




**ALBERTA
SEED
PROCESSORS**

2023 ANNUAL REPORT



**GRANUM
SEED CLEANING
CO-OP LTD.
1963**

seedprocessors.ca

seed.ab.ca



WHO WE ARE

The Alberta Seed Processors Association are a collective of community-minded businesses working together to offer our members group benefits, and professional and business development opportunities through membership and the power of peer networking.

OUR VISION

To create seed and grain processing opportunities for local and global markets.



OUR MISSION

To strengthen and build upon past accomplishments in seed and grain processing and business diversification focusing on long term business sustainability.

We will achieve this through:

- Fostering a network of processing professionals by creating an environment of continual professional development focusing on Best Practices
- Delivering and enhancing group service benefits; embracing co-operative spirit
- Advocacy, market development, and industry involvement

ASSOCIATION UPDATE

Greetings on behalf of the Board of Directors,

Well, 2023 is in the books and as usual it was a very interesting year. Depending upon which cloud you were under it was either a good year, a poor year or just another year. We had a good year with Alberta Seed Processors. We feel we accomplished a lot and were busy on several fronts. Our association needs to be proud of the fact that we cleaned just over 40 million bushels of grain. Of this we cleaned about 34 million bushels of seed. Alberta seeds approximately 25 million acres. Of this 6.4 million is canola. Our member plants are providing clean seed to the majority of acres in Alberta. This is a huge value add for Agriculture and all farmers.

FARMER CO-OPERATIVE INVESTMENT

Many of our member co-op's have been in operation for six to seven decades or more. Over this period of time, operational revenue has been reinvested into member facilities in the form of routine maintenance, upgrading to increase handling capacity or to adopt new technology. In some cases major upgrades have nearly doubled capacity within the same building foot print. Strategic investments in new technology and equipment to increase efficiency and drive future growth have been made by several of our members. Most notably are new builds by Camrose County and by the Starland Co-op..

Alberta Seed Processors Association is comprised of 67 farmer-owned seed & grain processing co-ops. Each co-op is individually controlled by a board of directors, making decisions to best fit their unique local situation.

ASSOCIATION UPDATE

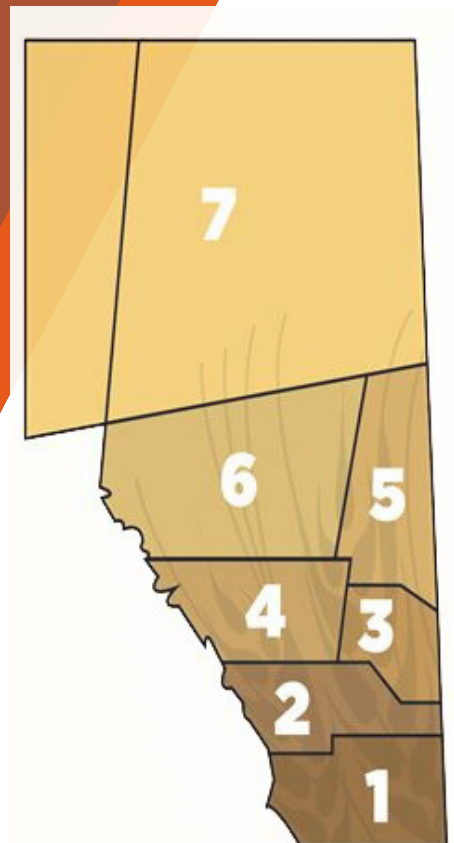
BOARD COMPOSITION & ACTIVITIES

At last year's annual general meeting, Louis Dechaine was re-elected as director in region 5, Uwe Quedenbaum was re-elected in region 6, and Mike Head was re-elected as director in region 7. Dan Brachmann continued his second year as "Board Advisor". This position is a 2-year board appointment, made on an as-needed basis. This past year, the new seed plant licensing was the focus project for the Director at Large position. The Managers' Association has appointed Hugh Baier (Provost) and Greg Andrews (Three Hills) as representatives to the Provincial Board. Kellie Jackson, Strategic Evaluation Specialist of the Crop Assurance Programming Section of Alberta Agriculture & Irrigation, sits on the provincial board as our conduit to the Government of Alberta.

