with partner organisations to offer agriculture education programs. Due to COVID-19 some of the events we would typically partake in like Aggie Days (Calgary and Lethbridge) and Calgary Stampede were cancelled this year. Alberta Canola looks forward to when we can once again take part in these educational events.

Journey 2050

- Journey 2050 is a FREE agriculture education program that takes students on a virtual simulation exploring world food sustainability, engaging and empowering students to think deeper and understand their impact on the world around them.
- Alberta Canola is proud to be a major contributor to the program.
- The program was developed in 2013 and is offered primarily on-line through e-learning, or through field trips done at the Nutrient center at The Calgary Stampede Park where the full program is delivered.
- The Virtual farm simulation program applies an inquiry-based approach that encourages students to make decisions and adjust them while considering how it impacts the society, environment and the economy at a local and global scale. As the student interact with each family, they learn the role of best management practices in feeding the world, reducing environmental impacts and in improving social performance through greater access to education, medical care and community infrastructure.



Classroom Agriculture Program (CAP)

- Alberta Canola is one of the board members of Classroom Agriculture Program along with, Agriculture for Life, Alberta Wheat and Barley Commissions, Alberta Pulse Growers Commission, Alberta Beef Producers, Alberta Chicken Producers, Egg Farmers of Alberta, Alberta Veterinary Medical Association, Eastern Irrigation District, Alberta Irrigation Districts Association, Alberta Institute of Agrologists, and Alberta Milk.
- As a Board Member, Alberta Canola helps steer the province wide program's direction.
- The program is catered to grade 4 students to help educate and promote agriculture.
- This year, elements of the program transitioned to on-line and the group, is examining other programming options for the next school year.

project AGRICULTURE

www.projectagriculture.ca

- The project AGRICULTURE website was initially created by the "Supply Managed Industries Education Group" (SM5) - Alberta Chicken Producers, Alberta Hatching Egg Producers, Alberta Milk, Alberta Turkey Producers and Egg Farmers of Alberta.
- The website was created to provide opportunities to explore the following agricultural themes: food democracy, smart agriculture, and sustainability affecting both local and global communities.
- It does this through learning experiences that directly support Alberta Social Studies and Science curriculum, the competencies, literacy and numeracy at the junior and senior high school levels.



- This past year Alberta Canola, Alberta Wheat and Barley Commissions, and Alberta Pulse Growers Commission joined the SM5 group and will be creating a module to be added to the website focused on: changing challenges, sustainable food ecosystems and feeding the world for the junior high teachers, students and parents.

Camrose Bull Congress

- A one-day event that caters to the schools around Battle River and allows students and teachers typically grades 3-4 to meet and learn about agriculture and where their food comes from.
- Alberta Canola and other agricultural commodity groups participated and offered hands-on experiential activities that engage kids and educates them about agriculture in the province.
- Alberta Canola explains canola production to students and promotes literacy through the Chase Duffy graphic novel series. Students also partake in the canola crushing demonstration activity, that explains oil content in canola seeds.



EPIC (Exploring Possible Industries and Careers)

- A high school orientated hands-on career investigation fair put on by Career Transitions that occurs in Lethbridge, where students can explore hands on activities relating to health care, trades, science, and agriculture / environment.
- Alberta Canola invited Canola Council of Canada Agronomy Specialist, Autumn Barnes, to present on entomology. Entomology connects to the provincial program of studies that involves identifying beneficial and non-beneficial insects in canola.
- It also introduces students to Agronomy as a possible career in the canola industry and in the agricultural realm.

Teacher Conferences

- Endless Skies Teacher Conference - Generalized session to teachers on what canola and canola meal is, nutrient management, and incorporated elements of sustainability, environmental stewardship as per curriculum outcomes.

- GETCA Teacher Conference - Collaborated with Alberta Pulse Growers on a joint presentation that Science and CTS teachers could utilize in their classrooms around the significance of pulses and canola in Alberta, the production of these crops and show-casing how to use canola oil and pulses in a cooking demonstration.

learncanola.com website

Alberta Canola's education website:

learncanola.com provides fun, reliable, science-focused, curriculum-based canola information for teachers, students and parents. Site users and pages viewed increase every year, along with an increasing percentage of user visiting the site form a mobile device
(1,167 users accessed 7,596 pages)

SOCIAL MEDIA

 **learncanola**

 **learncanola**

 **learnaboutcanola**

Twitter Followers

381+

Facebook Page Likes

92+

Instagram Followers

180+

Donations

Alberta Canola donates pallets of canola oil to local food banks for distribution to communities. This past year canola oil was donated to the following food banks: *The Edmonton Food Bank, The Fort McMurray Food Bank, The Lac La Biche Food Bank, The Red Deer Food Bank and The Society of Saint Vincent de Paul - North of 60 Project* (an annual food security program that sends essential supplies in sea containers to those living in poverty in Canada's remote Arctic communities north of the 60th parallel).

The NAIT Culinary Team participates in the IKA Culinary competitions and this past year won Gold at the Olympics held in Stuttgart Germany.

This competition includes teams from 59 countries with 2,000 chefs participating. NAIT was one of the two North American teams that competed in their Community Catering Category, and was the only team made up of all students.

Alberta Canola's sponsorship to the team helped cover the costs of training for the event and travel expenses and had the logo displayed on the team's uniforms which provided canola international exposure.

The Canola Gives Back program is a program that provides each Director and staff the opportunity to allocate \$500 to a local cause.



