

## Discussion Document

### Agricultural Field Crop Research Capacity & Funding in Alberta

The Alberta Seed Processors requests your input on field crop research funding in the province. This discussion is vital in charting a path forward for how Alberta Seed Processors Association (ASP) supports agronomy and seed breeding activities conducted at and beyond Western Crops Innovations (WCI). This discussion document's goal is to explore ideas on pros & cons of Association-based funding, with the intent of gathering unique ideas on how ASP can support research activities.

#### Background:

At the 2024 71<sup>st</sup> Annual General Meeting of Alberta Seed Processors (ASP), the topic of supporting the former Field Crop Development Centre (FCDC) in Lacombe arose in member discussions. A motion from the floor provided direction to the provincial board of directors to further engage with the agriculture industry, including municipal agricultural service boards (ASB) to raise awareness to the eminent demise of FCDC. To this end a resolution was submitted to the ASB Provincial Committee and was approved for submission to the January, 2024 Provincial ASB Conference. A copy of the ASB resolution can be found here: <https://agriculturalserviceboards.com/2024-resolutions/> (RESOLUTION PC1-24: Financial Sustainability for Field Crop Development Centre (FCDC)). This resolution was accepted by the ASB attendees. Alberta Agriculture & Irrigation (AA&I) hosted a stakeholder engagement session at the end of January in which stakeholders from Western Canada gathered to discuss the future of FCDC. The result of many activities from many entities and stakeholders resulted in a commitment from AA&I to support FCDC for an interim year until a stable funding and operational model can be formulated. On April 1, 2024 Western Crop Innovations (WCI) was formed to assume operations formerly held by FCDC as a Canadian Not for Profit entity, with an interim board of directors, and CEO put into place.

#### Current Situation:

WCI is now moving forward with a membership format as a means to establish long term core operational funding from industry. Industry stakeholders have been engaged regarding contributing to core funding in the form of purchasing WCI memberships.

Taking direction from the ASP January AGM, in which the membership of ASP provided guidance to the provincial board in favor of supporting FCDC/WCI, the Provincial board considered a few different iterations of amending our budget to be able to support WCI. The board level discussions resulted in the following board views:

- There is a difference between core funding & project funding:
  - Core funding refers to contributing to on-going expenses like taxes, utilities, software, maintenance etc. Project funding refers to contributions that would be attributed to specific projects like breeding a new triticale variety, or conducting an RVT.
  - Project funding typically comes from fee for service activities and/or proposals that have garnered funding from one of the many project funding outlets (RDAR, ADF, AFC, WGRF etc.)

- Support needs to be multi-year, as most activities conducted at WCI are multi-year and require stable core funding to accept multi-year project funding. ASP board recognizes that long term support would impact ASP membership fees.
- A combination of government and industry and/or producer funding is likely most stable, as funding from one source could result in the same situation in which FCDC/WCI was preparing to end operations in December of 2023. Also, if Industry/producers are partnering with government for core funding it is arguably more difficult for government to remove themselves from the funding mix.

## YOUR OPINIONS AND VIEWS MATTER

The ASP provincial board would like to start a discussion regarding financially supporting WCI with the goal of having an in-depth discussion at the AGM scheduled for January 15-17, 2025. As with many conversations, getting distracted with related topics can derail getting to a clear path forward, hence the board is establishing the following caveat with the goal of remaining focused:

- The conversation regarding field crop research capacity & funding is connected to a larger multi-pronged discussions that connects into seed breeding funding, provincial and federal agriculture funding, national food security, major changes to Agriculture & Agri Food Canada resourcing targeting seed variety development etc. For the purpose of this discussion, the board has chosen to remain focused on core funding for WCI.

## POINTS FOR DISCUSSION

The ASP board asks you to ponder the following points as a means to have a robust discussion on the topic of field crop research capacity & funding as it relates to core funding of WCI.

- Who should pay? (WHY?)
- What function can a small not for profit association like Alberta Seed Processors play in supporting WCI?
- How can ASP best support WCI? (If not us/you, then who?)
- **IF** ASP became part of the membership providing financial support for long-term core funding of WCI, where should the funds to meet the annual financial commitment come from?
  - Set amount collected directly from ASP members through an increase in membership fees.
  - Variable amount collected directly from ASP members through an increase in membership fees based upon total bushels processed.
  - Variable amount collected indirectly from ASB member customers through collecting a levy per bushel fee.
  - Combination of direct (set amount) and indirect (variable amount)
  - Other (describe)
- Can multi partner funding work? (think 3P models)
- What are creative methods for WCI to extract value from their operations?
  - Different royalty structures from variety development, which could include a trailing royalty?
  - Filling research gaps?
  - Other ideas?

- What happens if funding solutions do not seem “fair” - meaning those that may benefit from WCI output may not contribute? Maybe it’s OKAY?
- What happens if sustainable core funding is not secured? –
  - Who will develop barley varieties?
  - What happens to projects like RVT’s that require research capacity?