2023 BOARD OF DIRECTORS

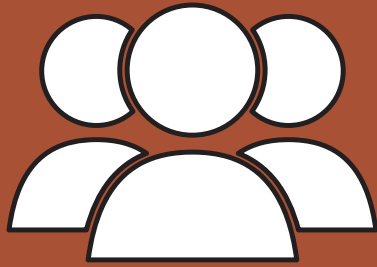
| | |
|------------------|--|
| Tom Coppock | President, Region 3 |
| Todd McCann | Vice President, Region 1 |
| Doug Sell | Region 2 |
| Chad Kanngiesser | Region 4 |
| Louis Dechaine | Region 5 |
| Uwe Quedenbaum | Region 6 |
| Mike Head | Region 7 |
| Dan Brachmann | Advisor |
| Hugh Baier | Managers Assoc. Rep. |
| Greg Andrews | Managers Assoc. Rep. |
| Monica Klaas | General Manager |
| Kellie Jackson | Alberta Agriculture & Irrigation Advisor |

The association is segmented into 7 regions. Each region elects a director to sit on Alberta Seed Processors Provincial Board. Directors attend regular board meetings to ensure the direction and operation of the organization are in accordance with the strategic plan. Directors also participate in on-site inspections of each site on an annual basis, as part of our risk management program.

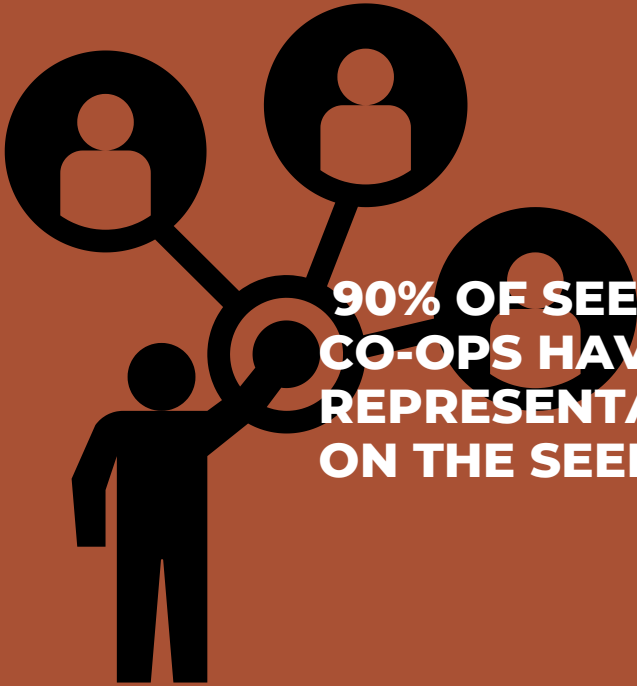


ASSOCIATION MEMBERS BY THE NUMBERS

AS REPORTED IN MEMBERSHIP SURVEYS IN 2021 & 2023



Rural Employment:
Collectively, Plants
employ 136 full-time
employees and 42
part-time employees.



**90% OF SEED PROCESSING
CO-OPS HAVE A RMA/ASB
REPRESENTATIVE SITTING
ON THE SEED PLANT BOARD**

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TOP 3 Opportunities

Pedigreed Seed
Processing &
Distribution

Specialized Processing:
ie. Malt, Speciality
Crops.