Alberta Canola's sponsorship allows a student from a university in Canada to attend The Advancing Women in Agriculture conference. The conference helps women enhance their lives, communities, careers and the agricultural industry through:

- communications through coaching, mentoring, and networking
 - financial management and independence
 - health and balance of life strategies
 - career planning, and setting goals in all areas
-

Alberta Canola is proud to support Inside Education a non-profit organization that "supports teachers and inspires students to better understand the science, technology, and issues related to our environment and natural resources."

GOVERNMENT & INDUSTRY AFFAIRS

Chair: Ian Chitwood

Committee:

**Dan Doll, Mike Ammeter,
Roger Chevraux, Andre Harpe,
Wayne Schneider, John Guelly**

Agriculture is a dynamic sector with many complex policy issues that change in priority over the course of a year based on many variables. Alberta Canola continuously works on influencing policy development – for any potential issues that may threaten our farmers or industry and – for potential opportunities that can improve the long-term success of canola farmers in Alberta.

The Government and Industry Affairs (GIA) Committee informs the Board about issues that could impact the canola industry; supports Alberta Canola’s mandate to advise governments on matters concerning canola; and manages our policy positions to support Alberta Canola in all of its activities, including collaborative activities with our national and provincial partners.

This year on top of normal production and market related risks, farmers too faced unprecedented challenges because of the COVID-19 pandemic that shut down the global economy at a critical time just before the start of the growing season. Farmers provide an essential role in our food supply chain, so we worked with governments and industry partners to ensure their concerns were elevated during this rapidly evolving period of uncertainty.

Key priorities during the pandemic included:

- 1) Maintaining critical infrastructure and services to ensure uninterrupted trade of canola exports, imports of crop input supplies (e.g. seed, fertilizer, crop protection products, fuel, feed, etc.) and machinery, as well as access to international farm workers.
- 2) Keeping domestic supply chains open as provinces were implementing measures to restrict business activities to flatten the curve of COVID-19 infections.

The GIA Committee ensures farmer-focused input guides our policy and advocacy activities in three main areas: Industry Affairs, Government Relations, and Consultations.

Industry Affairs Highlights:

“The Canola Family”

We work closely with the Canola Council of Canada (Council), the Canadian Canola Growers Association (CCGA), and provincial counterparts in Saskatchewan and Manitoba on national and international policy issues. Council is strategically positioned to address the needs of the canola value chain and CCGA helps canola farmers succeed through policy development and advocacy relating to trade, transportation, marketing, risk management, sustainability, biofuels, regulations and more.

Team Alberta

Together with the Alberta Pulse Growers and the Alberta Wheat and Barley Commissions we take a collaborative approach to advance policy on behalf of Alberta’s crop sector both provincially and federally. We collaborate to provide a unified message to policy makers, promote the sustainability of the crop sector, and enable grass-roots advocacy by our farmer directors. Visit teamalbertacrops.com to see how we are advancing the crop sector to 2025 and beyond.



Farm Sustainability Readiness Tool (farmsustainability.com)

Team Alberta continues to support the online sustainability resource hub and self-assessment tool that we developed to help farmers better understand sustainable sourcing requirements and access new markets.



Evaluating Energy Efficiency of On-Farm Grain Drying Systems Project

This Team Alberta project, funded in part by the Canadian Agricultural Partnership, measures the efficiency of grain drying systems by quantifying how grain conditioning systems effect on-farm energy use and fuel costs. The long-term objective of this 3-year study is to fill the data gaps related to the efficiency of in-bin supplemental heating systems and heated air dryers that Alberta farmers use. Additionally, this study will help Team Alberta inform policy and programs related to providing relief to farmers for the high costs of grain drying.



Crop Sector Working Group (CSWG)

This is an inclusive partnership of producer marketing boards and commissions who meet every couple of months to collaborate on shared agri-environmental issues related to the crop sector, such as wetland policy, water quality monitoring, land use policy, recycling of agricultural plastics, and public trust initiatives.



Canadian Roundtable for Sustainable Crops (CRSC)

We are a member of the CRSC, a national, industry-led forum that facilitates cross-commodity collaboration on sustainable agriculture issues and showcases the sustainability performance of Canada’s grains sustainability performance.



“Responsible Grain”

is a Code of Practice for grain farming that is being developed by the CRSC to demonstrate that Canadian crops are being produced safely and sustainably.



AgSafe Alberta

Formed in 2018 as a result of an unprecedented proactive response by Alberta’s agriculture industry to Bill 6 (The Enhanced Protection for Farm and Ranch Workers’ Act). AgSafe Alberta supports a culture of safety on farms and ranches through information, education and training. These resources and services reflect the requirements of current legislations. Safety is integral to the success of farm businesses regardless of their size.

Biological Carbon Canada (BCC)

This organization is a coalition of Canadian farm, ranch and forestry stakeholders that recognize the potential to reduce carbon in the biological sector (e.g. agriculture, forests, wetlands and municipal wastes). The lands that Canadian farmers manage offer tremendous opportunity to strengthen our economy, reduce carbon emissions and store soil carbon. We support BCC in facilitating carbon reduction solutions that are cheaper, easier and founded in science through investment in research, communications, and verification systems.

Canadian Agricultural Human Resources Council (CAHRC)

CAHRC is a national organization that helps agriculture and agri-food businesses across Canada address their labour needs and human resource issues. Their research explores emerging labour issues, quantifies vacancies and analyzes impacts on competitiveness, and clarifies worker requirements for modern agricultural operations. Our partnership supports CAHRC's ability to grow the AgriWorkforce and ensure it is skilled and resilient for future success.

Policy Internships

We contribute to building policy capacity for the agriculture industry by hiring and mentoring university students enrolled in a post-secondary program, such as the Mount Royal University Policy Studies Program.



