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

Final Report

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1. Introduction

This project investigates the feasibility of a forage seed checkoff for the Saskatchewan production of forage seed, including forage grasses, forage legumes, turf and amenity species, and native plants. This excludes alfalfa, which currently has a checkoff administered through the Saskatchewan Alfalfa Seed Producers Association. While it is agreed that there is significant need for producer directed research in all aspects of forage production, this study will focus only on seed production.

Three different aspects have been used to gauge support of the checkoff. A producer survey was sent out to approximately 500 producers who at least at one time were producers of forage seed in Saskatchewan. The survey asked several questions to determine attitudes of a checkoff, but also served as a “needs assessment survey”, to establish gaps in research and extension activities relating to forage seed. This will serve as an initial research objective should the next phase of the project proceed.

The second component of consultation was with other similar entities. The Saskatchewan Alfalfa Seed Producers Development Commission administers the checkoff funds for alfalfa seed in the province. While this Commission deals with only one product, alfalfa is by far the largest forage seed produced in Saskatchewan, in terms of acres, dollars, and participants. The SASPDC has been canvassed for opinions and suggestions on how to proceed with the development of a checkoff. The Manitoba Forage Seed Association also has a development board that covers all forage seed produced in Manitoba. It has been agreed that it would be very well received if we could follow Manitoba’s example, but this is difficult since Saskatchewan and Manitoba have entirely different legislation in agricultural policy. The other component to this is to communicate with the policy branch of government of Saskatchewan, to determine regulatory issues, acceptance requirements, and timelines.

The third component of consultation is with the forage seed processors of Saskatchewan, as their commitment to the checkoff is essential to its success. Most, but not all of the processors in Saskatchewan were interviewed directly for their comments, with almost unanimous approval. As with the producers, they also gave opinions on research priorities, as well as constructive criticism to make the process as simple as possible, and as acceptable as possible for all producers.

The recommendation by Gord Pearse, the coordinator of the feasibility study, to CARDS and the Saskatchewan Forage Council, is to carry forward to the next step in the development of a checkoff. Determination of all the legislative requirements, procedures, and timelines can be done in the next phase, and attempt to have the checkoff in place for the 2004-2005 crop year. Suggestions by the consultant are listed in the summary.

2. Survey Results – Producer Consultation

Virtually all producers who responded to the survey took the time to answer the questions comprehensively, whether or not they were in favor of a checkoff. Appendix A, attached, is the survey that producers filled out. The results of the questions in parts 1(g), 2, 3, and 4(e) will be summarized by number of responses, and by using a rating system when producers were asked to prioritize their responses in order of importance on their farm. For these responses, 10 points were awarded for 1st, or top priority, 7 points for 2nd priority, 4 points for 3rd priority, and 1 point for 4th priority, and when there was no order of importance assigned, they were all given the same number of points.

2.1 General

- a. Respondents to the survey have been growers of forage seed for up to 40 years.
- b. Those who responded were primarily in northeastern Saskatchewan, which is indicative of the acres.
- c. Questions 1(c) (d) and (e) are different for everyone, and it was decided that there is not much point in analyzing this information too thoroughly. There are few producers who have more than 1/3 of their crop rotation in forage seed production, and whether the production is pedigreed or commercial depends on which crop they grow.
- d.
- e.
- f. The entire list of forages grown in Saskatchewan is represented in the processor portion of this report. It is surprisingly large.
- g. This question asks producers to rank in order of importance the reasons for which they grow forage seed.
 - a. Economic return (761 points using scale described above)
 - b. Soil improvement (519)
 - c. Spreading seasonal workload (304)
 - d. Livestock feed options (174)
 - e. Break in annual weeds (129)
 - f. Other reasons to grow forages include an option for custom pollination (17), personal interest (14), transition to organic production (10), rotational purposes (10), freight rate issues (4), income diversification (3), and a summer job for the kids (1).

As anticipated, the most important reason to grow forages for seed is to improve their financial situation, but it is also no surprise that there are other reasons, many of which have social, political, and environmental benefits.

2.2 Agronomy

- a. Producers were ranked the source of their production agronomy information, without priority, listed below.
 - a. Seed companies (81)

- b. Fellow producers (75)
 - c. Forage Seed News (50)
 - d. Saskatchewan Agriculture, Food, and Rural Revitalization agrologists (40)
 - e. Agriculture and AgriFood Canada personnel (24)
 - f. Other sources of information include the Saskatchewan Alfalfa Seed Producers Association (4), on farm experimentation (3), internet websites (3), chemical sales reps (2), Alberta Agriculture (1), and Manitoba Agriculture (1).
- b. Seeding equipment somewhat resembles current trends in Saskatchewan agriculture today, but some find that older, traditional equipment works adequately, or better, than large-scale equipment for some of these crops. This is represented below.
- a. Air drill (45)
 - b. Disc drill (44)
 - c. Broadcast equipment (30)
 - d. Hoe drill (12)
 - e. Others implements include a zero till disc drill (4), and discer/packers (2).
- c. The type of combine used to harvest is quite similar to the entire industry, as 62 respondents use a conventional cylinder combine, and 38 used a rotary. Some use both. Another part of the question is whether producers have made specific changes to their equipment to aid in the forage seed harvest. About half have not made changes, or adapted their equipment, but others did, including: round hole sieve, adding filler / threshing plates, pickup reels, reel bat frequency, smooth sicles on knife, Honeybee™ cutting bar, vine lifters, fan speed kits, stripper header, and Halogen lights (for night swathing).
- d. Below is the ranking for research needs for forage seed agronomy. As echoed by the processors, weed control is the primary factor in success, and should serve as the fundamental focus for research money contributed by the checkoff.
- a. Weed control (760)
 - b. Fertility management (427)
 - c. Seeding methodologies (206)
 - d. Harvest technology (199)
 - e. Other suggestions were insect and disease control (28), organic transition / seed production (20), and maintaining productivity on older seed stands (10).
- e. Within the heading of weed control, growers were asked to identify further priorities. It is suggested that the application evaluation of new pesticide products will be a part of its minor use registration requirement.
- a. Application timing and rates (587)
 - b. Minor use registration of pesticides (506)
 - c. Cultural weed control (294)
 - d. Rotations (248)
 - e. Another suggestion was to evaluate desiccation effectiveness (2).
- f. Within the heading of fertility management, growers were asked to identify further priorities.
- a. NPKS rates and timing (583)

- b. Economics of fertilizers on forage seed stands (397)
- c. Type of N source (378)
- d. Micronutrients (290)
- e. Other suggestions were to evaluate application technology (8) and the use of forage legumes for nitrogen (4).
- g. Harvest technology ranked much lower than weed control and fertility issues, with the following importance.
 - a. Swath / harvest staging (594)
 - b. Economics of stand termination (483)
 - c. Residue management (301)
 - d. Other suggestions were desiccation and water volumes (27) and economics of stand rejuvenation (7).

2.3 Marketing

This portion of the survey asked how producers market their forage seed, and what kind of extension activities would be most useful to their operation.