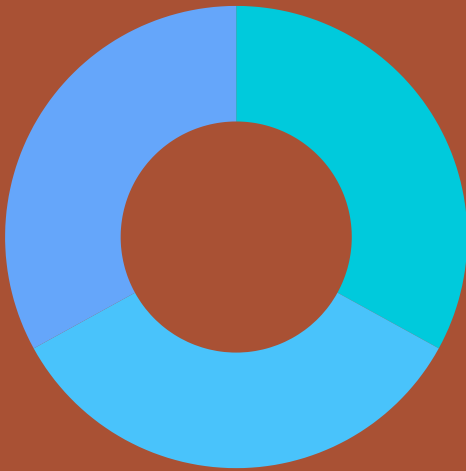
Seed Treating

TOP 3 Challenges

Regulations.
Staffing Issues.

Access to Capital-
Cost of Doing
Business

STRATEGIC PLAN



The board has had an active year dealing with key industry changes, such as general reduced government investment in Agriculture which adversely affects the cropping industry value chain. To address the opportunities and challenges in the marketplace, the board has focused on delivering membership benefits that are congruent with the Association's strategic plan.

The Strategic Plan is segmented into the following three areas:

1. Best Practises & Training
2. Group Services & Benefits
3. Market Development & Industry Advocacy

BEST PRACTISES & TRAINING

Continuous learning is the key to building our Association's leadership in the industry. The Manager's Association held a very successful training session this past June in Camrose, with many of the Association's operators and staff in attendance. Many thanks and accolades go to the planning group of Regional Manager's representatives who hosted the very successful training session. Four pesticide applicator credits were available during the manager's training event. Plants that do not apply pesticides also benefited from the sessions, as most of the topics are more general and can help build knowledge

Resources for boards and managers have been uploaded to our 'members only' site. Significant effort has been put into posting resources to enable boards to function at the highest possible capacity. Please check out the 'members only' site under the BOARD RESOURCE TAB. Information regarding HUMAN RESOURCES has also been posted, offering resources from sample employee policies, timesheets, Canada Labor Code, interview questions... the list goes on.

GROUP SERVICES & BENEFITS

COMMERCIAL INSURANCE

NFP Brokers (formerly Foster Park Brokers) indicated that the global insurance business remains in a “hard” market, meaning that some insurance companies have been hit with record payouts due to environmental catastrophes. This means some underwriters are reducing the amount of coverage available, as well as critically analyzing risk. An example of this is Lloyds of London, who have been a long-time underwriter of part of our plan, has chosen not to participate in our program. This leaves a less competitive marketplace in the overall insurance business regardless of the type of insurance. Because of the movement of underwriters, there was a short delay in issuing insurance documents this year. Unfortunately, increases have been incurred for most sites insured either due to increase in coverage or increase in rates. An unwanted, but necessary amendment to the plan is the increase in deductible. However, we are assured that similar coverage outside of our group insurance plan would be close to double the premium. The board recommends that each board read & understand their coverage and the details of deductibles, as the details of coverage have changed as the underwriters for the program have changed.

RISK MANAGEMENT

Wynward Insurance continues its inspections of sites, visiting each site in a random 3-year interval. It is good to have a ‘second set of eyes’ assessing the plants for possible risks: this all helps keep insurance costs manageable. Even though everyone is busy, and another inspection does cause a bit of disruption, this secondary inspection by a risk management specialist is for individual and collective benefit. Tyson Klassen & his team at NFP are ready to assist anyone with questions or clarifications.

90% of member plants carry Directors & Officers (D & O) Liability insurance, which leaves those directors not covered personally liable for board decisions.

EMPLOYEE BENEFIT PROGRAM

Another year has smoothly passed without major changes to the employee benefits program. The program is provided by Alberta Blue Cross through NFP Brokers. A market scan of the program was conducted this past renewal year. With scrutiny on plan value, as well as the resource that is required to change program providers, should a major savings or coverage differential be offered by a different provider. Upon close inspection as well as receiving input from plan participants, a decision was made to once again renew with Alberta Blue Cross, as other plan providers did not offer significant savings.

