



POTATO GROWERS OF ALBERTA



ANNUAL REPORT

2019-2020

Year ending July 31, 2020

GROWING HEALTHY POTATOES TOGETHER

What is the PGA?

ENGAGEMENT

SUSTAINABILITY

LEADERSHIP

COLLABORATION

COMMUNICATION

The PGA is a progressive organization, based on the unity of our members. We continually strive to enhance unity through member involvement and **engagement**.

Our members operate in an industry founded on tradition and impacted by change. We support our members by focusing on environmental, economic, industry and grower **sustainability**.

In order to be responsive to our members and proactive in addressing the challenges of the future, we strive to excel at servant **leadership** and **collaboration**.

Communication is vital to all we do. Through the use of skills, technology and understanding, we ensure that we communicate in a truly-effective manner.

TABLE OF CONTENTS

PGA Board Report	3
Executive Director Report	4-5
Process Industry	6-7
Seed Industry	8-9
Table Industry	9
Potato Research	10
PSA Report	11
PGA Scholarships.....	11
Business Meeting Minutes	12-13
AgSafe Alberta Report	14
CPC/CHC Report	15
UPGC Report	16-17
APRE Report	17
Auditor Report	18-19
Financials (July 31, 2019)	20-21
PGA Team / Tribute To Deb Hart ...	22-23
Thank You	24

LEADERSHIP

BOARD OF DIRECTORS

Our annual meeting is very often an opportune event to have a snapshot of the year's collective moments. Most times, we get to relive the past year in small ways as we share with friends and colleagues all the good, bad and amazing things which occurred over the season. As with many things, a global pandemic has dramatically changed this norm as well. This year, we do not have the privilege of being able to assemble en masse to enjoy each other's company and attend to our industry's business matters. That being the case, we are thankful for the improvised solution of having virtual meetings, which will suffice for the time being.

Difficult as this pandemic may seem at times, it does provide us a sobering occasion to take a step back and look at how surrounded we are with so much good. Our health may be a top concern, but we have a world class health system to fall back on, which is not the case with many around the globe. Most of us have warm homes, plenty of food and clothing, and the ability to interact with people, while respecting social distancing.

To add to this, we are privileged to grow potatoes in this beautiful province! While uncertainty can be an easy focal point, let's

remember to see the many good things around us, as well. The Board and PGA staff have certainly been busy adapting to the myriad of issues throughout the past year. Typical tasks were attended to, such as; research, communication, engagement and organizational management. In addition, time was spent addressing some of the unique challenges presented by COVID-19. I'd also like to acknowledge the fantastic work that our staff Cindy, Deb B., Thomas, Patti, Juanita, Deb H, Stacey, and Terence put into our organization, especially through the circumstances of the past year. They have been dedicated to maintaining the PGA's course of business and directives, so we are well served by their efforts.

As we take stock on the year behind us, and adjust to some new normal, I hope you'll continue to appreciate what a good thing we have going with our industry here. Please take time to enjoy this annual report, and on behalf of your Board, thank you for being part of 'advancing the potato industry in Alberta.'



Russ Van Boom, PGA Board Chairman

Back L-R:

Lyndon Nakamura (Director-at-Large), Tony Bos (South Area Director), JP Claassen (Director-at-Large), Jeff Ekkel (North Area Director),

Front L-R:

Michel Camps (South Area Director, Vice Chairman), Russ Van Boom (North Area Director, Chairman), James Bareman (Director-at-Large)



EXECUTIVE DIRECTOR

Terence Hochstein



"If things start happening, don't worry, don't stew, just go right along and you'll start happening too." - Dr. Seuss

"Sometimes things start to happen and we didn't plan for them, or we weren't expecting them. But it's times like these that you just have to get moving as well, move with those things so that you can ride them out rather than having them run you over. Grow to the situation, don't let the situation grow out of control. Spending time worrying about it or pouting about it isn't going to make matters any better. This is perhaps Dr. Suess's way of saying go with the flow rather than against it." - Bright Drops

In their own unique way, Dr. Seuss' simple words of wisdom capture the past 12 months of the Potato Industry in twenty words or less.

The 2019-20 crop year started out with a great deal of optimism and opportunity, with close to 62,000 acres being planted in the province. With Cavendish Farms' new plant up and running, the Processing Industry was looking forward to increasing their acres over the next couple of years to meet the rising demand in the fry industry. This in turn, coupled with rising export sales, was giving the Seed Industry an added boost, and an opportunity to expand their acres as well. Not to be outdone, the Fresh Industry continued their slow, but steady rise, with the continued addition of creamer potato acres from LPC and fresh growers adding additional acres to meet their market demand. Growers were excited that their industry was growing after many years of maintaining status quo.

Anyone that is involved in the world of agriculture fully understands that you can do everything right and still

have things go sideways and out of control. After having survived the summer hailstorms and excessive moisture in the north, Mother Nature threw a curveball at everyone with a September 28th snowstorm, dropping over two feet of snow on the province and temperatures that plummeted to well below freezing. The snow initially provided a blanket of insulation for the crop, but eventually it melted and the saturated ground did not survive the next round of freezing temperatures a week later. All in all, growers ended up leaving about 5000 acres of their crop in the ground, dashing hopes of a successful 2019 crop.

As is the case with most farmers, our belief is that what's behind us is done, let's move on, next year will be better. Fast forward to March 2020 and wow, what just happened? Where did this come from? What seemed like overnight, the world changed forever, countries were locked down, businesses were shuttered, people were losing their jobs or laid off, and many were sick or dying from a pandemic that we knew very little about. Welcome to the world of COVID-19, a virus that will forever alter how this world will operate.