- a. Respondents answered which method or methods they market forage seed by checking all that applied.
 - a. Contracted with a seed company or marketing agency (80)
 - b. Spot market (non-contract, marketed to seed company or agency on agreed price (53)
 - c. Farm gate sale of direct clean seed to end user (21)
- b. Market information on forage seed prices, demand, and trends come from a variety of sources.
 - a. Seed company agrologists and sales staff (86)
 - b. Fellow producers (57)
 - c. Forage Seed News (35)
 - d. Commodity websites (23)
 - e. SAFRR agrologists (8)
 - f. Other sources of information included AAFC research personnel (2), seed retailers (1), and other magazine sources (1).
- c. There were no clear specific marketing activities to benefit producers, although most would agree that it is quite important.
 - a. Track forage seed prices (67)
 - b. Forage seed market commentary/summaries (66)
 - c. List of contractors and seed purchasers (63)
 - d. Other activities include reliable acreage figures from regions in Canada, pedigreed and commercial (3), foreign or export market development summary (1), list of organic forage seed buyers and processors (1), and a list of wholesale seed purchasers (1).
- d. Producers ranked which form of extension activities, or media source, would be most beneficial to their operation.
 - a. Newsletters (642)
 - b. Field tours (442)
 - c. Meetings (366)

- d. Magazine articles (271)
- e. Easily accessible internet site (14)

2.4 Checkoff

Questions 4a. and 4d. have been compiled into the following comments, as they tended to be answered together, and comments eluded to each other.

In favor of checkoff

75 out of 98 producers who returned surveys were in favor of developing a checkoff. If more than three-quarters of the respondents agree with the proposal, we can assume that the majority of all producers, and those which produce the majority of the seed, would be in favor of taking this to the next step. Most respondents also gave their opinion on the level of compensation. The method of determining the level of checkoff was overwhelmingly for using the % on dollar value rather than % per pound, which makes sense since Saskatchewan can produce forage crops valued anywhere between \$0.10/lb and \$25.00/lb. The respondents who agreed with the $\frac{3}{4}$ cent / pound formula were primarily current alfalfa seed growers, and the levy for SASPA commission is $\frac{3}{4}$ cent / pound. The vast majority of respondents thought the $\frac{3}{4}$ cent per dollar rate is fine too. Three people suggested a $\frac{1}{2}$ cent per dollar rate would be better, but another suggested that one cent per dollar would be good if there was an opportunity to have forage seed as part of a cash advance program like the Canadian Canola Growers Association. One producer suggested adding to the bylaws that the percent shall never be allowed to change without complete producer acceptance, as what has happened with the Saskatchewan Pulse Growers Association. Where the comments are polarized is with the option, and level, of a producer cap. One may pessimistically assume that the large producers would be in favor of a producer cap, and small producers would not want one, but there is no clear tendency within the surveys received. Using a point system on the ranking of the choices, where 1st choice was 10 points, 2nd choice was 5 points, the no cap option won as the most popular (with 255 points), while the per pound option and cap were both at 215 points. This does not include the attitudes of the respondents who stated that were not in favor of a checkoff.

Three producers suggested following Manitoba's example of a \$500 cap, while another suggestion was for \$1000. But from reading some couple of producers' comments, it was obvious that they certainly did not want a cap at all. A member of the forage seed industry in Alberta suggested a "graduated scale" on the rate, which was again mentioned by one of the respondents. For example for the first \$250 of levy collected, the rate could be 1 cent per dollar; from \$250 to \$1000, the rate could be $\frac{3}{4}$ cent per dollar; and above \$1000, the rate would be $\frac{1}{4}$ cent per dollar. This would prove very popular in the Peace Region of Alberta and British Columbia, as there are a few producers with more than 3500 acres of forage seed to harvest annually. However, this option would require more time administratively at the board level.

4b. The question regarding which crops should be included in this is a very clear all, as no forage crop should be exempt from the checkoff, or there could be some trying to get around the checkoff with obscure crop kinds.

4c. Another suggestion to do with the levy is to consider administering it on the wholesale or retail price, meaning that the marketer should try to pass this on to the buyer or consumer. Consumers rarely see the influences the producer has to deal with, such as climatic factors and cost of production. This is an interesting approach that would lead to more funds, but the collection would be much harder to manage, and may make the wholesale marketers less competitive with other seed marketers.

Other comments, suggestions, and questions from producer respondents are listed below.

- a. To cut the administration burden of this board, it should work within, or contract the services of other groups, such as SASPA or MFSA.
- b. Once the board of directors is developed, voting members should be producers only.
- c. There was a question from a producer who contracts seed with Manitoba and Saskatchewan companies. The rules of levy rates would apply in the province in which he resides.
- d. As with other levies, this levy should be an eligible expense for income tax purposes. Is it also a possibility that this could be a Research Tax Credit for farm operations?
- e. A western Canadian approach to research, particularly with herbicide registration, is required, so that funds can be stretched as far as possible, with no undue duplication. Checkoffs should be in place in every province, and be as administratively similar as possible.
- f. A comment from checkoff supporters is in limiting access to research and data for non-supporters. As with all segments of society, there are some people who want everything for nothing. The more information they take for free, the more it costs everyone else. The extension component to the checkoff must be available to members only, and not to non-members without significant cost.
- g. Minimum services should include a quarterly newsletter, including a market commentary on forage seed.
- h. One producer suggested that aside from experimenting on their own crop, there is no other options available to dryland forage grass producers than to fund producer driven research.
- i. A point suggested by some processors is of particular importance to some producers. If there will be variety development work fund in whole or in part by producer dollars, these varieties must be made available to producers only. There shall be no proprietary releases on publicly funded variety development. This could also apply to production practices or systems that could benefit any private company in particular, such as herbicide tolerant variety development.

Undecided, maybe, or will not support the checkoff

Of the 98 surveys that were returned, seven producers stated that they were currently undecided whether they would support the checkoff. Fifteen other producers said that

they were not in favor of the development of a checkoff, or would support it only if their concerns were met. Much of the criticism for the development of a checkoff is entirely valid, but can and should be corrected easily if the development board is responsible to its producers, and comes up with solid, valuable research and extension to benefit their aspect of the forage seed industry. Listed below in the following points, are comments and suggestion, and reasons for questioning the procedure.

- a. The largest issue is the question of the value it would serve to producers, as the fund will not be very big, and may not accomplish all that it should. Some of these forage crops, and even varieties, have been grown for decades by some producers, and agronomics have not changed that much. How much value would these producers get from funding further agronomy on these crops?
- b. The second largest issue is that some producers view this development as the latest organization requesting money off of their paycheck. Federal and provincial research and extension programs have been cut, and the onus has shifted to the farmer to be much more proactive in learning about the production and marketing of all crops. While this is probably a good thing, the average producer, regardless of whether they grow forage seed or not, are no better off financially. This opinion is compounded by recent cases of extreme waste and government unaccountability, which is the same government telling producers that they have no further money to assist them during the worst farm income crisis since the 1930's.
- c. Some mention that it should be the responsibility of the seed companies or marketing agencies to conduct research and development activities, as it is considered a marketing edge to those who do this. The problem is that there is basically just one Saskatchewan seed company that conducts research and extension at any level, and growers can and will access that information beyond a production contract with that company. Other companies are reaping the benefits of their competitor's money and effort.
- d. One producer questioned whether this is job creation, or the only means to sustain the Saskatchewan Forage Council. On a similar note, administrators and researchers get paid a monthly wage whether or not they develop relevant research or extension activities, at least for a while. Producers go bankrupt if they fail to produce marketable seed.
- e. Some commented that they would support it only with the opportunity to opt out if they see no pertinent value. The development board and the administrators would have to be accountable to the producers, with a referendum required after a few years, so that producers can have a say, as a group, if it is working to suit their needs.
- f. An organic producer suggested that too much money has been spent on pesticide research and crop practices regarding GMO products. He would support cultural weed management research, and there have been opportunities in the production of Certified Organic seed for the European market.
- g. A producer mentioned differentiating the checkoff level by the grade of the seed. Concerns raised in other parts of this report would indicate that this might not be a good idea, by further raising the cost of pedigreed seed.

