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**Canadian Adaptation and Rural Development in
Saskatchewan (CARDS) Program**

Project Title:
**Development of a Forage and Amenity Seed
Check-off in Saskatchewan – Phase 2**

Final Report

File Number:
S313

Submitted by:
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Table of Contents

1. Introduction.....	3
2. Industry Consultation	
2.1 Producers.....	4
2.2 Processors.....	5
2.3 Other industry associations.....	5
3. Saskatchewan Forage Seed Development Plan	
3.1 Saskatchewan Forage Seed Development Commission (SFSDC).....	8
3.2 Regulations and Orders.....	8
4. Provisional Board of Directors	
4.1 Meeting March 23, 2004.....	9
5. Agri-Food Council of Saskatchewan	
5.1 Presentation April 6, 2004.....	10
5.2 Input from the Agri-Food Council.....	10
5.3 Minister of Agriculture Meeting June 10, 2004.....	11
6. Recommendations for the Development of the SFSDC	
6.1 Affiliation with the MFSA.....	12
6.2 Roles and responsibilities of board and staff.....	12
6.3 Development of Phase 3.....	13
7. Project Summary	
7.1 Obstacles and Successes.....	14
7.2 Timelines.....	14
7.3 Recommendations beyond CARDS project.....	14
8. Project Administration	
8.1 Statement of Expenditures.....	16
8.2 Budget.....	17
9. Appendices	
9.1 Appendix A – Producer and processor mail-out correspondence.....	18
9.2 Appendix B – Presentation to Canadian Forage and Turf Seed Conference.....	24
9.3 Appendix C – Presentation to Agri-Food Council of Saskatchewan.....	28
9.4 Appendix D – SFSDC brochure and levy forms.....	32
9.5 Appendix E – Minister of Agriculture and Agri-Food Council of Saskatchewan correspondence.....	41
9.6 Appendix F – SFSDC regulations, orders, and provisional board of directors.....	49
9.7 Appendix G – Article in Nipawin Journal.....	67

1. Introduction

This project explores the opportunity to develop a forage seed commission, and forms the natural progression of CARDS Project #263 titled “Feasibility Study for a Forage and Amenity Seed Check-off in Saskatchewan.” This report will refer to the recommendations of the feasibility study, particularly in regards to the research and extension needs assessment survey. The results of the initial survey will serve as the base for work that will be accomplished by the Saskatchewan Forage Seed Development Commission over the next several years.

The proposed check-off will be for forage crops grown for seed in Saskatchewan. Since alfalfa already has a development commission and a check-off, this check-off will include everything else, including forage legumes, forage grasses, turf and amenity species, and native grasses.

Communication with producers and processors is critical to the success of a commission. They were again canvassed for opinions, not on research and extension needs, but more on the development of regulations and orders, how the collection process could be streamlined to be as easy and cost effective as possible.

There was also significant communication with the Saskatchewan Agri-Food Council in the development of regulations and orders for a Saskatchewan Forage Seed Development Plan. Other similar organizations offered their assistance in the set-up of the commission as well.

Following the meeting with the Minister of Agriculture in June, two points became very apparent. One is that they and the Agri-Food Council needed some answers from us on non-compliance, which have since been discussed and generally accepted. However, the process was much larger than expected, and the commission would not be developed by July 1, 2004 as originally planned. The second point is that the provincial government and most producers and processors are behind this proposal, and see it as a very important, although small, opportunity to address some research initiatives that have been lacking in this province for some time. Therefore, they have agreed to work with us in any way possible to have the legislation in place for the next year’s forage seed crop.

2. Industry Consultation

2.1 Producers

There was a mail-out to Saskatchewan producers who offered their return address to the survey that was sent out in last year's feasibility study, and regardless of whether they were initially in favour of the check-off or not. Please see Appendix A (b. and c.), the producer cover letter and feasibility summary. In addition to these two documents, there were the preliminary regulations and orders that were sent to these seventy producers.

Responses from the producers were few and far between, probably because of the tremendous volume of material that they had to wade through. There were only two responses by mail, and about ten responses by email and phone. At the Canadian Forage Seed Conference, I spoke to another ten producers about this, and there were occasional incidental communication at other meetings or social events.

Producers will have had the opportunity to hear about the development of the check-off since 2002 by the following means:

- February 2002 – show of hands for support at the Newfield Seeds grower meeting
- November 2002 - producer and processor surveys (see Phase 1)
- January 2003 – Canadian Forage Seed Conference, Banff, AB (many seed producers, few from Saskatchewan)
- March 2003 – Newfield Seeds grower meeting presentation
- July 9, 2003 - Newfield Seeds Crop Tour – brief presentation to approx 60 producers.
- Nov 30, 2003 - Mailout to respondents (who offered their return address) of the first feasibility study.
- December, 2003 – Feasibility study available on line at the Saskatchewan Forage Council website, www.saskforage.ca.
- January 13, 2004 - Presentation at the Canadian Forage Seed Conference, including discussion with Saskatchewan growers present. The conference was advertised through SAFRR offices
- January 26, 2004 - CJVR radio – Kevin Hursh ag report
- May, 2004 – Interview with Jordie Dwyer, reporter with the Nipawin Journal (see Appendix G)
- June, 2004 - Saskatchewan Hay Report, Saskatchewan Forage Council
- 2003-2004 – Provincial updates in Forage Seed News, western Canadian publication coordinated through the Manitoba Forage Seed Association
- Other casual correspondence with forage seed producers

There is always a fear of missing someone in this process, as some growers choose not to attend many meetings, do not share information with other growers, or do not actively seek out information relating to forage seed production. Also, some producers simply do not like check-offs, and “tune out” when they hear or read about the process. Another reason is that we do not have a grower association in Saskatchewan that would help to reach all growers with extension

activities and results. However, all reasonable steps were taken to ensure as wide a reach as possible.

2.2 Processors

It will be certain that we missed some forage seed processors and buyers in the province as well, however all major players in the industry were canvassed for an opinion. There were twelve respondents to the feasibility study, and one processor has since ceased operations, but another new grower who processes his own seed was canvassed. As with producers, the processors received a cover letter, summary of the feasibility study, and the initial regulations and orders (See Appendix A – a. and c.)

Some processors did not respond, but the few that did offered very important suggestions which will prove crucial in streamlining the remission process. Without seed buyer and processor support, this process could fail quickly. Other issues that were brought forward were representation on the board, confidentiality of levy reports, and price determination. Point of first sale, which is easy to establish on straight seed purchases, becomes much more difficult when dealing with producers who pay to get his seed custom cleaned and bagged, and then retails the seed to other producers. Levy deduction is outside of the realm of the seed trade and processing industry, so therefore the commission must rely on the producers to submit this levy on their own. This may prove costly time-wise to the SFSDC to “chase” these producers around for their levy, so we may have to expect some lost income.

2.3 Other industry associations

Saskatchewan Canola Development Commission (SCDC) and Levy Central

On February 20, 2004, Gord Pearse and Michel Tremblay met with Roy Button and staff at the Saskatchewan Canola Development Commission to discuss a couple of different items, including how to compile an accurate database of provincial growers. Levy Central, who administers the checkoff for the SCDC, Saskatchewan Mustard Development Commission, the Saskatchewan Pulse Growers Development Commission, and the Saskatchewan Flax Development Commission, offered many valuable suggestions to us, so that we may not have the same concerns that they have had to deal with. It was initially suggested that we explore the opportunity to contract this service from Levy Central, but upon further review, it would be cheaper and easier for a single person to look after the levy collection for this project, as it is much smaller than their database. We anticipate probably 600 forage seed growers in Saskatchewan, which is miniscule compared to 30,000 Saskatchewan canola growers.

Levy Central has proven to be exceptionally well managed and credible, and appear to be able to respond capably to any problem that it has encountered. But with four different commissions, they are at capacity, and in all likelihood it would be too costly for the forage development commission to contract the administration work through Levy Central. Another point is that the four commissions have the same buyers in their industries, so contact personnel are often the same.

This is certainly not true for the forage seed industry, and the SFSDC would have closer affiliations with other organizations.

Levy Central offered several important and time saving suggestions with how to maintain an accurate database of growers. They also shared their documents required from buyers, and shared ideas on how to streamline the system to make it as easy as possible.

Documents to be developed and available upon commission approval should include:

Quarterly Levy Reports – This is a quarterly report that is submitted by seed buyers or producers who retail their own production. Seed buyers report the producer information, and summarize gross values and levy totals. Producers who retail must also submit information on their production that they market, including values and levy totals, but no sales information.

Remittance Forms – Remittance forms are submitted to the SFSDC office by the seed buyer and producer/retailers when a payment is made, and can be made monthly or quarterly, depending on which is most convenient with their current accounting system.

SFSDC Brochures – The brochures will be distributed to as many producers and processors as possible, by all means possible. The brochure will outline the goal of the SFSDC, levy submission procedures, and contact information. This may also be incorporated as a press release of the Agri-Food Council of Saskatchewan.

Buyers Registration Forms – All seed buyers must be registered under the bylaws developed, and will be distributed to all processors upon commission approval.

Refund Application Forms – All registered seed buyers (described above) will have access to information on how producers can obtain a refund, which must be sent directly from the producer to the commission office.

Pros of working under Levy Central

1. Cost savings in accounting procedures
2. Tremendous experience, professional
3. Central office

Cons

1. Quite expensive, due to very small size of SFSDC in relation to other huge commissions
2. Levy central capacity is at maximum, due to the new Mustard commission
2. Lack of knowledge in forage seed crops

Manitoba Forage Seed Association (MFSA)

On February 26 and 27, 2004, we talked with Gerald Huebner and discussed contracting the administration of SFSDC to the MFSA. The MFSA board of directors are having a meeting on March 19, 2004, to decide upon our suggestion, but Gerald welcomed the idea. It would also look more appropriate, at least initially, to have a Saskatchewan Executive Director, with a Saskatchewan phone number and postal address.

Also they have taken the approach that producer/retailers will partake in the levy submission under their own terms, and trying to convince those producers of the merits of submitting the levy to the

MFSA may be more costly than what it is worth. Unfortunately this occurs to a larger degree in Saskatchewan than it does in Manitoba.

Pros of working under MFSA

1. Cost savings in initial setup of forms, spreadsheets, and accounting procedures
2. Enhances communication across borders, enhancing program delivery, reduce potential duplication
3. Fewer issues with cross border trade of seed
4. Regionally high support for western Canadian support, especially if reduce admin costs for both provinces
5. Work towards similar association and affiliation with AB and BC
6. GST issues already sorted out

Cons

1. 30 days less employment initially in Saskatchewan
2. Perception
3. Competition between province's producers

Peace River Forage Seed Association (PRFSA)

On February 25, 2004, Gord Pearse talked with Sandra Burton the PRFSA Coordinator. The PRFSA has a rather unusual circumstance in the creation of a development commission, in that it is a regional commission, covering only the Peace Region of British Columbia and Alberta. There is no forage seed produced in British Columbia outside of the Peace region, but there certainly is in Alberta. Their goal is to eventually cover all of Alberta, but producer interest and perceived value of a checkoff is currently greatest among Peace River producers. (The same may also be said for NE versus SW Saskatchewan producers!) There is just one office in BC responsible for levy administration, and this, and the Alberta checkoff portion, will initially be handled out of that office. Sandra's comments indicated that an ideal goal would be for the western provinces to develop a common administration house for levy administration, which is also something that the Saskatchewan proponents have believed for some time. However, since provincial requirements for the development of commissions are unique, the fusion of administration offices is something to be discussed at a later date.

Saskatchewan Alfalfa Seed Producers Association (SASPA)

It was never addressed as a formal question to the Executive Director of SASPA, but all indications in the past would indicate that an association with SASPA would not be acceptable by a number of its members. The focus of SASPA, its development commission, and its board of directors is fixed squarely on dealing with alfalfa seed and leaf cutter bee production issues. The success of the organization and its producers speak to the fact that this is a good route for them to follow.

3. Saskatchewan Forage Seed Development Plan

3.1 Saskatchewan Forage Seed Development Commission (SFSDC)

Following the presentation to the Agri-Food Council (see 5.1 and 5.2), and with their suggestions, a letter was written to the Saskatchewan Minister of Agriculture which form the basis of the Saskatchewan Forage Seed Development Plan. The Plan included the final regulations, a summary of the feasibility study, a record of producer and processor consultation, and a list documents developed. The cover letter is located in Appendix E.

3.2 Regulations and Orders

The regulations and orders were initially developed from a template sent to us by the Agri-Food Council of Saskatchewan. This was done in November, and the set of orders and regulations were mailed to at least seventy producers and twelve seed processors for review. They have been tweaked several times since. The final set of regulations and orders sent to the Agri-Food Council for Cabinet approval are listed in Appendix F.

The appropriate forms to carry out the orders within the Plan are listed in Appendix D, and include a cover letter, Check-off Procedures, Application for Refund, Buyer Registration, Levy Remittance Form, Processor and Producer Remittance Worksheet (Excel). These are not yet complete, due to the fact that the commission has not yet been formally developed, and hence no office address either.

4. Provisional Board of Directors

4.1 Meeting March 23, 2004

Gord Pearse called a meeting for the provisional board on March 23 in Saskatoon. At the time, all positions except one producer director were filled, and all directors were present at the meeting. The provisional board of directors is listed in Appendix E.

The major discussion point of the meeting was going over the presentation to the Agri-Food Council of Saskatchewan (see 5.1), which allowed the directors a chance to “catch up” on the activities completed to date. The project consultant went through the regulations and orders at some depth, and it was agreed that all the directors will have to make certain that they understand each point, and therefore the most recent set was delivered to them shortly after. The levy submission forms were also discussed, and the reporting and levy submission, and request for refund requirements were discussed at length.

