

ANNUAL REPORT

2020-21

Annual Report for the year
ending July 31, 2021



Growing Healthy Potatoes Together

SECURING OUR FUTURE



CONTENTS

Goals of the PGA

• **Communication**

To ensure Alberta growers have current information required to achieve success through ethical, safe and sustainable practices.

• **Marketing**

To support and develop the grower's marketing endeavours by providing information, research and promotion for sustainable and continued orderly growth of the industry.

• **Production**

To help growers maximize the potential of Alberta's potato production by providing opportunities for growers to share and gain knowledge from information, research and experience.

• **Relationships**

Foster effective relationships with Government and other agencies to advocate the best interests of the potato industry.

• **Leadership**

To encourage commission members and staff to achieve personal growth while providing leadership and excellence in delivery.

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CHAIRMAN REPORT

Leadership

RUSS VAN BOOM



“

Alberta growers, this year, have again demonstrated their resolve and resiliency in the face of the challenges presented.

”

The potato industry is an exciting place to be! While we go through the rollercoaster ride of each season, there are certainly times where we feel like we are holding on for dear life. However, those times are almost always eclipsed by the enjoyment of growing a crop and contributing to a greater good. Alberta has seen another year of activity for the potato industry and as this report illustrates, it's been a unique one.

Alberta growers, this year, have again demonstrated their resolve and resiliency in the face of the challenges presented. Contract delays, later planting, scorching heat, and irrigation “fatigue”, were just a few of the adversaries this industry grappled with this year. Additionally, each operation faces innumerable individual challenges ranging from maintaining infrastructure and equipment, to caring for crops, managing human resources and everything in between. Again, this industry rose to the occasion, and in spite of these challenges, produced food for people to eat.

While it may be easy at times to focus on the challenges we all face (cue COVID rant), it is equally, if not more important to remember the benefits and blessings that come along with this industry. We are in a sector of food production with expanding demand. This has been good for the businesses and farms surrounding potatoes here in Alberta, and we need to savour that. We also have the freedom to run our businesses as we see fit, along with the security many others don't have. Lastly, our standard of living here is actually pretty fantastic, especially when we think globally, so remember to be grateful when you flick on that ‘smartphone’ and start up that ‘tractor’. Having these perspectives, I believe, helps us with some of the aforementioned challenges. And truly, we know the list of good things we enjoy here continues well past just these few mentioned.

The staff and board of the PGA have had yet another busy year as you may discover through this Annual Report. Even in light of some reduced abilities surrounding travel and ever-evolving restrictions, the world continues to spin and as we

all well know, the work still needs to get done. To that end, this past year looked very similar to 2020, as meetings were held both in-person and virtually. I am happy to say that even through another trying year, our organization has done an excellent job of maintaining our core values and services. This is no small feat considering the circumstances, and so much



L-R: JP Claassen (Director-at-Large), Jeff Ekkel (North Area Director), Lyndon Nakamura (Director-at-Large), Russ Van Boom (Chairman), Alison Davie (South Area Director), James Bareman (Director-at-Large).

credit and thanks goes to the wonderful staff of the PGA. In particular, we were thankful to have held the annual Burgers n' Beans BBQ and Golf Tournament events. It was great to be back together with growers and industry members, with thanks also due to the APIA for their perseverance in making these events happen.

Our AGM this year is held, once again, virtually, due to the restrictions and the difficulties that they pose. Your board encourages you to tune in and get connected with the ongoing issues and operation of our organization. All of us look forward to the day when we can assemble as usual, and we offer thanks for your patience and understanding until that day arrives. In the meantime, this organization is strong, and let's make a special effort to keep it that way. Participate in areas that you can, and support those that work on your behalf. Alberta growers and industry are not unfriendly, in fact just the opposite, so reach out to those around you and invest in our social community.

Finally, on a personal note, this has been my last year serving as a director for the PGA. I am incredibly humbled and grateful that you, as growers, have entrusted me with this responsibility...thank you for that. It has been a wonderful learning experience and a true privilege to work alongside the staff and fellow directors. Finally, I'd like to sincerely thank my business partners Keith and Kevin Goutbeck, as well as my wife and family for allowing me to fulfill this commitment, by managing my responsibilities on the home front while I was away. I will always remember those sacrifices.

On behalf of the Board of Directors, please accept this report, and we look forward to seeing you at the virtual AGM.



Russ Van Boom, PGA Chairman



EXECUTIVE DIRECTOR REPORT

TERENCE HOCHSTEIN

"Around here, we don't look backwards for very long... We keep moving forward, opening up new doors and doing new things because we're curious....and curiosity keeps leading us down new paths." - Walt Disney



During this past year, I could write about all the negativity and all the aspects of life that have changed, but what would that accomplish? You may read the first couple of lines and conclude that the sky is falling in the potato industry, but I chose not to go down that "rabbit hole". Rather, I would like to focus on all the positives that are in front of us and how our industry is well positioned to take advantage of these opportunities. The future is now, and the Potato Growers of Alberta want to be a part of defining that future. Our membership is unique and very fortunate to be able to say that our average age is well below 50, while most of agriculture is flirting with the 60-65 year old category. Many of our farms enjoy having 2-3 generations involved in the day-to-day operations.