Government Relations Highlights:

2019 Provincial Election

A number of Premier Kenney's priorities tackled in his first 100 days in office affected Alberta's agriculture industry and elevated the need for government advocacy. The 'summer of repeal' started with Bill 1: The Carbon Tax Repeal Act that eliminated Alberta's carbon levy. This triggered the federal government to impose its \$20/tonne price on carbon in Alberta on January 1, 2020. Premier Kenney continues to fight back with a constitutional challenge against the federally imposed carbon backstop under the



federal Greenhouse Gas Pollution Pricing Act. Farmers are exempt from paying the carbon tax on marked gasoline and diesel, but not on other energy sources used on-farm to mitigate the impacts of climate change, such as propane, natural gas and electricity used for grain drying and irrigation.

Note: A Team Alberta study showed that in 2018 Alberta grain farmers paid an estimated \$3.2 million to \$4.3 million towards the provincial carbon levy. When the federal carbon price rises to \$50/tonne in 2022, Alberta farmers could be paying over \$8 million in carbon tax from grain drying activities alone.

The government also repealed the contentious Bill 6 and replaced it with The Farm Freedom and Safety Act, which is a more practical approach to better address the unique needs of farming operations. We continue to advocate for the government's ongoing support of AgSafe Alberta; a farmer-driven organization that provides a valuable service that improves the culture of safety on farms. The government also introduced Bill 4: The Red Tape Reduction Act that seeks to reduce regulatory burdens on Albertans and businesses by one-third.

2019 Federal Election

Team Alberta asked party leaders five key questions about their platform positions on trade, the PMRA regulatory process, carbon pricing, business risk management and the Canada Grain Commission surplus. Responses were circulated to all Alberta candidates and growers via our new teamalbertacrops.com website. After the election, we utilize multiple strategies to engage with policy makers, often in partnership with our national groups and the Grain Growers of Canada. We hosted roundtables with Ministers Carr and Bibeau in Alberta, advocated in the nation's capital, participated on various working groups and consultation sessions, and supported Premier Kenney's Ottawa reception to name a few.

Trade with China

Since March of 2019, Alberta Canola has been actively working with all levels of government and national organizations on the Canola Working Group to resume trade with China. Emerging priorities for the canola value chain included

diversifying canola markets, bolstering capacity in Asia to resolve barriers to trade and develop new and existing markets, improving growers' risk coverage through unprecedented uncertainty, and promoting canola-based biofuel.

Regaining access

Since March 2019, the licenses of two companies, Richardson and Viterra, to export canola seed to China remain suspended. Other exporters are seeing some purchases of canola seed, about 30% of normal seed exports to China. Oil and meal exports continue.

Diversification

Outside of China, the greatest growth potential for canola exports is in Asia, including Japan, South Korea, Vietnam, and Thailand. We are working in partnership to expand exports to new and existing customers and bolster capacity in Asia to resolve barriers to trade and develop markets. Inside Canada, the greatest opportunity for canola that is within the control of Canadian governments is to increase the amount used in biofuel.

Biofuel

Expanding the federal renewable fuel mandate from 2% to 5% would consume 1.3 million tonnes of canola, reduce greenhouse gases, and stimulate investment. This would significantly reduce Canada's emissions by 3.5 million tonnes annually, at a comparable cost to conventional diesel, and allow for a suspension of the carbon tax increase given the current economic challenges.

Support farmers

The Government of Canada implemented new regulations to increase loan limits under the Advance Payments Program. We have continued to ask our governments to consider changes to the BRM programs that would make them more responsive to the needs of farmers.



Chops & Crops Reception

Nine grower groups co-host Chops and Crops, an annual multi-commodity networking event with the provincial government that showcases our agricultural products and brings awareness to our shared issues. We moved the reception venue to the Federal Building on the grounds of Alberta's legislature to increase access to all MLA's and Premier Kenney for our boards of directors.

Consultations

COVID-19 Pandemic Response

During this unprecedented period, Alberta Canola was very active in monitoring the changing situation for growers across all 12 regions and communicating with the value chain and all levels of government across the nation. We focused on minimizing disruptions to growers for the growing season and moving grain, as well as ensuring that the government's emergency financial support programs were responsive to growers' needs.

Business Risk Management (BRM) Reform

The 2019-20 crop year was extremely volatile for canola farmers. It started with the "harvest from hell", included major trade and market disruptions, extreme weather, and rail blockades, and ended with a global pandemic. To remain competitive, farmers need risk management tools to help manage current and future risks that are beyond their control. We advocated for the federal and provincial governments to commit to a full review of the BRM suite of programs and to make improvements that support farmers through uncertainty and declining margins. Farm groups have been aligned nationally on two BRM changes to Agri-Stability: removal of the reference margin limit and a return to 85 percent coverage.

Mandatory Entry Level Training (MELT)

Team Alberta continued to work with the Ministry of Transportation on the implementation of MELT for Class 1 drivers well after the agriculture extension was granted. However, once the Government of Alberta indicated that all provinces would be signing onto a National Safety Code for MELT the window to address our concerns appeared to have disappeared for the foreseeable future.



Conservation Cropping Protocol Additionality Assessment

Team Alberta advocated that farmers are impacted when additional costs of energy, electricity, fuel, fertilizer and other input costs rise and are passed on to them. The Government of Alberta confirmed it needs agriculture to meet its GHG reduction targets as beneficial management practices provide solutions to mitigate climate change. However, when the Conservation Cropping Protocol expires in March of 2021 there will no longer be any active crop production-related offsets for farmers to generate revenue out of the carbon market. Farmers will need to show their support for the development of new offsets for grain producers if they want to tap into this massive global carbon market opportunity.