The feasibility study (CARDS #263) identified several key research, marketing, and extension issues, and the discussion around the table identified some essential research work that could be addressed as soon as levy funds are available. It would appear that there would be no shortage of projects for the relatively meagre check-off budget.

The success of a check-off is dependant on universal compliance within the industry. The board tried to identify every possible processor in the province, and the list is bigger than the list for the November mail-out. These processors are generally very small players in the industry, and generally custom clean for other producers, or process their production for retail to other producers. All attempts will be made to let these processors and producers know of the development of the commission.

Another point of discussion was the duties of the directors, executive director, and levy administrator. The initial role of the directors is minimal until the commission has its first annual general meeting, at which time there will be committees developed and roles to fill. Other commissions offer producers some kind of per diem for their time spent with meetings, but it was agreed that nothing more than mileage, at provincial rates, will be available to the producers. The role of the executive director and levy administrator will be discussed in point 6(2).

5. Agri-Food Council of Saskatchewan

5.1 Presentation April 6, 2004

The Agri-Food Council of Saskatchewan consists of six members, including government personnel. The presentation took 35 – 40 minutes, with 45 – 50 minutes of questions to follow. The initial impression from Gord Pearce and Michel Tremblay was that the Council felt that the potential budget and subsequent value was too low to be sustainable, but when potential efficiencies with the MFSA were discussed, they thought it should work fine.

However a concern that they stated is that it is highly unlikely that this will be passed by July 1. Gord explained that July 1 is a specific date for these crops because of how early some forage crops are harvested, and there can't be a checkoff initiated part way into the season. They agreed with this, but they also said there is no reason why the commission can't be established immediately upon approval, in place prior to the next growing season. So all in all, the presentation was generally positive, but it is highly unlikely that the commission will be in place by this growing season.

5.2 Input from the Agri-Food Council

The next step was to submit the proposal to the Minister of Agriculture after an Agri-Food council rep looks at it, which will occur by next week. Then it is passed to the Agri-Food Council and then to the Saskatchewan Department of Justice for their approval, which takes a minimum of eight weeks, given past experience. This was mailed on April 16th.

On May 3, the project consultant received a letter from the Agri-Food Council. They had said they were please with the presentation of April 6, but would like to see a written policy formed to address “leakage”, or forage seed that may be marketed by Saskatchewan producers that would have never had the check-off deducted. The initial response to the letter is within Appendix E, which will form the basis for a plan of action to deal with seed leakage.

Upon further communication on June 10, the Agri-Food Council requested that we coordinate a comprehensive policy, and become well versed with the legal responsibilities of a commission of the new Agri-Food Act. It will include the following items:

- Producer non-compliance
- Processor / seed buyer non-compliance
- Develop a 5 – year budget including:
 - Estimate of revenue, including acres and crop value trends
 - % Expenditure breakdown of Administration, Research, Extension, Other
 - Research program description
- Obtaining federal delegate authority

This will be finalized beyond the CARDS #313 completion date, and there will be considerable communication in formalizing this into the Saskatchewan Forage Seed Development Plan. During

the summer months, the personnel for the administration and the Executive Director will be determined. This may be the same person, and is expected to be a 0.25 person year long term, although through database setup, could be closer to a 0.33 person year.

5.3 Minister of Agriculture Meeting June 10, 2004

Gord Pearse, Project Consultant, Michel Tremblay, SAFRR Forage Specialist, Randy Tulloch, producer, provisional SFSDC board member, and Barry Marquette, producer, Sask. Forage Council President, met at the Office of the Minister of Agriculture at the Legislative Building. This meeting included the Minister of Agriculture - Mark Wartman, Deputy Minister – Doug Matthies, and Assistant Deputy Minister – Maryellen Carlson, among others. The role of the meeting was to introduce the state of the forage seed business, and our proposal directly to the Minister's office.

It was also explained that our original intent was to have a check-off in place by July 1, 2004. This will not happen, for several reasons, some of which are out of our control. However, it became apparent that if the requests of the Agri-Food Council are met by the summer, there is a strong possibility that the Commission will be legislated by the fall, so that there can be an inaugural meeting in January 2005, with ample time for information dissemination and “dry runs” with the province's forage seed buyers.

6. Recommendations for the Development of the SFSDC

6.1 Affiliation with the MFSA

The initial recommendation of the project consultant and provisional board of directors was to contract the administration component of the development commission with the Manitoba Forage Seed Association. Their Executive Director and Administration Assistant thought this was a good idea, but their producer directors voted it down. Their reasons were due to past conflicts with the Saskatchewan Alfalfa Seed Producers Association (Manitoba's commission includes alfalfa seed), potentially taxing the administration staff beyond their capabilities, and although not explicitly stated, it is assumed there are some protectionist attitudes as well. They have, however, offered assistance in database development, monetary fund management, reporting requirements, and any other issues that may develop for our executive director and administrator.

Efficiencies in research will exist between provinces, and the goal will always be to try to work together to avoid duplication, and address as many issues as possible with limited budgets.

6.2 Roles and responsibilities of staff

The role of the board of directors is outlined in the regulations, but in addition to this are supervising the activities of the Executive Director and the Levy Administrator. Since these jobs are anticipated to be less than 0.25 person years annually, there is a good chance that the tasks could be accomplished by the same person. At the completion of this project, there is a name suggested that may be interested in taking on the role of Executive Director, and possibly also the Administrator duties as well. Duties listed below assume different people.

The role of the Executive Director is as follows:

- to address and assist registered buyers and producers of forage seed with their duties of levy submission;
- liaise between the levy administrator and producers, processors, buyers, and the board of directors;
- assist the board of directors in their duties, such as the organization of board meetings;
- develop and maintain extension opportunities as desired by the board of directors. This would include the coordination of mailing, maintaining a mailing database, and other duties as required.
- respect that information supplied by producers and buyers is proprietary and sensitive, and treat all information as confidential. It has been suggested that the Executive Director and Levy Administrator are "bonded" to help ensure that the information they see is strictly confidential. Other commission's regulations have stated that producer records can be viewed only by the federal authority through Canada Customs and Revenue Agency or by order of the provincial crop insurance programs.

The role of the Levy Administrator is as follows:

- to develop and maintain the database of registered producers and buyers of Saskatchewan forage seed;

- to administer the semi-annual reporting requirements of check-off submission and refund applications, and assist in any reporting requirement that may be requested of the executive director. This includes bank transactions, account management, and any other financial requirements of a commission.

6.3 Development of Phase 3

It became apparent that a considerable cash crisis would develop upon levy approval and legislation, and the first levy submission requirement. A considerable amount of groundwork would be required, in keeping the provisional board, producers, and seed buyers informed on the activities, in levy form development and distribution, and in initial program and data entry. The Saskatchewan Forage Council applied for another CARDS Project, deemed “Phase 3” by the Council, to help cover such costs, as the financial situation of the Saskatchewan Forage Council is such that it could stall any further action of the commission’s development.

CARDS Project # S360 was approved June 17, 2004, and costs will soon be incurred by the SFC’s Executive Director, and the Commission’s Executive Director, once approved. Total CARDS contribution for the Project is a maximum of \$5600. The Saskatchewan Forage Council and the provisional board of directors of the proposed Saskatchewan Forage Seed Development Commission appreciate any and all support from funding agencies, as their assistance is critical in the early stages of development.

7. Project Summary

7.1 Obstacles and Successes

One final obstacle to overcome is determining the best course of action to deal with non-compliance with producers and seed processors. The development of this protocol will go beyond the timeframe of this Final Report. However, the very fact that we have had such positive discussions with most producers and processors, as well as the Agri-Food Council and the Minister of Agriculture, should indicate that the process has been an overwhelming success.

The provisional board also mentioned that the timing of the proposal in the eyes of the average producer, couldn't be much worse. There is a tremendous amount of uncertainty in Saskatchewan agriculture, as successive years of drought, grasshoppers, low commodity prices, and ever rising input costs are squeezing everyone in the business. All producers are affected by the BSE trade crisis to some degree, but the domestic forage seed market is highly dependant on the health and optimism of the cattle producer. Forage seed prices have always had a history of tremendous price volatility, and prices for many dryland forage species are near historical lows. There are few crops that can earn the income per acre potential that forage seed crops can when high prices match even average yields, but unfortunately there are not as many success stories to share lately.

7.2 Timelines

In hindsight, it was a bit naïve to assume that we could have the commission developed by July 1, 2004. Had it been accepted through the Agri-Food Council, the end of June would have extremely hectic, and would have possibly lead to potential errors in levy submissions, or some seed buyers missed in canvassing for their requirements. This may have been a blessing in disguise. However, all of the other timelines and project duties have been met, or at least has occurred within a couple of months of expectation.

Another issue that became apparent is the cash crisis that will occur for the commission in the period following its assumed approval date and the first levy submission requirement. This issue was previously described in 6.3 Development of Phase 3.

7.3 Recommendations beyond CARDS project

CARDS Project #313 was completed on June 30, 2004, before the legislation for the Saskatchewan Forage Seed Development Commission was in place. However, it is prudent to the project for the Project Consultant to address outstanding issues for the continued success of its development. Another CARDS Project will fund some of the work that needs to be done by the director and administrator prior to any producer money coming in to the commission.

- An Executive Director and Levy Administrator should be hired in July or August of 2004. This person, or persons, will be decided by the provisional board of directors, with approximate wage expectations and list of duties fully understood. The Executive Director will also be responsible for the CARDS “Phase 3” project, and all of the duties associated with it.
- The Executive Director must also be familiar with how to obtain funding sources, since the survival of the Commission will be contingent on maximizing federal and provincial funding opportunities with producer money.
- The Compliance Policy requirement of the Agri-Food Council will be met by the Project Consultant over the summer months. There will be a fall session, and the SFSDC Regulations, Orders, and other requests must pass through the Agri-Food Council and the Department of Justice prior to the fall session.
- For the first couple of years, the administration percentage of the budget will be higher than what it should be. This is generally the situation with all development commissions, as request for refunds are usually higher initially, and it generally takes a while to familiarize staff, producers, and processors of their annual responsibilities. The administration budget could be as high as 40 %, but the goal after two years should be 10 to 15 %, as with other commodity commissions. Since this is a small budget, the board of directors should take every opportunity to assist the commission with day to day activities and be proactive in subcommittees within the commission.
- It’s been said a number of times in this document, but keeping the process as streamlined as possible for the province’s seed buyers and processors. If their task is easy, they will generally be on side with anything that we ask of them. The Executive Director must also be able to address their concerns, such as with growers who want to bypass the system.
- The SFSDC will try to represent as many Saskatchewan growers as possible, but it’s a big province full of producers with different goals. A Western Canadian approach to forage seed research is needed. There should always be an effort to work with other provincial commissions.
- Gord Pearse, Project Consultant, will be on the provisional board, since he fits the criteria of a forage seed producer. In January 2005, which will hopefully be the first annual general meeting of the Saskatchewan Forage Seed Association, there will be an election to take that position.

8. Project Administration

8.1 Statement of Expenditures

Statement of Expenditures

Table 1 – Expenses by Current Reporting Period

The following table has been included to report budgeted and year to date amounts

Reporting Period: to June 30, 2004

Report #4

Activity Eligible Expense	CARDS Code	Expenditures (current)	Budget Amount	Year to Date Amount
1. Industry Consultation	1.0	\$0	\$1380	\$1535.67
2. Draft Bylaws & Regulations	2.0	\$0	\$2560	\$3726.85
3. SFC & Industry Review	3.0	\$0	\$1910	\$2006.61
4. Bylaw Revision to Final Draft	4.0	\$904.01	\$1000	\$904.01
5. Develop Board of Directors	5.0	\$828.00	\$2260	\$1840.12
6. Information Development	6.0	\$414.00	\$1500	\$1345.50
7. Administration	7.0	\$291.79	\$1200	\$1200.00
8. Summary & Outline	8.0	\$2180.38	\$3750	\$3008.38
TOTAL		\$4618.18	\$15560	\$15567.14

Note: 50% of GST submitted as statement of expenditures.

8.2 Budget

Extent to which Project has met its Objectives:

Activity Eligible Expense	Expend. To Date	Budget Amount	Status	Completion Date
1. Industry Consultation				
•	\$1535.67	\$1380	100 % completed	December 2003
2. Draft Bylaws & Regulations				
•	\$3726.85	\$2560	100 % completed	December 2003
3. SFC & Industry Review				
•	\$2006.61	\$1910	100 % completed	December 2003
4. Bylaw Revision to Final Draft				
•	\$904.01	\$1000	100 % completed	February 2004
5. Develop Board of Directors				
•	\$1840.12	\$2260	100 % completed	February 2004
6. Information Development				
•	\$1345.50	\$1500	100 % completed	June 2004
7. Administration				
•	\$1200.00	\$1200	100 % completed	June 2004
8. Summary & Outline				
•	\$3008.38	\$3750	100 % completed	June 2004
TOTAL PROJECT COSTS	\$15567.14	\$15560		

Note that the total expenditure was \$7.14 over budget amount for the entire project. Note also the variation in expenditures versus budget amounts by item. It would be imagined that this would happen with every other project that CARDS would fund as well.

9. Appendices

9.1 Appendix A – Producer and processor mail-out correspondence

The following three pieces of correspondence are what was sent to producers and processors in the province. In addition to these cover letters were the preliminary regulations and orders, updated in Appendix E. It was later agreed that this was quite a package to send to most, and may not have been read extensively simply because there was too much to read.

a. Processor cover letter

2003-12-11

Dear Forage Seed Processor:

Thank you for your comments from last year's survey regarding the development of a forage seed checkoff. Your comments helped the Saskatchewan Forage Council to determine whether or not to proceed further to implementation, and at what level, as well as determine research and extension priorities.