Although the 2020 crop was somewhat reduced in total acreage, due to the COVID pandemic and the uncertainty of the consumer market, our yields turned out to be some of the best in the history of our organization. Modern sustainable farming practices, sound agronomy and some help from Mother Nature more than made up for the cutback in acres. The

Alberta growers, for the first time ever, tied with Manitoba for total production and surpassed PEI, all the while achieving this on fewer acres than both other growing areas. It is always fun to have the 'friendly rivalry' amongst peers and being #1 occasionally, gives a person something to strive for. In the end, it is the Canadian industry that is truly the winner, as we continue to supply some of the best potatoes in the world.

The Alberta seed industry continues to set new records and raise the bar for exports. Close to 50% of the Canadian seed exports comes from our Alberta growers. In February 2021, the Final Release of PCN Regulated Land, the last suspect field from 2007, was removed from the records by CFIA. This was great news for the entire Alberta seed industry, news that was 14 years in the making. Over the years there have been numerous opportunities to move our seed to new markets, but this issue was always a hinderance when it came to phytosanitary concerns of the importing country. With this removal the Alberta industry can now pursue new overseas opportunities, without this threat being held over our heads.

With the 2020 crop in storage, work began on the 2021 crop. After a long, exhausting, drawn out negotiation process, the Alberta growers planted their largest crop in history. 67,500 acres went into the ground in late April, early May, in anticipation of another good year. With the announcement of the upgrading and expansion of the irrigation sector in Southern Alberta and the announcement of another potato chip plant (Super Pufft) here in Alberta, the future of the industry is bright. Alberta is becoming the destination of choice in the production of potatoes.

This past year also brought about changes at the Board level. Alison Davies replaced the retiring Michel Camps last fall and has been a welcome addition to our organization's Board of Directors. I would like to personally thank all our Board members, Russell Van Boom (Chairman), Tony Bos (Vice-Chairman), Alison Davie, JP Claassen, Jeff Ekkel, James Bareman, and Lyndon Nakamura for their hard work, dedication and guidance this past year. Their willingness to take time away from their own personal operations to serve our organization does not go unnoticed. The goal of this Board, following in the footsteps of previous boards, is to provide transparent, forward-thinking direction for our organization. This mindset bodes well for the future of our industry, as we all strive towards navigating the challenges that are in front of us.

An extra thank you needs to go out to our retiring Board Chairman, Russell Van Boom, who will be stepping down after 6 years of service to the Board. Russ' leadership over the years will leave an everlasting impression on our organization.

I would also like to thank my team (Cindy, Deb B, Stacey, Juanita, Patti, Thomas and Deb H) for all their hard work and dedication to the PGA. On more than one occasion we have had to re-invent ourselves and adapt on the fly. Their ability to navigate through all this confusion is greatly appreciated by the membership.

In closing, it has been both humbling and rewarding to work with and serve the membership this past year. There is never a dull moment in the potato industry, here in Alberta. I look forward to being a part of the future of the PGA in the years to come.

Until next year,



Terence Hochstien, PGA Executive Director

Yields surpass fellow province in production

Alberta potato yields were the best in history even with acreage reduction

New Processing Plant

Announcement of additional potato chip plant in southern Alberta

Irrigation Expansion

Announcement of upgrades and expansion to the irrigation sector in southern Alberta

PCN Restriction Removal

The last suspect field was removed from the records by CFIA

COMMITTEE REPORTS

SEED COMMITTEE

JEFF EKKEL, CHAIRMAN



It has been a busy year for the Alberta Seed Growers Committee. We continue to be actively involved in Canadian Potato Council to ensure that we are able to communicate with Canadian Food Inspection Agency (CFIA) and the federal government. We are excited about the Results Driven Agriculture Research funding we received to improve lab capabilities to detect many potato diseases.

There was much stronger demand for seed this past shipping season, as there were more processing acres planted in Alberta and Manitoba. With this increase in processing acres, we also seen an increase in seed acres planted. Alberta continues to be the largest seed potato exporter to the United States, and therefore, we continue to work with CFIA on the PCN protocol requirements. We continue to participate in the Seed Regulation Modernization project CFIA is undertaking, to ensure that we have input on any changes being made so that it will not impact our industry negatively.

This year, we are encouraged that the Hawaii grow out is able to proceed again, after a one year absence due to covid. The committee feels it is important to keep this visual grow out option available for our growers, as it shows the excellence of our product.

This year's seed crop appears to be in good shape, as harvest went well without any major weather issues. The yields are lower than average, but are better than what was expected, due to the hot dry summer. There appears to be strong demand for seed this fall, with lower yields and possibility of increased processing acres.

We would like to thank Alberta seed growers for their continued support. We need to continue to work together to ensure we have a strong industry that can face any of the future challenges.

If you have any concerns or would like to know more of what the seed committee does, please talk to any one of the committee members.

Lastly, I would like to thank Stacey Bajema and all the staff at the PGA for their work and dedication to our industry.

Jeff Ekkel, PGA Seed Committee Chairman



Seed Committee Members:

Jeff Ekkel - (Chairman) Sunnycrest Seed Potatoes Inc.

Jake Hoogland - (Vice Chair) Hoogland Farms

Ben Meyer - Meyer Farms Ltd.

Bruce Chedzoy - Chedzoy Farms

Gord Visser - Norbest Farms

Jan Vermue - West Edmonton Seed Potatoes (2002) Ltd.

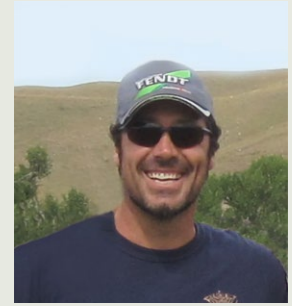
Peiter Kamper - Belly River Seed Potatoes Ltd.