Pest Management Regulatory Agency (PMRA) Pesticide Re-evaluation Process

Alberta Canola participated in roundtable consultation sessions to advocate for sound, science-based decision-making to guide Health Canada's re-evaluation process for pesticides. It is concerning that a critical federal government agency is severely under resourced, which will impact the accessibility of valuable crop protection tools for farmers.

Neonicotinoid Seed Treatments Re-evaluation Decisions

We supported Alberta Agriculture and Forestry's water quality monitoring program to expand the

testing for neonicotinoid seed treatments (i.e. Imidacloprid, Clothianidin, and Thiamethoxam). Without Alberta's contribution to this dataset, then the under resourced PMRA will make decisions based on limited data, models and inferior methodology that could negatively impact canola production.

Strychnine Notice of Objection

On March 4, 2020, the PMRA announced a final decision to cancel the registration of strychnine used to control Richardson's ground squirrels (gophers). A three-year phase out schedule was proposed; beginning in year one - phase out sales by registrant, year two - phase out sales by retailer, and year three - permitted use phased out completely. Team Alberta participated in the consultation process making a case for approving the registration with distribution control, which would allow farmers to access these products on an emergency basis. We also filed a notice of objection to the PMRA's decision advocating for sound, science-based decision-making to guide Health Canada's re-evaluations of pesticides.

The multitude of complex policy issues highlighted in this report, indicates the GIA Committee covers an extensive amount of policy ground both provincially and federally. Alberta Canola works continuously on behalf of growers to affect policy changes that aims to improve the long-term success of all canola farmers in Alberta.

GOVERNANCE & FINANCE

Chair: Kevin Serfas

Committee:
Mike Ammeter, Holly White
Roger Chevraux, Ian Chitwood,
John Guelly



Service Charge Revenue

Revenue from service charge collected was \$5.5 million dollars, 6.5 percent more than the previous year. Last year extreme wet harvest conditions in the North West and in some areas of the Peace, combined with drought conditions in the South limited production, so this year's production is more reflective of an average year.

Office Administration

Expenditures for office administration were 16 percent of total expenditures and expenses related to the Board of Directors represented 4 percent of total expenditure.

Government & Industry Affairs

Expenditures in this area was 4 percent of the total. An increase from last year due to new projects with the Crop Sector Working Group.

Grower Relations & Extension

The Grower Relations and Extension (GRE) budget was significantly reduced from the previous year only, representing 13 percent of total expenses due to the cancellation of events caused by mandated restrictions arising from COVID 19.

Public Engagement & Promotion

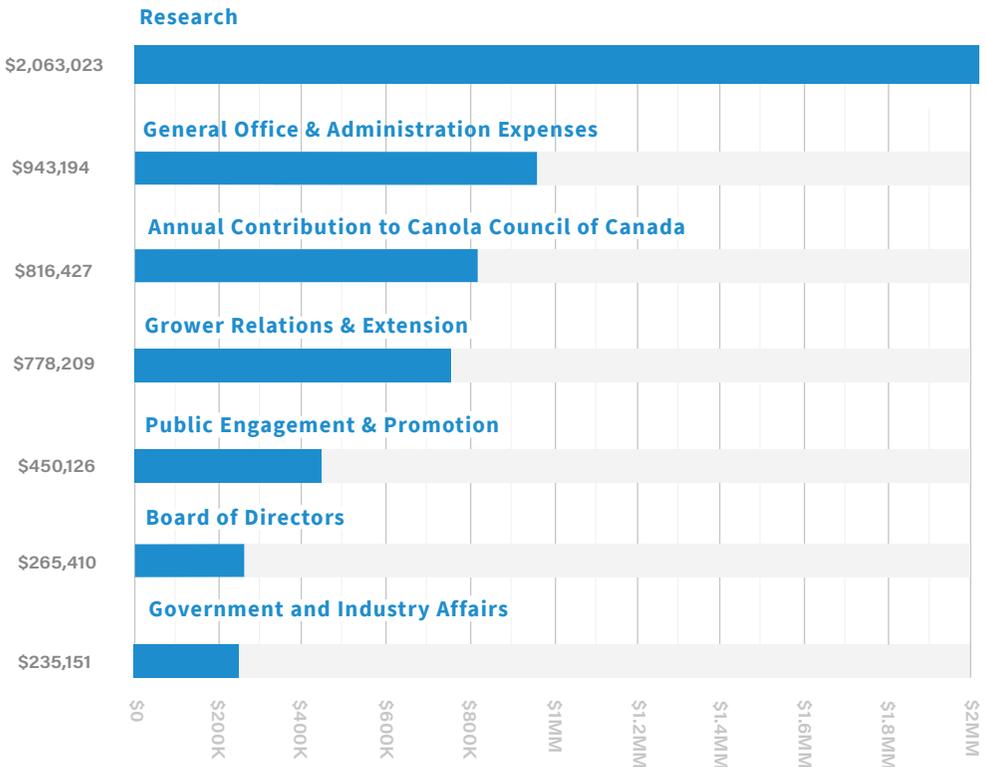
The Public Engagement & Promotion budget ended the year at 8 per cent of the total expenditures. There are two general areas of expenditure; support for the national Canola! Eat Well program and the School and Agriculture program in Alberta. Both the School and Agriculture program and the national Canola! Eat Well program had reductions in programming due to event cancellations related to COVID 19.