The results of the SFC survey indicated that 78 % of the respondents indicated that they would support the development of a forage seed checkoff, 15 % said that they would not support the checkoff, or felt there was no need for its development, and 7 % were undecided. Virtually all processors in Saskatchewan were in favour of the checkoff, although all agreed it was another burden for them. If you are interested in viewing the entire report, it is available at the Saskatchewan Forage Council's website at www.saskforage.ca.

Enclosed in this correspondence are the following pieces of information:

- A) Recommendations for research, development and checkoff implementation following feasibility study
- B) Preliminary regulations of the Saskatchewan Forage Seed Development Commission*
- C) Draft of provisions regarding the definition of forage seed*
- D) Draft orders relating to the bylaws*

Points of clarification – A **plan** is a complete set of **regulations** that form the basis of a legal framework for a commission established under the AgriFood Act of Saskatchewan. **Orders** are formal rules made under authority of a regulation, by which the commission will invoke their responsibilities and powers. Orders must be approved by the AgriFood Council to take legal effect. A **provision** is a statement of intent relating to the development of the Act, and can only be amended through the Legislative Assembly. **Bylaws** are the rules and procedures of operation for an organization, and will be consistent with the agency's regulations and orders, but will include other statements, such as signing authority. Bylaws may be changed by resolutions of the agencies annual general meeting, but may not have the force of law as regulations and orders do.

I would ask you to read through the following information, and please forward any issues, concerns, or additions to the draft regulations or orders. Of particular interest will be Sections 6 and 7 (powers of board), 13 (levy percentage), and 18 and 19 (election of board), as well as the crop list. I will be phoning you in the next month to discuss any concerns that you may have.

The Saskatchewan Alfalfa Seed Development Commission has helped to fund research priorities of alfalfa seed production, while the Manitoba Forage Seed Association has also funded several research projects that have resulted in a dramatic increase in forage and turf seed acres, and profitability in that province. The Peace River Forage Seed Association is also in the development phase of a checkoff, and like us, hope to have it in place for next summer's crop. There is a good chance that we will be able to work together to stretch our research dollar a little bit farther.

While no commission will bring timely rains to forage seed fields, they can certainly help to direct research money to the key areas of production that affect you most. This is a small group of producers who at times are the most profitable in Saskatchewan. Being small has its disadvantages, but also its advantages, in that we must be accountable to ourselves and our neighbours, or the commission will fail. Your comments, positive or otherwise, are most welcome.

Kind regards,

Gord Pearse, P. Ag.
SFC Director, Project Consultant

P.S. It is Saskatchewan's turn to host the Canadian Forage and Turf Seed Conference. It will be held in Saskatoon January 12th to 14th, during the Crop Production Show, just prior to the SASPA conference. Please contact Sask Ag and Food (306-787-7712) or University Extension Department (306-966-5539) for further details.

b. Producer cover letter

2003-11-30

Dear Forage Seed Producer:

Thank you for your comments from the previous year's survey regarding the development of a forage seed checkoff. Your comments helped the Saskatchewan Forage Council to determine whether or not to proceed further to implementation, and at what level, as well as determine research and extension priorities.

The results of the SFC survey indicated that 78 % of the respondents said that they would support the development of a forage seed checkoff, 15 % said that they would not support the checkoff, or felt there was no need for its development, and 7 % were undecided, or needed more information to make that decision. If you are interested in viewing the entire report, it is available at the Saskatchewan Forage Council's website at www.saskforage.ca.

Enclosed in this correspondence are the following pieces of information:

- E) Recommendations for research, development and checkoff implementation following feasibility study
- F) Preliminary regulations of the Saskatchewan Forage Seed Development Commission*
- G) Draft of provisions regarding the definition of forage seed*
- H) Draft orders relating to the bylaws*

Points of clarification – A **plan** is a complete set of **regulations** that form the basis of a legal framework for a commission established under the AgriFood Act of Saskatchewan. **Orders** are formal rules made under authority of a regulation, by which the commission will invoke their responsibilities and powers. Orders must be approved by the AgriFood Council to take legal effect. A **provision** is a statement of intent relating to the development of the Act, and can only be amended through the Legislative Assembly. **Bylaws** are the rules and procedures of operation for an organization, and will be consistent with the agency's regulations and orders, but will include other statements, such as signing authority. Bylaws may be changed by resolutions of the agencies annual general meeting, but may not have the force of law as regulations and orders do. I would ask you to read through the following information, and please forward any issues or concerns that you have, or would like to add to the draft regulations or orders. Of particular interest will be Sections 6 and 7 (powers of board), 13 (levy percentage), and 18 and 19 (election of board), as well as the crop list. Feel free to contact me directly as well (306-873-3450). We will also be contacting members of the forage seed trade and processors of forage seed in Saskatchewan for their comments.

Many producers will be aware of the success of two commissions that currently exist. The Saskatchewan Alfalfa Seed Development Commission has helped to fund research priorities of alfalfa seed production, while the Manitoba Forage Seed Association has also funded several research projects that have resulted in a dramatic increase in forage and turf seed acres, and profitability in that province. The Peace River Forage Seed Association is also in the development phase of a checkoff, and like us, hope to have it in place for next summer's crop. There is a good chance that we will be able to work together to stretch our research dollar a little bit farther.

While no commission will bring timely rains to forage seed fields, they can certainly help to direct research money to the key areas of production that affect you most. This is a small group of producers who at times are the most profitable in Saskatchewan. Being small has its disadvantages, but also its advantages, in that we must be accountable to ourselves and our neighbours, or the commission will fail. Your comments, positive or otherwise, are most welcome, **but please return your comments in the self addressed envelope by January 15, 2004.**

Kind regards,

Gord Pearse, P. Ag.
SFC Director, Project Consultant

P.S. It is Saskatchewan's turn to host the Canadian Forage and Turf Seed Conference. It will be held in Saskatoon January 12th to 14th, during the Crop Production Show, just prior to the SASPA conference. Please contact Sask Ag and Food (306-787-7712), University Extension Department (306-966-5539) or any forage seed company for further details. We also hope that at this time we can plan a preliminary board of directors for the commission.

c. Summary of feasibility study

Feasibility Study for a Forage and Amenity Seed Check-off in Saskatchewan - Summary

The Saskatchewan Forage Council obtained support from its Board of Directors and financial support from CARDS (Canadian Adaptation and Rural Development in Saskatchewan) to determine the level of support for a seed check-off and to determine development priorities for the industry. The Project leader was Gord Pearse. The report recommends proceeding with the development of a checkoff, and the following points illustrate suggestions in continuing with the development process. The current intent is to have this in place for the 2004-2005 crop year.

a. Procedure

Upon evaluation of the survey and consultation with others, it is apparent that the development of a forage seed check-off in Saskatchewan would help to fill in research gaps, and address some of the production issues that producers face. Therefore, the report recommendation is to proceed with the next phase of the development strategy.

As discussed in other parts of the project report, the development of a checkoff is a widely accepted option to addressing the shortfalls in funding research and development efforts, not just in forage crops, but for all crops grown in Saskatchewan. The vast majority of Saskatchewan producers begrudgingly support industry check-offs, because the majority of producers see a benefit from agronomy research and improvement in crop varieties. However, some producers, who are a very small percentage, will not support check-offs no matter how much benefit they receive from the research. These producers have a fundamental belief that the responsibility of any future research and development is strictly the responsibility of the federal and provincial governments. Most can agree that as governments have reduced their budgets in agriculture, private research dollars, from producer check-offs or private business has partially filled the void. The question of whether or not producers are better served is not one that can be answered within this project. However, it is unlikely that there would be a considerable cash influx from governments into agricultural research any time soon, so it would be unreasonable to expect research to continue without direction from the producers who produce the crop.

b. Research and Development Strategy

What many producers may not understand is that there is often research dollars available, but obtained only if there is producer money to match. Research projects are rarely funded entirely with producer money, and there is a huge advantage for having private money available to initiate projects. Another reason for the development of a commission is to have designated people to do project applications, and represent the Saskatchewan forage seed industry. Forage seed production certainly falls within the mandate of the Saskatchewan Forage Council, but the council does not represent the forage seed industry. Regardless, the total commission value of this check-off will be a mere percentage of the cereal, oilseed, and pulse commissions of Saskatchewan. Given average acreages and values for forage seed, this would mean an annual budget of \$30,000 to \$50,000.

Part of the producer and processor surveys was a questionnaire asking where they feel the largest needs is within their forage seed production systems. The results should be considered a “needs assessment survey” which can serve to direct the initial research. Production research was deemed by far most important for the check-off funds, although some thought that there could be more emphasis on market information and extension activities. Below is a ranking of forage agronomy issues:

- a) Weed control (most important)
 - i. Application timing and rates
 - ii. Minor use registration
 - iii. Cultural weed control
 - iv. Rotations
- b) Fertilization
 - i. NPKS rates and timing
 - ii. Economics
 - iii. Type of N source
 - iv. Micronutrients
- c) Seeding
 - i. Methods
- d) Harvest technology
 - i. Swath / harvest staging
 - ii. Economics of stand termination
 - iii. Residue management

The above suggestions in development of research priorities is based on the ranking suggested in producers responses. It would be foolish to not consider any suggestion listed by the producers, so the board will have to consider all concerns with the limited funds available. It will become even more difficult to determine which crop kinds to focus research activities, as there are more than twenty different crop kinds being produced in Saskatchewan. The best initial approach to this is to prioritize crop kinds with acreage in Saskatchewan, but also identify emerging market opportunities.

There has to be an extension component to this project, or the results will not get to the producers adequately. In order of importance, from most to least, the preferred method of information sharing is in newsletters, field tours, meetings, and then magazine articles. It should also include an aspect of tracking forage seed prices, and market commentaries and summaries.

c. Development of a Board

The MFSA has a total of 12 board members, and SASPDC has 6 producer board members. An initial recommendation for composition of the board will be as follows:

- a) Six producer directors. These producers shall be elected at or before the Annual General Meeting. They must be current forage seed producers, and represent different regions, and crop kinds of Saskatchewan. To maintain consistency within the board, initial terms will be staggered; two producers for three years, two producers for two years, and two producers for one year. Only elected producer directors have the right to vote.

- b) One seed trade director. To avoid anxiety between trade and growers, this position shall be appointed by the Canadian Seed Trade Association. The representative must be work primarily in the forage seed business, for a company that is a member of the Canadian Seed Trade Association, and whose head office is in Saskatchewan. They may also be producers, but will represent the seed trade. This is a non-voting position.
- c) One U. of Saskatchewan / Ag Canada director. This person shall be primarily involved in forage research and development, and will initially be a two-year term. This is a non-voting position.
- d) Executive director. This is a salaried position, and also assumes the role of secretary and day-to-day business of the development commission, although not responsible for the actual contribution accounting of Saskatchewan producers, which will be contracted out. There will be only two people that have access to these files - the accountant and the executive director.

These are three-year terms, and no director can sit for more than two concurrent terms. The producer directors will be compensated only for meals and lodging expenses, while trade and professional directors are expected to contribute their time and costs to the commission in-kind.

This commission can not afford to hire its own fulltime employees to administer the day to day activities of the checkoff. Therefore the most cost effective avenue is to use the same process and people as other provincial levies (ie Levy Central), and also hire an executive director on a part time basis, mostly likely employees of the Saskatchewan Forage Council. The goal of this commission should be to keep long-term administration costs of maintaining the levy at less than 10 % of the annual budget; however this may be difficult in the first couple of years.

d. Checkoff Levels, Methods, and Procedures

There were many different attitudes towards this, and the final decision will not please all producers regardless of what that suggestion is. The majority of producer respondents do not want a cap, and half of the processors did not want one either. The levy should be set at \$0.75 per \$100.00 on net clean seed value, which is $\frac{3}{4}$ of a percent on a dollar basis. The justification for these recommendations and subsequent discussion is described in the following points:

- a) These suggestions represent the attitudes of as many respondents as possible.
- b) No cap will alleviate some of the concerns with land management groups or cooperative farms exceeding a producer cap. It will ensure maximum levy amounts on years of high yield and / or prices. It will also capture the full value of seed carried over from one year to the next, which is a common practice in forage seed.
- c) The Manitoba Forage Seed Association refunds to producers who contributions in excess of \$500 annually. No producer cap will reduce administrative costs by not having to return funds to the producer.
- d) It is agreed that the larger forage seed producers in the province have the most to gain from any research work conducted through funds of a forage seed checkoff. Therefore that producer should have to commit more to the fund.
- e) The $\frac{3}{4}$ % levy is a much fairer option when covering the many different forage crops that will be covered under this commission. $\frac{3}{4}$ of a cent per pound is far too expensive for a crop like sweet clover, which is often purchased at less than \$0.15/lb, and not adequate for some of the native grass varieties, which can be worth more than \$20.00/lb. The only other option would be to set the levy amount monthly on each crop, which would become an administrative nightmare, and is legislatively impossible.
- f) The determination of value must consider grade and quality. All grades are subject to levy collection, including Foundation 1 & 2, Registered 1 & 2, Certified 1 & 2, Common 1 & 2, Reject, and no grade, and shall also include seed purchased as a seed mixture. Breeder seed will not be included.
- g) A seed company, either under contract or as a spot purchase, purchases the majority of forage seed produced in Saskatchewan in an uncleaned state. The levy is based on the value of the seed without the cleaning costs added, but based on the final net clean amount and value. For seed that is marketed in a clean state, the cost of cleaning (and usually bagging) will have to be deducted for the determination of the levy value.