The Potato Industry was not immune to this global shut down. As the pandemic unfolded, the Restaurant Industry virtually disappeared, forcing processors to shut down, as their freezers were full. With full freezers and diminishing sales, contracts were broken and growers were forced to find sales for their raw product on their own. In the end, all of the 2019-20 processing crop did find a home, but it took many days of creative thinking to make this a success. The same could not be said for the Seed Industry here, in Alberta. With acres being cut back for the upcoming crop across North America, many seed orders were cancelled at the last minute. What started out as a year of having every potato in the shed sold, turned into the Seed Industry having to dispose of over 12,000 ton of high-valued seed. This loss will have a lasting effect on our Seed Industry for years to come. The unfortunate part, with all of the government programs that were unveiled throughout this whole situation, the Potato Industry, like many agricultural industries, fell through the cracks and were left to fend for themselves. The hours, days and weeks of lobbying, in the end, fell on deaf ears.

The planting of the 2020 crop rolled around with greatly-reduced acres and a sense of trepidation of what this industry will look like moving forward, and when will it recover to the 2019 levels. Only time will tell as the globe continues to deal with the COVID-19 pandemic.

The PGA Team, like everyone else, was also dealing with all of the changes happening in the world, as our offices literally went remote in the middle of March. With everyone working from home, it made it extremely trying for our two newest team members to learn the ropes. With the retirement of Roberta Sebok (Admin. Assistant) and Deb Hart (Seed Coordinator) this past year, the learning process for Juanita Stange (Admin. Assistant) and Stacey Bajema (Seed Coordinator) has proven to be interesting, to say the least. Both ladies have done a remarkable job, given the circumstances.

After 16 years of dedicated service, Deb Hart has decided it was time to pursue her favorite pastime, her grandchildren. Everyone in the Potato Industry wishes Deb all the best on the next journey in her life. (More on Deb's retirement on Page 22).

As we all try to understand what everything will look like moving forward, I would like to personally thank all of my team for their perseverance and dedication, as we navigate this "new normal". Thank you to our retirees, Roberta Sebok and Deb Hart for all of your hard work over the years and thank you to Cindy, Patti, Deb B, Stacey, Juanita and Thomas for your continued willingness to adapt and strive to bring this association to new heights. You continue to make this a world-class organization.

This past year has also been trying for our Board, as they navigate many changes to our business. A huge thank you for your willingness to serve, and your continued guidance. Thank you to Russell Van Boom (Chairman), Michel Camps (Vice-Chairman), Tony Bos, James Bareman, Lyndon Nakamura, Jeff Ekel and JP Claassen for your dedication and direction. Your leadership has, and will continue to lead this organization in a positive manner for many years to come. An extra thank you to Michel Camps who will be retiring from the Board, after six years of service to the membership.

In closing, it has been a pleasure working with and serving the membership this past year. In the wise words of Dr. Seuss, *"go with the flow"*.

Until next year,



Terence Hochstein, PGA Executive Director



Negotiating Committee Report Greg Nakamura - Chairman

Well, 2020 is certainly a year we would like to forget, but likely will not. It started off fine, with negotiations looking positive and growers looking for an increase in return, as we were coming off a 3-year contract that had been flat. As a result of the flat contracts, Alberta had fallen behind the other areas. Negotiations started earnestly in January, as we met with all three processors at Potato Expo. We then met again, several times with each processor, finally coming to an agreement with all three by the beginning of March. Cavendish was the first to settle, with a 2-year agreement that saw growers receive an increase to be spread over the two years. McCain and Lamb Weston followed with a 1-year contract, with growers also receiving an increase. At that time, I was pleased we were able to settle the contracts early and that it would give growers plenty of time to prepare for the 2020 crop.

Then the corona virus hit, and the world suddenly came to a halt. Countries and businesses were shut down. Processors told us, in late March, that contracts could be cut by as much as 30%, due to lost sales and uncertainty in the industry. That left growers wondering what to do with the extra acres they had prepared for their 2020 potato crop, and seed growers suddenly going from sold out to having excess seed. With the shutdown lasting longer than anticipated, and borders continuing to be closed, the processors' inventories hit all time highs, causing plants to shut down while trying to move product. This, in turn, led to more bad news for the growers, as we were told that potatoes grown for the 2019 crop were being released. It was then back to the negotiation tables, to sit down with processors and try to come up with a solution to help soften the blow, for those growers that had potatoes being released. Fortunately, we were able to do this and find homes for those potatoes. I would like to thank the processors for working with the growers to find ways to eventually use all of the 2019 crop.

This year's crop appears to be in good shape, as harvest went without many problems. The yields appear to be about average, as there were certainly some exceptionally good,

Negotiation Committee Members:

Greg Nakamura (Chairman) - Nakamura Farms Ltd.

Stan Kanagawa - S-Scan Farms Ltd.

Mark Miyanaga - Triple M Farms

Mike Wind - Windiana Holdings Ltd.

Brian Tajiri - Tri-T Farms (2005) Ltd.

Tony Bos - Boston Farms Ltd.

Laus Stiekema - Stiekema-Kolhorn JV

Lloyd Ypma - Quattro Farms

Terence Hochstein - PGA Executive Director

but also some disappointing yields. Overall, the crop seems to be in good shape, with concerns over hollow heart and some extremely high solids. Even with the uncertainty of what Covid-19 means to the industry, it seems that fry sales have begun to climb a bit, leaving processors short and purchasing whatever excess Alberta may have. Still, with all the uncertainty that this pandemic has brought and no vaccine in sight, the industry will continue to be in a state of flux until we can get past this.

We will all have to continue to be patient, and work together as an industry. We will get through this.

Greg Nakamura, Chairman Negotiation Committee



Top: Official Cavendish Grand Opening October 3, 2019

PROCESS INDUSTRY

7

59

Licensed Process Growers



FRENCH FRY & FROZEN POTATO INDUSTRY

75%

of potato production in Alberta is grown for the frozen French Fry and potato chip market



1

Dehy potato plant in Vauxhall

45,500

Acres of process potatoes planted (Chip & Fry)



POTATO CHIP INDUSTRY



CALGARY | News

Southern Alberta potato processing industry fried by COVID-19



Terry VogtVideo Journalist
@CTVTerryVogt Contact

Published Tuesday, April 14, 2020 5:31PM MDTLast Updated Wednesday, April 15, 2020 9:47PM MDT



Southern Alberta's potato industry is being hit hard by COVID-19, as restaurant closures have caused plummeting sales of french fries.