Research

The Canola production research budget represented 36 percent of Alberta Canola’s expenditures this year. The overall budget for research increased due to more research projects being approved. The required funds to meet our commitments for each research project is reserved in the year of its approval and drawn on as payments are required over time.

Canola Council of Canada

The annual contribution to the Canola Council of Canada (CCC) last year was 14 percent of the total Alberta Canola budget and was reduced from the previous year. This contribution is based on the previous year’s service charge and is used by the CCC to fund its operations and programs in research coordination, product promotion, international market development, government advocacy and grower extension program.





Independent Auditor's Report

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To the Members of
Alberta Canola Producers Commission

Qualified opinion

We have audited the financial statements of Alberta Canola Producers Commission (the "Commission"), which comprise the statement of financial position as at July 31, 2020, and the statements of operations, changes in members' equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

The Commission is dependent upon individual grain companies and other purchasers of canola to report to the Commission the service fee levies collected from producers. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Commission. Therefore, we were not able to determine whether any adjustments might be necessary to service fee revenues, deficiency of revenues over expenses, and cash flows from operations for the years ended July 31, 2020 and 2019, currents assets as at July 31, 2020 and 2019 and net assets as at August 1, 2019 and 2018 and July 31, 2020 and 2019.

Our audit opinion on the financial statements for the year ended July 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises:

- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Canada

Grant Thornton LLP

Alberta Canola Producers Commission Statement of Operations

Year ended July 31	2020	2019
Revenues		
Service fee levies	\$ 5,552,229	\$ 5,213,030
Refunds	(415,019)	(312,088)
Bank interest	67,339	81,785
Investment income	168,034	70,525
Change in market value of investments	52,946	123,398
Project fees	151,138	165,129
Recovery of research expense	-	17,753
Crop Sector Working Group contributions	61,941	124,192
	5,638,608	5,483,724
Expenses		
Crop Sector Working Group (Schedule 1)	125,191	124,192
General office and administration expenses (Schedule 2)	943,194	933,141
Board of Directors expenses (Schedule 3)	265,410	301,656
Government and industry affairs (Schedule 4)	235,151	179,282
Grower relations and extension (Schedule 5)	778,209	1,176,920
Public engagement and promotion committee (Schedule 6)	450,126	675,420
Research and development (Schedule 7)	2,063,023	1,782,118
Investment management fees	30,590	30,000
Annual contribution to Canola Council of Canada	816,427	873,100
	5,707,321	6,075,829
Deficiency of revenues over expenses	\$ (68,713)	\$ (592,105)

**Alberta Canola Producers Commission
Statement of Financial Position**

July 31 2020 2019

Assets

Current

Cash and cash equivalents	\$	4,617,441	\$	5,043,554
Accounts receivable (Note 3)		637,293		701,826
Investments (Note 4)		4,272,423		4,082,033
Prepaid expenses		57,141		22,135
		9,584,298		9,849,548

Capital assets (Note 5)		95,429		109,020
Intangible assets (Note 6)		103,516		103,516
		198,945		212,536
		\$ 9,783,243		\$ 10,062,084

Liabilities

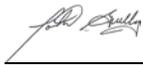
Current

Accounts payable and accrued liabilities	\$	563,762	\$	674,787
Deferred contributions (Note 7)		38,259		137,362
		602,021		812,149

Members' Equity

Unrestricted Members' Equity		2,442,001		1,671,373
Equity in Capital Assets		198,945		212,536
Future Commitments Reserve (Note 9)		2,418,766		3,343,842
Internally Restricted Reserves (Note 8)		4,121,510		4,022,184
		9,181,222		9,249,935
		\$ 9,783,243		\$ 10,062,084

On behalf of the board



Director



Kevin Serfas (Oct 22, 2020 12:52 MDT)

Director

Alberta Canola Producers Commission
Statement of Changes in Members' Equity

Year ended July 31

	Unrestricted Members' Equity	Capital Assets	Future Commitments Reserve	Internally Restricted Reserves	Total 2020	Total 2019
Balance, beginning of year	\$ 1,671,373	\$ 212,536	\$ 3,343,842	\$ 4,022,184	\$ 9,249,935	\$ 9,842,040
Deficiency of revenues over expenses	(68,713)	-	-	-	(68,713)	(592,105)
Transfer from future commitments reserve - net	925,076	-	(925,076)	-	-	-
Interest on internally restricted reserves (Note 8)	(99,326)	-	-	99,326	-	-
Purchase of capital assets (Note 12)	(16,473)	16,473	-	-	-	-
Amortization of capital assets (Note 12)	30,064	(30,064)	-	-	-	-
Balance, end of year	<u>\$ 2,442,001</u>	<u>\$ 198,945</u>	<u>\$ 2,418,766</u>	<u>\$ 4,121,510</u>	<u>\$ 9,181,222</u>	<u>\$ 9,249,935</u>

Alberta Canola Producers Commission
Statement of Cash Flows

Year ended July 31

2020

2019

Increase (decrease) in cash

Operating

Deficiency of revenues over expenses	\$ (68,713)	\$ (592,105)
Items not affecting cash		
Amortization	30,064	32,000
Gain on fair value of investments	(52,946)	(123,398)
	<u>(91,595)</u>	<u>(683,503)</u>
Change in non-cash working capital items		
Accounts receivable	64,533	(46,776)
Prepaid expenses	(35,006)	38,959
Accounts payable and accrued liabilities	(111,025)	(162,140)
Deferred contributions	(99,103)	137,362
	<u>(272,196)</u>	<u>(716,098)</u>

Investing

Purchase of investments, net	(137,444)	(32,333)
Purchase of capital assets	(16,473)	(9,908)
	<u>(153,917)</u>	<u>(42,241)</u>

Decrease in cash

(426,113) (758,339)

Cash

Beginning of year	<u>5,043,554</u>	<u>5,801,893</u>
End of year	<u>\$ 4,617,441</u>	<u>\$ 5,043,554</u>

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2020

1. Purpose of the organization

Alberta Canola Producers Commission (the "Commission") was created August 1, 1989. It was created to serve the canola producers of the Province of Alberta by marketing and developing uses for canola. It was established under Alberta's Marketing of Agricultural Products Act and operates under the supervision of the Alberta Agricultural Products Marketing Council. The Commission is a not-for-profit agricultural organization under the Canadian Income Tax Act and, as such, is not taxable.