- h. Another suggestion is that the seed trade should match, or at least donate a percentage of producer contributions. Processors will already be donating considerable time in administering producers' production figures, but should be responsible for more.

4e. The question that summarized how producers think that the commission should spend its producer contribution is ranked as follows. The results of this question echo the agenda of the Manitoba Forage Seed Association and the Saskatchewan Alfalfa Seed Growers Development Commission, which have very clear applied research directives.

- a. Research (679)
- b. Market information (433)
- c. Extension activities (293)
- d. Other suggestions were the promotion of the Saskatchewan seed industry (10), and to fund plant breeding of forages for alternative uses (7)

The process of compiling of these remarks and rankings demonstrate the diversity of forage seed producers of Saskatchewan. There were many new ideas that were never considered when the survey was developed, and unfortunately many of these thoughts will never be realized. However, should the forage seed industry continue to show the signs of growth as it has over the last two decades, within Saskatchewan and Western Canada, producer driven research and development will become an important factor in continuing its success.

3. Industry Consultation

3.1 Manitoba Forage Seed Association

On January 13, 2003, Gord Pearse met with Gerald Huebner, Crop Specialist with Manitoba Agriculture and Food, who was instrumental in the development of the Manitoba Forage Seed Association legislation. They discussed what the checkoff has meant for Manitoba forage seed producers, the forage seed industry, and research and development in Manitoba. Below is a history of the funds generated from the checkoff, listing the total amount retained from the fund, the amounts returned to producers who exceed the checkoff, and the amount returned from the fund by producer request. It is anticipated that the 2001-2002 crop will generate funds somewhere between 1999-2000 and 2000-2001 levels. Note that much of the funds submitted by growers can be matched directly with federal research dollars, which can lead to a healthy research budget.

Manitoba Check-off History 1996 – 2001

	00-01	99-00	98-99	97-98	96-97
Total Income	\$138286.12	\$99244.53	\$112757.84	\$98786.98	\$88610.91
Above \$500	\$22081.83	\$20555.69	\$33916.58	\$24000.29	\$14244.94
Refunds	\$17624.66	\$13264.69	\$11480.27	\$13376.44	\$15251.50
Retained	\$98579.63	\$65424.15	\$67109.29	\$60173.93	\$58955.78

(From the Forage Seed News, Winter 2003)

At a very preliminary estimate, total income produced by Saskatchewan seed growers, assuming a checkoff value of $\frac{3}{4}$ of a percent, would be approximately $\frac{1}{2}$ to $\frac{2}{3}$ of Manitoba's level, with fewer growers, but some large ones. Given the nature of the seed business and seed production climate of Saskatchewan, income levels will be much less stable in Saskatchewan than in Manitoba. Compared to other fund values in Saskatchewan, this is a very small commission, but will serve a fundamental purpose in research and development, as there is currently a void in forage seed research work in Saskatchewan.

Gord had several questions to ask about issues that had been raised in the producer and processor surveys. Below is the Manitoba response to these issues. As previously discussed, Saskatchewan may not be able to follow the direction of Manitoba entirely, due to differences in industry, development, attitudes and climate.

- a. Board of directors – The Manitoba Forage Seed Association has a twelve-person board, consisting of nine elected producers; two advisors from the provincial or federal government, or university; and one appointed representative from the Canadian Seed Trade Association, to represent the interests of the seed trade. The producers are elected, and all directors serve for three years, with re-election of board members occurring on a rotating basis. The board tries to meet six times per year, including the annual general meeting.
- b. Participation and issues with producers – As of December 2002, there were 620 forage seed producers in Manitoba. Approximately 70 producers request their

- contribution back, and 2/3 of these are very small producers, who are more expensive to service as a member than what their contributions are worth. There are, however, approximately 20 large producers, who for whatever reason, request their entire contribution back annually. A bylaw in their regulations states that if more than 35 % of the funds are requested back from the producers, the MFSA must have a referendum to decide the future of the commission.
- c. Fund submission - A key component to the success of the checkoff is keeping the processors happy with their administration duties. The MFSA asks for remissions on the first of January and June, and have thirty days to send those to the commission administrator, therefore due January 31 and June 30. The MFSA has the next thirty days, due Feb 28 and July 31, to issue cheques to growers who request a refund, and to producers whose funds exceed the \$500 cap. The processor is required to send a spreadsheet with the following information: name of grower, kg net clean seed, crop kind, and class (pedigreed vs common). Another important issue is how processors deal with the large seed producers, who are invaluable to the commission and the seed industry. For growers whose production substantially exceeds the producer cap, processors are asked to discontinue taking the ¾ of a percent after the cap is reached, to avoid any stress to the relationship. For their contribution, producers get access to all research conducted in Manitoba on forage seed production, which is usually disseminated by a quarterly newsletter called the “Forage Seed News.” For a cost, this magazine is available to anyone interested, nationally or internationally.
 - d. Interprovincial seed purchases – The large export oriented seed companies in both provinces, purchase seed from outside of their boundaries. Should the Saskatchewan proponents proceed with a levy, the issue of interprovincial seed purchases will become quite easy, particularly if the requirements are similar. Perhaps if Saskatchewan utilizes the administration personnel and expertise in Manitoba, there may be no additional requirements from producers or processors who sell or purchase seed from outside their province.
 - e. Checkoff values and producer caps – When asked if the levy rate and producer cap was adequate and appropriate, Mr. Huebner said that he would like one or the other increased. He also stated that increasing the producer cap would be more acceptable to most producers, and that with Saskatchewan, who has fewer but larger seed growers, a cap of at least \$750 would be a good starting point. A cap has been viewed as a positive, even though MFSA refunds more than \$20,000 per year. There is significant risk that producers will remove all their funds from the commission if they feel they are contributing more than their “fair share.”
 - f. Land management groups / corporate farms – The MFSA deals with these on a case-by-case business. It is relatively easy to distinguish individual farmers within partnerships, and most producers within a group would want it this way anyway. However other entities, such as Hutterite Colonies, are communal farms and would have to be treated as one unit. In Saskatchewan, land management groups or large corporate farms tend to focus on grain, oilseed, and pulse production, so this may never be a big issue.
 - g. Fund value and cost breakdown – The approximate cost breakdown of the \$80- to \$100,000 contributed by producers is as follows: <10 % administration, 75 %