Seed Committee Report Jeff Ekkel - Chairman



The Seed Committee continues to work on behalf of Alberta Seed Growers on business matters, both locally and internationally. We strive to encourage growers to embrace the Best Management Practices to maintain the high quality, low virus seed that Alberta is known for.

This has been a challenging year for the Seed Industry with the onset of the COVID lockdown happening during the shipping season. This resulted in some farms having lost sales and discarding good quality seed potatoes, as the markets for them disappeared rapidly. There has been a lot of work done by the Seed Coordinators and PGA staff to inform many levels of government as to how our industry operates.

I would like to thank our Alberta Seed Growers for their continued support, as it takes all of us working together to continue producing high-quality seed that our customers have come to expect. I would like to thank all the staff at the PGA for their hard work during this unique year.

Jeff Ekkel, Seed Committee Chairman



Top: Hoogland Farms 2019 potato harvest. Bottom Left: Great North Seed Potato farm high-generation seed field June 29, 2020. Right: Groeneweg Farms planting mini tubers 2020.



Seed Committee Members:

*Jeff Ekkel (Chairman)- Sunnycrest Seed Potatoes Inc.
Jake Hoogland - (Vice Chairman) Hoogland Farms
Gord Visser - Norbest Farms
Jan Vermue - West Edmonton Seed Potatoes (2002) Ltd.
Ben Meyer - Meyer Farms Ltd.
Tony Kirkland - Sandhills Seed Potatoes Ltd.
Peiter Kamper - Belly River Seed Potatoes Ltd.
Bruce Chedzoy - Chedzoy Farms
Stacey Bajema - PGA Seed Coordinator*

Potatoes for everyone as huge donation reaches NWT

Published: June 3, 2020 at 9:47am - SARAH PRUYS



Calgary Food Bank @CalgaryF... · 20h

#DYK 83% of our donations come from our food industry partners? By working together we can ensure food is delivered to where it is needed most and work towards a hunger-free community with zero waste.

📷: Potato Growers of Alberta Donation

ow.ly/nfNH50ABx0h
#FeedYYC



🗨️ 2 ❤️ 6 🔄

Alberta potato farmers optimistic for harvest after pandemic soiled supply lines

Author of the article:

Dylan Short

Publishing date:

Jun 30, 2020 • Last Updated 3 hours ago • 4 minute read

SEED INDUSTRY

46

Licensed Seed Growers

2

Nuclear Growers



50%

of total seed production
is exported to the US
& several Canadian
provinces



12

Licensed Greenhouse
Growers



218

potato varieties grown each year.
The Russet is the most popular.

12,300

Acres of seed potatoes planted

ALBERTA IS CANADA'S
#1 EXPORTER OF SEED
POTATOES.



TABLE INDUSTRY

58

Licensed Table Growers

4100

Acres of table potatoes planted



Top Varieties:

H0200

Baby Boomer

Russet

Sangre

Purple Prince

Perline

53

Licensed Packer/Dealers
plus several Market
Gardens



POTATO RESEARCH



Research Committee Report Harold Perry - Chairman

It has been another busy year for the Potato Growers' research portfolio. Despite the challenges that the global pandemic brought us, the research projects continued to move forward this year. Although some of our plans had to be changed, the research projects that the PGA supports continued in the 2020 growing season.

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 are available on the PGA website).

- | | |
|---|-------------------------------------|
| ■ Chemical Resistance to Colorado Potato Beetle | ■ Potato Early Die Complex |
| ■ Wireworm Control and Management | ■ Late Blight Strain Tracking |
| | ■ National & Alberta Variety Trials |

The PGA has continued to support Dr. Mario Tenuta's Canada Potato Early Die project (CanPEDNet), as part of the Cluster 3 Research Projects. Although this project was not initially selected for funding by the national AgriScience Clusters Program, an alternative source of funding was found via the AgriScience Project Program. The CanPEDNet Project resumed activities in 2019. The University of Lethbridge Potato Research Chair is collaborating with Dr. Tenuta on this project. Part of the collaboration on this project was to collect soil samples from approximately 35 fields in 2019 and 2020, in Southern Alberta, including collection of tuber samples this fall from the 2019 soil sampled fields.

The Potato Variety Trials were once again held at CDC Brooks, in partnership with AAFC, Lethbridge College, AAF, Little Potato Company and Industry partners. In response to the many changes within Alberta Agriculture and Forestry, Lethbridge College was selected as the new program lead for the Alberta Variety Trials. Due to the closures of the AAFC offices in March and April, we were fearful that the 2020 growing season would be lost. However, after much planning, the trials did get planted in good time this spring, and all of the plots were harvested by the end of September. A comprehensive list of research project reports are posted on our website.

Research Committee Members:

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

The University of Lethbridge, once again, conducted all of the lab activities for the Pest Monitoring Program. The 2020 growing season turned out to be a surprisingly quiet year, with respect to disease and insect pressure. As usual, the spore traps did detect a few hot spots over the growing season but overall, the spore activity in the traps was quite low. This year, no potato psyllids were found in the traps and the aphid counts were very low.

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, all while keeping pest cycles in mind. I believe this is an important time for soil health, as we are losing more pesticides each year through increased pressure from the general public. Proper soil health will keep plants healthier and thereby, naturally resist more pests. We intend to present the PGA members this content throughout the winter, using virtual tools.