2. Significant accounting policies

The Commission applies the Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Commission follows the deferral method of accounting for contributions.

Service fee levies received from canola producers are unrestricted and recognized in the year they are received if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants are recognized in the year in which they are receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue as it is earned.

All other revenues are recognized when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash

Cash includes cash on hand, balances with banks net of outstanding cheques and deposits, and guaranteed investment certificates which are cashable or have original maturities of three months or less.

Investments

The Commission holds investments in certain marketable securities. These investments are quoted in an active market and as a result are carried at fair value. Changes in fair value are recorded in the statement of operations. The Commission records investment transactions on the trade date.

Capital assets

Capital assets are accounted for at cost.

Amortization is recorded using the following rates applied on a method as described below which are intended to amortize the cost of assets over their estimated useful lives.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2020

2. Significant accounting policies (continued)

Capital assets (continued)

Equipment	30% Declining balance
Furniture and fixtures	20% Declining balance
Leasehold improvements	15 years Straight-line
Computer equipment	3 years Straight-line
Computer software	3 years Straight-line

When a capital asset no longer has any long-term service potential to the Commission, the excess of its net carrying amount over the fair value or replacement cost is recognized as an expense in the statement of operations. Any write-downs recognized are not reversed.

Intangible assets

Intangible assets are recorded at gross carrying amount. The life of these assets is determined to be indefinite and therefore no amortization is recorded.

Impairment of long-lived assets

The Commission tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of capital assets or intangible assets may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the assets carrying amount. Fair value is determined based on quoted market prices where available, otherwise on discounted cash flows over the life of the asset.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include allowance for uncollectible accounts receivable, amortization of capital assets and the fair value of investments.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2020

2. Significant accounting policies (continued)

Financial instruments

Initial measurement

The Commissions' financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Commission measures its financial assets and liabilities at amortized cost, except for investments quoted in an active market, which must be measured at fair value. All changes in fair value of the Commission's investments are recorded in the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.

For financial assets measured at amortized cost, the Commission regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Commission determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

3. Accounts receivable

	<u>2020</u>	<u>2019</u>
Service fee levies and other funding	<u>\$ 637,293</u>	<u>\$ 701,826</u>

4. Investments

	<u>2020</u>	<u>2019</u>
Cash, GIC's and short term securities (cost - \$396,472)	<u>\$ 396,472</u>	<u>\$ 409,802</u>
Fixed income fund (cost - \$2,636,756)	<u>2,791,069</u>	<u>2,898,713</u>
Equities fund (cost - \$961,515)	<u>1,084,882</u>	<u>773,518</u>
	<u>\$ 4,272,423</u>	<u>\$ 4,082,033</u>

Alberta Canola Producers Commission Notes to the Financial Statements

July 31, 2020

5. Capital assets

			<u>2020</u>	<u>2019</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 156,633	\$ 156,633	\$ -	\$ 118
Furniture and fixtures	231,020	197,646	33,374	41,549
Leasehold improvements	63,698	25,898	37,800	42,000
Computer equipment	166,336	142,081	24,255	25,353
Computer software	839	839	-	-
	<u>\$ 618,526</u>	<u>\$ 523,097</u>	<u>\$ 95,429</u>	<u>\$ 109,020</u>

6. Intangible assets

	<u>2020 Gross Carrying Amount</u>	<u>2019 Gross Carrying Amount</u>
Website development	<u>\$ 103,516</u>	<u>\$ 103,516</u>

7. Deferred contributions

Deferred contributions represent unspent resources externally restricted for various purposes and restricted operating funding received in the current period that is related to the subsequent period. The deferred contribution balances at the end of the year are as follows:

	<u>2019</u>	<u>Additions</u>	<u>Revenue recognized</u>	<u>2020</u>
Public Literacy Project	\$ 131,110	\$ -	\$ (131,110)	\$ -
Youth Agriculture Education Program	6,252	-	(6,252)	-
Crop Sector Working Group	-	100,200	(61,941)	38,259
	<u>\$ 137,362</u>	<u>\$ 100,200</u>	<u>\$ (199,303)</u>	<u>\$ 38,259</u>

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2020

8. Internally restricted reserves

The major categories of the internally restricted reserves are as follows:

	<u>2020</u>	<u>2019</u>
Crop failure contingency reserve	\$ 1,000,000	\$ 1,000,000
Future research contingency reserve	2,821,510	2,722,184
Shutdown reserve	<u>300,000</u>	<u>300,000</u>
	<u>\$ 4,121,510</u>	<u>\$ 4,022,184</u>

In 2011, the Commission's Board of Directors internally restricted \$3,000,000 of unrestricted members' equity to be used for future research purposes and \$1,000,000 of unrestricted members' equity to be held for crop failure contingency purposes. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Subsequent to year end, the Commission transferred \$400,000 from the Future research contingency reserve to the Future commitments reserve to fund research projects.