- research, and 15 % marketing and extension. The administration percentage is decreasing since everyone now knows what they are doing, and current direct administration salary costs are \$3000, or less than one person-month per year. The marketing and extension percentage includes industry promotion and market commentaries through extension, but stay well clear of any aspect that may compete directly with the forage seed trade in Manitoba.
- h. Accountability and confidentiality – The only person to access the individual contribution files is the account administrator. This is a request of the producer, and also seed companies, as it is nobody else’s business to know the quantity, quality, and value of the seed contracted or purchased. An outside authority audits the entire fund annually, and reports are sent annually to producers and processors who contribute to the fund.
 - i. Custom cleaning establishments – As described in the processor consultation discussion, some establishments in Saskatchewan focus their entire efforts on the custom cleaning business. Some of these processors are not licensed as authorized establishments under the Canadian Seed Institute regulations. The MFSA has taken the positive approach to having the farmers themselves submit their due portion, and hope they realize the net benefit to themselves and the industry. Upon consultation with Saskatchewan processors, it has been decided that this may be much more of a “leap of faith” in Saskatchewan, particularly with producers in the southwest and west central. These producers are considered “opportunists” even by themselves, as they often harvest hay or pasture stands for commercial seed when price and rainfall are optimized. It may be best to include this levy as part of a custom cleaning charge, as it would be unlikely to receive the funds directly from the seed grower. This has been an argument of pedigreed seed growers for years, as they have considerably more investment in their production systems, and don’t appreciate commercial seed growers or opportunists who tend to distort markets. Failure to address this concern would only diverge the two sides farther.

3.2 Sask. Alfalfa Seed Growers Development Commission

On February 3, Gord talked with Wayne Goerzen, the Saskatchewan Alfalfa Seed Producers Association’s Executive Director, to discuss the development commission, SASPA, and what the checkoff has meant for the alfalfa seed producers of Saskatchewan. It would appear that with commission development, and approach to dealing with several different crop kinds, it might be better to follow the example set by the MFSA, but SASPA is of course developed in Saskatchewan, which has entirely different legislative requirements than other provinces. Therefore it is expected that we should continue to evaluate the steps that the SASPDC has taken in this regard.

Below is a summary regarding some of the issues discussed above, and suggestions and discussion with Mr. Goerzen in response to these issues.

- a. Checkoff fund value – Alfalfa is by far the most widely grown forage seed crop in Saskatchewan, exceeding all other forage seed production acreage put together. When the checkoff was initiated five years ago, the initial budget was for 10

- million lbs of alfalfa seed, which at 100 % participation would generate \$75,000.00 in producer money. In the last five years, there has been an increase in acres and a couple big crops, so the actual fund value has been as much as three times as big annually. They have now revised their annual estimate to \$95,000.00.
- b. Budget process - History has taught alfalfa seed producers that if conditions for production are very poor, such as in 1993, there can be no alfalfa crop at all, anywhere in the province. For this reason, the development board budgeted a contingency fund of \$25,000.00 per year initially, set aside in term deposits. Another issue is that the annual budget is the same as the crop year (August 1 to July 31), which does not match with the budget reporting and discussion process, which occurs at the Annual General Meeting in January. This makes it difficult for the board to report on costs for past projects and budgets for the future only half way through the fiscal year.
 - c. Board of directors – The situation is a bit unique. The Saskatchewan Alfalfa Seed Producers Association is a not-for-profit corporation, who maintain themselves with annual membership fees. Wayne Goerzen is the Executive Director, Research Director, and Biologist for SASPA. The Saskatchewan Alfalfa Seed Producers Development Commission is an entirely separate entity from SASPA. SASPA and SASPDC have the same board of directors, although different chairs, and consist of the Executive Director and six elected producers.
 - d. Breakdown of fund value – Because of the unique structure of SASPDC, the funds contributed by the producer checkoff are largely spent on research. Approximately 5 to 10 % of levy collector time is charged for administration purposes, which includes director costs, levy collector salary, and office expenses relating directly to the costs of the SASPDC. Mr. Goerzen is the secretary of the SASPDC, but the actual fund administration is done outside of the office. No funds from SASPDC are spent on marketing or promotion. Approximately 5 % are for technology transfer purposes, and there were initial business costs for legal fees to obtain federal delegation authority (described in point f).
 - e. Producer participation – There are 450 to 600 alfalfa seed producers in Saskatchewan who contribute to the commission annually. 2-4 % of the producers, which generally represents 5-6 % of the fund value, request their contribution back. According to the Agrifood Council within the Government of Saskatchewan, this rate is remarkably low, which can only indicate that alfalfa producers of Saskatchewan are quite pleased with the structure and the results of the SASPA and SASPDC. It is agreed that the remaining 2-4 % of producers can not be made happy under any circumstances.
 - f. Processor participation – Under provincial legislation, it is required that the processors or producers submit their levy to the SASPDC within 55 days from the end of the month within which the levy was collected. There are several groups who are burdened with administration requirements, and many submit funds less than every month. This schedule has been accepted by SASPDC, but on occasion, Mr. Goerzen has had to make a phone call reminding them of their responsibilities should the wait be too long. There has been a considerable legal fee to obtain “federal delegation authority.” This clause is part of the SASPDC

- bylaws that enforces compliance of the commission for all alfalfa seed produced in Saskatchewan, and for any processor and levy collector in Canada. The SASPDC has never faced a legal challenge, but the federal delegation authority will prevail should there be any disputes. It has been recommended that this be included in the bylaws of this development commission as well, as a way of dealing with “renegade” producers, or processors, who insist on working outside of the system.
- g. Unlicensed processors and custom cleaning ventures – Processors who are not Authorized Seed Cleaning Establishments under the regulations of the Canadian Seed Institute are required to submit the levy under the federal delegation authority clause. There are two forms that are available from the SASPDC. One is for processor submission, and the other is for producer submission. Custom cleaners are responsible for sending on the contribution, but there are some circumstances where they forget, or don’t submit the levy on behalf of the producer, in which case they ask for the producer submission. It is probably the most appropriate in the circumstance of a checkoff level based on value rather than on a per pound basis, as the levy amount is not determined until the sale of the seed. Their compliance would be assured with federal delegation authority providing cooperation with the custom cleaning facility.
 - h. Interprovincial seed issues – As previously described, Saskatchewan produced alfalfa seed, if purchased in any province outside of Saskatchewan, is subject to levy collection. The SASPDC has maintained a positive relationship with non-Saskatchewan companies, but has to be monitored carefully to avoid any short term loss in levy collections.
 - i. Producer caps – The SASPDC does not have a producer cap, and most Saskatchewan alfalfa seed producers would not find one appropriate. Having no cap would eliminate any issues with corporate farms and land management groups. The fear of large producers removing their entire contribution still remains, but for administration purposes and costs, no cap will be cheaper and makes more sense.

The MFSA and SASPDC have had some growing pains, but have been successful in bringing producers, processors, and the research community together to work towards a common goal. The successful research regarding pesticide screening and minor use registration alone has brought thousands of new crops and seed production acres of forage and turf varieties to Manitoba. SASPA has provided an excellent example of how a checkoff has helped a small but very focused group of producers can work together, and the volume and quality of alfalfa seed in Saskatchewan has increased far beyond SASPA’s initial expectations. Both the MFSA and SASPDC have gone through the required steps in their respective province, and offer ideas for a successful commission in Saskatchewan. There will be mutual benefits and a cost saving to research budgets to all Prairie Provinces if we can develop a concerted effort to deal with production issues. It is hardly fair to expect the seed growers in Manitoba to fund all forage seed research work (with the exception of alfalfa) when the crops that they grow can potentially be produced in Saskatchewan or Alberta.