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

Harold Perry
Research Committee Chairman

SUSTAINABILITY



PSA Report
Mike Wind - PGA Rep

The P.S.A. is continuing to meet the challenge of sustainable issues that affect the potato industry. Within P.S.A. there are issues that individual growers can solve for on-farm, and issues that require strategic collaboration and partnerships. As we continue along our sustainability journey, we will work through the round table meetings to identify and prioritize the sustainable issues.

This year marks the eleventh straight year of surveys, and we expect nearly 600 growers to complete it. The survey will

be released in mid-October and growers will have up to mid-December to complete and submit their responses.

The P.S.A. team has been working with our IT platform provider, Anthesis, to conduct pre-release testing to ensure a seamless survey experience to all users.

Any questions or suggestions are always welcome.

Sincerely, Mike Wind



2019-20 PGA SCHOLARSHIP PROGRAM RECIPIENTS



Luis Groot
Groot Farms
Year 1



Nelina Mans
Phoenix Farms Ltd.
Year 1



Madison Zalik
Prairieview Seed Potatoes
Year 1



Laura Haenni
Haenni Farms
Year 2



Chloe Perry
Perry Produce Ltd.
Year 2

Annual General Business Meeting

November 19 - 21, 2019

Cambridge Hotel & Convention Centre, Red Deer, AB

SESSION #1 WEDNESDAY, NOVEMBER 20, 2019 8:30 -10:00 AM

Session Chair: Russ Van Boom – PGA Board Chairman

-Welcome & Call to Order

Michel Camps, Vice-Chairman, called the meeting to order at 8:40 a.m. (in Chairman, Russ Van Boom's absence).

-Introduction of Special Guests

Michel Camps welcomed Janelle Hancock, Brent McEwan and David Hylink from Marketing Council and Dr. David DeKoyer from AAFC.

-Additions to Agenda

There were no additions to the Agenda.

-Approval of Agenda

*Motion: To approve the Agenda as presented. A. Hazelhoff/
J. Bennen. Carried.*

-Approval of Minutes: 2018 AGM November 14-15, Edmonton, AB

Michel pointed out the minutes are in the Annual Report.

Motion: To approve the minutes of the 2018 AGM.

J. Rozendaal/J. Bennen. Carried.

-PGA Chairman's Report

Michel presented the Chairman's Report, in Russ' absence. Highlights of the year were the progress made in industry and the benefits of working together as an industry.

Motion: To accept the Chairman's report.

M. Camps/M. Wind. Carried.

-2018-19 Financial Statements – Calvin Scott, AVAIL CPA

Calvin presented the Auditor's Report, also shown in the Annual Report. Calvin stated the Potato Growers of Alberta are in good financial standing. It was reported there is no risk for the PGA to administer the AAFC Cash Advance Program, and the research funds shown on the statement are held in trust for the researchers.

Motion: To approve the Financial Statement as presented.

J. Bareman/ J. Rozendaal. Carried.

Executive Director's Report

Terence Hochstein welcomed everyone to the conference and thanked the generosity of the sponsors. Alberta experienced bad weather during the growing and harvest season, affecting 15% of the crop. Overall, it was a good year for seed and fresh acreage was up a little. Because of poor harvest conditions in other parts of Canada and the US, there will be a high demand for seed, so Alberta commercial growers should talk to their seed supplier now to ensure seed for their 2020 crop. There will be potatoes coming into Alberta for processing and any overage has been purchased. The PGA continues to work with AFSC on crop insurance for seed and creamer classes. Alberta is the only province left with hail coverage.

Thanks to Hanneke Camps for her work on the AgSafe Program, and to the Board of Directors and Committees for their work on behalf of the Industry in Alberta. Thanks to the staff for their hard work.

-Call for Nominations: Director-at-Large (3-yr. term)

Lyndon Nakamura was nominated at the South Area Meeting. The second call for nominations was made, with no further nominations brought forward.

-Call for Resolutions: Tony Kirkland & James Bareman

Tony Kirkland made the second call for resolutions. James Bareman presented Resolution 2019-01, the "Up To Clause". The resolution will give the PGA authority to change levies without legislative change. Discussion took place regarding the purpose of the resolution: The PGA doesn't want to have access funds in the account as the PGA is a not-for-profit organization, levies could be lowered if there is a large surplus, but also give latitude to increase the levies again if needed. If the resolution is carried, the Board does not have to act on the resolution immediately, but action can be taken, if required. It was suggested comments could be made to the Board on services that could be provided to the PGA membership or projects that could be considered. It was decided to continue the discussion at the Thursday Business Meeting.

•Financial Responsibility and Accountability

Discussion regarding the financial responsibility and accountability took place during the Up To Clause Resolution presentation.

Adjournment

Motion to adjourn the meeting: T. Kirkland.

SESSION #1 WEDNESDAY, NOVEMBER 20, 2019 8:30 -10:00 AM

Session Chair: Russ Van Boom – PGA Board Chairman Welcome

Russ Van Boom, Chairman, welcomed everyone to the meeting at 8:44 a.m. and introduced Janelle Hancock from Marketing Council.

•Appointment of Auditor

*Motion: To appoint Avail CPA as the auditor.
G. Nakamura/T. Kirkland. Carried.*

•Final Call for Resolutions – Tony Kirkland & James Bareman

James Bareman read the revised Resolution 2019-01, which included two wording amendments. Tony Kirkland made the 3rd and final call for resolutions, with none coming forward. There was no further discussion regarding Resolution 2019-01.

Motion: To accept Resolution 2019-01. L. Nakamura/JP Claassen.

•Vote on Resolutions

A vote for Resolution 2019-01 took place with one ballot for each licenced farm. Janelle Hancock from Marketing Council tallied the votes, results being 53 in favour of the resolution and 1 against.

•Financial Responsibility and Accountability

Russ Van Boom mentioned there will be a change in the proposed levy plan for the crop year 2020/21. In the regulations, it states 1/6 of the seed and fresh levy goes to research and \$.01 of the process levy goes to research. The Board feels the amount should be the same for all sectors of the industry.