Tony Kirkland - Sandhills Seed Potatoes Ltd.

Stacey Bajema - PGA Seed Coordinator

RESEARCH COMMITTEE

HAROLD PERRY, CHAIRMAN



Even though the pandemic has dragged on and continued to challenge us, it has been another busy year for the Potato Growers' research portfolio, with projects still moving forward this year. The Researchers and projects that we work with had to be resilient and adapt to continue this important work.

As a reminder, the PGA financially supports the following projects that are part of the national research Cluster 3 projects: (the current and previous year reports will be available on the PGA website).

- Colorado Potato Beetle, Chemical Resistance
- Wireworm Control and Management
- Late Blight Strain Tracking
- National & Alberta variety trials



The PGA also supports Dr. Mario Tenuta's Canada Potato Early Die project (CanPEDNet), as part of the Cluster 3 research projects. The University of Lethbridge Potato Research Chair continues to collaborate with Dr. Tenuta on this project. Part of the collaboration on this project was to collect soil samples from approximately 30 fields in 2019, 2020, 2021 and in 2022 in Southern Alberta, as well as collect tuber samples from these fields.

Potato variety trials were, once again, held at CDC Brooks, in partnership with AAFC, Lethbridge College, AAF and industry partners. The research plots did suffer from the severe heat that we had this summer, not surprisingly. A comprehensive report will be included on our website as well.

The University of Lethbridge continues to perform all the lab activities for the Pest Monitoring Program and the Late Blight Spore Trapping Program.

The 2022 growing season will be the last year with the current Agri-Science cluster. The PGA Research Committee is tasked with prioritizing the research topics for the next Agri-Science cluster, set to begin in April of 2023. The direction that we have from Agriculture Canada is that there will be three priorities are the focus of the next cluster:



- Climate Change and the Environment
- Economic Growth
- Sector Resilience

On our farm, we are working on soil health strategies like composting, always keeping the ground covered with a growing crop or cover crop, with as much diversity as we can and reducing tillage. The public and the processors are looking to see more regenerative agricultural practices in the future. We look forward to becoming more innovative and aligning with different research bodies to optimize soil and plant health in the future.

Thank you and I hope that you and your family continue to be safe and well.

Harold Perry, PGA Research Committee Chairman

Research Committee Members:

Harold Perry - (Chairman) Perry Produce Ltd.
Alison Davie - North Paddock Farms Ltd.
Bruce Chedzoy - Chedzoy Farms
Harold Perry - Perry Produce Ltd.
Jan Bennen - Bennen Farms Ltd.
Michel Camps - CP Farms Ltd.
Wayne Unrau - Rock Bottom Potatoes Ltd.
Yorian Drost - Drost Seed Potatoes
Thomas McDade -PGA Agricultural Director
Stacey Bajema - PGA Seed Coordinator

NEGOTIATING COMMITTEE

GREG NAKAMURA, CHAIRMAN



After two years, who would have thought that the pandemic would still be affecting our lives, but it is. As we continue to navigate through each day, one thing is evident, it has certainly changed the way we lead our lives. Fortunately, in the agriculture industry, production continues to climb back to previous levels, and in some cases has grown.

Technology has allowed us to continue to communicate without meeting face-to-face, though I still miss those meetings and find the one-on-one interaction during meetings to be important.

The 2021 contract talks took on a different look, as it was all done virtually or by telephone. That made things a bit more difficult, but in the end, we were able to come to an agreement. As we already had a tentative agreement with Cavendish, it was the committee's job to get the other processors to meet that consensus, for the contract to be valid. We knew that this would be a monumental task, as Lamb Weston started their negotiations in the Basin with a negative offer. Lamb Weston's first offer to the Alberta growers was a flat contract, which the committee quickly rejected. The McCain offer was not any better, and with spring quickly approaching, the need to achieve a deal was eminent. With the Basin, Oregon and Idaho agreeing on a down contract in April, it put more pressure on the growers in Alberta. Knowing we were so far apart with the processors, the committee decided to go back to the growers and discuss their options. With the negotiating committee's recommendation of holding off planting as a show of solidarity, and unanimous support from the membership, eventually both sides came back to the table to continue talks, in hopes of reaching a settlement. Weekly updates with the growers were very helpful in keeping them informed and united.

With spring upon us, and processors getting nervous because planters were sitting, McCains came back to the committee with a new offer. The offer was in the right direction, but still not where we felt we could accept. Finally, after much back and forth talks, we were able to come up with an agreement that was acceptable for both sides. It gave the growers \$.25/cwt for field-direct and wedges, and \$.30/cwt on storage, equally about a 2.78% increase. We then went back to Lamb Weston with this proposal and, in the end, negotiated an agreement that was similar. Another positive with the agreements, is that we were able to change the "hollow heart" language, so that it will be the same in all three processor's contracts. Acres with the processors were also up, nearing levels achieved before Covid hit.

I would like to thank the grower base for staying united through the difficult times of last year's negotiations. I know how hard it is to leave the planters parked and not bring in seed when we should be planting, but without that resolve, we would not have been able to reach the settlement that we did. I know there were a lot of eyes on Alberta last year from the other areas during the negotiations, as it isn't often that grower's take a united stand against the processors.

Having just completed this year's harvest, yields are down, due to the extreme heat of summer, leaving processor's short of their needs in Alberta. That means they will be looking at starting the 2021-22 new crop early.