3.3 Agri-Food Council of Saskatchewan

In February, Gord Pearse discussed the process of developing the regulations and bylaws for an industry checkoff. The most important aspect of this discussion was to determine what steps have to be completed to ensure that the process will be well accepted by the cabinet, and so that we can meet the budgeted timeline of the 2004-2005 crop year. Roy White, of the Agri-Food Council of Saskatchewan, offered some suggestions to make certain that this process will be as acceptable to cabinet and producers as possible, and sent a rough guideline of regulations for developing such a commission. The next step following the feasibility study would be to develop these regulations, and have those in place for acceptance in cabinet by late winter / early spring of 2004. Mr. White's comments suggested that if we have all the proper documentation in place, this timeline should not be at all difficult, and has offered his assistance as required. Below are some of the factors for consideration for the development of the regulations:

- a. The quality of the plan is paramount to the success of approval by cabinet. To date, the level of support has been positive, but this must continue to be well documented to its inception.
- b. Once the bylaws and regulations are developed, it would be a good idea to have a business plan forwarded to producers again just prior to approaching the cabinet, as documentation and communication with industry is important for acceptance. This may be in the form of another mail out survey or presentations to forage seed producers.
- c. There is rumour of an election in the air. Should this occur, and particularly if there is a change in government, proposals such as this may be of lesser significance, and lower priority.
- d. The regulations regarding the actual levy collection requirements can be proposed as we see fit, as long as it is documented.
- e. Federal delegation authority can not be obtained from within the Agri-Food Council of Saskatchewan, although they can point future consultants in the right direction. This falls under the jurisdiction of federal law, and will require federal legal advice following the inception of the commission. This is particularly important with crops where there could be considerable seed purchased from non-Saskatchewan companies, which applies to forage seed.
- f. The speed at which acceptance can occur can be within two months if done properly. Industry documentation is imperative.

4. Survey Results – Processor Consultation

Saskatchewan forage seed processors have been identified and contacted by Gord Pearse (Appendix B). This list is not entirely complete but includes all the major seed processors. In every case, Gord Pearse visited the processors to get their comments on the scope of their business, their attitudes on where research funding should be directed, and to discuss if and how they would support a forage seed checkoff. It is the processors of Saskatchewan that will carry the administrative burden for the commission, and therefore their willful participation is imperative to its success. See Appendix C for the survey, and below for a summary of the comments.

4.1 Business and Agronomy

Of the twelve seed purchasers and processors that were contacted, only one processor said that they are not in favor of the concept of a forage seed checkoff until there is a business plan developed. However, they did not explicitly state that they would not administer the checkoff through their operation. Several processors and companies raise legitimate concerns on how it is to be administered, and offered suggestions to make this work better for them and the seed growers they work with. The following is a summary of the responses to their businesses, research and agronomy issues.

- a. Forage seed processors in Saskatchewan are about as diverse in their operations as can be imagined. Some processors clean only commercial seed, while others are entirely pedigreed seed processors; some process only one, perhaps two forage crop kinds, while others process in excess of 25 different crop kinds; some processors rely entirely on custom cleaning, while others process only what they purchase and will market; some processors focus only on their local retail market, while others focus on the wholesale export markets. It was encouraging to find a general willingness to accept the development of a commission despite the vast differences in their businesses.
- b. Of the processors canvassed, five companies contract seed production with growers. Of these five companies, only one company states that it is a contractual requirement to offer production assistance, and have dedicated staff to assist in production agronomy. The other four do not have production staff, but are often called upon to assist in managing forage crops for seed. Those assisting producers get their information from a variety of sources, but primarily other producers, other seed companies and their own employees. Agriculture Canada and Sask. Ag & Food agrologists are also used, but some find more pertinent expertise in Manitoba, Alberta, Washington, Montana, and Utah relating to forage seed production.
- c. As anticipated, the most important agronomic issue forwarded by the processors is weed control, since weed seeds are the fundamental limitation in seed value and processing capacity. While some processors just wanted to know what works for herbicides, others mentioned that there is significant risk to the producers, processors, and industry in the application of unregistered pesticides. It is quite clear that thousands of acres are being sprayed with a variety of herbicides that are recommended only by word of mouth. Therefore the most important issue

- within the weed control question is a more comprehensive list for Minor Use Registration, with a proactive approach to testing new products or tank mixes, including residuals in the crop aftermath.
- d. Dealing with volunteer crop as a weed is becoming a huge issue in the forage legumes, particularly the clovers. Some years, canola is the most difficult weed to remove, and can severely restrict the marketability of seed destined for Canadian, American, and European markets. The issue around adventitious GM (genetically modified) material further complicates the European market, and therefore cultural weed control and rotations should be evaluated.
 - e. Other issues relating to weed control is application timing and rates, as processors have noted that some products that are registered are not working to their past potential. Perhaps there are other factors affecting herbicide efficacy in a forage stand, particularly in low-density stands. A part of the same question is evaluating the yield potential for old stands, and at what point does perennial weed competition diminish the value of keeping the stand in for another year.
 - f. The second most prominent research need expressed by seed processors was for the development of new varieties for Saskatchewan. All those who mentioned this also requested that any new varieties developed from public checkoff money by public plant breeders must be released on a public basis, so that all producers will have a chance to produce and market the new genetics.
 - g. Harvest technology was the next most important issue, as occasionally there are seed lots that have been submitted with improper combine settings or poor judgment on staging of swathing or combining. These factors can be detrimental to processing rate, and also in seed germination, with immature or heated seed. Another ongoing debate is swathing versus straight cutting some of the dryland forage grasses, and aeration of some chaffy grasses that must be harvested tough or damp to avoid considerable seed shatter and yield loss.

4.2 Industry Checkoff

Comments from processors specifically relating to the administration of the checkoff were generally positive, and a few processors mentioned that they appreciated being asked for their comments, which didn't happen in some previous development efforts. Discussions about the checkoff are listed in the following points.

- a. All processors stated that any checkoff should be administered on all crops that are grown and processed in Saskatchewan, with no exceptions. The following forage crops are grown and processed in Saskatchewan. There are likely several more, and more in the future, as seed companies who contract production react to domestic and foreign demand: alfalfa (already covered by the SASPDC), clover (sweet, red, alsike), birdsfoot trefoil, sainfoin, cicer milkvetch, black medic, timothy, brome grass (smooth, meadow), wheatgrass (crested, intermediate, slender, pubescent, western, streambank, northern, tall, hybrid), wildrye grass (Dahurian, Altai, Russian, Canada), reed canarygrass, ryegrass (annual, perennial), fescue (creeping red, chewings, hard, tall, meadow), and bluegrass (fowl, Kentucky). This would include all grades of crop that has a value, based

on net clean seed, including foundation, registered, certified, common, reject, and no grade.