- h) The checkoff level shall never exceed $\frac{3}{4}$ % on a dollar basis, for as long as the development commission remains a viable entity. Increases in fund value will have to come from increases in production and value of seed.
- i) Custom cleaning facilities will have to determine the value of the seed they are processing, and must deduct that value from the custom cleaning charge to the producer. This will become the responsibility of the producer should the processor fail to deduct these charges.
- j) Processors should be required to submit their levy collection quarterly, for collection up to and including the last day of March, June, September, and December. This is due in the commission office within 30 days of the quarterly reporting period.
- k) Requests for refunds must be mailed or faxed to the commission office, and are payable to producers by commission within 30 days of the quarterly reporting period.
- l) The SASPDC considered holding a contingency fund in case of a complete alfalfa crop disaster. This can happen in other forage crops too, and recommend always having \$10,000 as a contingency, in term deposits, available in years with fund value below 25 % of budget.
- m) Immediately following the development of the commission, the board of directors should pursue federal delegate authority legislation. This will ensure that any seed produced in Canada is eligible for levy collection, regardless of which province it is purchased or processed in.
- n) Every aspect of the guidelines will have to be discussed, and will form the basis of the next part of the project. Once this is developed, it shall be shared by several means to producers, for final input and comments.

9.2 Appendix B – Presentation at Canadian Forage and Turf Seed Conference

Enclosed is a copy of the powerpoint presentation, as well as a copy of the write-up of the presentation in the proceedings of the Forage Seed News Winter 2004 edition.

Saskatchewan Forage Seed Development Commission

**Gord Pearce, P. Ag.
Project Consultant**

Some history

- Saskatchewan crop producers levies
 - Crops – cereals (ex oats), pulses, canola, mustard, flax, alfalfa seed
 - What's left – forage, forage seed, oats, canaryseed, herbs & spices, vegetable, fruit, and other crops

Why ?

- Government cutbacks, particularly in research and development
- Research in producer hands, more direction and control, leverage funding
- Market development, trade information, regulatory / policy issues
- Variety development

Saskatchewan Forage Council

- #1 Feasibility study July 2002 to March 2003
- #2 Implementation April 2003 to March 2004
- Funded by CARDS, Saskatchewan Forage Council, and Ducks Unlimited

Feasibility Study

- Available at www.saskforage.ca
- Consists of survey results of producers and seed processors
- Industry consultation
- Recommendations to CARDS and Saskatchewan Forage Council

Survey Results

- General
- Agronomy
- Marketing
- Checkoff

General

- Majority of respondents and acreage in NE Sask
- 20 some species in production

- Many reasons for producing forage seed

Agronomy

- Weed control
- Fertilization
- Seeding
- Harvest technology

Marketing

- How seed is marketed
- How producers obtain market signals
- How producers obtain production expertise
- Rank best means of extension

Checkoff

- Responses
 - 75 % in favour
 - 15 % not in favour
 - 10 % undecided, or more information required
- Levy
 - $\frac{3}{4}$ % on grower net clean seed (0.75 per \$100)
 - No producer cap

Implementation Project Goals

- December 2003
 - Bylaws, orders sent to producers and processors
- January 2004
 - Provisional board of directors
 - Comments from producers and processors
- February 2004
 - *Report for AgriFood Council of Saskatchewan*
 - *Presentation to Department of Justice and provincial Cabinet*

Implementation Project Goals

- June 2004
 - *Approval of Saskatchewan Forage Seed Development Commission*
 - *Brochure developed and distributed to producers and processors*
 - *CARDS project complete*
- January 2005
 - *Annual General Meeting*

Conclusions

- Very limited funds (\$30-50 K / year)
- Accountability
- Association with the Saskatchewan Forage Council
- Western Canadian approach to research and development

Thank you !

- Canadian Adaptation and Rural Development in Saskatchewan (CARDS) Program
- Saskatchewan Forage Council
- Ducks Unlimited Canada
- SAFRR
- www.saskforage.ca

Saskatchewan Forage Seed Checkoff

Gord Pearce, P. Ag.

SFC Director, Project Consultant

For the last few years the Saskatchewan Forage Council had evaluated different methods of funding research work for the forage industry, and in 2002 we secured funding to conduct a forage seed checkoff feasibility study.

The final report is available on the SFC website (www.saskforage.ca) and contains summaries of surveys of 100 forage seed producers, and 12 forage seed processors in Saskatchewan. The primary intent of the survey was to determine the following:

- a) prioritize production research needs of Saskatchewan producers
- b) assess the most applicable means of delivering information under current production and marketing practices
- c) assess attitudes towards a forage seed checkoff, and what levy amount would be most appropriate

The key points that were derived from the feasibility study are listed below.

- a) producers agreed that there was a need for a forage seed checkoff, and therefore to proceed to implementation
- b) checkoff level is \$0.0075 per dollar on producer crop value, net clean seed (like the MFSA, but with no cap)
- c) production research is top priority, followed by extension and market development. Weed control and management is the top priority within production research

Current estimates within the forage seed acreage and seed values in Saskatchewan would put annual levy returns at \$30,000 to \$50,000. Compared to the other provincial levies, this is a miniscule budget, and therefore cost accountability and working with related organizations is critical.

The next steps are to give an opportunity to forage seed producers and processors to evaluate the proposed bylaws and provincial orders, and submit concerns or questions to myself. Please be hasty when returning these comments, so that we can keep the ball rolling. We then need to develop an interim board of directors, so that a "Saskatchewan Forage Seed Development Plan" can be delivered by the Agrifood Council to the Saskatchewan Department of Justice for approval in Cabinet. If this can be completed by February 2004, and documentation is in order, (and no unexpected crises in Saskatchewan!), there is a very good chance that the legislation will be in place in June, and therefore will be collected for the 2004-2005 crop year. If not, it will have to wait until the 2005-2006 crop year.

The Saskatchewan Forage Council would like to thank the Canadian Adaptation and Rural Development in Saskatchewan (CARDS) program as well as Ducks Unlimited, our major corporate sponsor, for funding the feasibility study and the current implementation program.

9.3 Appendix C – Presentation to Agri-Food Council of Saskatchewan

Presentation delivered on April 6, 2004.

Saskatchewan Forage Seed Development Commission

Gord Pearse, Project Consultant
Michel Tremblay, Forage Specialist, SAFRR

Saskatchewan's Forage Seed Industry

- 80 to 140,000 acres annually
- Alfalfa is the major crop, other major crops include perennial legumes and dryland forage grasses (20+ species)
- Forage seed production generally deemed environmentally “correct”

Saskatchewan's Forage Seed Industry

- Provincial retail seed business (\$1 to \$10 million, including alfalfa)
- Export industry worth \$23 M in 2002. (includes alfalfa)
- Saskatchewan exports 1/3 to 1/5 of all forage seed produced in Canada
- Considerable seed moves across provincial borders

Saskatchewan Forage Council

- Established 1987 as non profit organization to developed “to enhance the province's forage and grass industry; including production, harvesting, utilization, marketing and sustainability. We are your voice to government, advising them on forage production and marketing policies. We also distribute current information on forage production and marketing policies and encourage the use of forages to preserve and improve the quality of soils. We assist in the prioritization of research in the forage sector, and carry out applied research when required “
- Seed production has always been considered an important aspect to the Saskatchewan forage industry

The Concept of a Seed Check-off

- SFC discussed proposals for forage and seed checkoff for at least six years
- SFC saw a tremendous void in forage seed research in Saskatchewan
- Success of Manitoba Forage Seed Association, Saskatchewan Alfalfa Seed Producers Association

Saskatchewan Forage Seed Development Commission

- Proposed name
- Body to oversee research and extension activities relating to forage seed production in Saskatchewan, excluding alfalfa

Saskatchewan Forage Seed Development Commission

- Needs assessment survey indicated that forage seed agronomy was of primary concern, primarily in weed control, fertility, and establishment
- SK producers will have input into researchers

SFC Project Phase One

- CARDS funded feasibility study
- Available at www.saskforage.ca

SFC Project Phase One

- Survey results of producers and seed processors, including:
 - Their part in the forage seed business
 - Agronomy issues (needs assessment)
 - Marketing issues
 - Extension
 - Checkoff (support, levy amounts)
- Industry consultation
- Recommendations to CARDS and SFC

Goals Of Phase Two

- CARDS funded
- Development of the Saskatchewan Forage Seed Development Commission
- Implementation of a forage seed checkoff in Saskatchewan by July 1, 2004

Phase Three ??

- Assuming checkoff approved July 1
- Funding sought to bridge SFSDC through first 12 months before administration money is available
- Register buyers, develop producer database

Summary of Industry Consultation

- February 2002 – show of hands for support at the Newfield Seeds grower meeting
- November 2002 - producer and processor surveys (see Phase 1)
- January 2003 – Canadian Forage Seed Conference, Banff, AB (many seed producers, few from Saskatchewan)

Summary of Industry Consultation

- March 2003 – Newfield Seeds grower meeting presentation

- **July 9, 2003 - Newfield Seeds crop tour – brief presentation to approx 60 producers.**
- **Nov 30, 2003 - Mailout to respondents (who offered their return address) of the first feasibility study.**

Summary of Industry Consultation

- **Nov 30, 2003 - Mailout to 11 forage seed processors in the province**
- **December, 2003 – Feasibility study available on line at the Saskatchewan Forage Council website, www.saskforage.ca.**
- **2003-2004 – Provincial updates in Forage Seed News**

Summary of Industry Consultation

- **January 13, 2004 - Presentation at the Canadian Forage Seed Conference, including discussion with Saskatchewan growers present**
- **January 26, 2004 - CJVR radio – Kevin Hursh ag report**

Summary of Industry Consultation

- **VERY SOON - Saskatchewan Hay Report, Saskatchewan Forage Council**
- **Other casual and SFC correspondence with forage and forage seed producers – from February 2002 to March 2004**

The Proposed Check-off

- **Levy**
 - **Refundable**
 - **¾ % value on net clean seed at first point of sale (\$0.75 per \$100)**
 - **No producer cap**
 - **Crop kinds – forage legumes (excluding alfalfa), forage grasses, turf and amenity grasses, native grass species**

The Proposed Check-off

- **Board Structure**
 - **Saskatchewan Forage Seed Development Commission**
 - **Executive Director, 6 producer directors, one seed trade rep, one federal research rep**
 - **Ex-officio as required**
 - **Provisional board will become initial board**

The Proposed Check-off

- **Executive Director – Saskatchewan**

- Responsible for SFSDC coordination, fielding calls and concerns
- Extension activities
- Board duties
- Initially in association with SFC

The Proposed Check-off

- Administration – contract with MFSA
- Maintenance of processor database
 - Collections
 - Refunds
 - Reports
- MFSA will receive submissions, reports
- Executive director – personal point of contact

Issues

- General farm economy
- Producer retailers
- Sustainable budget
 - Administration costs
 - Startup period – cash crisis
 - Western Canadian approach

9.4 Appendix D – SFSDC brochure and levy forms

a. Saskatchewan Forage Seed Development Commission – Information Brochure
(will be in landscape, 2 column, double sided format)

Saskatchewan Forage Seed Development Commission (SFSDC)

(logo)

A Brief History

Seed of perennial forage crops have been harvested for a hundred years in Saskatchewan, initially only for personal or regional requirements. Fifty years ago seed marketers looked at producing forage and turf seed for eastern Canada and Europe, and forages have played a key role in soil conservation and improvement. Forage seed production has since evolved to the core business of some producers and global seed companies. Some crop kinds are produced entirely for the export market, while others remain in Saskatchewan to be used by our livestock producers or conservation agencies.

The Saskatchewan Forage Seed Development Commission was developed in 2004 to provide for the research and development needs of all forage, turf, and amenity crops, **with the exception of alfalfa**. Alfalfa is by far the most important forage seed crop in Saskatchewan, and alfalfa seed producers have participated in a production levy, the SASPDC, since 1997.

A feasibility study was conducted in 2002-2003 to assess the mood of producers and processors for developing a commission for forage seed crops. Included in the study was a “needs assessment” survey of research required, as well as suggestions for information dissemination and levy collection. Producers and processors generally agreed that there was a need, and would support a commission, and an implementation study was drafted for 2003-2004.

The Commission was established in (MONTH) 2004, following extensive communication with the province’s producers and seed buyers, and with similar minded organizations in Western Canada. Forage seed produced in 2005 and thereafter will be subject to the development levy.

Purpose of the Saskatchewan Forage Seed Development Commission

The purpose and intent of the SFSDC is to assist the development of the forage seed industry in Saskatchewan, by the following means:

- to promote and develop the forage seed industry in the Saskatchewan;
- to develop procedures to maximize returns to producers of forage seed;
- to encourage sustainable production of a uniform high-quality product;
- to gather, compile and distribute information related to the production, consumption and marketing of forage seed;
- to conduct of encourage research on the production, processing and consumption of forage seed; and
- to establish a levy on all forage seed for the purpose of carrying out the objectives of the plan.

Producer money is essential in today's research environment. While provincial and federal spending on agriculture has been reduced, funds for research are generally available, but have to be matched with producer money.

What crops are included?

The following list was developed upon the initiation of the development commission, and includes all major and some very minor species used for forage, turf seed, or reclamation purposes. It is subject to change as our production practices and market opportunities change.

Crested wheatgrass	Meadow brome grass
Intermediate wheatgrass	Smooth brome grass
Pubescent wheatgrass	Hybrid brome grass
Slender wheatgrass	Timothy
Streambank wheatgrass	Western wheatgrass
Northern wheatgrass	Tall wheatgrass
Hybrid wheatgrass	Dahurian wildrye grass
Russian wildrye grass	Altai wildrye grass
Canada wildrye grass	Reed canarygrass
Annual ryegrass	Perennial ryegrass
Hybrid ryegrass	Creeping red fescue
Hard fescue	Chewings fescue
Tall fescue	Meadow fescue
Kentucky bluegrass	Fowl bluegrass
Sweet clover	Red clover
Alsike clover	Birdsfoot trefoil
Cicer milkvetch	Sainfoin
Black medic	

All grades are subject to levy collection, including Foundation 1 & 2, Registered 1 & 2, Certified 1 & 2, Common 1 & 2, Reject, and no grade, and shall also include seed purchased as a seed mixture. Breeder seed will not be included.