In closing, we will be looking at beginning talks with the processors soon and hope to have agreements in place before the spring.

Please reach out to me or any other members of the committee if you have questions or concerns.

Greg Nakamura, PGA Negotiating Committee Chairman



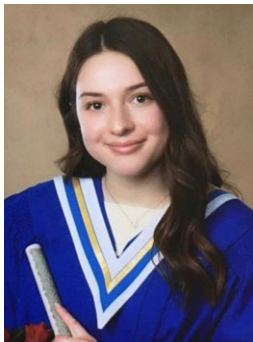
Negotiation Committee Members:

Greg Nakamura - (Chairman) Nakamura Farms Ltd.
Brian Tajiri -Tri-T Farms (2005) Ltd.
Laus Stiekema -Stiekema-Kolhorn JV
Lloyd Ypma - Quattro Farms
Mark Miyanaga -Triple M Farms
Mike Wind - Windiana Holdings Ltd.
Stan Kanagawa - S-Scan Farms Ltd.
Tony Bos - Boston Farms Ltd.
Terence Hochstein - PGA Executive Director

MEET OUR FUTURE

2020-2021 POTATO GROWERS OF ALBERTA & THE CANADIAN SPUD CONGRESS INTRODUCE OUR SCHOLARSHIP RECIPIENTS

Six recipients, from across the province, were selected to receive \$1000 bursaries this year. Five were chosen for the PGA Scholarship Program. An additional bursary was created by the Canadian Spud Congress in February 2021, where Alberta was one of the provinces selected. Congratulations to all of these brilliant, energetic students and best of luck on your future academics!



Anna Sofia Groot
Groot Farms Ltd.

Course of Study: Bachelor of Arts / Lethbridge College

Anna's future job will be working for people in a supportive setting that allows her meet new people and help problem solve.



Sye Perry
Perry Produce Ltd.

Course of Study: Forest Bioeconomy Science & Technology / University of BC

Sye plans on receiving her degree on renewable materials, clean energy and sustainable land use, with a minor in commerce. She wants to apply new ideas on the family farm and Alberta agriculture.



Zach Scholing
Scholing Produce Ltd.

Course of Study: Agriculture Management/ Olds College

Zach plans on completing this program and eventually utilizing his agricultural skills on the family farm.



Karsten Van Trype
Quattro Farms

Course of Study: Agriculture Science/Agri- Business / Lethbridge College

After this program, Karsten wants to attend the U of L's degree program in Agriculture Studies and utilize this work on the family farm.



Rose Hulleman
Royal Adventure Farms

Course of Study: Natural Compliance / Lethbridge College

Rose plans on becoming a female representative in law enforcement to protect others and spread knowledge about our environment.

SpudSmart - Canadian Spud Congress Bursary

Rayn Perry
Perry Produce Ltd.

Course of Study: Bachelor of Human Kinetics / University of BC Okanagan

Rayn is interested in working in a research lab to possibly pursue a career in research and policy in Early Childhood Development, as well as, pursuing a career in naturopathic medicine.



If you think in terms of a year, plant a seed; if in terms of ten years, plant trees; if in terms of 100 years, teach the people. - Confucius

These numbers reflect the 2020-2021 growing season

INDUSTRY UPDATE

Fresh/Table

The fresh potato market continues to grow each year, mainly due to the increasing number of creamer potato growers. Farmer's markets and fresh, locally grown retail also utilize potatoes that are produced in Alberta.



61

Licensed Fresh Growers

60%

Increase of fresh acres in the last 10 years

53

Packer/Dealers out of the 61 growers

5300

fresh acres planted



Process



63

Licensed Process Growers

2

Potato chip processing plants

3

French Fry and other frozen products processing plants

42,500

Process acres planted

Cavendish Farms in Lethbridge, McCain Foods in Coaldale and Lamb Weston in Taber, continue to produce French Fries and other frozen potato products. Old Dutch Foods and Pepsico Frito-Lay remain our two snack food processors, producing potato chips. Producers grow under contracts for each of their designated processors.



Seed

Alberta seed potatoes are known for their low virus levels, high-yielding vigour, due to the ideal cool climate they grow. Our seed producers are regulated under the Canadian Seeds Act and are inspected and certified by the Canadian Food Inspection Agency.

50

Licensed Seed Growers

50%

Seed potatoes are exported across Canada and into the US

213

Varieties grown

12000

Seed acres planted



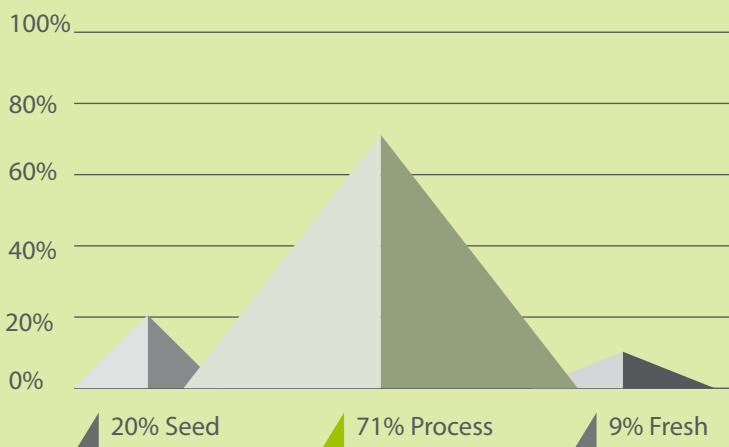
Breakdown of the Industry

142
Total
Growers



1 M

Over 1 million tons of potatoes were produced

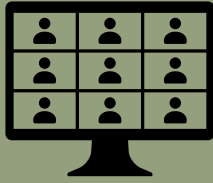


\$ 1 B

Our producers contribute over 1 billion dollars into the provincial economy

POTATO GROWERS OF ALBERTA MAKE HISTORY...