- b. Despite objections to the additional paperwork that will be required, almost all agreed the point of delivery at the processing plant is the most effective and appropriate point for the commission to be taken. This is the same as every other seed, grain, oilseed, and pulse crop grown in the province. The funds would be deducted from the grains payable check, or added to the custom cleaning charge. Another suggestion was to collect the levy on the point of sale, which would be easiest and quite fair if the entire Saskatchewan forage seed business was retail.
- c. The question that was most thought provoking was regarding the level of compensation, which asked which of three examples would best suit the focus of the business. The first example is exactly what the Saskatchewan alfalfa seed commission has, which is $\frac{3}{4}$ cent per lb. Another example is $\frac{3}{4}$ of a cent on a dollar basis (\$0.0075 per dollar). The third example is currently done in Manitoba, which encompasses more crops and different values. Their commission is $\frac{3}{4}$ of a cent on a dollar basis, with a maximum contribution (producer cap) per producer. Manitoba's producer cap is \$500, but it was suggested that the cap be raised in Saskatchewan to \$750, due to the differences in the Saskatchewan industry. Saskatchewan has fewer seed producers than Manitoba, but some very large ones. Many of the processors thought that the second option was most fair, meaning that the producers who submit the most funds for a checkoff also have the most to gain in the future, and who have likely gained the most in the past. Larger producers should pay a larger share. However, many suggested that a producer cap of \$750 is adequate compensation to any fund, and is also considered less risky should a producer choose to remove a very large contribution to the commission. Suggestions and comments by processors are listed below:
 - i. Streamline the collection system, to avoid costly administration of funds. Consider working with other commissions.
 - ii. Clearly identify the submission requirements to the development board. (ie. monthly, quarterly, yearly)
 - iii. Regarding a producer cap, the appropriate value should be collected from the producer by the processor and thereafter submitted to the commission. Any excess above the cap should be refunded to the producer by the development commission at year-end.
 - iv. A brochure should be given to the producers, to explain what the commission is all about, and to deflect any criticism from the processor to the development commission.
 - v. Land management companies, producer partnerships, and rental crop shares may include a number of producers within them. A producer cap must apply to each of the producers; otherwise funds will be lost.
 - vi. Forage seed has and always will have a history of price volatility, and growers often choose to carryover seed from year to year. A cap may limit the funds produced in high price years.

- d. Processors were given the opportunity to rank issues in order of importance to their business. This question summarizes what was asked in the agronomy questions, and to give processors an opportunity to suggest other ideas.
 - i. Research – It was agreed that this was the most important issue that should be dealt with, and therefore the order of importance within research is to follow the recommendations listed above.
 - ii. Extension – The next most important issue is the sharing of information, as there have been very few extension activities in Saskatchewan specifically relating to forage seed production. The exceptions are the Saskatchewan Alfalfa Seed Producers, and Newfield Seeds, which many producers do not work with.
 - iii. Market information – Some processors are wary of this, but could prove quite valuable for them if market commentaries could be done in a timely fashion, and must reflect the volatility that can occur in the forage seed business. Whoever is responsible for this must be knowledgeable of the business, otherwise could cause more problems than what would be gained.
 - iv. Variety development – As previously stated, should public funds go to public institutions for variety development, they should be released on a public basis.
 - v. Systems approach – Perhaps a valuable outcome would be develop a systems approach to seed production in relation to other crops in rotation.
- e. There are other comments from processors that were put forward that should be addressed prior to the development of a board.
 - i. The development of a business plan immediately following the feasibility study would help to reduce unease in pushing forward yet another checkoff. Some producers, particularly pedigreed seed growers, contribute thousands of dollars annually to companies, research institutions, and commissions through levies, checkoffs, and royalties, and many are saying “enough is enough.” There must be a very clear goal and defined results to convince producers of their value.
 - ii. Time and effort spent on crop kinds should represent the crop kinds on which the funds were produced. Seed companies in the northeast have seen years when the clovers (sweet, red, and alsike) have been a multi-million dollar business, and the largest and most lucrative cash crop on any farm. However, the clovers have received little or no attention in research and development in this province for quite some time.
 - iii. Companies that participate in significant contract production with foreign companies would like the opportunity to sit on the board of directors of the development commission. They mentioned that it would be good to have a global perspective when it comes to research and development, to possibly direct research opportunities

- to emerging markets, to share existing research work, and to voice concerns from the seed trade.
- iv. If the development commission becomes a large enough entity to serve its research and extension needs, it could also play a role in lobby efforts, such as dealing with weed issues, the Canada Seeds Act, or international harmonization with pesticide products.
 - v. Some question the value of small plot trials for forage evaluation, and suggest that there may be a significant role in large scale producer directed research, and whether funds would be available for this.
 - vi. One processor canvassed for opinion that primarily custom cleans for other producers, is no longer an “authorized seed cleaning facility” under the guidelines of the Canada Seeds Institute and the Canadian Food and Inspection Agency. The question that arose was if he would be authorized to collect such a levy from producers without being an authorized establishment. It would be a mistake to have this as a requirement, as it would make the authorized establishments less competitive if only they were required to collect the levy.
 - vii. A concern raised by one of the most staunch supporters of a checkoff was on how pricing of the checkoff would occur with custom cleaning when using the $\frac{3}{4}$ cent per dollar formula. It is not the business of the custom cleaning facility to know the value of the product that he is cleaning, but he would have to know the value in order to charge that against the custom cleaning bill. Values of forage seed have a history of being very volatile, potentially with significant value changes occurring in a matter of days. Quality factors are critical in pricing, particularly in falling markets. An independent third party, perhaps within the development board itself, could act as a “pricing agent” to give the cleaning facility the daily price estimate of that product. There could be serious disputes arise if the funds charged on the cleaning bill is based on a value higher than the seed is worth; the other side is that there will be lost funds if the crop is valued considerably below what the seed is actually sold for. Perhaps an option of 1 cent per pound is given to the grower who is having the seed custom cleaned. This concern obviously needs considerable thought in the future, with input from other development boards.
 - viii. In light of recent changes with other crop development funds, the question of a research tax credit was mentioned. If producers participate in the checkoff, and fund public research, there should be a research tax credit available. It should also be available for the processors, who should be able to recoup some of the time spent in the administration of the funds and contribution towards such research.

5. Summary

5.1 Obstacles and Successes

There have been no major obstacles in the feasibility study. Minor issues have been with some of the responses by alfalfa seed producers questioning whether the proposal is in addition to the levy already administered by the SASPDC. As expected, there is a vast range in opinions regarding producer-funded research and checkoffs in general, as opinions range from “yes, finally...” to “I will never support producer checkoffs...” Also as expected, any final decision on its development will not please all those who initially believe in it.

Generally speaking, the survey and discussions were positive and successful, and recommendations in section 5.3 encompass as many ideas and concerns as possible.

5.2 Timelines

With the exception of the administration component to the final report, the report will be completed, with recommendations given to the Saskatchewan Forage Council Board of Directors in early March. This is ahead of the time schedule, required because Gord Pearce will be out of the country from mid March to mid April.

Newfield Seeds has an annual forage seed grower meeting on March 27, 2003, and is attended by up to 100 of the major seed producers in northeastern Saskatchewan. Gord Pearce had been asked to give a report to the producers, but will not be able to attend. He will develop a handout stating the recommendations to the Saskatchewan Forage Council, but will not have the entire report available to producers.

On a similar note, several producers and processors request access to the final report. Some kind of media release, stating the recommendations and where to access the final report, is expected by some of the respondents.

