



2022 SASKOATS AGM MINUTES
Wednesday, January 12, 9:00 AM
Prairieland Park & via Zoom

Attendees: 84 attendees, including 26 registered voters.

Chair Chris Rundel welcomed everyone to the hybrid SaskOats Annual Business Meeting. He highlighted the voting instructions for those joining virtually. He introduced Davide Maurer and Matt Degelman of Harvest Foods for the first presentation.

Rundel called the business portion of the meeting to order at 9:58 am.

Approval of 2022 AGM Agenda: no additions were brought forward.

Motion: Alan Butuk and Ambrely Ralph to approve the agenda as presented. Carried.

Rundel introduced current Board members, Landon Kuschak, producer from Ituna and Vice Chair and Ambrely Ralph, producer from Arborfield and the SaskOats Audit Chair. He noted the three outgoing Directors Alan Butuk, Wade Hainstock, and Garry Johnson, and thanked them for their contributions over the past 8 years.

Rundel announced the acclamation of new directors Ryan Zuchkan, producer from Foam Lake, and Jessica Slowski, producer from Sheho, joining virtually as well as the appointment of Elwood White, producer from Pangman joining in person.

He also introduced the POGA staff – Executive Director Shawna Mathieson, now in her 11th year, Dawn Popescul working part-time on special projects, and Cyndee Holdnick, POGA part-time Marketing Coordinator who joined virtually.

Approval of 2021 AGM Minutes: Rundel noted the minutes from SaskOats 2021 AGM held January 12, 2021 were posted on the POGA website, as well as are available to those in the room.

Motion: Ambrely Ralph/Wade Hainstock to approve the 2021 AGM Minutes as presented. Carried.

Review of 2020-2021 Financial Statements: Ambrely Ralph, SaskOats Audit Chair, reviewed the 2021 audited SaskOats Financial Statements and presented the 2021-2022 SaskOats Budget. Ralph noted that, for the year ending July 31, 2021, SaskOats realized a net gain of \$183,541 which was an increase from the previous year's gain of about \$169,000.

This net gain was much higher than budgeted, primarily due the budgeted amounts for travel, meetings, and research being lower due to the lingering COVID challenges.

Producer check-off revenue was up over 4%, or by \$33,000, from the previous year. As well, the SaskOats proportionate contribution to the Prairie Oat Growers Association, or POGA, decreased from around 58% in the 2019-2020 year to 53% in the 2020-2021 year. Ralph noted the support from the ADOPT program, which has enabled many projects to proceed.

Producer refund requests in 2020-2021 were 7.9% of dollars collected and 3.8% of the total number of producers paying the levy. This is an increase from 2019-2020 refunds of 6% but on par with the general industry standard of around 7%. Also, the number of producers asking for a refund dropped from 4.9% to 3.8%.

SaskOats' goal is to have one year of operating expenses in reserves. Currently the Commission has a surplus greater than this and is working towards slowly drawing it down by investing in more projects for the benefit of oat producers.

Ralph noted SaskOats' involvement in Prairie Oat Growers Association (POGA) which includes the other provincial oat associations from Alberta and Manitoba as well. POGA has a Western Canadian voice and representation which allows for more access to government funding as opposed to each province working alone, as well as allows for one central office reducing staff and costs. SaskOats does support some Saskatchewan projects outside of POGA and they are listed in the SaskOats Annual Report.

Review of the 2021-2022 Budget: Ambrely Ralph noted the record drought that devastated the Canadian oat crop this past year, which resulted in approximately 40% drop in total oat supplies. This will certainly impact the SaskOats budget next year in terms of revenue from producer levies. For the 2021-2022 year, a deficit of just over \$235,000 is projected.

Producer levy income is forecasted at \$446,000 based on Statistics Canada projections. The travel and meeting costs are not forecasted at 100%, however they have been increased from this past year. SaskOats is hopeful to resume attending meetings and representing oat growers in person as there is a strong feeling that the relationships developed in those meetings are key to the long-term success of many initiatives.

Motion: Elwood White/Wade Hainstock to accept the audited 2020-2021 SaskOats Financial Statements and the 2021-2022 Budget as presented. Carried.

Motion: Alan Butuk/Willy Zuchkan to appoint Baker Tilly of Yorkton, SK as SaskOats' Auditor for 2021-2022 year. Carried.

Resolution: Rundel read the following resolution that was brought forward for discussion:

WHEREAS the production year of 2021-2022 was one of widespread drought in the Canadian prairies of an unprecedented nature and in the last year Saskatchewan producers have seen grain companies move to recover unfillable forward contracts by unevenly applying service fees and penalties that are both punitive and unfair.