PENSION PLAN

The Co-operative Superannuation Society (CSS) Pension Plan provides competitive, value-added retirement products and services exclusively to co-operative and credit union employees. This non-profit pension society ensures that members have a voice in everything we do. The plan's purpose is to serve members and act in their best interest. This is done by providing friendly, personal, transparent and non-conflicted advice within a commission-free environment. The Association does not hold a "group" membership in the CSS Pension Plan; hence each plant needs to enroll as a stand-alone co-op. Plants are encouraged to check with financial institutions regarding pension/RRSP plans that can also be accessed through local outlets.

ROUGHLY HALF OF ASSOCIATION
MEMBERS PARTICIPATE IN THE
GROUP BENEFITS PROGRAM



MARKET DEVELOPMENT & INDUSTRY CONNECTIONS

FUSARIUM:

After long-awaited regulatory reform removing *Fusarium graminearum* from the Alberta Pest Control Regulation in 2020, the Alberta crop industry can now focus on best management practices. However, please note that testing seed, whether you are in or outside known fusarium infection areas, is imperative to aid farmers in making critical decisions about their seed quality, regardless of fusarium regulation. To this end, Alberta Seed Processors received Canadian Agriculture Partnership funding to conduct a 3-year fusarium seed infection surveillance project from 2020–2023. Our association compiled data collected by seed labs and works with Alberta Agriculture & Irrigation to create an aggregated map showing critical geographies of forecasted fusarium infection. Many thanks to Dr. Michael Harding for his collaboration. Plans are underway to continue the program which is self-funded from the association's research budget allotment.

SCHOLARSHIP:

The Alberta Seed Processors (ASP) are proud to announce Grayce Flemming and Grace Gregory as the recipients of the 2023 Seed Smart Scholarship.

Established in 2017, the scholarship recognizes the academic and personal accomplishments of outstanding young leaders in Alberta's agricultural sector. Recipients are selected on the basis of demonstrated commitment to public service within their communities, academic achievement and future plans in the agriculture value chain.

SEED 
SMART™

Test your seed for fusarium.

REGIONAL VARIETY TRIALS & RESEARCH FUNDING

Provincial funding support for regional variety trials (RVT) ended in December 2020. Your Provincial Association collaborated with Alberta Seed Growers, Key Industry Stakeholders and Alberta Wheat & Barley Commissions to ensure the cereal RVT program has a sustainable future. As part of industry collaboration, Alberta Seed Processors is pleased to act as the gatekeeper of a sustainable Silage RVT program operating a 2-year funding project that started in January of 2023. Under the expert guidance of Dr. Sheri Strydhorst, the project operated trials at 6 sites this past season. Drought and human error rendered a few trails unusable. Results have been published in the 2024 Spring ALBERTA SEED GUIDE.

Alberta Seed Guide & SEED.AB.CA

A revitalization of the website to improve the seed & seed processing search feature was completed early in 2022, with updates being made in 2023 using our updated membership information. These special projects are investments to improve information transfer to farmers. Member advertising rates are available for print and online formats - they are a great deal and an efficient way to promote your growing business.



ASSOCIATION SUPPORT OF THE AGRICULTURE INDUSTRY IN 2023

Seed Smart Scholarships

Alberta Regional Variety Trials Research Investment

Alberta Silage Variety Trials Research Investment

Co-Publication of the Alberta Seed Guide

Member of Seeds Canada

Manager of the Alberta Fusarium Seed Infection Survey

**Participation at AG Smart Expo in support of Field Crop
Development Centre**

**Management of Alberta Regional Silage Variety Trial
Program**

**Member of Alberta Regional Variety Advisory Committee
(ARVAC)**

Member of RDAR



Test your seed for fusarium.

ASSOCIATION MANAGEMENT

BUDGET ALLOCATION



Oversight of Association resources is a priority of the Board of Directors, with a focus on minimizing overhead costs, while maximizing membership and industry investment.