Motion: to change the wording in the Regulations to reflect the same research fee for all sectors of the industry. M. Camps/M. Wind. Carried.

There was further discussion regarding the Up to Clause and how it may be too early to start planning to implement the clause, as there could be a crop failure. Some suggestions to address the excess funds are repairs to the office in Taber, and a diagnostic lab in Alberta to provide services to Alberta and Western Canada.

•Canadian Potato Council Update.

A report is included in Annual Report, however, if there are any questions talk to Deb Hart.

•APRE Update

John Bareman provided a report in the Annual Report.

•PSI Update

Mike Wind announced his report is in the Annual Report, but highlighted the name will be changed to PSA Alliance, and an Executive Director has been hired, located in Wisconsin. Audits will continue with the 2020 crop, with some administrative changes made to the program, audit and survey.

•University of Lethbridge

The question was posed, asking for an update on the University of Lethbridge Potato Program. Terence provided an update with regards to the progress of this program.

•Third Call for Board Director Nominations

The third call for nominations was made, with no further nominations.

•Elections

Lyndon Nakamura was acclaimed for a second term as Director-at-Large.

•Other Items of Importance

There were no further items of importance.

•Adjournment

Motion to adjourn the meeting: T. Kirkland.

AGSAFE ALBERTA

Hanneke Camps - PGA Rep

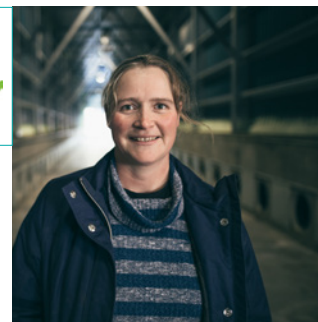
Vision: Safer farms and ranches across Alberta.

Mission: To support a culture of safety on farms and ranches in Alberta through information, education and training.

It was a challenging year, to say the least, at AgSafe. We managed to continue having either virtual or in-person meetings about every 2-3 months. Farm visits by advisors, trade shows and presentations were nonexistent the past 6 months. We shifted to webinars on different topics, like emergency response and hazard assessment, which were delivered about twice a month. The new and updated AgSafe Safety Manual was finalized and presented at our Annual Meeting in January. This manual will be continuously updated as legislation changes.

Our staff and advisors worked hard on getting our online platforms rebuilt with a member sign-in, so farmers and ranchers can work on modules to complete an AgSafe Certification. Four different levels of certification are available, depending on the size and number of employees on your operation. Membership and certification are still free, with the help of producer group financial commitments and a government Growing Forward grant.

Moving ahead, we will continue working with farmers to build their safety manuals. If you are not signed up already, check out



our website www.agsafeab.ca.

You can sign up for the monthly newsletter for handy tips and awareness on many aspects of safety on the farm, along with completing your certification. It gives you a chance to recognize what you already do on your farm and improve where it is needed.

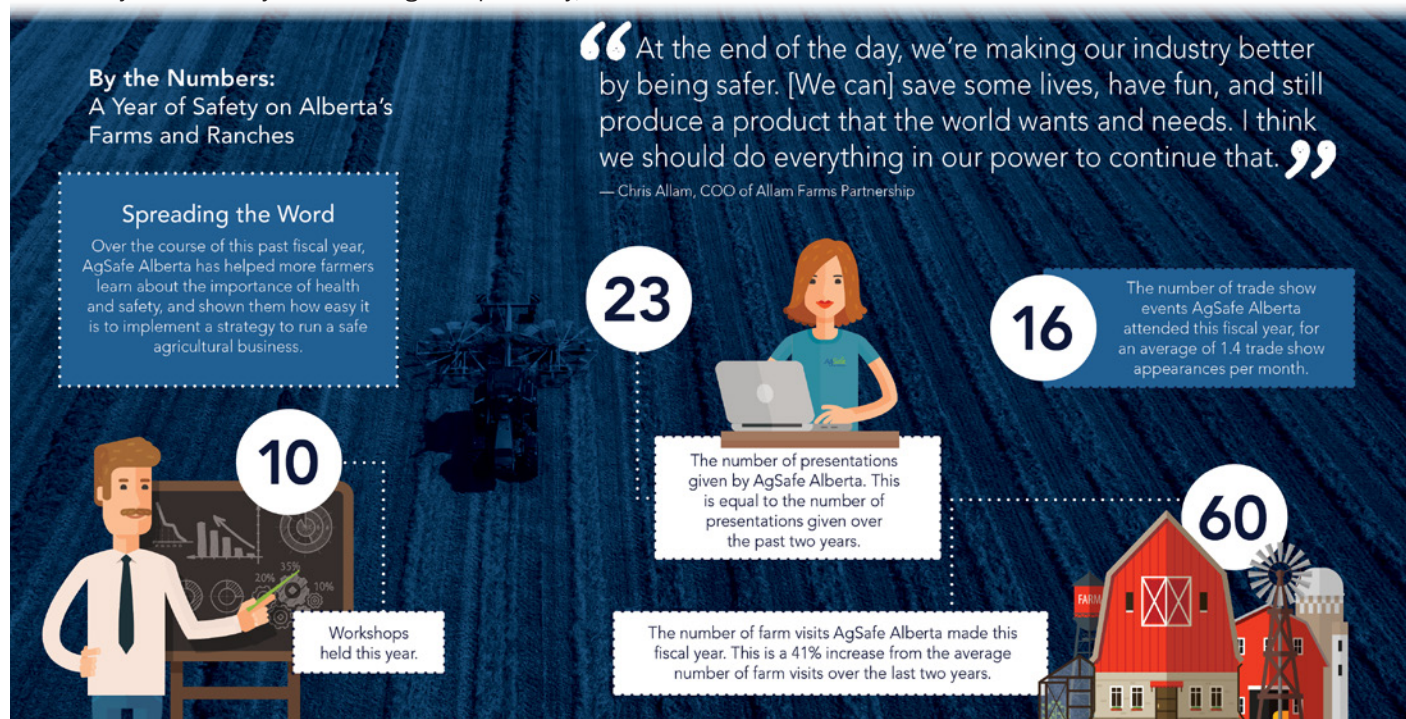
CURRENT BOARD OF DIRECTORS:

Chair- Kent Erikson, Alberta Wheat
 Vice Chair- Erna Ference, Alberta Poultry
 Kelisha Archer, Alberta Pulse
 Miranda Verhoef, Alberta Milk
 Ruben Waldner, Alberta Pork
 Charlie Christie, Alberta Beef Producers
 Karleen Clark, Alberta Cattle Feeders Association
 Ian Chitwood, Alberta Canola
 Hanneke Camps, Potato Growers of Alberta
 Shane DeBock, Alberta Barley

Let's seed safety and let it grow!

Respectfully submitted,

Hanneke Camps, CP Farms Ltd.



CANADIAN POTATO COUNCIL

Bill Zylmans - CHC Chairman

The Canadian Potato Council (CPC) is supported by the membership of eleven provincial potato grower organizations from eight provinces. This year, the fresh potato growers from Saskatchewan joined as a new member organization in the CPC. Two face-to-face CPC meetings were held this year in Ottawa (December, March). The planned summer meeting was held in virtual format in July. The CPC undertook the following activities in 2019 in support of Canada's potato sector:

Potato Research

Progress continued in eight potato projects funded under the Canadian AgriScience Cluster for Horticulture 3: (Colorado potato beetle, late blight, necrotic viruses, variety evaluation, smart farming, wireworm and potato early dying). Potato projects have a total funding value of \$10.8 million, with AAFC contributing \$7.1 million and industry stakeholders (growers, processors, allied industry, universities) contributing \$3.7 million over five years. The current Research Agreement ends March 31, 2023.

This year the CPC Research Working Group launched a Knowledge Transfer Plan to communicate results of the research back to growers. The CPC and SpudSmart are collaborating to feature a Cluster Research Project in each upcoming issue, and for Cluster researchers to provide webinars on potato research over the upcoming months. In addition, a new potato research website will be launched to provide grower access to Cluster research.

Potato growers in the four provinces with French fry processing capacity (PE, NB, MB, AB) financially support the Alliance for Potato Research and Education (APRE) along with US grower counterparts and the four major processing companies. APRE funds go directly to support university clinical research in potato nutrition, cardiometabolic health, healthy dietary patterns and healthy lifestyles. Each year, approximately \$1 million (USD) in research studies are funded.

PMRA Re-evaluation

During the past year, Proposed Re-evaluation Decisions were issued by the Pest Management Regulatory Agency (PMRA), that would have a negative impact on the potato sector in Canada. The CPC submitted consultation responses to challenge the proposed discontinuations of chlorpyrifos (Lorsban, Pynrex insecticides), thiophanate-methyl (Senator fungicide) potato seed piece treatment and cyromazine (Governor insecticide). Final re-evaluation decisions on the important potato crop protection products linuron (Lorox herbicide) and mancozeb (Dithane fungicide) are expected before year end.



The CPC, through collaborative Working Groups, provided grower input to the CFIA on updated regulatory policy, related to unregistered potato varieties, garden varieties and true potato seed. Currently, separate Working Groups are reviewing the Potato Grade Standards under the Safe Food for Canadians Regulations and regulatory modernization of the Seeds Regulations.

Trade, Market Access and International Cooperation

Potatoes Canada, with whom the PGA participates, continued export market development for seed and fresh potatoes through generous cost-shared support provided by the AAFC Market Development Program that runs through to March 31, 2021. Market access requirements were updated and sector representatives attended Fruit Logistica Berlin to promote Canadian potatoes. Restrictions resulting from COVID-19 required cancellation of some budgeted activities after March 2020.

Policy and Regulations

The collaboration of CPC and the CFIA resulted in agreement with US counterparts to amend some parts of the bilateral guidelines for potato cyst nematode testing requirements, including small sample exemption and extended frequency between testing, for the export of seed potatoes between Canada and the US.

The CPC hosted the Canada-US Potato Committee Meeting in Ottawa in December, bringing together Canadian and US potato grower organizations, the CFIA and USDA-APHIS to discuss issues impacting bilateral trade. Following, the Potato Association of America Certification Section met with representation from the seventeen US state seed certification agencies, to discuss seed potato certification standards.

Potato Breeding Modernization

AAFC has continued efforts to modernize the Potato Breeding Program in Canada following the completion of an external review. A meeting of industry (growers and processors) with AAFC researchers and management was held in Red Deer, in November, to review and provide input to the breeding program and to discuss potential commercialization options.

David Jones, Manager Potato Industry Coordination on behalf of Bill Zylmans, CHC Chairman

UNITED POTATO GROWERS OF CANADA

Kevin MacIsaac - General Manager



The 2019 potato crop was another difficult one for many parts of Canada. Two years ago, it was felt when unharvested acreage, due to wet cold conditions, was unprecedented. Unfortunately, the 2019 crop was able to top that moving the unharvested acreage from 18,000 acres to 20,296 acres. The difference last year being that the two western provinces of Manitoba (13,000 acres) and Alberta (4,385 acres) were particularly hard hit, compared to two years ago. Given increasing high costs of production, it outlays the level of risk involved in growing potatoes, and in particular, later maturing varieties for the processing sector. Growers must always be cognizant of that fact when they are asking for contracted and market-driven increases. The level of risk and return on equity should bear an importance, second to none.