2020-21 Potato yields were the largest ever since the inception of the organization



2020

Meeting Chairman – Russ Van Boom, PGA Board Chairman

Welcome and Call to Order

Russ Van Boom, PGA Board Chairman, welcomed everyone to the meeting and called the meeting to order.

Introduction of Special Guests

Russ Van Boom welcomed the following special guests to the meeting:

Janelle Hancock – Marketing Council

Brent McEwan – Marketing Council, General Manager

Julie Stitt – Marketing Council, Director

Calvin Scott CPA, CA – Partner, AVAIL CPA

Dale Lathim- Executive Director, Potato Growers of Washington

Additions to Agenda

There were no new additions to the Agenda.

Approval of Agenda

Motion: To approve 2020 AGM Agenda. J. Hoogland/K. Bakker. Carried.

Approval of Minutes: 2019 PGA AGM November 20-21, 2019

Russ Van Boom noted that a change needs to be made to the 2019 PGA Business Meeting Minutes. The minutes should read “excess funds in the account” not “access funds” in the section titled Call for Resolutions.

Motion: To approve the 2019 PGA Business Meeting Minutes with the above change. T. Bos/J. Bareman

PGA Chairman's Report – Russ Van Boom, PGA Chairman of the Board

Russ Van Boom presented the 2020 Chairman's Report. He stated how COVID-19 has had an impact on potato farms this year but also highlighted the positives of what we have achieved despite the pandemic. He highlighted the importance of PGA events to build unity within our membership and decisions were made to balance the continued forward trajectory of our industry, as well as respecting local public health concerns. An overview was given of the market disruptions and loss of sales due to the pandemic and the advocacy work done by the PGA on behalf of growers. The PGA Board's commitment to being financially responsible and sustainable was also addressed. Gratitude was expressed to PGA staff for their service, as well as outgoing PGA Board member and Vice-Chair, Michel Camps. Alison Davie was welcomed as the new Board member.

2019-2020 Presentation of Financial Statements – Calvin Scott, AVAIL CPA

Calvin Scott presented the Auditors Report for the 2019-2020 fiscal year. Calvin stated that the financial position of the Potato Growers of Alberta is healthy. He highlighted differences in the income statement from last year and how COVID-19 has impacted some of these accounts. He also reminded members that the APP loans are 99% secured by government and do not pose a risk to the PGA's financial stability.

Motion: To accept the 2019-2020 Financial Statements as presented. T. Bos/B. Torsius

Executive Director's Report – Terence Hochstein, PGA Executive Director

Terence Hochstein welcomed everyone to the virtual meeting and stated that this is the first time ever in the PGA's 54 years that this meeting was not held in-person. The pandemic greatly affected our industry this year, as we saw processing acres cut and seed sales suddenly drop. The way we do business in our industry,

AGM Minutes

going forward, will be permanently changed. Coming out of the 2020 growing season, Alberta fared better than most, as many other areas in North America experienced poor weather conditions, resulting in low yields. Harvested acres in the province were up slightly from last year and we continue to see growth in the Fresh Industry. Members of the Board, staff and membership were thanked for their hard work and perseverance throughout this challenging year.

Resolutions

There were no resolutions put forward by the membership.

Elections

James Bareman was elected for his second term as Director-at-Large by acclamation.

Guest Presentation – Dale Lathim, Potato Growers of Washington

The State of the North American Potato Market

Dale Lathim was admitted into the meeting to make a presentation on the State of the North American Potato Market. Dale stated that he was looking forward to

joining our meeting to present on a positive outlook in the potato market. However, in the week prior, many US States have begun to enter a new state of lockdown because of increasing COVID-19 case numbers. As a result, the industry is once again looking at a period of uncertainty. Dale highlighted how COVID-19 has had both a positive and negative impact on various sectors of the food industry. Dale also addressed where he saw the North American Market would be in the next 2-3 years, when compared to the European market.

Appointment of Auditor for the 2020-2021 Fiscal Year

Motion: To appoint AVAIL as the auditor for the 2020-2021 fiscal year. B. Torsius/J. Bennen

A vote by membership to have AVAIL appointed as auditor for the 2020-2021 fiscal year was conducted using a zoom poll and was carried by a large majority.

Adjournment

Russ Van Boom thanked everyone for coming online and adjourned the meeting at 10:17AM.