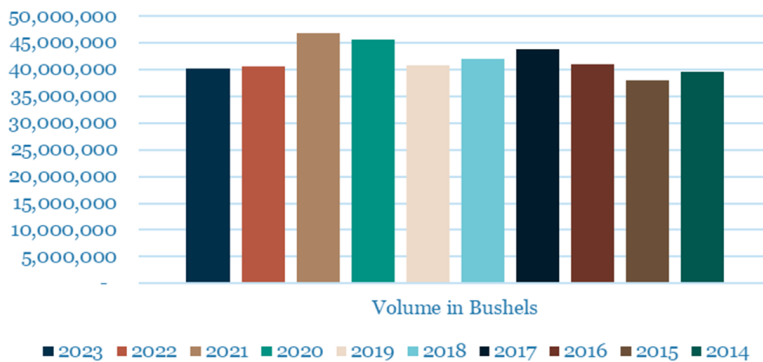
With the completion of our 71st year of operation as an association, the board continuously asks itself how the Association remains relevant to its members. If Covid has taught us anything, it should be how to prioritize, ensure that critical needs are delivered upon, and let the “fluff” go. Only with **outstanding communication** will the Association continue to deliver value to our members. Covid has forced all businesses, this Association included, to communicate differently. Having an online presence and being able to communicate electronically is now a ‘need to do.’ Rather than a ‘nice to do.’ The major means of communication are via email, webinars, and online newsletters.

Tom Coppock, President

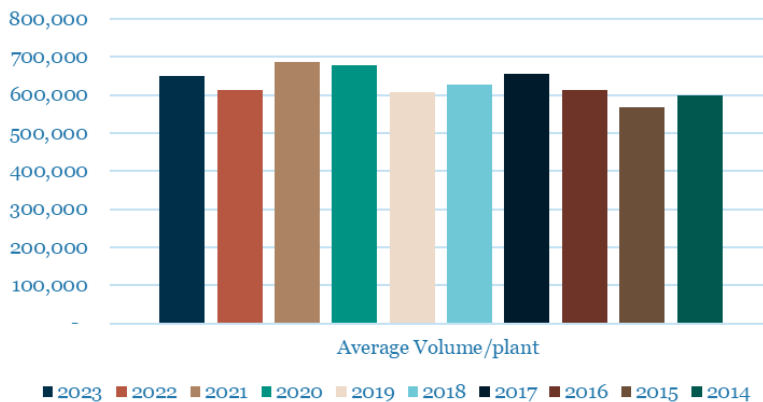
2023 BUSINESS REPORT

We have seen a steady increase in processing volumes over past years, noting that environmental factors adversely affected crop yields, which in turn impacts processing volumes. Additionally, strategic investments in new technology and equipment to increase efficiency and drive future growth have been made by several of our members. Most notably are new builds by Camrose County and the Starland Co-op..

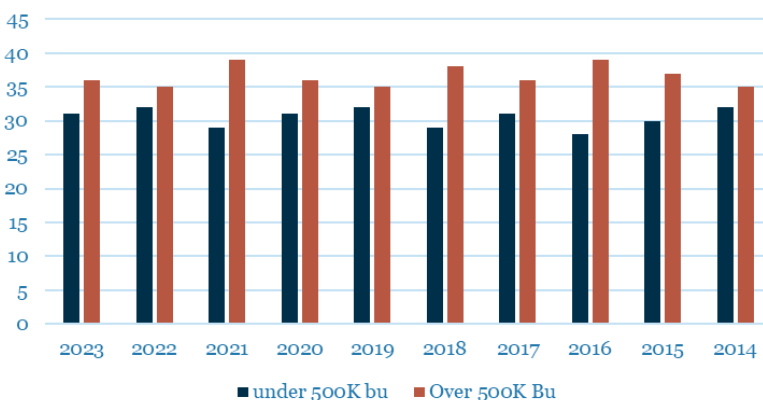
Overall Volume of 62 Sites reporting processing in 2022-2023