As a result of an incomplete harvest, our supply in Canada was only up 2,500,000 hundred weight or 2.4%. This was a disappointment for growers who had planted an additional 13,000 acres of potatoes in the spring, to supply increased needs for expansion of the Cavendish Farms processing plant in Lethbridge, and the JR Simplot processing plant in Portage LaPrairie. The issue with replacing the shortfall of approximately 7,000,000 hundred weight in Canada was compounded by the fact that likely sources of imports, such as the state of Idaho, had also experienced poor harvest conditions, similar to Western Canada, and had 20% of their crop affected by cold temperatures. Production in that state alone was down 7-8 million cwt., and overall in the US down 12,000,000 cwt.

The potato supply in the early months of 2020 could be characterized as a tight one, resulting in good prices for fresh potatoes, open processing potatoes being bought up, and some seed growers booked up completely, in anticipation of an expanding, vibrant Potato Industry.

That all changed on March 11th, 2020, as COVID-19 was declared a pandemic in our country, and around the world. As consumers were forced to stay at home, sit down restaurants were shuttered and people learned to cook again. Table potato sales were record setting, with difficulty keeping store shelves stocked. Chip potato sales increased exponentially

as consumers turned to their favorite comfort food. French fry sales dropped dramatically with only drive-thru's open to service the needs of quick service restaurants. Seed sales were reduced or cancelled as fryers reduced contract volume anywhere from 15%-25% and growers planned to cut acreages accordingly.

UPGC devoted many hours of time to helping industry, and also consumers, understand these changes occurring often on a daily basis. In addition, UPGC worked hard at getting the Government of Canada to recognize the dire state of the industry and the need for federal assistance to help growers replace income from storages of potatoes now without a home. Although Canadian agriculture was successful in receiving an announcement of federal funding on May 5th, our organization was disappointed with both the timing and the low level of funding actually going back to growers of potatoes. The United Potato Growers of Canada conveyed those thoughts when we were asked to present to the House of Commons Standing Committee on Agriculture in late May. The latest federal government announcements directed funding towards Food Banks to purchase surplus produce, which seemed to have minimal benefit to actual growers.

Amazingly enough, the industry changed course again in June, as French fry demand returned quicker than expected as the country opened up again. Fryers realized they had overreacted to concerns about excess supply and trimmed more volume than they now anticipate needing. Unfortunately, this realization came after planting was complete in many areas and some remaining old crop had either been dumped or moved to other channels. Never before has communication been so important, so the various sectors of the industry understand each other's needs and also the various regional needs across the country.

With the advent of COVID-19, the working mechanisms of organizations like the United Potato Growers of Canada has radically changed. No-out-of province travel has occurred since March 13th. Business is conducted by conference calls and video conferences, such as Zoom or Go to Meeting. National events like the Potato Business Summit, the Crop

Transition Conference, and United Potato Partner Seminars have had to be cancelled or conducted virtually. This appears to be a new reality and one that our grower supporters will have to decide whether to support or not. The cost of doing business is less but one misses the personal connections and relationships built with growers and industry partners since our inception in 2006.

Grower decisions to support our organization have been critical to maintaining our existence. Realizing the many initiatives that farmers are currently asked to contribute for, your support and encouragement is very much appreciated.

In addition to grower support, it is also the partnership with private industry that keeps dues to a minimum. Thanks are also extended to our industry partners for their valued support including: Farm Credit Canada, The Quebec Packers Association, Equipment Capitale, Coderre Packaging, Seneschal, FMC, PEI Bag Company, and Allan Potato Equipment.

In addition to the support of the staff in the office of the Potato Growers of Alberta, UPGC would also like to recognize our two board directors from Alberta: Terence Hochstein and Mike Wind – your continued support has been critical to our organization.

Finally, although this has been a year of dramatic change in the world, growers of food, and particularly potatoes, have become an even more important link in the food chain of our society. Consumers seem a little more appreciative when they look to store shelves or restaurants and see safe food products produced in an area they are familiar with. Growing potatoes is truly an essential service!

Yours truly,

Kevin MacIsaac
General Manager
United Potato Growers of Canada



ALLIANCE FOR POTATO RESEARCH & EDUCATION

John Bareman



Alliance for Potato Research and Education (APRE) continues its work in finding and funding areas of research and education.

Some of APRE-funded research that has been completed and accepted for publication in various scientific journals are:

Dr. Brent Ruby's study "Males and females exhibit muscle glycogen with varied recovery food sources," Conclusion is white potatoes can help the body replenish its muscle glycogen (energy stores) as effectively as commercial sports nutrition products.

Dr. Brook Devlin's study "How nocturnal blood glucose responds to a potato-based mixed evening meal compared to rice in people with type 2 diabetes." The study concluded that potatoes need not be avoided by people with type 2 diabetes.

Dr. Nick Bellissimo's study "Effect of white potatoes impact on satiety and glycemic response in older adults." The results of

this study are positive for potatoes.

For more information on these and other research projects visit the APRE website. <https://apre.org/>

Membership matters.

Lamb Weston has informed the Board that they have made the decision to leave APRE as a contributing member.

This and other pandemic matters will have an impact on the financial affairs of APRE. The Board has been prudent in limiting spending beyond 2021.

The Executive for the APRE Board for 2020 and 2021 are: President, Peter Johnston - Cavendish Farms
Treasurer, Dan Moss - Idaho Grower Vice-Chair, Ernest Embola - Simplot.

Respectfully submitted,
John Bareman, APRE Rep



AUDITOR REPORT



CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2020, 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, 2020, and its results of 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.