5.3 Recommendation to CARDS and Sask. Forage Council

Gord Pearce was hired by the Saskatchewan Forage Council to conduct the feasibility study. He recommends proceeding with the development of a checkoff, and the following points illustrates his 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 summaries and consultation with others, it is agreed that the development of a forage seed checkoff in Saskatchewan would help to fill in research gaps, and address some of the production issues that producers face. Therefore, my 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 not widely accepted answer 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 checkoffs, because the majority of producers see a benefit, from research agronomy issues or improvement in crop varieties. However, some producers, who are a very small percentage, will not support checkoffs no matter how much benefit they receive from the research. These producers have a fundamental believe 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 checkoffs 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 federal cash influx into agricultural research any time soon, so it would be irresponsible 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 is 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 checkoff will be a mere percentage of the cereal, oilseed, and pulse commissions of Saskatchewan. We must realize that this is a small budget, and will have to start with definite priorities.

Part of the producer and processor surveys was a questionnaire asking where they feel the largest needs are 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 checkoff 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.
- 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.
- 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.
- d) Executive director. This is a non-voting, 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.

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) 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 ¾ % 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 shall 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.

e. Proposed Timeline for Commission Development

Below is the proposed timetable for the remainder of this project, the next phase in the commission development, and the initiation of the Saskatchewan Forage Seed Development Commission. This is assuming no conflicts with lack of funding, poor acceptance by producers and government, or other unforeseen events.

March 2003	Consultant recommendations to Saskatchewan Forage Council Board of Directors
April 2003	CARDS project completion (\$263)
	SFC application for 2 nd CARDS project “Regulation Development of the Saskatchewan Forage Seed Development Commission”
July 2003	Producer consultation – field days
	1 st Quarter CARDS report
October 2003	2 nd Quarter CARDS report
	Industry consultation – First draft of bylaws and regulations completed
November 2003	Draft proposal to SFC Board of directors, with suggestions for Commission Board of Directors

December 2003	Second draft of regulations mailed to approximately 200 producers and 5 processors for further comments
January 2004	3 rd Quarter CARDS report
	Compilation of producer and processor comments
February 2004	Develop final draft of regulations
	Submission of final draft to Agri-Food Council of Saskatchewan
	Attend industry meeting, for appointing producer directors
	Development of brochures for processors and producers
March 2004	Final CARDS report
	Board of directors meeting
	Submission of regulations to Saskatchewan Legislature
April 2004	Government approval
	Access legal advice for federal delegation authority
July 2004	Board of directors meeting
August 2004	First levy collection from producers
October 2004	First levy collection due in Commission
	Board of directors meeting
January 2005	First Annual General Meeting
	Research budgets
January 2006	Federal delegation authority in place

6. Administration

6.1 Statement of Expenditures

Extent to which Project has met its Objectives

Activity Eligible Expense	Expend. To Date	Budget Amount	Status	Completion Date
1. Survey				
•	\$1365.78	\$4500	100% Completed	March 2003
2. Industry Communication				
•	\$2920.17	\$2800	100 % Completed	March 2003
3. Administration				
•	\$1140.00	\$1200	100% Completed	March 2003
4. Processor Consultation				
•	\$2838.86	\$3250	100% Completed	March 2003
5. Summary & Outline				
•	\$1863.00	\$4000	100% Completed	March 2003
Total Project	\$10127.81	\$15750.00		

6.2 Budget

This project has been completed well within the anticipated budget. Project activities were all successfully completed with a number of activities, including producer survey and summary and outline, well under the anticipated budgeted time allocation and approved expenditures. As a result, approximately 35% of the allocated funds within this project have not been used.

Statement of Expenditures and Cash Flow Forecast

Expenses by Current Reporting Period – reports budgeted and year-to-date amounts

Reporting Period: to March 31, 2003

Final Report

Activity Eligible Expense	CARDS Code	Expenditures (current)	Budget Amount	Year to Date Amount
1. Survey	1.0	\$517.50	\$4500	\$1365.78
2. Industry Communication	2.0	\$0	\$2800	\$2920.17
3. Administration	3.0	\$500.00	\$1200	\$1140.00
4. Processor Consultation	4.0	\$492.13	\$3250	\$2838.86
5. Summary & Outline	5.0	\$1759.50	\$4000	\$1863.00
Total Project		\$3269.13	\$15750.00	\$10127.81

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

7. Appendices

7.1 Appendix A

SASKATCHEWAN FORAGE COUNCIL **Saskatchewan Forage Seed Industry Check-Off Survey**

Grower information (optional)

Name: _____

Phone: _____

Address: _____

1. General

- a. How long have you been a forage seed producer? _____ years
- b. Where in Saskatchewan are your production acres located? _____
- c. How many acres typically do you harvest in a year? _____
- d. What % of your rotation is this? _____
- e. Is your production primarily pedigreed or commercial? _____
- f. Please list the forage seed crops you have grown. _____

- g. Please rank in order of importance why you grow forage seed. (1 – most important, rank only those which apply)

- a. economic return _____
- b. soil improvement _____
- c. break in annual weeds _____
- d. livestock feed options _____
- e. spread seasonal workload _____
- f. other (please describe) _____

2. Agronomy

- a. Where do you get production information and expertise? (check all that apply)
 - a. fellow producers _____
 - b. Forage Seed News _____
 - c. seed companies _____
 - d. Saskatchewan Agriculture and Food agrologists _____
 - e. Agriculture and Agri-Food Canada _____
 - f. Other (please describe) _____
- b. What type of seeding implement do you use to establish forage seed fields? (check all that apply)
 - a. disc drill _____
 - b. hoe drill _____
 - c. broadcast _____
 - d. air drill _____

- e. other (please describe) _____
 - c. What type of combine do you use for harvest? (check all that apply)
 - a. conventional ____
 - b. rotary ____
 - c. other (please describe) _____
 - d. Have you made specific changes to your swather or combine to aid in the forage seed harvest? If yes, please explain. _____
-
- d. Please rank what your greatest research needs is for forage seed agronomy production practices. (1 – most important, rank only those which apply)
 - a. weed control ____
 - b. fertility management ____
 - c. harvest technology ____
 - d. seeding ____
 - e. other (please describe) _____
 - e. Please rank the priorities for weed control research. (1 – most important, rank only those which apply)
 - a. minor use registration of pesticides ____
 - b. application timing and rates ____
 - c. cultural weed control ____
 - d. rotations ____
 - e. other (please describe) _____
 - f. Please rank the priorities for fertility management research. (1 – most important, rank only those which apply)
 - a. NPKS rates and timing ____
 - b. type of N source ____
 - c. micronutrients ____
 - d. economics ____
 - e. other (please describe) _____
 - g. Please rank the priorities for harvest and post harvest management research. . (1 – most important, rank only those which apply)
 - a. swath/harvest staging ____
 - b. residue management ____
 - c. economics of stand termination ____
 - d. other (please describe) _____

3. Marketing

- a. How do you market your forage seed? (check all that apply)
 - a. contracted (to seed company or other marketing agency) ____
 - b. spot market (non-contract, but marketed to seed company or other marketing agency)____
 - c. farm gate (direct, clean seed sale to end user) ____
 - d. other (please describe) _____
- b. Where do you obtain market information on forage seed prices, demand, and trends? (check all that apply)
 - a. fellow producers ____