Motion: To adjourn the 2020 PGA AGM Business Meeting. B. Torsius

"This is the first time ever in the PGA's 54 year history that this meeting was not held in-person" - Terence Hochstein, Executive Director



AUDITOR REPORT



INDEPENDENT AUDITOR'S REPORT

To: The Members of
Potato Growers of Alberta

Opinion

We have audited the financial statements of Potato Growers of Alberta, which comprise the statement of financial position as at July 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at July 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Arail LLP

Lethbridge, Alberta

November 3, 2021

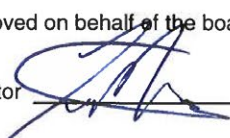
Chartered Professional Accountants

POTATO GROWERS OF ALBERTA
STATEMENT OF FINANCIAL POSITION
As at July 31, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 1,218,480	\$ 345,080
Short-term investments (note 3)	1,805,000	940,000
Accounts receivable	210,041	202,723
Interest receivable	80,241	62,278
Inventory	18,338	23,306
Prepaid expenses	46,709	52,201
Funds held on behalf of others (note 9)	1,074,335	1,241,582
Current portion of crop advances receivable	1,155,267	895,946
	5,608,411	3,763,116
Crop advances receivable (note 4)	1,800,000	1,695,250
Long-term investments (note 5)	510,000	1,795,000
Investment in Alberta Seed Potatoes Inc. (note 6)	8,000	8,000
Capital assets (note 7)	319,099	357,809
	\$ 8,245,510	\$ 7,619,175
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 131,459	\$ 131,817
GST payable	1,042	1,890
Payroll remittances payable	217	17
Deferred contributions (note 8)	263,393	157,331
Funds held on behalf of others (note 9)	1,074,335	1,241,582
Current portion of loans for crop advances	1,155,267	895,946
	2,625,713	2,428,583
Loans for crop advances (note 10)	1,800,000	1,695,250
	4,425,713	4,123,833
Commitments (note 15)		
Net assets		
Unrestricted	208,037	786,071
Internally restricted (note 11)	3,292,660	2,351,462
Invested in capital assets	319,100	357,809
	3,819,797	3,495,342
	\$ 8,245,510	\$ 7,619,175

Approved on behalf of the board:

Director



Director



POTATO GROWERS OF ALBERTA
STATEMENT OF OPERATIONS
For the year ended July 31, 2021

	2021	2020
Revenue		
Levies and licenses	\$ 1,462,631	\$ 1,617,084
Grants and recoveries	223,735	168,585
Interest	67,940	67,342
Advance Payment Program interest	52,228	71,269
Registrations and sponsorship	32,454	169,090
	1,838,988	2,093,370
Expenses		
Wages and benefits	706,194	637,056
Research and industry development	297,254	282,839
Memberships	104,321	105,452
Advertising and promotion	58,907	41,133
Office and administration	58,110	49,458
Advance Payment Program interest	50,354	69,838
Telephone and utilities	33,233	33,209
Meetings and travel	26,003	68,043
Negotiation costs	24,317	43,651
Professional fees	23,318	20,794
Property costs	18,639	23,124
Extension and grower education	17,537	19,453
Insurance	15,937	16,385
Automotive	14,968	14,477
Donations	12,030	10,111
Annual general meeting	9,026	180,537
Bad debts	100	4,787
Amortization	44,285	47,212
	1,514,533	1,667,559
Excess of revenue over expenses from operations	324,455	425,811
Other expense		
Loss on disposal of capital assets	-	4,140
Excess of revenue over expenses	\$ 324,455	\$ 421,671



Hanneke Camps, Vice Chairman

VISION: SAFE FARMS & RANCHES ACROSS ALBERTA

MISSION: TO SUPPORT A CULTURE OF SAFETY ON FARMS & RANCHES IN ALBERTA THROUGH INFORMATION, EDUCATION AND TRAINING

We had our very first meeting on November 13th, 2017...four years ago and four years of building a safety culture in agriculture.

In the past year, my fellow board members and I agreed to be the first to get AgSafe certified and put our newly built AgSafe safety program to the test. During this process, we quickly recognized that it was extended to a high level that did not work for everyone, and a few meetings later we were presented with the FARMERS CARE program. Also, four levels to achieve, but each is a step up, and we (the farmer) can choose how far to go. If you already have some safety program knowledge, it only takes a few hours to complete Level 1, recognizing the biggest hazards and what still requires more work. This way, every farm can work on safety one step at a time and take it as far as you feel works best for your operation.

The goal is to make farms safer, not to add paperwork.

Our safety advisors are just a phone call away, or will come and visit your farm to help you grow your program.

We'll have a busy year coming up at AgSafe, launching the new FARMERS CARE platform and e-learning modules, as they are in the final stages and being tested on a few farms.

If you are not signed up already, check out our website www.agsafeab.ca. Sign up for the monthly newsletter with handy tips and awareness on safety and complete your AgSafe Certification. It gives you a chance to recognize what you already do on your farm and improve where needed.

Let's seed safety and let it grow!

Respectfully submitted,

Hanneke Camps - CP Farms Ltd., AgSafe Vice Chairman / PGA Rep



The Alberta Potato Industry Associates are a group of industry associates who work alongside the potato growers and their families. This partnership was created in 1990 and is still going strong. They participate in both supportive and lead roles in various activities, including the organization of the trade show at the Alberta Potato Conference in November and co-hosting the banquet. Every July, they host the Annual Burgers N' Beans family barbeque and are involved in many other events throughout the province, like our PGA Annual Golf Tournament. Membership with this group is very beneficial for any business associated with the Alberta Potato Industry. For more information or to become a member of the APIA contact Jessica Joss at jessica.joss@rbc.com.



RTNERS



John Bareman, Alberta Rep

Greetings to the members of the Potato Growers of Alberta. The organization Applied Potato Research & Education organization has met four times over the year. All meetings were hosted through the ZOOM format. The Board has discussed and agreed to fund various scientific studies on the benefit of potatoes as part of lifestyle. This applies to the general population, as well as performance athletes and school age children.