Any income earned in the Market Research fund is required to be maintained in that fund. For the year ended July 31, 2020, this amount was \$99,326 (2019 - \$25,167).

9. Future commitments reserve

The Commission has internally restricted reserve funds for all the future commitments it has for the various projects it funds relating to canola research and development and market development. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

10. Commitments

The Commission has entered into various agreements to fund projects relating to canola research and development and market development. The continued funding of these projects is at the Board of Directors' discretion and is subject to the recipients of the funding meeting the specified terms and conditions of the agreements.

Commitments related to various agronomic research projects are as follows:

2021	\$ 1,273,647
2022	392,126
2023	147,580
2024	<u>67,000</u>
	<u>\$ 1,880,353</u>

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2020

10. Commitments (continued)

Commitments related to various genetic research projects are as follows:

2021	\$	150,912
2022		12,171
2023		<u>12,171</u>
	\$	<u>175,254</u>

Commitments related to various product and market development research projects are as follows:

2021	\$	226,159
2022		100,000
2023		<u>37,000</u>
	\$	<u>363,159</u>

The Commission has a lease agreement for office premises expiring February 28, 2025 with an option to renew, at market rates, for an additional 5 year period ending February 28, 2030. The annual rental costs, not including operating costs, are as follows:

2021	\$	126,000
2022		126,000
2023		126,000
2024		126,000
2025		<u>73,500</u>
	\$	<u>577,500</u>

In addition to the above noted minimum lease payments, the Commission is also obligated to pay its share of operating costs, which fluctuate year to year.

11. Financial instruments

The Commission is exposed to various risks through its financial instruments. The following analysis provides a measure of the Commission's risk exposures and concentrations at July 31, 2020.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risks relate to its accounts receivable. Management's opinion is that the Commission is not exposed to significant risk.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2020

11. Financial instruments (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting the obligations associated with its financial liabilities. The Commission is exposed to this risk mainly in respect of its accounts payable and future commitments. Management's opinion is that the Commission is not exposed to a significant amount of liquidity risk with respect to its accounts payable and future commitments.

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Commission is mainly exposed to interest risk and other price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission is exposed to interest rate risk on its investments in fixed income funds. Fixed rate instruments subject the Commission to a fair value risk.

(ii) Other price risk

The Commission is exposed to other price risk on investments in equities since changes in market prices could result in changes in the fair value of these instruments.

During the year, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses and not-for-profit organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to operations worldwide, resulting in an economic slowdown. Global investment markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The potential future impact on the Commission, in terms of the market valuation of investments, is uncertain.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, continue to remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of the Commission for future periods.

Alberta Canola Producers Commission

Notes to the Financial Statements

July 31, 2020

12. Inter-fund transfers

In 2020, the Commission transferred a net of \$30,064 (2019 - \$32,000) to Unrestricted Members' Equity from Equity in Capital Assets for amortization expense for the year and \$16,473 (2019 - \$9,908) for the purchase of capital assets. The Commission transferred a net amount of \$925,076 to Unrestricted Members' Equity from the Future Commitments Reserve in order to fund research projects in 2020. In 2019, the Commission transferred a net amount of \$793,309 from Unrestricted Members' Equity to the Future Commitments Reserve in order to fund research projects.

Alberta Canola Producers Commission Schedules to the Financial Statements

Year ended July 31

Crop Sector Working Group Schedule 1

	2020	2019
Wages	\$ 69,327	\$ 69,094
Conference and meetings	<u>55,864</u>	<u>55,098</u>
	<u>\$ 125,191</u>	<u>\$ 124,192</u>

General office and administration expenses Schedule 2

	2020	2019
Salaries, wages and benefits	\$ 589,893	\$ 572,037
Rental	172,473	168,472
Office	44,992	65,597
Telephone and internet	40,042	38,387
Amortization	30,064	32,000
Communications	22,003	9,719
Professional fees	21,520	19,345
Repairs and maintenance	8,687	12,312
Insurance	8,534	7,898
Interest and bank charges	3,618	4,632
Dues and memberships	1,368	2,742
	<u>\$ 943,194</u>	<u>\$ 933,141</u>

Board of Directors expenses Schedule 3

	2020	2019
Directors expenses	\$ 139,235	\$ 161,102
Director fees	<u>126,175</u>	<u>140,554</u>
	<u>\$ 265,410</u>	<u>\$ 301,656</u>

Government and industry affairs Schedule 4

	2020	2019
Professional fees and expenses	\$ 153,375	\$ 141,730
Government and industry affairs	<u>81,776</u>	<u>37,552</u>
	<u>\$ 235,151</u>	<u>\$ 179,282</u>

Alberta Canola Producers Commission Schedules to the Financial Statements

Year ended July 31

	Schedule 5	
	2020	2019
Extension events and programming	\$ 204,280	\$ 455,518
Sponsorship and extension support	164,409	250,331
Canola Council extension	147,001	207,374
Staffing and expenses	141,557	145,748
Grower communications	120,962	117,949
	<u>\$ 778,209</u>	<u>\$ 1,176,920</u>

	Schedule 6	
	2020	2019
Public engagement goals	\$ 379,643	\$ 541,748
Professional fees	70,333	131,835
Committee meeting expenses	150	3
Committee directors fees	-	1,834
	<u>\$ 450,126</u>	<u>\$ 675,420</u>