- b. seed company agronomists ____
 - c. commodity websites ____
 - d. Forage Seed News ____
 - e. SAFRR agronomists ____
 - f. AAFC research personnel ____
 - g. Other (please describe) _____
- c. What marketing activities would be beneficial to you as a forage seed producer? (check all that apply)
- a. lists of seed contractors and purchasers ____
 - b. track forage seed prices ____
 - c. forage seed market commentary/summary ____
 - d. other (please describe) _____
- d. Please rank which type of extension activities is most useful to you? (1 – most important)
- a. newsletters ____
 - b. field tours ____
 - c. meetings ____
 - d. magazine articles ____
 - e. other (please describe) _____

4. Industry Check-off study

- a. As a producer of forage seed, would you support a forage seed checkoff? _____
 If yes, please proceed to the following questions. If no, please state your reasons in the space below. _____

- b. Should the checkoff funds be collected from all forage crops grown in Saskatchewan? This would include turf seed, forage grasses, native grasses, and forage legumes, with exception of alfalfa, which already has a commission.

- c. Virtually every other field crop commission is collected at point of producer sale at a processing plant, and submitted by the processor to the administration body thereafter. Would this be most appropriate for you as well? _____

- d. Below is a list of suggestions regarding how the commission is to be administered. Please rank the level of compensation most appropriate to you, considering the crops you grow, market volatility, and the value you place on research. (1 – most appropriate)
- a. \$0.0075/lb net clean seed (ncs) **Example:** Producer A with 60,000 lbs ncs of red clover would submit \$450.00 ____
 - b. \$0.0075 per dollar on producer crop value **Example:** Producer B with 40,000 lbs ncs of brome grass with a crop value of \$0.50/lb (net clean

7.2 Appendix B

List of Saskatchewan Forage Seed Processors

Company	Location	Contact	Type of Business *
Newfield Seeds **	Nipawin, SK	G. Lyons, J. Stoner	Pro, Pur, WM, DM, Co
Sask. Wheat Pool	Regina, SK	K. Beaulieu	Pur, DM, Co
Ag Vision Seeds	Carrot River, SK	Cao Chun Hua	Pro, Pur, WM, DM, Co
Riverview Seeds	Nipawin, SK	R. Klemmer	Pro, Pur, WM
Norsask Seeds	Tisdale, SK	M. Messer, G. Meier	Pro, Pur, WM, Co
Fenton Seed Farm	Tisdale, SK	Duff, Robin Fenton	Pro, DM
Art Russell	White Fox, SK	Art Russell	Pro
Williamson Seeds	Pambrun, SK	Tom Williamson	Pro, Pur, WM, DM
Birch Rose Acres	Star City, SK	Ivan Beuker	Pro, Pur, WM, Co
Tebbutt Seeds ***	Nipawin, SK	Greg Tebbutt	Pur, DM
Sword Seeds	Unity, SK	Norman Sword	Pro
Dale Pocock	Nipawin, SK	Dale Pocock	Pro, DM

- * Pro Processor of forage seed
 Pur Purchaser of forage seed from producers
 WM Wholesale marketer, domestic or foreign
 DM Domestic retailer of forage seed
 Co Production contractor of forage seed

** Newfield Seeds' processing capacity was destroyed by fire in May 2002. Their comments reflect their past business, and their future direction once the plant is rebuilt. They currently are having their production custom cleaned by four local processors, only one of which is included in the list above.

*** Tebbutt Seeds purchase and hold raw seed for Brett-Young Seeds, of Winnipeg, MB. They collect the levy for the Saskatchewan Alfalfa Seed Commission for seed they purchase from Saskatchewan producers.

Major uncleaned seed purchasers of SK produced seed

Brett-Young Seeds, Winnipeg, MB
 Pickseed Canada, Winnipeg, MB
 Agricore United, Sherwood Park, AB
 Prairie Seed, Nisku, AB
 DU Canada (Native Plant Solutions), Brandon, MB
 Big Sky Wholesale, Shelby, Montana

7.3 Appendix C

SASKATCHEWAN FORAGE COUNCIL
Saskatchewan Forage Seed Industry Check-Off Survey

Saskatchewan forage seed processor survey

1. General

- a. How long has your company processed forage seed? _____ years
- b. Approximately what is the percent split of your purchases from Saskatchewan producers of pedigreed and commercial seed? _____
- c. Do you purchase seed directly from producers outside of Saskatchewan?

- d. What forage crops do you purchase directly from Saskatchewan producers?
Include turf grasses, forage grasses, native grasses, and forage legumes.

2. Agronomy

- a. Do you contract production with forage seed producers? _____ If yes, is offering production assistance a requirement of the contract? _____
- b. Do you have on staff agrologists who offer production assistance to producers when needed? _____
- c. Where do you the agrologists get their production information and expertise? (check all that apply)
 - a. producers _____
 - b. Forage Seed News _____
 - c. seed companies _____
 - d. Saskatchewan Agriculture and Food agrologists _____
 - e. Agriculture and Agri-Food Canada _____
 - f. Other (please describe) _____
- d. Please rank where you think there is the greatest research need for forage seed agronomy production practices. (1 – most important)
 - a. weed control _____
 - b. fertility management _____
 - c. harvest technology _____
 - d. seeding _____
 - e. other (please describe) _____
- e. Please rank the priorities for weed control research. (1 – most important)
 - a. minor use registration of pesticides _____
 - b. application timing and rates _____

- c. cultural weed control ____
- d. rotations ____
- e. other (please describe) _____
- f. Please rank the priorities for fertility management research. (1 – most important)
 - a. NPKS rates and timing ____
 - b. type of N source ____
 - c. micronutrients ____
 - d. economics ____
 - e. other (please describe) _____
- g. Please rank the priorities for harvest and post harvest management research. . (1 – most important)
 - a. swath/harvest staging ____
 - b. residue management ____
 - c. economics of stand termination ____
 - d. other (please describe) _____

3. Industry Check-off study

- a. As a processor of forage seed produced in Saskatchewan, would you support a forage seed checkoff? ____ If yes, please proceed to the following questions. If no, please state your reasons in the space below.

- b. Should the checkoff funds be collected from all forage crops grown in Saskatchewan? This would include turf seed, forage grasses, native grasses, and forage legumes, with the exception of alfalfa, which already has a commission.

- c. Virtually every other commission is collected at point of producer sale at a processing plant, and submitted by the processor to the administration body thereafter. Would this be most appropriate for you as well? _____

- d. Below is a list of suggestions regarding how the commission is to be administered. Please rank the level of compensation most appropriate to you, considering the crops you grow, market volatility, and the value you place on research. (1 – most appropriate)
 - a. \$0.0075/lb net clean seed (ncs) **Example:** Producer A with 60,000 lbs ncs of red clover would submit \$450.00 ____
 - b. \$0.0075 per dollar on producer crop value **Example:** Producer B with 40,000 lbs ncs of bromegrass with a crop value of \$0.50/lb (net clean without processing costs) would submit \$150.00 (40,000 x 0.50 x 0.0075); if crop value was \$1.75, producer would submit \$525.00 ____