Current research priorities

A research needs assessment survey was prepared as part of the input from Saskatchewan's producers and processors. The majority of respondents agreed that production research was their greatest need, with weed control issues a top priority. This would include methods of applications, economic tolerances, and minor use registrations of pesticide products. Other major production issues cited were fertility, stand establishment, and harvest management.

With such a large list of crops covered by the levy, and a rather small budget, it will be a continual challenge to spread the producer dollars to address as many projects as possible. Every attempt will be made to work with other provincial organizations to avoid duplication and stretch available funds. Research results will be disseminated to the check-off participants when that information becomes available.

The Levy collection process

The check-off will be collected in the same manner as all other producer check-offs, at first point of sale. All grades and crops listed above are eligible to the check-off. Seed buyers, who are often the processors as well, are responsible to check-off the appropriate levy, and submit the funds to the Commission. Seed buyers of Saskatchewan produced seed will be mailed all the appropriate information with regards to registration and submission requirements. If producers market their own processed production to other producers, or market outside of Canada, it is their responsibility to submit the levy on their production.

The levy is $\frac{3}{4}$ of 1% of sale value (\$0.75 per \$100.00). This is a refundable check-off, so producers who feel there is no value in producer directed research can contact the SFSDC office to request a refund application.

For more information

Please contact the Saskatchewan Forage Seed Development Commission (SFSDC) **at:**

(address, tel, fax, email)

b. Levy forms – Cover Letter, Check-off Procedures, Application for Refund, Buyer Registration, Levy Remittance Form, Processor and Producer Remittance Worksheet (Excel)

Dear Forage Seed Buyer:

RE: The new Saskatchewan Forage Seed Development Commission

The Saskatchewan Forage Seed Development Commission (SFSDC) was established _____ under Sections 5 and 32 of *The Agri-Food Act of Saskatchewan*. A copy of *The Saskatchewan Forage Seed Development Plan Regulations and Orders* is available on-line at _____ or can be obtained by contacting the above address.

If you wish to speak to the Executive Director of the SFSDC, please call (306) 555 5555.

BUYER REGISTRATION

In accordance with the SFSDC Board Order 03/04 *Buyer Registration*, each buyer must register with the Commission by August 1 of each year. Therefore, please complete the enclosed Buyer Registration Form and return it to the SFSDC office by mail or fax, to the address or fax number listed above. (needs to be listed above - letterhead)

CHECK-OFF AND REPORT SUBMISSION

The SFSDC Board Order 07/04 *Check-off Collection* states that buyers of Saskatchewan grown forage seed, defined by SFSDC Board Order 01/04 *Forage Seed Species Inclusion*, shall deduct a check-off of 0.75 % of the grower price based on net clean seed upon final settlement made to producers. All deliveries made on or after July 1, 2005 will be subject to the check-off. Seed buyers are to submit the amount of the check-off to the SFSDC within 30 days from the semi-annual period within which the check-off was collected (ie by January 30 or July 30). Where the check-off is not deducted by a buyer who purchases Forage Seed directly from a producer, the producer shall be held liable for the payment of the appropriate checkoff to the Commission.

CHECK-OFF PROCEDURES

See enclosed **Check-off Procedures** for further information.

Please contact the SFSDC Executive Director should you have any questions or concerns with the commission or procedures.

Kind regards,

SFSDC Executive Director

FORAGE SEED CHECK-OFF PROCEDURES

- Effective [REDACTED], each forage seed buyer shall deduct a check-off of 0.75% of the grower price based on net clean seed upon final settlement made to producers. Forage seed is defined in SFSDC Board Order 01/04 *Forage Seed Species Inclusion*, and applies to all seed produced in Saskatchewan.
- The check-off is NOT subject to GST.
- The check-off shall be deducted only once. Company to company sales shall not be subject to the check-off provided that the check-off was deducted from the producer at first point of sale. Levy submission is the responsibility of the producer who retails his or her own production to another producer when this is first point of sale, and at the specified rate above.
- Buyers shall submit a report for the semi-annual period of January 1 to June 30 or July 1 to December 31 by July 30th or January 30th, following the period in which the purchase price of the forage seed finalized, unless special arrangements have been made with the Saskatchewan Forage Seed Development Commission. Please submit a report even if the amount is \$0. Please include the following information on the report for each seed lot purchased.
 - Producer and/or company name in which the seed was purchased
 - Producer address, including postal code
 - Producer phone number
 - Crop type, or species
 - Gross value of the purchase, based on settlement document
 - Total levy amount being remitted for each purchase
- The preferred method of sending the Levy Report to the SFSDC is electronically by email to: [REDACTED]. The data may be submitted in Excel or Access formats.
- Enclosed are the Check-off Remittance Forms. Please include one remittance form with each check-off report. The check-off remittance is payable within 55 days from the end of the semi-annual period in which it was collected.

Please mail cheques and reports to:

SFSDC
[REDACTED]
ADDRESS

Please make cheques payable to:

Saskatchewan Forage Seed Development Commission

If you have any questions regarding the submission, please call [REDACTED].

APPLICATION FOR REFUND OF THE SASKATCHEWAN FORAGE SEED CHECK-OFF

Please return to: SFSDC ADDRESS
Phone: (306) 555 5555

This application is for refund of the forage seed check-off deducted during the **current crop year**. A separate application form must be completed for each producer or business requesting a refund.

Date: _____ Amount of refund requested: \$ _____

Producer Name: _____ Producer Signature: _____

OR

Business Name: _____ Authorized Business Signatures: _____

Address: _____ Phone Number: _____

Postal Code: _____

Legal land description of land on which the forage crop was produced:

___ Qtr of Sec ___; Twp ___; Rge ___; W of ___.

Reason of application for refund: _____

Check One Only

___ **Period 1**

- Refund (amount listed above) of forage seed check-off remitted to the Saskatchewan Forage Seed Development Commission (SFSDC) between August 1 to January 31 of the current crop year for the producer or business named above.
- Applications for Period 1 must be submitted not later than February 28.
- Refund cheques for Period 1 will be issued no later than April 30.

OR

___ **Period 2**

- Refund (amount listed above) of forage seed check-off remitted to the SFSDC between February 1 to July 31 of the current crop year for the producer or business named above.
- Applications for Period 2 must be submitted not later than August 31.
- Refund cheques for Period 2 will be issued no later than October 31.

Any application for a refund that is not received by the SFSDC within the time periods specified above will not be considered by the SFSDC and the producer will not be entitled to a refund. The amount of forage seed check-off is based on seed buyer remittance forms submitted to the SFSDC.

For office use only:

Date Received: _____ Amount of cheque: \$ _____

Authorized by: _____

**SASKATCHEWAN FORAGE SEED
DEVELOPMENT COMMISSION**

**BUYER REGISTRATION
2004 – 2005**

As a purchaser of Saskatchewan grown forage seed, “a regulated product under the *Agri-Food Act* of Saskatchewan,” we hereby file for registration as required under the *Act*. We state that we will comply with the *Agri-Food Act*, the *Saskatchewan Forage Seed Development Plan Regulations* and the *Saskatchewan Forage Seed Development Commission’s Board Orders*.

Company Name: _____

Address: _____ City/Town: _____ P.C. _____

Phone: _____ Fax: _____ Email: _____

Authorized Signature: _____ Date: _____

Print Name and Title: _____

Contact for Levy Collection

Name: _____

Phone: _____ Fax: _____ Email: _____

Are you licenced with the Canadian Grain Commission? Yes ___ No ___

If you DO NOT purchase Saskatchewan grown forage seed, please complete and return the following:

We certify that _____ does not purchase SK grown forage seed.
(Name of company)

Authorized signature: _____ Date: _____

Please return form to:
SFSDC ADDRESS
Phone: **(306) 555 5555**

**SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION
FORAGE SEED LEVY REMITTANCE FORM**

Forage seed levy is 0.75 % of the grower price based on net clean seed upon final settlement made to producers

Value of Sale
Levy Remittance
Month(s), Year

Company Name: _____

Company Address: _____

Contact Name: _____ Contact Phone: _____

Please make cheque payable to:
Saskatchewan Forage Seed Development Commission

Forward cheque and report to:
SFSDC

Levy Submission Form (Excel)

Levy Report for Saskatchewan Forage Seed Development Commission for Semi-Annual Period
(please check)

___ July 1 to Dec 31
___ Jan 1 to June 30

<u>Producer Name</u>	<u>Producer Address</u> (incl. postal code)	<u>Producer Phone</u> <u>Number</u>	<u>Crop Type</u> *	<u>Net</u> <u>Weight (kg)</u>	<u>Gross Value</u> <u>of Sale (\$) **</u>	<u>Levy</u> <u>Total ***</u>
John Q. Example	Box 1, Saskatoon, SK S1N 1N1	1-306-555-5555	meadow bromegrass	15195	\$ 33,459.29	\$ 250.94
TOTALS (Gross Value of Sales and Levy Columns)					\$ -	\$ -

Use separate line for different qualities where purchase price is different

* Examples - red clover, crested wheatgrass

** Based on purchase settlement document

*** Levy total should equal \$0.0075 x gross value of sale

9.5 Appendix E – Minister of Agriculture, Agri-Food Council of Saskatchewan correspondence

a. Letter of intent for the Saskatchewan Forage Seed Development Plan

April 12, 2004

The Honorable Mark Wartman
Minister of Agriculture
Room 334 Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Mr. Wartman:

The following is a statement of intent from the Saskatchewan Forage Council, to initiate a new commission and producer check-off for forage seed production, excluding alfalfa, for Saskatchewan producers. Enclosed are the following documents which will form the development plan for the Saskatchewan Forage Seed Development Commission.

1. Summary of producer, processor and related industry comments from general mail-out December 2002.
2. Proposed regulations of the Saskatchewan Forage Seed Development Commission.
3. Summary of industry consultation
4. List of developed documents for the Saskatchewan Forage Seed Development Commission.

The above documents will show the work done to date, and I have also given a presentation to the board members of the Agri-Food Council of Saskatchewan on April 6, 2004. The board asked several questions about all aspects of our proposal, so please refer to them as well for their concerns and questions. At that time, we had expressed a goal of having the commission in place by July 1, 2004. The board had suggested that the process will almost certainly take longer, which will mean that we will have to wait a full year, since the forage seed harvest usually starts mid-July.

I also sincerely appreciate all the provincial assistance that was provided by SAFRR, primarily Michel Tremblay. Should you have any questions about the proposed Saskatchewan Forage Seed Development Commission, or forage seed production in general, please contact myself 306-873-3450, gpearse@sasktel.net or Michel Tremblay 306-787-7712.

Kind regards,

Gord Pearse, P. Ag.
Project Consultant

b. Letter to Agri-Food Council addressing seed leakage

June 1, 2004

Mr .Garf Stevenson, Chair
Agri-Food Council of Saskatchewan
Walter Scott Building
#125 – 3085 Albert Street
Regina, Saskatchewan
S4S 0B1

Dear Mr. Stevenson:

I apologize for not responding to you sooner, but seeding on my farm had briefly taken top priority over my agricultural consulting activities.

It was indicated at the meeting with the Agri-Food Council on April 6 that a policy would be required to ensure compliance with the check-off, and reduce seed sale “leakage” of the commission. Attached is a draft policy. Input from the Agri-Food Council is most welcome.

Another issue has developed since my presentation on April 6. The board of directors of the Manitoba Forage Seed Association has decided against contracting the administrative duties of the SFSDC with their Executive Director. This is largely related to potential time constraints, but also due to some protectionist attitudes as well. However, they have offered as much assistance as required in helping to set up a grower and processor database, so that our Saskatchewan Executive Director will be able to react to similar issues that may arise. This was an issue with some members of the Agri-Food Council; however my long-term recommendation is that all provincial forage seed commissions in western Canada strive to work together under a common administration.

The Minister of Agriculture has requested that we meet following your request for policy development. This meeting is scheduled for 8:15 on June 10th. Should you have any questions or concerns, do not hesitate to contact me.

Kind regards,

Gord Pearce
Project Consultant, Saskatchewan Forage Seed Development Commission

Below is a possible course of action to consider when facing potential loss of check-off revenue, due to producers who choose to market their forage seed production outside of the structure developed by the Saskatchewan Forage Seed Development Commission.

CHECK-OFF COMPLIANCE POLICY

DRAFT – JUNE 1, 2004

A. Information Dispersal

The goal of the SFCDC is to have all Saskatchewan forage seed producers and western Canadian processors aware of the check-off and commission, and to fully participate in the development of Saskatchewan's forage seed industry by contributing to the check-off. The importance and value of the check-off, as well as the logistics, will be communicated to the forage seed industry by the following means:

1. Press Release. It was stated by the Agri-Food Council that there will be a press release once the commission and its check-off is passed through legislature. It is assumed that the vast majority of forage seed growers are aware of the proposed check-off, but this press release will help inform any parties not aware of the check-off, and prepare people for their responsibilities.
2. Brochure. A brochure is currently in the development phase, and will be released through Saskatchewan Agriculture and Food Regional Offices and mailed to producers on the provincial database, as well as all forage seed processing companies within Western Canada. The brochure will give a history of the check-off, a list of goals, eligible crops, the responsibilities of growers and seed buyers, and where to direct enquiries.
3. Producer and Seed Buyer Registration, Levy Submission, and Reporting Forms, and Request for Refund Form. These forms have been developed, and resemble the responsibilities of other provincial commissions, and the applicable forms will be sent to all producers and processors. To keep administration requirements to a minimum, and because this is comparatively a small budget, reporting requirements will be on a semi-annual basis.
4. Dry runs with processors. Since the commission will be passed into the 2004-2005 crop year, there is time to do "practice runs" with seed buyers and producers. This would involve a phone call or visit to the seed buyer, where they could work through their reporting and submission requirements with the Executive Director. This would help to identify any concerns in advance.