AND WHEREAS in many cases, these fees are not specific or spelled out in the contracts producers have signed.

AND WHEREAS the variance in how these punitive measures have been applied has given the appearance of favoritism or bullying in many cases.

THEREFORE BE IT RESOLVED THAT the Saskatchewan Oat Growers Commission lobby the government to protect producers with fair contract terms and require grain contracts to:

- Remove administration fees from contract buyouts when a producer provides evidence of crop failures.
- Require all contracts to include a buyout option clause with a pricing formula at time of signing that is triggered when producers provide notice of a crop failure.
- Require these changes to be applied evenly to all grain contracts signed in the province of Saskatchewan or Canada as the case may be within the jurisdiction of the legislating government.

The group discussed the resolution, with producers speaking both for and against the motion. Some comments not in favour of the motion included the fact that Commissions/producers have spent time removing the government from things such as grain marketing, and that it is important to keep them uninvolved in this aspect. It is important to have contracts that support producers, however there are better ways to work with companies.

The producer who brought this resolution forward understand these concerns, and stated that the intention is to have the government help the commissions lobby for changes to contracts. This should be seen as an opportunity for producers to have their voice, as well as have protection in contract agreements.

Both sides of the discussion were appreciated and heard. This is a unique point in time, and there is an opportunity to lean on the network that the commissions have worked hard to pull together. There is a need for transparency, relationships and better contracts, however it would be beneficial to work with commissions and companies without involving regulations.

Motion: Glenn Wright/Willy Zuchkan to adopt the resolution as presented above. Defeated.

Rundel noted that SaskOats would continue work on this file, and supported contracts that favour both producers and companies.

Project Overview & Slide of Spending Priorities Pie Chart: Rundel noted the SaskOats priorities for funding, which are 40% for market development, 35% for research, 10% for communications, 10% for advocacy and 5% for building partnerships.

SaskOats, independently and through POGA supports over 30 projects with 7 different provincial and federal funders, plus industry support. A full list of all projects is available in the Annual Report and on the POGA website. Through these partnerships, POGA, through the three provincial associations, have turned \$3.9 M of levy dollars into \$27.4 M (which is less than 15 cents on the dollar).

Rundel noted a few highlights from the past year, including the new round of funding for marketing campaigns in Mexico, Japan, and Canada was received and project terms continued again as of April 2021. Throughout the years, the Mexico marketing project has produced very good results for Canadian oat exports. However, with the reduced supplies this year it will result in market share loss in Mexico, with Australia filling that demand. A similar project began in Japan to increase consumption and Canadian oat exports, and Canada has a strong presence in that market. The marketing campaign in Canada targeted at Canadian consumers is being well received and initial results are surpassing expectations.

Unfortunately, due to the political situation between Canada and China, efforts to secure Canadian raw oat access into China are still on hold. SaskOats, through POGA, will continue to monitor this opportunity as China remains the fastest growing oat importer in the world.

SaskOats, along with the commissions in MB and AB, continues to support every Western Canadian oat breeder including Dr. Aaron Beattie at the Crop Development Centre, Jim Dyck with Oat Advantage of Saskatoon, and Dr. Kirby Nilsen at the AAFC Brandon program. In addition, SaskOats continues to fund genomic research work in Ottawa that will assist breeders across Canada, as well as research on oat fractions, oat beverages and oats for dairy feed.

SaskOats Directors were once again part of the POGA Ottawa mission, although it looked a little different in 2021 since it was all virtual. The board met with government and elected officials to discuss various issues including market access, transportation, research, and the benefits of oat. These discussions help provide insight and can alter government legislation, so we are pleased to continue developing and maintaining these important relationships.

In addition to the Ottawa mission, SaskOats partnered with other Saskatchewan commissions to work together on Government Relations. SaskOats, along with most of the other larger commissions in Saskatchewan are working to ensure we have the ear of the Government and are involved in decisions that affect oat growers before decisions are made. SaskOats met with both Agriculture Minister Marit and Environment Minister Kaeding on this issue as well as their respective staffs. Along with our commission partners, SaskOats will continue to work closely with all relevant departments of the provincial government to develop solutions that will work for Saskatchewan farmers.

Motion: Ambrely Ralph to adjourn at 10:37am.

Rundel thanked everyone for attending, and introduced the next speaker, Brennan Turner, Independent Market Analyst to present his Oat Market Outlook.



Chris Rundel, Chairman

March 8, 2022

Date