The latest studies to be given the go ahead are: **"A Colorectal Cancer Study" by David Allison -Indiana University, "A School Meals & Child Nutrition Study" by Gene Ahlborn - BYU Salt Lake City, "A School Meals & Child Nutrition Study" by Arium Ishdorg - Texas A & M**

The school meals study are required to use potatoes in the fried form. Overall, to date, there have been **37** studies with APRE funding provided. **17** Manuscripts have been published in various scientific nutritional publications. **5** Reviews and commentaries have been presented at various diet and nutrition seminars.

For a better overview of all these projects and studies, I recommend a visit to the APRE website and view the Research Road Map at apre.org

As a board, we adopted a budget for 2021 and reviewed and adopted the financial statements for 2020, as presented by the auditor. All Financials are in good order and the board and our partners can continue to focus on research and education.

Respectfully submitted,

John Bareman- Penta B Farms Ltd. , Alberta Rep



John Mesko, PSA Executive Director

Sustainability

The North American Potato Industry has a good story to tell about sustainability. Farmers, processors, and fresh marketers are working towards improving long term environmental, economic, and social sustainability. At the Potato Sustainability Alliance (PSA), our goal is to make sure that effort is supported and recognized by potato buyers and consumers.

Currently, one of the important tools we employ to measure and demonstrate sustainability over time is our annual PSA survey, which is out to growers right now. This important survey and the responses of over 600 potato growers provide data and baseline information showing our progress as an industry. As the expectations of the buying public around sustainability issues continues to evolve, PSA will evolve as well. Our Board of Directors has established a plan for developing a comprehensive sustainability program for the potato industry. We are listening to the needs of our key customers, evaluating many current and future tools ongoing in other areas of agriculture, and most importantly, looking for ways to reduce the burden of reporting on farmers.

The PSA Program Design Team met recently to begin laying the framework of this comprehensive program. Over the next 12-18 months, new pieces of the program will be rolled out as they are implemented. The best way for everyone in the industry to stay abreast of the program and its development will be to subscribe to our e-newsletter, PSA Update. Anyone interested can subscribe [here](http://mesko@potatosustainability.org).

I hope you'll be able to join PSA at the Potato Expo in Anaheim, California, in early January, 2022. We will have a booth there with more information about PSA and the development of our program. If you have any questions, please reach me at mesko@potatosustainability.org or 763-260- 0209.

John Mesko, PSA Executive Director

Taking a look back over last year's potato crop, there are three things which stand out; First of all, harvest conditions were better for Alberta growers and generally for the rest of Canada than the previous two years, where 18,000 acres and 20,000 acres respectively, had to be abandoned at harvest. Secondly, even though harvest was better, weather continues to have a major impact on Canadian potato production. Severe drought in the eastern provinces of PEI and NB reduced yields by 25% to 40%. Our resulting production of 104 million hundred weight from the 2020 crop actually ended up being down from 105 million in 2019. All this occurring at a time when increased processing expansion required more production to meet market requirements. The third observation from 2020 is that industry had learned how to be more adapt at delivering potato products to markets in the middle of a pandemic. Table potato sales continued with good volume, chip sales surpassed past expectations, and French fry sales returned to almost pre-covid levels, as restaurants opened again. Unfortunately, seed growers still had to react to a knee jerk market with a supply expected to be very tight, moving to a slight overage.

The US crop, which has great influence on our markets, came in at nine million hundred weight less than the previous year, mostly driven by reduced production in the Columbia Basin, as their growers got caught up in volume reductions by fryers during planting time.

As always, communication is so important, to allow the various sectors of the industry to understand each other's needs, and also the various regional needs across the country. It was encouraging this year to see contract price increases across the country, to support increased levels of risk, and cost of production at the farm gate.

As an organization, UPGC worked through its second year of delivering programs through COVID-19 protocol restrictions. This year, we partnered with Potatoes in Canada to deliver the Canadian Potato Summit on February 3rd and with SpudSmart Magazine to host the Canadian Spud Congress on February 24th. Although not quite the same as in-person meetings, these virtual venues were well attended and allowed hundreds of viewers to get up-to-date supply and market information. In addition, the Potato Business Summit in conjunction with UPGA and PMANA, was held virtually in January, receiving thousands of viewings.

In closing, this will be my last report, as after ten years as General Manager of UPGC, and a 42-year career in agriculture, I have decided to retire.

I have really appreciated the opportunity to work with Alberta potato growers, as well as watch what was once a fledgling industry, grow into a powerful supplier of potatoes. Your kindness and support are treasured from you, as growers, along with the staff in the office of the Potato Growers of Alberta, and our two Board Directors, Terence Hochstein, and Mike Wind.

All the best for the 2021-22 season.

Yours truly,

Kevin MacIsaac, General Manager, UPGC

**WORKING TOGETHER FOR
PROFITABLE POTATO FARMING**



Thank You...

Best wishes to Kevin as General Manager of the UPGC organization on his retirement, after 10 dedicated years of helping to build the Canadian Potato Industry.



David Jones, Manager Potato Industry Coordination

The Canadian Potato Council (CPC) continued to meet throughout the year in virtual format given COVID-19 public health restrictions, to address issues of national significance to the potato industry in Canada. Virtual meetings were held in November 2020 and in March and July 2021. Several Working Groups continued to meet virtually and demonstrated progress on objectives, some of the work accomplished is described below.