B. Processor Compliance

The key to success of the commission is to keep the seed buyers or processors well informed of their reporting requirements, and they in turn will understand their responsibilities when dealing with producers. If seed buyers see a benefit to the work they are supporting, they should become champions of the cause, and producers will be unlikely to request their money back. The reverse is also true: if they see this as an unnecessary burden with no positive return to their business, they will speak poorly of the cause, and may even offer assistance to producers in how to apply for refunds.

For this reason, it would be wise for the Executive Director to be as flexible as possible, and assist them by every means possible. If, for example, a processor has a year-end accounting time frame that is difficult to match with our submission requirements, it would be best to request submission when it is most convenient for the processor.

C. Potential Threats of Leakage

Below is a list of situations that could arise that could result in non-compliance. The first four are legitimate threats. The last three occurrences are more than likely issues that would be more expensive to enforce than any possible gained revenue.

1. Unprocessed forage seed sown by producers.

a. own use. A surprising amount of cattlemen are willing to harvest seed from their pastures or hayland, and sow that seed unprocessed, or even untested (without a seed analysis certificate), into an adjacent field. This has been proven to be a source of primary and prohibited noxious weed spread. Those producers willing to take this risk are generally those who avoid the relatively high cost of quality seed, and therefore are unlikely to voluntarily submit the required levy when they have no perceived value in seed quality. If forage seed never passes through a processor, it would be exceedingly difficult to collect the level, or even know how much potential is lost.

b. sale to other producer. Seed that is unprocessed and untested is also sold to other producers, who then assume the risk. The same situation applies to these producers, who may not see any value in improved forage seed production practices. These situations tend to become more prevalent in years following shortages of seed of some species, when a reduced supply or other market factor drives up the retail price. It may also occur in years following abundant moisture, when there is more tiller development and growth in stands not initially intended for seed propagation purposes.

2. Out of province sale. With the Manitoba Forage Seed Association's levy, Saskatchewan seed companies are required to submit a report and levy if they purchase forage seed from Manitoba producers. The reverse is also true. There are several Manitoba and Alberta companies that contract with Saskatchewan producers. These companies will be canvassed with their reporting and submission requirements as well. The risk is ensuring that all companies who do business with Saskatchewan producers are canvassed, but a list developed to date appears to be complete. The logical solution to this issue is to eventually role each provincial commission into one, so that Western Canada can approach the issue of forage seed development as one.

3. Out of country sale. Occasionally, there can be seed buyers in the United States willing to purchase or contract production with Saskatchewan seed growers. Seed can be shipped unprocessed across the border if that buyer assumes the necessary import documentation. Generally, distance and freight costs dictate that those buyers work through Canadian seed companies, but in years when dryland forage grass species are priced very high, the economics work. There is no legal way that we can enforce the levy on this production, and therefore the responsibility will have to be on the producer to voluntarily submit their production information and levy.

4. Processor non-compliance. This could become a serious issue, and there must a plan of action should non-compliance arise. The best action is to develop a positive relationship, described in point B above. Processor non-compliance gives that processor a competitive advantage over those who do comply, and there must remain a level "playing field."

5. Very minor use species. Several species native to Saskatchewan are hand harvested or mechanically stripped from native stands, and are used for reclamation and re-vegetation. The annual harvest of any one of these species will not exceed more than 50 kg total, with a maximum of 1000 kg total harvest in any one year. Native species are generally harvested and seeded in combinations of several species, including non-agricultural species. Often this seed is not commercially traded, and therefore has no established value in which to base the levy on. Order 01/04 *Forage Seed Species Inclusion* lists species that have been traded commercially in the last five years in this province, and the order also states that the board of directors must evaluate this list as the Saskatchewan forage seed business evolves over time.

6. Definition of “forage crop” and blends / mixtures. As described above, the definition of a forage crop is hard to define, and must be flexible, which should be accomplished through Order 01/04. A seat for the seed trade on the board of directors will help the board stay abreast of new crops and opportunities as they arise. Forage seed shall be defined as all forage grasses, forage legumes (with the exception of alfalfa seed), and turf, amenity, and reclamation species, and includes all grades of forage seed and all potential mixtures (*SFSDC Regulations*). In certain circumstances it may become a decision of the seed buyer as to whether a blend or mixture may qualify as a forage seed blend or mixture. For example, a 50/50 alfalfa/alsike clover mixture delivered may be processed in such a way that there would be no saleable alsike, although 2 % is left in the alfalfa. Therefore no levy could or should be deemed on this commission, but instead based on final clean seed for the alfalfa commission.

7. Hobby farm, acreage needs. There are home owners who enjoy gardening, and harvest and propagate seed as part of their hobby. In light of recent international discussions over seed propagation rights, it would be well advised for the agricultural community to stay clear of this debate, as long as gardeners are not involved in formal marketing of their forage seed production to others.

D. Plan of Action

“Constructive engagement” with producers and processors, peer pressure, and value for research dollar appear to be the most valuable tools for keeping leakage of levy dollars to a minimum. Below is a plan of action that will occur to deal with this issue, which may or may not occur in the order listed.

1. Information dispersal and processor communication. As described in Point A above, having all of the information available to every processor in Western Canada, and Saskatchewan producer is the first step in having everyone understand the need for a development commission, and also of their responsibilities of the commission. As described in Point B, dialogue with forage seed processors is critical for success, and all steps must be taken to keep them informed and on side.
2. Peer pressure, and adding value. Pride is an intangible virtue, but it can not be discounted when industry leaders are willing to promote and contribute towards a check-off when other producers want to follow their success. Some larger producers in other organizations, such as the Saskatchewan Alfalfa Seed Producers (SASPA) and the Manitoba Forage Seed Association (MFSA), have even taken the role of communicating with those who want to work outside the system. The proposed Plan ensures the right to request a refund, but if any producer benefits from research directly from levy funds generated, and still requests a refund, it will be done in guilt and shame. The goal of the proposed Saskatchewan Forage Seed Development Commission will be to provide relevant research to Saskatchewan producers, and those willing to contribute to the industry will be those who gain the most.

Two other trends that will assist in addressing leakage and reduce request for refunds are the trend towards higher quality, and the trend towards pedigreed seed. Some would argue this is one and the same, but not necessarily. However, both trends add value to the end product, and to the consumer. A major market for commercial seed of dryland forage grass seed is for reclamation purposes. Any reputable buyer for these purposes requests processed seed with a current certificate of analysis, which lists germination, pure seed, and purity. The presence of any noxious weeds may disallow the seed lot for this use, therefore understanding quality requirements prior to seeding and harvesting will aid the cause of a development commission. Opportunities for contract production of pedigreed seed, for foreign and domestic companies, come and go, but generally speaking the opportunities are becoming more plentiful. These opportunities must be done through Canadian seed companies who are members of the Canadian Seed Trade and the Canadian Seed Institute, who generally have experience in international seed trade. Leakage outside of this system could only occur if producers harvest such poor quality that the seed buyer is not obligated to purchase that product. Also, pedigreed seed varieties and crop kinds are continually changing, and growers would see a benefit in working with companies and the commission in addressing ever changing production issues.

3. Communication with non-compliant producers. With the aid of compliant producer peers and seed companies, the Executive Director will be aware of any producers who are marketing seed without the levy deducted. Other opportunities to find these producers exist in advertising, such as through the classified ads in local papers. The steps to deal with these are as follows:

a. A phone call from the Executive Director, by “constructive engagement” will ask if they are aware of the legislation requiring them to submit a levy for the seed they have marketed, how the seed will be marketed, and whether or not they had received a submission request.

b. Mail the submission request to the producer, again reminding them of their responsibilities. In this package will include the submission form and brochure, explaining the virtues of the development commission, and how they have gained from producer driven research in the past, and how their dollars will be spent in the future. The letter should also state that a follow-up phone call should be expected.

c. A follow up phone call from the Executive Director should help to remind them of their responsibilities. At this time, it should be mentioned that this is a voluntary check-off, but the submission of the levy is not. A request for refund can be mailed, emailed, or faxed to them upon their request.

d. It will be a decision of the commission’s board of directors to invest the time and money for federal delegate authority, which allows the commission to have the legal authority to acquire lost levy income from any Saskatchewan producer, from them directly, or through a Canadian seed company. With a budget as small as what is expected through the Saskatchewan Forage Seed Development Commission, this is still considered an expensive approach to deal with a small problem, but if estimates of leakage from all sources listed above exceed 5 % for two years in a row, the commission will have to proceed with federal delegate authority.

4. Industry assessment. By keeping an active pace in the Saskatchewan forage seed business, the commission should be aware of the complexities of dealing with more than 25 species and more than 600 producers with many different goals from their seed production. Feedback from producers and seed buyers, whether positive or negative, is critical to success of the commission. SASPA and MFSA, who are most similar to our proposed SFSDC, have had success by being proactive in their approach to research. They have developed production protocol that has made huge differences to individuals and the health of their community. Our commission will succeed if we are able to demonstrate similar ideals.

9.6 Appendix F – SFSDC regulations, orders, and provisional board of directors

a. Regulations

Proposed Regulations for the Saskatchewan Forage Seed Development Commission

DEFINITIONS

Interpretation	2 In these regulations:
"commission"	(a) "commission" means the board of directors elected, and includes any provisional board appointed to administer the plan until the elected board is in place;
"buyer"	(b) "buyer" means any person who buys or contracts to buy forage seed produced in Canada
"council"	(c) "council" means the Agri-Food Council;
"forage seed"	(d) "forage seed" is defined as all forage grasses, forage legumes (with the exception of alfalfa seed), and turf, amenity, and reclamation species, and includes all grades of forage seed and all potential mixtures, as defined by order in accordance to section 4(i).
"grower price"	(e) "grower price" means the price paid to the producer based on net clean seed. Grower price does not include processing costs, variety royalties, or other marketing fees.
"first point of sale"	(f) "first point of sale" means the point in which the producer is paid for his product.
"marketing"	(g) "marketing" includes buying, selling, offering for sale, advertising, financing, assembling, shipping, grading, insuring, storing, packing, processing or transporting;
"market development"	(h) "market development" means to bring about or further the popularity, consumption or general knowledge of forage seed, or to bring into being, strengthen, expand or make available markets for forage seed produced in Saskatchewan;
"net clean seed"	(i) "net clean seed" means the amount of clean seed, in kilograms, based on estimate of dockage or shrinkage, or actual weight upon completion of processing;
"plan"	(j) "plan" means the Saskatchewan Forage Seed Growers Development Plan;
"processing"	(k) "processing" means changing the nature, quality or condition of forage seed crops;
"processor"	(l) "processor" means any person engaged in the business of processing forage seed crops;
"producer"	(m) "producer" means (i) Any person operating a farm in Saskatchewan designated area who is engaged in the production and marketing of forage seed, and includes the employer of any such person; (ii) a person who, under any lease or agreement, is entitled to a share of the proceeds from their sale; (iii) a person who takes possession of any forage seed under any form of security or legal proceeding for a debt; or
"provisional board"	(n) "provisional board" means the Provisional Board of Directors;

"registered producer" (o) "registered producer" means a producer who is registered with the board and whose registration is in good standing.

"retail value" (p) "retail value" means the value that a producer markets his forage seed in a processed, clean seed state. This applies to producers that have had their production processed by a conditioning facility for a fee, or processes it themselves, with the first point of sale to the end user.

PLAN

Establishment 3 The Saskatchewan Forage Seed Growers Development Plan is hereby established.

Application 4 Subject to any exemptions made by the board, the plan and the orders of the board made pursuant to the plan apply to:

- (i) all species of forage seed which shall be established by order of the board;
- (ii) all of Saskatchewan Forage Seed Development Commission designated area; and
- (ii) all persons engaged in the production or marketing in Saskatchewan of forage seed crops as defined by order in accordance with section (i).

Purposes 5 (1) The general purpose and intent of the plan is to provide for the orderly and effective development of the forage seed industry in the Saskatchewan.

(2) Without limiting the generality of subsection (1), the specific purposes of the plan may include any or all of the following:

- (i) to promote and develop the forage seed industry in Saskatchewan;
- (ii) to develop procedures to maximize returns to producers of forage seed ;
- (iii) to encourage sustainable production of a uniform high-quality product;
- (iv) to gather, compile and distribute information related to the production, consumption and marketing of forage seed;
- (v) to conduct of encourage research on the production, marketing, processing and consumption of forage seed;
- (vi) to promote and improve understanding among individuals and organizations within the forage seed industry;
- (vii) to establish a levy on all forage seed for the purpose of carrying out the objectives of the plan.

BOARD

Administration of plan 6 (1) A board of directors consisting of six registered producers, one seed trade representative (non-voting), and one research institution representative (non voting), and executive director(non voting), elected in accordance with sections 19 and 16 shall administer the plan. For the purposes of providing for representation of other industry sectors, the board may, by order, appoint any other representative that the board deems appropriate in an ex officio capacity.

(2) The role of the Executive Director is as follows:

- (i) to address and assist registered buyers and producers of forage seed with their duties of levy submission;
- (ii) liaise between the levy administrator and producers, processors, buyers, and the board of directors;
- (iii) assist the board of directors in their duties;
- (iv) develop and maintain extension opportunities as desired by the board of directors
- (v) respect that information supplied by producers and buyers is proprietary and sensitive, and treat all information as confidential.