	Schedule 7	
	2020	2019
Research and development programs	\$ 2,020,814	\$ 1,749,669
Research administration expenses	38,718	26,318
Committee fees and expenses	3,491	6,131
	<u>\$ 2,063,023</u>	<u>\$ 1,782,118</u>

GENERAL STATISTICS

TABLE 1:
Summary of producers, services and refunds by region for 2019/20

Region	Total # of Producers	Total Service Charges Received	# of Producers Refunded	Total Service Charges Refunded	% of Producers Refunded	% of Service Charges Refunded
1	685	\$359,779	43	\$52,276	6.3%	14.5%
2	620	\$421,496	45	\$43,115	7.3%	10.2%
3	392	\$330,412	32	\$40,574	8.2%	12.3%
4	1286	\$563,935	86	\$70,962	6.7%	12.6%
5	1234	\$512,248	52	\$35,767	4.2%	7.0%
6	616	\$136,385	9	\$5,086	1.5%	3.7%
7	1140	\$414,294	16	\$11,833	1.4%	2.9%
8	1558	\$659,061	16	\$11,706	1.0%	1.8%
9	875	\$447,239	26	\$27,657	3.0%	6.2%
10	1095	\$579,310	24	\$19,686	2.2%	3.4%
11	1590	\$757,447	68	\$74,237	4.3%	9.8%
12	664	\$313,445	28	\$15,744	4.2%	5.0%
other*	238	\$67,073	3	\$143	1.3%	0.2%
Total	11993	\$5,562,123	448	\$408,787	3.7%	7.3%

*other includes producers outside of Alberta or with mailing addresses that are not in the Alberta Canola database

TABLE 2:
Summary of producers, service charges and refunds by crop year

Year	Total # of Producers	Total Service Charges Received	# of Producers Refunded	Total Service Charges Refunded	% of Producers Refunded	% of Service Charges Refunded
2019-20	11997	\$5,562,123	448	\$408,787	3.7%	7.3%
2018-19	12490	\$5,219,548	396	\$312,430	3.2%	6.0%
2017-18	13698	\$6,036,195	455	\$383,976	3.3%	6.4%
2016-17	13409	\$6,349,163	445	\$363,169	3.3%	5.7%
2015-16	14188	\$6,072,902	438	\$339,283	3.1%	5.6%

TABLE 3: Harvested Canadian Canola Acres (*Thousands of acres*)

Year	Alberta	Saskatchewan	Manitoba	B.C	Ontario	Quebec	Total Canada
2011	5,970	9,850	2,720	85	88	41	18,754
2012	6,550	11,400	3,550	120	74	41	21,744
2013	6,180	10,600	3,175	100	60	38	20,160
2014	6,725	10,650	3,075	104	32	32	20,618
2015	6,180	11,100	3,130	90	35	29	20,564
2016	5,985	11,175	3,100	86	39	34	20,419
2017	6,890	12,680	3,155	110	43	36	22,914
2018	6,679	12,244	3,379	134	62	35	22,535
2019	5,821	11,716	3,209	76	43	29	20,896
2020(p)	5,805	11,260	3,346	90	27	27	20,556
5 Year Avg	6,227	11,696	3,220	98	42	32	21,314
10 Year Avg	6,279	11,268	3,184	100	50	34	20,916

Source: Statistics Canada CANSIMTable 32-10-0359-01 as posted October 6, 2020, (p) = projected

TABLE 4: Canadian Canola Production (*Thousands of tonnes*)

Year	Alberta	Saskatchewan	Manitoba	B.C	Ontario	Quebec	Total Canada
2011	5,348	7,348	1,746	56	74	36	14,608
2012	5,097	6,486	2,100	83	61	33	13,869
2013	6,169	9,179	3,026	89	50	34	18,551
2014	5,797	7,972	2,511	72	31	28	16,410
2015	5,851	9,537	2,858	71	34	26	18,377
2016	6,158	10,682	2,608	82	37	33	19,599
2017	6,827	11,311	3,148	91	45	37	21,458
2018	5,871	11,308	3,318	124	67	35	20,724
2019	5,320	11,090	3,056	72	42	26	19,607
2020(p)	5,982	10,120	3,163	75	26	26	19,393
5 Year Avg	6,002	10,675	3,025	86	42	31	19,860
10 Year Avg	5,842	9,503	2,753	82	47	31	18,260

Source: Statistics Canada CANSIMTable 32-10-0359-01 as posted October 6, 2020, (p) = projected

TABLE 5: Canadian Canola Yield (*Bushels per acre*)

Year	Alberta	Saskatchewan	Manitoba	B.C	Ontario	Quebec	Total Canada
2011	39.5	32.9	28.3	29.1	36.9	38.9	34.3
2012	34.3	25.1	26.1	30.4	36.5	35.7	28.1
2013	44.0	38.2	42.0	39.1	36.7	39.3	40.6
2014	38.0	33.0	36.0	30.5	43.1	37.7	35.1
2015	41.7	37.9	40.3	34.7	42.9	39.7	39.4
2016	45.4	42.1	37.1	41.9	41.9	42.1	42.3
2017	43.7	39.3	44.0	36.3	46.5	44.3	41.3
2018	38.8	40.7	43.3	40.7	47.1	43.8	40.6
2019	40.3	41.7	42.0	41.6	43.2	39.5	41.4
2020(p)	45.4	39.6	41.7	36.9	41.8	42.4	41.6
5 Year Avg	42.6	40.2	41.4	38.7	43.9	42.0	41.1
10 Year Avg	41.1	37.1	38.1	36.1	41.7	40.3	38.5

Source: Statistics Canada CANSIMTable 32-10-0359-01 as posted October 6, 2020, (p) = projected

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