Average Volume/Facility



Historical Volume Range



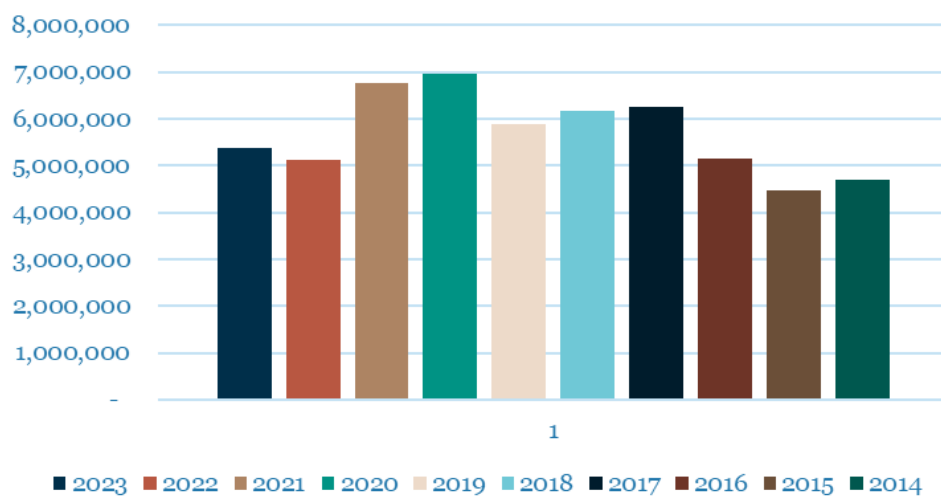
Member co-ops continue to derive most revenue from processing seed & grain. In order to maintain & upgrade facilities & equipment, retain accreditations, and certifications, co-ops MUST be profitable. A baseline of fixed operating costs are present regardless of volume, hence smaller volume sites have adopted unique operating patterns.

2023 BUSINESS REPORT

PEDIGREED SEED PROCESSING

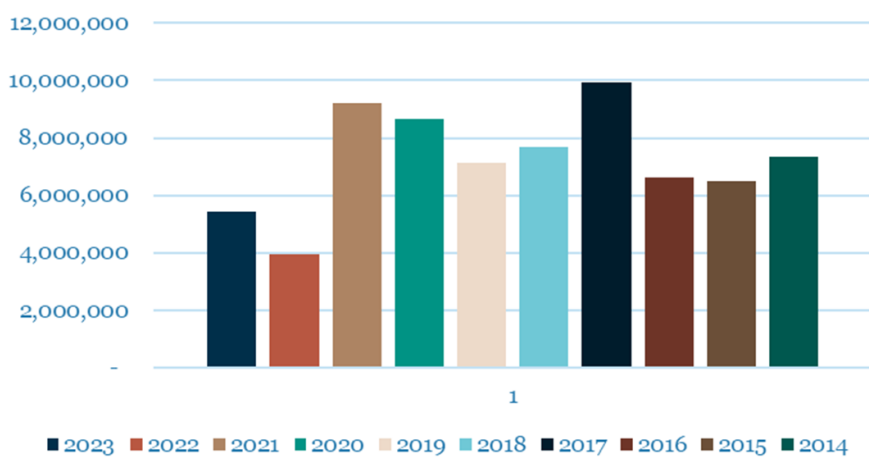
Member co-ops that handle pedigreed seed are accredited to do so through the Registered Seed Establishment Program delivered by Seeds Canada. In addition to processing, some locations offer distribution and retail sales services for seed growers and companies.