(3) The role of the Levy Administrator is as follows:

- (i) to develop and maintain the database of registered producers and buyers of Saskatchewan forage seed;
- ii) to administer the semi-annual reporting requirements of check-off submission and refund applications, and assist in any reporting requirement that may be requested of the executive director.

(4) A Provisional Board of Directors consisting of the persons listed in the Appendix shall administer the plan until a board of directions is elected in accordance with sections 19 and 20.

Powers of board

7 The board is vested with the power:

- (i) to require any or all persons engaged in the production or marketing of forage seed to register with the board;
- (ii) to collect information relating to the production and marketing of forage seed crops from all persons engaged therein; and to require from those persons periodic information in such form as the board may determine;
- (iii) to use, in carrying out the purposes of the plan and paying the expenses of the board any money levied and received by the board;
- (iv) to carry out educational and research programs relating to forage seed crops;
- (v) to exempt from any order of regulation any person or class of person engaged in the production or marketing of forage seed or any class, variety or grade thereof;
- (vi) to draw, make, accept, endorse, execute, issue, hypothecate or assign promissory notes, bills of exchange and other negotiable or transferable instruments;
- (vii) to purchase, take on lease or in exchange or otherwise acquire real property for the purposes of its business and to sell or otherwise dispose of, or mortgage, real property acquired by the board;
- (viii) to borrow, raise or secure the payment of money in such manner as the board may think fit for the purpose of carrying out the objectives of the plan;

(ix) to make such orders as are deemed by the board necessary or advisable to promote the marketing of forage seed, and to amend or revoke such orders subject to approval of the council; and

(x) to fix and collect charges for services rendered by the commission from any or all persons producing or marketing forage seed crops; and to recover any such charges penalties or any of them by suit in any court of competent jurisdiction.

Books and records

8 (1) The levy administrator shall maintain any books and records that may be required for the proper administration of the plan and keep those books and records open for inspection by the executive director at any reasonable time.

(2) The board shall maintain its head office in Saskatchewan.

(3) The board shall prepare an annual report containing:

(i) a copy of the audited financial statement of the board for its previous fiscal year;

(ii) a description of the activities of the board for its previous fiscal year; and

(iii) a list of the names and addresses of the members of the board; and shall submit it to the council and make it available at the annual general meeting and, on request, to any registered producer or buyer.

(4) The registered producers shall appoint an auditor for the board at the annual or at any special meeting of the registered producers, and the auditor shall audit the books and records of the board.

Committee

9 The board may appoint any committees that it considers necessary or desirable for the proper operation of the plan.

Chairman and vice-chairman

10 (1) The board shall elect a chairman and vice-chairman from among its members.

(2) The board may appoint or hire any staff or agents necessary to carry out the objectives of the plan.

(3) A majority of the board constitutes a quorum at any meeting of the board.

(4) The chairman or, in his absence, the vice-chairman shall preside at all meetings of the board.

Financial provisions

11 (1) The board may open accounts in a bank, credit union or trust corporation in the name of the board and appoint signing officers.

(2) The board may invest any money in its possession or control that is not immediately required for the purpose of its operations in securities approved by the Investment Board established under The Department of Finance Act, 1983 and may sell any securities so acquired by it and reinvest any of the proceeds of those securities in a similar manner.

(3) The fiscal year of the board is the crop year from July 1 to June 30.

Registration of producers

12 (1) Every producer of forage seed shall register with the board at the time and in the manner required by the board.

(i) Each producer shall register with the board no later than sixty (60) days after the end of the calendar year during which he markets his first forage seed after the effective date of this order.

(ii) Each producer shall supply the following information to the board on an application form provided by the commission;

- a) the name under which the producer carries on his business, his mailing address and telephone number; and
- b) in the case of a partnership, co-operative, corporation, or unincorporated group of individuals with a common production unit, the names of all individuals involved in the production unit; their mailing addresses and telephone numbers.

(2) The board shall maintain at its head office a register containing the name, address, and phone number of each producer.

(3) The board shall remove from the register of producers the name of any person who fails to pay any fees and charges required to be paid pursuant to an order of the board or who ceases to be a producer of forage seed for a period of two consecutive years.

Check-Offs

13 (1) Every producer engaged in the marketing of forage seed shall pay to the commission, at the times determined by the commission, a check-off calculated in accordance with this section.

(2) The check-off mentioned in subsection (1):

(i) is fixed at a rate of \$0.75 per \$100.00 of the grower price on the net clean seed value following processing. This shall be in effect until the first annual general meeting of the commission is held;

(ii) after the period mentioned in clause (a), the rate is to be based on a percentage amount of the grower price on the net clean seed value following processing.

(3) Should first point of sale not occur at the stage of processing, it is the responsibility of the producer to submit the check-off at a rate of \$0.75 per \$100.00 of the retail value of his seed.

(4) Where it is anticipated that the level of check-offs will be reviewed at an annual general meeting of the commission, the commission shall provide at least 15 days' notice to producers that the level of check-offs is to be determined at that meeting.

(5) The commission shall make a refund of check-offs pursuant to section 13(5) of the Act only where:

- i) the producer submits the written request for the refund to the commission:
 - (a) with respect to check-offs paid between January 1 and June 30 in any year, not later than July 31 of that year; and
 - (b) with respect to check-offs paid between July 1 in any year and December 31 in the year next following, not later than January 31 of that year; and

(ii) the request has been verified by the commission.

(6) Where the commission receives from a producer a written request in compliance with these regulations for a refund of check-offs:

(i) paid to the commission by the producer between January 1 and June 30 in any year, the commission shall make the refund of those check-offs to the producer not later than September 30 of that year; and

(ii) paid to the commission by the producer between July 1 in any year and December 31 in the year next following, the commission shall make the refund of those check-offs to the producer not later than March 31 of that year.

Meetings of
producers

14 (1) An annual general meeting of registered producers is required to be held before April 30 in each year at a time and place to be determined by the board.

(2) Special general meetings of registered producers may be called by the board at any time and are required to be called by the board on the written request of 40 or more registered producers.

(3) The quorum at a meeting of registered producers is 15 registered producers.

(4) The board shall prepare and submit to the annual general meeting of registered producers:

(i) a proposed budget outlining the collection and expenditure of funds during the next fiscal year; and

(ii) an outline of proposed programs and activities for the next fiscal year.

(5) Registered producers may debate and take a poll at meetings on any question or resolution related to the purposes of the Plan.

(6) The remuneration to be paid to the board is to be fixed by the registered producers at the annual meeting.

Register of
buyers, etc.

15 The board shall maintain at its head office a register containing the name and address of each buyer, processor or assembler of forage seed crops;

(1) Each buyer, processor or assembler of forage seed crops in Saskatchewan shall register with the board prior to August 1 of each year on a form provided by the board.

(2) Each buyer, processor or assembler of forage seed shall supply the following information to the board:

(i) their name, address, email address and telephone number;

(ii) the name(s), address(es) and telephone number(s) of the officer(s) of the buyer, processor or assembler of forage seed crops; and

(iii) the name(s), address(es) and telephone number(s) of an authorized agent to operate in Saskatchewan on behalf of the buyer, processor or assembler.

Orders of board

17 (1) Every order issued by the board is required to be signed by the chairman or, in his absence, the vice-chairman, to be open for inspection by any forage seed producer, marketer of forage seed or person designated by the council and to clearly describe the program of policy established by the Order.

(2) The board shall annually review all orders issued by it.

ELECTIONS

Eligible voters

18 (1) Every registered producer is eligible to vote for any purpose under the plan and to hold any office on the board.

(2) A registered producer who is a corporation, co-operative, partnership, association, society or person carrying on business under a corporate name, trade name, farm name or other designation is entitled to vote or hold office only through a designated representative appointed in writing and filed with the board at the time of registration.

(3) Except as provided in subsection (2), voting by proxy is prohibited and each registered producer is entitled to one vote.

Election of first board of directors

19 (1) The provisional board shall conduct a vote among registered producers to elect a first board of directors in accordance with the other provisions of this section and section 20.

(2) The provisional board shall call the vote at any time within 18 months after the coming into force of these regulations.

(3) The term of office of each member of the first board of directors commences and ends at the close of the annual general meeting:

(i) in the case of the two registered producers receiving the largest numbers of votes, in the third year following the year in which the election is held;

(ii) in the case of the two registered producers receiving the next largest numbers of votes, in the second year following the year in which the election is held; and

(iii) in the case of the two registered producers receiving the next largest numbers of votes, in the first year following the year in which the election is held.

Conduct of elections

20 (1) The board shall arrange for the conduct of elections, fix a date for receiving nominations and, at least 30 days before the date so fixed, send to each registered producer a notice stating that nominations are being accepted for the board of directors and giving the date fixed for receiving nominations.

(2) The board shall appoint a returning officer and a scrutineer who are neither producers nor employees of the board.

(3) Every nomination is to be in writing, in the form prescribed by the board, signed by three registered producers or their representatives and delivered to the returning officer not later than the date fixed for receiving nominations together with a list of forage seed crops grown by the candidate.

(4) If not more than the maximum number of candidates is nominated, the candidates nominated are to be declared elected by acclamation.

(5) If more than the required number of candidates are nominated, the board shall, at least 21 days prior to the date fixed for the election, send by prepaid post to each registered producer the ballot, a certificate of eligibility to vote, a plain envelope and a notice of the time by which and the place to which the ballot and certificate of eligibility to vote are to be returned.

(6) All voting is to be by ballot, and the ballot, sealed in the plain envelope provided, is to be returned to the returning officer named by the board either in person or by mail, together with the certificate of eligibility to vote signed by the producer casting the ballot.

(7) Those candidates receiving the most votes, up to the number of director's positions to be filled, are to be declared by the returning officer as directors of the board.

(8) Ties are decided by the drawing of lots.

(9) A registered producer is deemed to have received any notice, nomination paper or ballot which is posted to him at his last address registered with the board, and the failure of any person to receive any such notice, nomination paper or ballot does not invalidate the election.

(10) No qualified voter who votes shall vote for more than the specified number of candidates required to fill the vacancies in order for his ballot to be valid.

(11) If any delay or irregularity occurs in any election, or if any doubt arises as to the validity of the election, the council shall determine who the directors of the commission are, fix their terms of office and, if the council considers it advisable, direct the holding of a special directors' election.

Terms of office
vacancy, etc.

21 (1) Subject to subsection 19 (3), directors hold office for three years or until their successors are elected.

(2) A director may serve only two full three-year terms, after which he must retire. Retired directors may be a candidate after an absence of one or more terms.

(3) There shall be an election of two new directors each year.

(4) If a vacancy occurs on the board, the remaining directors have authority to appoint a registered producer to fill the vacancy until the next election.

Coming into force

22 These regulations come into force on the day on which they are filed with the Registrar of Regulation

b. SFSDC Orders

The Agri-Food Act

The Saskatchewan Forage Seed Development Plan Regulations

ORDER 01/04 – FORAGE SEED SPECIES INCLUSION

The Saskatchewan Forage Seed Development Commission, pursuant to the provisions of *The Forage Seed Development Plan Regulations* and *The Agri-Food Act*, hereby orders and determines that:

1. The following forage seed species are included in the Plan and will be subject to check-off:

- (a) sweet clover
- (b) red clover
- (c) alsike clover
- (d) birdsfoot trefoil
- (e) sainfoin
- (f) cicer milkvetch
- (g) black medic
- (h) timothy
- (i) smooth brome grass

- (j) meadow brome grass
- (k) hybrid brome grass
- (l) crested wheat grass
- (m) intermediate wheat grass
- (n) slender wheat grass
- (o) pubescent wheat grass
- (p) streambank wheat grass
- (q) northern wheat grass
- (r) tall wheat grass
- (s) hybrid wheat grass
- (t) Dahurian wildrye grass
- (u) Altai wildrye grass
- (v) Russian wildrye grass
- (w) Canada wildrye grass
- (x) reed canary grass
- (y) annual ryegrass
- (z) perennial ryegrass
- (aa) hybrid ryegrass
- (bb) creeping red fescue
- (cc) chewings fescue
- (dd) hard fescue
- (ee) tall fescue
- (ff) meadow fescue
- (gg) fowl bluegrass
- (hh) Kentucky bluegrass

2. This order will remain in effect for a period no longer than 2 years beyond the date this order is approved by the Council.

Order No. 01/04 is made pursuant to subsection _____ of *The Saskatchewan Forage Seed Development Plan Regulations* and shall be effective on, from and after the _____ day of _____, 2004. By order of The Saskatchewan Forage Seed Development Commission

 _____, Interim Chairperson
 Saskatchewan Forage Seed Development Commission

Pursuant to clause _____ and subsection _____ of *The Forage Seed Development Plan Regulations* and section 20 of *The Agri-Food Act*, the above order number 01/04 of The Saskatchewan Forage Seed Development Commission is approved this _____ day of _____, 2004.

 Garf Stevenson, Chairperson
 Saskatchewan Agri-Food Council

The Agri-Food Act

The Saskatchewan Forage Seed Development Plan Regulations

ORDER 02/04 - REFUND OF CHECK-OFF

The Saskatchewan Forage Seed Development Commission, pursuant to the provisions of *The Forage Seed Development Plan Regulations* and *The Agri-Food Act*, hereby orders and determines that:

1. A request for a refund of the check-off shall:
 - a. be made in writing on a form that is provided by the Commission; and
 - b. contain the following information:
 - i. the producer's name;
 - ii. the producer's mailing address;
 - iii. the producer's phone number;
 - iv. the legal description of the land on which the forage seed was produced;
 - v. any specifics of the refund request.
2. Requests for a refund that are received by the Commission at its head office within the time periods stated in clause 13(5) of the Plan shall be considered by the Commission, and the producer will be entitled to a refund in respect to the check-off in question.
3. This order will remain in effect for a period no longer than 10 years beyond the date this order is approved by the Council.