The CPC is supported by the membership of eleven provincial potato grower organizations from eight provinces. Issues related to the seed sector are managed by the Seed Potato Sub Committee (SPSC). The elected Executive officials for the CPC fiscal year 2020-2021 are: CPC Chair - Bill Zylmans (BC), CPC Vice-Chair – Brenda Simmons (PE), CPC/SPSC Treasurer – Matt Hemphill (NB), SPSC Chair – Gord Visser (AB) and SPSC Vice-Chair – Deb Hart (AB).

Potato Research and Knowledge Transfer

Progress continued in eight potato projects (Colorado potato beetle, late blight, necrotic viruses, variety evaluation, smart farming, wireworm, potato early dying) funded under the AAFC Canadian Research Cluster for Horticulture 3 with the fourth field season completed.

The CPC Research Working Group implemented the Potato Cluster3 Knowledge Transfer Plan that included the following activities:

- Collaboration with SpudSmart magazine to publish an overview article of Cluster3 potato research and feature articles on projects in subsequent issues;
- Webinars on the wireworm (November 2020) and late blight (March 2021) projects;
- Launch of the Canadian Potato Research Cluster website in November 2020 for growers to access research project reports. Available: <https://potatoresearchcluster.ca/>.

Seed Potato Regulatory Modernization

Work by an industry/CFIA Working Group, with Deb Hart as the Industry Co-Chair, continues to review Part II (Seed Potato) of the Seed Regulations and modernize to current practices. As part of this initiative, a stakeholder survey was conducted in March 2021 as a baseline industry needs assessment of the Regulations that are adequate, and those that are problematic or could be improved. Results of this survey will guide the discussion of smaller Task Teams that will examine specific aspects of the Regulations, including traceability, field inspection, certification, grading, movement, variety registration, import/export and testing standards.

Crop Protection in Potatoes – PMRA Re-Evaluations

The CPC had in previous years responded to Pest Management Regulatory Agency (PMRA) Proposed Re-evaluation Decision consultations that proposed the cancellation of many products that would negatively impact potato growers in Canada. Products that were all previously proposed to be cancelled on potatoes, but after public consultation and submissions by all stakeholders, including the CPC, positive outcomes were communicated in Final Re-evaluation Decisions issued since July 2020 that allowed continued use on potatoes with risk mitigation measures implemented:

- phosmet (Imidan), lambda-cyhalothrin (Matador/Silencer) insecticides;
- linuron (Lorox) herbicide
- thiophanate-methyl (Senator) fungicide

Some PMRA Final Re-evaluation Decisions were to cancel product use on potatoes [chlorpyrifos (Lorsban Insecticide), pymetrozine (Fulfil Insecticide)].

CPC has continued to advocate for the PMRA regarding the registration of bifenthrin (Capture insecticide) for wireworm control in potatoes. As an interim measure, PMRA granted Emergency Use Registration Alberta, Saskatchewan and Prince Edward Island until September 30, 2021.

Potato Grade Standards Review

The Potato Grade Standards in the Safe Food for Canadians Regulations were reviewed by an Industry Working Group. Revised grade standards with table-based format and greater alignment with US standards were completed in March 2021, and have been submitted to the CFIA for review.

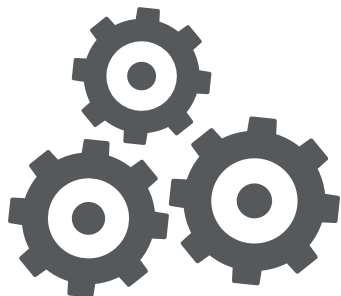
Bacterial Ring Rot and Sanitization

The CPC hosted a webinar on *Impact, Biology and Management of Bacterial Ring Rot*, presented by Dr. Ron Howard and Dr. Mike Harding in March 2021, with 127 attendees. The webinar emphasized sanitization, within the context of developing an on-farm biosecurity program for this and other significant disease threats on potato farms. The webinar recording can be accessed [here](#).

Export Market Development

An application was approved for funding of Potatoes Canada (AB, NB, PE) export market development activities for the 2021-2022 and 2022-2023 fiscal years under the AAFC AgriMarketing Program. Pending COVID-19 restrictions, activities are scheduled for the end of this fiscal year.

David Jones, Manager Potato Industry Coordination CPC



Communication

PGA TEAM

L-R:

Thomas McDade - Agricultural Director

Deb Brewin - Communications/
Promotions Director

Terence Hochstein - Executive Director

Cindy Fletcher - Office
Manager/Financial
Administrator

Stacey Bajema - Seed
Coordinator

Juanita Stange - Administrative
Assistant / Accounts / Events

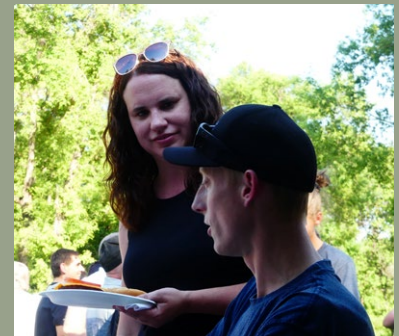


Engagement

PGA GOLF TOURNAMENT AT PARADISE CANYON GOLF RESORT



APIA BURGERS & BEANS BBQ IN TABER



POTATO GROWERS OF ALBERTA

Working & Growing Together



Thank you

Special thanks to all of our committee members for volunteering your time and talents to the success of our industry. The many hours that you commit to are greatly appreciated!

Annual report created by Deb Brewin, PGA Communications & Promotions Director
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