Pedigreed Seed Processing



GRAIN CONDITIONING

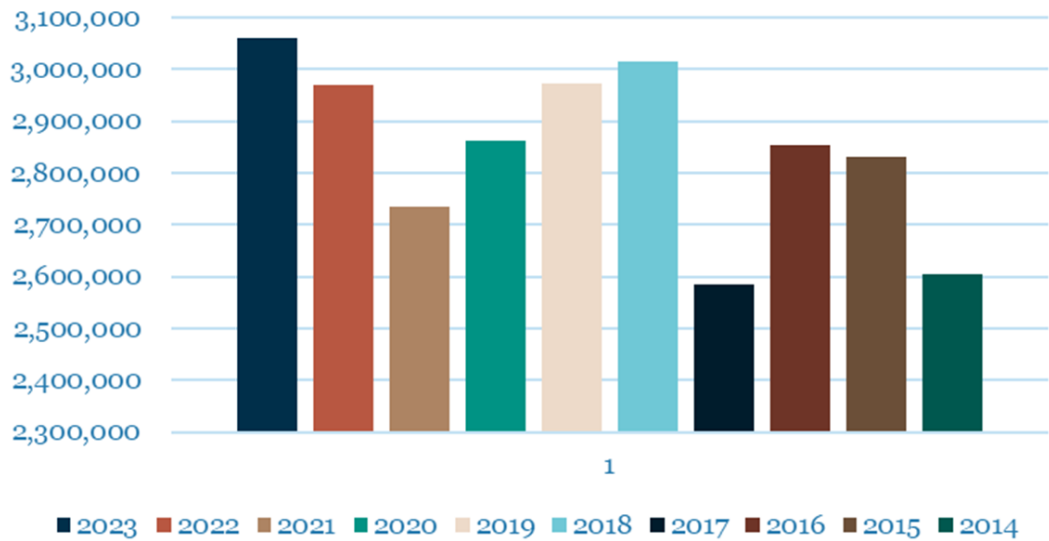
Grain Conditioning & Export



Member sites continue to offer services beyond seed processing. Many sites offer grain processing to remove dockage. Connecting with the entire value chain including malt houses, specialty markets and grain marketing companies creates value for the customers served.

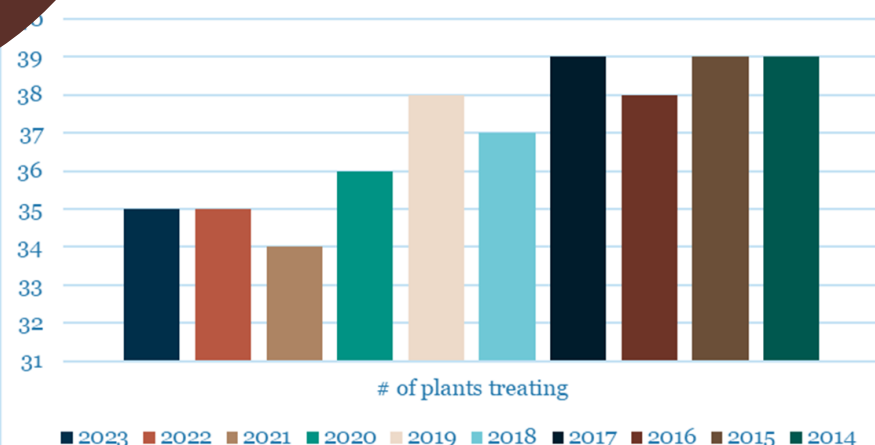
COMMERCIAL SEED TREATMENT APPLICATION

Commercial Seed Treatment Application



Member co-ops offering seed treating services have licensed commercial applicators on staff in accordance to Alberta Environment regulations. Commitment to safe handling practises are underlined by sites meeting or exceeding accredited seed treatment facility standards as approved by AWSA.

Number of Sites Treating Seed





ALBERTA SEED PROCESSORS

WHAT'S NEXT?

We are continuously researching and exploring new technologies and trends that will help us stay ahead of the curve and provide members with the most innovative solutions.

KEEP IN TOUCH

■ info@seedprocessors.ca

■ PO Box 2800 Claresholm,
AB T0L0T0

■ www.seedprocessors.ca

■ Phone 403 489 9999