Avail LLP

Lethbridge, Alberta

October 28, 2020

Chartered Professional Accountants

FINANCIAL REPORT

POTATO GROWERS OF ALBERTA STATEMENT OF FINANCIAL POSITION As at July 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 345,080	\$ -
Short-term investments (note 3)	940,000	959,590
Accounts receivable	202,723	214,775
Interest receivable	62,278	43,891
Inventory	23,306	35,192
Prepaid expenses	52,201	56,145
Funds held on behalf of others (note 9)	1,241,582	690,847
Current portion of crop advances receivable	895,946	1,081,728
	3,763,116	3,082,168
Crop advances receivable (note 4)	1,695,250	1,000,000
Long-term investments (note 5)	1,795,000	1,720,000
Investment in Alberta Seed Potatoes Inc. (note 6)	8,000	8,000
Capital assets (note 7)	357,809	388,374
	\$ 7,619,175	\$ 6,198,542
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 131,817	\$ 161,699
GST payable	1,890	4,989
Payroll remittances payable	17	3,683
Deferred contributions (note 8)	157,331	181,925
Funds held on behalf of others (note 9)	1,241,582	690,847
Current portion of loans for crop advances	895,946	1,081,728
	2,428,583	2,124,871
Loans for crop advances (note 10)	1,695,250	1,000,000
	4,123,833	3,124,871
Commitments (note 15)		
Net assets		
Unrestricted	786,071	943,243
Internally restricted (note 11)	2,351,462	1,742,054
Invested in capital assets	357,809	388,374
	3,495,342	3,073,671
	\$ 7,619,175	\$ 6,198,542

Approved on behalf of the board:

Director



Director



POTATO GROWERS OF ALBERTA

STATEMENT OF OPERATIONS

For the year ended July 31, 2020

	2020	2019
Revenue		
Levies and licenses	\$ 1,617,084	\$ 1,601,724
Registrations and sponsorship	169,090	180,072
Grants and recoveries	168,585	56,405
Advance Payment Program interest	71,269	75,072
Interest	67,342	47,341
	2,093,370	1,960,614
Expenses		
Wages and benefits	637,056	592,440
Research and industry development	282,839	246,754
Annual general meeting	180,537	171,484
Memberships	105,452	86,087
Advance Payment Program interest	69,838	75,072
Meetings and travel	68,043	75,664
Office and administration	49,458	43,507
Negotiation costs	43,651	34,664
Advertising and promotion	41,133	82,126
Telephone and utilities	33,209	32,759
Property costs	23,124	27,525
Professional fees	20,794	21,932
Extension and grower education	19,453	24,707
Insurance	16,385	14,927
Automotive	14,477	25,434
Donations	10,111	14,821
Bad debts	4,787	410
Amortization	47,212	40,293
	1,667,559	1,610,606
Excess of revenue over expenses from operations	425,811	350,008
Other expense		
Loss on disposal of capital assets	4,140	-
Excess of revenue over expenses	\$ 421,671	\$ 350,008

PGA Team

Tribute to Deb Hart Outgoing Seed Coordinator



The Potato Growers of Alberta hired Deb as the Seed Coordinator on May 11, 2004. “Over the years, Deb created a Seed Coordinator position that is the envy of every potato grower organization in North America. She is the go-to person in the Seed Industry”- *Terence Hochstein, PGA ED.*

Deb has tirelessly served the Seed Potato Growers of Canada as Vice-Chair of the Seed Potato Sub Committee of the CPC, CPC representative to the AAFC Seed Sector Value Chain Roundtable and as the Ministerial Appointment to the Plant Breeders’ Rights Advisory Committee. Contributions have also included presenting expert testimony on Plant Breeders’ Rights to both the House and Senate Standing Committees on Agriculture.



Western Canada Mexico Exporters Conference 2012. Elly Konst-Vander Veldt, Jake Hoogland, Deb, Jeremy Kuhl, Kirby Sawatsky far right.

Alberta growers have been represented well in CPC national activities. Through work on the Potato Task Force, Deb’s contributions to document the negative impacts of proposed CFIA Policies on Canadian potato growers, including a decision to cease seed tuber inspection and revise cost-recovery fees were invaluable. Ongoing contributions to various Working Groups, addressing specific potato sector issues include true potato seed and potato cyst nematode. Export market development and market access for Canadian seed potatoes has benefited through Deb’s membership on the Potatoes Canada Steering Committee.

- *David Jones, Former CPC Chairman, Manager Potato Coordination Industry.*

“Deb has been a tremendous asset for the potato growers here, in Alberta. The passion and knowledge that she brings to her tasks is second to none. Her involvement across the country, and across the continent, has led to the strong position Alberta and Canada enjoy in the Potato Industry today.” - *Russ Van Boom, PGA Chairman*



Top: Thailand Seed Trip 2017 (after securing trade market). Bottom Left: Deb dressed in her safety gear for Amazing Ag in Edmonton, 2019. Bottom Right: Terence Hochstein, Deb, John Bareman, Gord Visser, Jeff Ekkel at the Canadian Embassy in Washington. D.C for Canada/US meeting, 2018.



Deb was honoured at the 2019 AGM banquet, with many well wishes from people she has worked with all across North America.

She has built a huge legacy and made hundreds of friends during her time with the PGA. On behalf of the Board and Staff, we thank Deb and wish her all the very best on her retirement.



Bottom: Minister of Ag, Devin Dreesen congratulating Deb at our 2019 conference banquet.



COMMUNICATION

Cindy Fletcher
Office Manager
Financial Administrator



Thomas McDade
Agricultural Director



Patti Lamb
Executive Assistant/
Accounts / Events



Deb Brewin
Communications /
Promotions Director



Stacey Bajema
Seed Coordinator
Began March 2020



Juanita Stange
Administrative Assistant
Began March, 2020



Roberta Sebok
Administrative Assistant
Aug 2018-Jan 2020



ENGAGEMENT



2019 Potato Conference



Top: 2019 South Harvest Demo
Bottom: Ag Expo Booth





Thank You...

To all of our sponsors and partners for your continued support each year. A special thank you also, to grower members, who step up to volunteer on committees, help at tradeshow and other events. You are all so appreciated!



www.albertapotatoes.ca



Main Office

6008-46 Avenue
Taber, Alberta T1G 2B1
Phone: 403.223.2262
Email: pga@albertapotatoes.ca

North Office

CDC North
17507- Fort Road
Edmonton, Alberta T5Y 6H3
Phone: 780.415.2305