Order No. 02/04 is made pursuant to subsection _____ of *The Saskatchewan Forage Seed Development Plan Regulations* and shall be effective on, from and after the _____ day of _____, 2004. By order of The Saskatchewan Forage Seed Development Commission

_____, Interim Chairperson
Saskatchewan Forage Seed Development Commission

Pursuant to clause _____ and subsection _____ of *The Forage Seed Development Plan Regulations* and section 20 of *The Agri-Food Act*, the above order number 02/04 of The Saskatchewan Forage Seed Development Commission is approved this _____ day of _____, 2004.

Garf Stevenson, Chairperson
Saskatchewan Agri-Food Council

The Agri-Food Act

The Saskatchewan Forage Seed Development Plan Regulations

ORDER 03/04 - BUYER REGISTRATION

The Saskatchewan Forage Seed Development Commission, pursuant to the provisions of *The Forage Seed Development Plan Regulations* and *The Agri-Food Act*, hereby orders and determines that:

1. Each buyer, processor or assembler of Forage Seed produced in Saskatchewan shall register with the Commission prior to August 1 of each year on a form provided by the Commission.
2. Each buyer, processor or assembler of Forage Seed produced in Saskatchewan shall supply the following information:
 - a) the name, telephone number and mailing address of the registrant;
 - b) the address of the registrant if it is different from the mailing address;
 - c) the name(s), address(es) and telephone number(s) of the officers of the buyer, processor or assembler;
 - d) the name(s), address(es) and telephone number(s) of any authorized agent(s) operating in Saskatchewan on behalf of the buyer, processor or assembler; and
 - e) such other information as the Commission may require.
3. This order will remain in effect for a period no longer than 10 years beyond the date this order is approved by the Council.

Order No. 03/04 is made pursuant to subsection _____ of *The Saskatchewan Forage Seed Development Plan Regulations* and shall be effective on, from and after the _____ day of _____, 2004. By order of The Saskatchewan Forage Seed Development Commission

_____, Interim Chairperson
Saskatchewan Forage Seed Development Commission

Pursuant to clause _____ and subsection _____ of *The Forage Seed Development Plan Regulations* and section 20 of *The Agri-Food Act*, the above order number 03/04 of The Saskatchewan Forage Seed Development Commission is approved this _____ day of _____, 2004.

Garf Stevenson, Chairperson
Saskatchewan Agri-Food Council

The Agri-Food Act

The Saskatchewan Forage Seed Development Plan Regulations

ORDER 04/04 - PRODUCER REGISTRATION

The Saskatchewan Forage Seed Development Commission, pursuant to the provisions of *The Forage Seed Development Plan Regulations* and *The Agri-Food Act*, hereby orders and determines that:

1. a) For the purpose of section 12 of the Plan, each producer shall be deemed to be registered with the Commission upon the deduction of check-off fees by a buyer.
b) A producer's registration shall remain in effect until the producer ceases to pay check-off fees for two consecutive fiscal years under the Plan.
2. Each producer shall supply the following information to the buyer:
 - a. the name under which the producer carries on his or her business along with his or her mailing address; and
 - b. the producer's phone number.
3. This order will remain in effect for a period no longer than 10 years beyond the date this order is approved by the Council.

Order No. 04/04 is made pursuant to subsection ____ of *The Saskatchewan Forage Seed Development Plan Regulations* and shall be effective on, from and after the _____ day of _____, 2004. By order of The Saskatchewan Forage Seed Development Commission

_____, Interim Chairperson
Saskatchewan Forage Seed Development Commission

Pursuant to clause ____ and subsection ____ of *The Forage Seed Development Plan Regulations* and section 20 of *The Agri-Food Act*, the above order number 04/04 of The Saskatchewan Forage Seed Development Commission is approved this _____ day of _____, 2004.

Garf Stevenson, Chairperson
Saskatchewan Agri-Food Council

The Agri-Food Act

The Saskatchewan Forage Seed Development Plan Regulations

ORDER 05/04 - EXEMPTIONS

The Saskatchewan Forage Seed Development Commission, pursuant to the provisions of *The Forage Seed Development Plan Regulations* and *The Agri-Food Act*, hereby orders and determines that:

1. Forage Seed produced and marketed by plant breeding institutions, and sealed and graded as Breeder Seed shall be exempt from the Plan.
2. This order will remain in effect for a period no longer than 10 years beyond the date this order is approved by the Council.

Order No. 05/04 is made pursuant to subsection _____ of *The Saskatchewan Forage Seed Development Plan Regulations* and shall be effective on, from and after the _____ day of _____, 2004. By order of The Saskatchewan Forage Seed Development Commission

_____, Interim Chairperson
Saskatchewan Forage Seed Development Commission

Pursuant to clause _____ and subsection _____ of *The Forage Seed Development Plan Regulations* and section 20 of *The Agri-Food Act*, the above order number 05/04 of The Saskatchewan Forage Seed Development Commission is approved this _____ day of _____, 2004.

Garf Stevenson, Chairperson
Saskatchewan Agri-Food Council

The Agri-Food Act

The Saskatchewan Forage Seed Development Plan Regulations

ORDER 06/04 - REPORTING

The Saskatchewan Forage Seed Development Commission, pursuant to the provisions of *The Forage Seed Development Plan Regulations* and *The Agri-Food Act*, hereby orders and determines that:

1. A buyer shall:
 - a. record for each month the total value of Forage Seed acquired by the buyer from each producer; and
 - b. report to the Commission, by the 30th of the months of January and July, the amounts determined for the previous six months.
2. The Commission may request from a producer or a buyer the following information:
 - a. the value of Forage Seed grown by a producer or to which the producer is entitled to under a crop-share arrangement;
 - b. the value of Forage Seed marketed by a producer and the details of the marketing;
 - c. the value of Forage Seed marketed by a producer and the manner in which the Forage Seed was marketed; and
 - d. such other general information relating to the production and marketing of Forage Seed that the Commission requires to carry out the purposes of the Plan.
3. This order will remain in effect for a period no longer than 10 years beyond the date this order is approved by the Council.

Order No. 06/04 is made pursuant to subsection _____ of *The Saskatchewan Forage Seed Development Plan Regulations* and shall be effective on, from and after the _____ day of _____, 2004. By order of The Saskatchewan Forage Seed Development Commission

_____, Interim Chairperson
Saskatchewan Forage Seed Development Commission

Pursuant to clause _____ and subsection _____ of *The Forage Seed Development Plan Regulations* and section 20 of *The Agri-Food Act*, the above order number 06/04 of The Saskatchewan Forage Seed Development Commission is approved this _____ day of _____, 2004.

Garf Stevenson, Chairperson
Saskatchewan Agri-Food Council

The Agri-Food Act

The Saskatchewan Forage Seed Development Plan Regulations

ORDER 07/04 - CHECK-OFF COLLECTION

The Saskatchewan Forage Seed Development Commission, pursuant to the provisions of *The Forage Seed Development Plan Regulations* and *The Agri-Food Act*, hereby orders and determines that:

1. That from and after July 1, 2004, each buyer of Forage Seed shall deduct a check-off of 0.75% of the grower price based on net clean seed upon final settlement made to producers
2. All deliveries made on or after July 1, 2004 will be subject to the check-off.
3. All buyers who:
 - a. purchase Forage Seed from a producer; or
 - b. acquire Forage Seed from a producer for sale on the producer's behalf; shall deduct the amount of the check-off from any proceeds payable to or on behalf of the producer.
4. Each buyer of Forage Seed shall forward to the office of the Commission such check-offs along with a statement on a form provided by the Commission, setting out the following:
 - a. the crop kind purchased from the producer;
 - b. the gross value of Forage Seed purchased from the producer;
 - c. the amount of check-off being paid on behalf of the producer;
 - d. the name and address of the producer; and
 - e. the producer's phone number.
5. a) Any buyer who collects a check-off shall, subject to any directions given by the Commission, pay the amount of the check-off collected to the Commission within 55 days from the end of the semi-annual period within which the check-off was collected. Semi-annual periods are January 1 to June 30, and July 1 to December 31.
b) Where the check-off is not deducted by a buyer in respect of Forage Seed marketed by or on behalf of a producer, the producer shall be held liable for the payment of the appropriate check-off to the Commission.
c) Where the check-off is not deducted by a buyer who purchases Forage Seed directly from a producer, the producer shall be held liable for the payment of the appropriate checkoff to the Commission.
6. This order will remain in effect for a period no longer than 10 years beyond the date this order is approved by the Council.

Order No. 07/04 is made pursuant to subsection _____ of *The Saskatchewan Forage Seed Development Plan Regulations* and shall be effective on, from and after the _____ day of _____, 2004. By order of The Saskatchewan Forage Seed Development Commission

_____, Interim Chairperson
Saskatchewan Forage Seed Development Commission

Pursuant to clause _____ and subsection _____ of *The Forage Seed Development Plan Regulations* and section 20 of *The Agri-Food Act*, the above order number 07/04 of The Saskatchewan Forage Seed Development Commission is approved this _____ day of _____, 2004.

Garf Stevenson, Chairperson
Saskatchewan Agri-Food Council

c. Provisional board of directors for the SFSDC

**Saskatchewan Forage Seed Development Commission
Provisional Board of Directors**

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*vacant producer position,
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inaugural meeting*

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9.7 Appendix G – Article in Nipawin Journal

Forage check-off in the works for Sask.

By Jordie Dwyer

Research into forages could soon be moving to a big scale with more money on the table. A new check-off for forages, not including alfalfa, along with a new commission to administer the program could be in place before harvest this summer.

However, due to some issues about how long it could be another year before things are ramped up to speed.

The proposed check-off is 75 cents per \$100 (once the price and quantity have been determined) at the first point of sale, which will normally be at one of the main provincial processing companies. The new Saskatchewan Forage Seed Development Commission (SFSDC) with an executive director will administer the program and become a voice for forage producers.

Gordon Pearse is a director of the Saskatchewan Forage Council (SFC) and an agricultural consultant that is doing the groundwork on the project. Pearse is also a Nipawin-area forage producer.

He explained that the SFC wanted to see more research being done in the industry. “The council saw a tremendous void back in 2002 in any new forage seed research, primarily on the agronomy side. Currently, the only research being conducted is on production at small projects by Agriculture Canada in Swift Current and Saskatoon along with a project by the SFC and what is being done by Newfield Seeds,” Pearse said. “Forages are the backbone of some producers rotations and there is also no producer group present in this province to speak on their behalf. So, for those reasons the council felt the need address those issues could be done with this new commission and a new check-off.”

Pearse added that the support of producers in the province is also quite good. More than 100 out of 600 surveys were returned early last year with 75 per cent of respondents supporting a check-off while 10 per cent wanted more information before deciding. “The SFC used that survey as a needs assessment asking producers not only about the check-off, but about agronomy, marketing and extension services. I also interviewed 12 Saskatchewan processors and they basically supported the idea in principle,” he said. “They did have some issues with how the system would be administered and what the check-off would be used for. As a producer, no one likes to see someone taking money off of their cheque. However, myself and other producers I have talked to find this to be a necessary evil especially with a look at the latest provincial budget. The money is no longer there for broad based research initiatives, so there is going to be more of a reliance on producers and industry directing themselves.”

Pearse added the timing of the check-off and commission is definitely not the best right now with prices hitting historical lows on nearly every forage crop and the fact that the process to have things all set up prior to this year’s harvest may not occur.

“A formal proposal was given to the Saskatchewan Minister of Agriculture Mark Wartman on April 12 with the hope that the commission and check-off could be in place by July 1, just prior to the start of harvest,” he said.

“Unfortunately, the Agri-Food Council (that administers all agriculture commissions in the province) stated in our presentation to them that the process normally takes much longer, including about two months for the Ministry of Justice to go through the application. So, if the commission is not in place by the end of June it has been decided that we will wait until 2005 to begin operations.”

In order to remain cost effective, the proposal outlines a partnership between the SFSDC and the Manitoba Forage Seed Association that will see the largest part of the administration, that being the accounting and paperwork side, being done by the MFSA.

“Manitoba has been through all of this four years ago and they know all of the same companies we will be dealing with as well as the problems that we will encounter plus they have the solutions and infrastructure to do the job,” Pearse stated.

“We are dealing with a very small budget of between \$40,000 and \$60,000 per year. That cost would double if we were to hire full-time staff to administer this program here and I don’t think that is necessary. Additionally, I don’t think producers would be happy if this was being viewed as a job creation scheme instead of actual research.”

He added that Manitoba has been very successful and that there might not be enough money left to do research if they didn’t look for partnerships. As well, a group called the Peace River Seed Producers Association is being formed in northwestern Alta. and northeastern B.C. and there may be some chance of all three working together at some point and obtaining further cost efficiencies.

“The reality of the day is that we need producer driven money to do this research. There is grants available out there, but nearly all of them now require money up front – meaning matching funding – from someone. That is why this check-off is necessary,” said Pearse.

“However, if the producer feels that they are not getting the value out of this, then there will be a provision for them to opt out. I would really like to see growers get their value from this money and there is a definite need in Saskatchewan for someone, a voice, to be looking out for forage producers on their issues of concern.

Currently, there is a provisional board of directors set up with six producer directors and three of those representatives are from the northeast. The rest of the board includes a representative for Agriculture Canada and the University of Saskatchewan in Dr. Bruce Coleman, a non-voting trade representative and ex-officio members from the provincial government, the executive director plus Pearse until things are operational.