



SEEDS CANADA

Business Plan

Updated
October 2020

Seeds Canada: What's New?

- While there may be one less amalgamating partner, the vision for Seeds Canada to become the leading voice of the seed sector, including seed growers, analysts and the seed trade, remains the same.
- The four partner organizations, the Canadian Plant Technology Agency (CPTA); the Commercial Seed Analysts Association of Canada (CSAAC); the Canadian Seed Institute (CSI); and the Canadian Seed Trade Association (CSTA), have agreed to move forward together, pending a final member vote.
- Even though the national seed grower association is no longer an amalgamating partner, the goal is still to have Seeds Canada's voluntary membership include national and provincial seed associations, as well as seed growers from across the country.
- The new Seeds Canada Business Plan reflects the new context and incorporates member feedback received during the spring and summer.

WHAT'S CHANGED?

The biggest change is moving from five amalgamating partners to four.

Seed Certification services, which are offered by the Canadian Seed Growers Association, are no longer included.

The Board governance structure has been adjusted. Set Board positions and provincial representation have been removed.

Seeds Canada: Business Plan Overview

In this plan, you will find information about the key elements of Seeds Canada, including:

- Seeds Canada's vision
- Value proposition
- Membership structure and fees
- Governance
- Service delivery model
- Organizational structure
- Financials

Watch for these flags:

Key
change

= important change in the
Business Plan

No
change

= no change from previous
Business Plan

Seeds Canada: Mission & Vision

Vision: Seeds Canada is the leading voice of the Canadian seed sector, helping our members succeed and grow in Canada and around the world.

Mission: Seeds Canada provides its members and clients with:

- Value and a voice for all members, including analysts, seed growers, developers and the entire seed sector
- Exceptional service delivery
- Equality, diversity, inclusivity, bilingualism
- Continuous opportunities for growth

Seeds Canada: Purpose

Purpose:

- Provide the leading voice and resource for Canada's seed sector;
- Develop and advocate for policies that (A) assist the members to remain competitive in both domestic and international markets; and (B) encourage collaboration, innovation, equal opportunity, continued investment and trade in the seed sector;
- Provide efficient, effective and timely client and member services for seed quality assurance, standards and other services that improve the competitiveness of the seed sector;
- Raise the proficiency and competency of its members through professional development; and
- Promote a competitive framework of intellectual property protection.

Seeds Canada: Value Proposition

The value of Seeds Canada includes:

- A streamlined national organization;
- Best-in-class member and client services;
- Excellence in professional development for members;
- Strengthened industry competitiveness; and
- Shaping a globally recognized industry that grows and innovates in every region and all segments of the value chain.

Benefits to members include:

- Access to increased staff resources;
- Expanded IT platforms and member services;
- Larger, more inclusive networking events;
- A stronger lobbying voice;
- More opportunities to engage, shape policies and improve public communications; and
- Opportunities to participate in committees in both your area of expertise and other committees where you can expand your knowledge of the seed industry.

Seeds Canada Membership

Seeds Canada: Membership Principles

- Seeds Canada will be a member-driven organization. Member engagement and participation is critical.
- All members will have the opportunity to participate in committees and serve on the Board of Directors.
- Seeds Canada will be diverse, inclusive and democratic.
- All members will have an equal voice at the table, regardless of size, and will work together on behalf of Canada's seed sector.
- All members can serve on Committees and will have voting rights on Committees.
- Membership is voluntary.

Seeds Canada: Membership Categories

Membership in Seeds Canada will be voluntary and offered in three classes:

Seed Sector Business Class Members

Seed Sector Affiliate Class Members

Seed Sector Professional Class Members

- Members that derive revenue from activities along the seed industry value chain (i.e., seed companies, seed growers, distributors, developers, service providers, seed labs).
- One membership per business entity.
- This Class has voting rights and will adhere to the principle of “one member, one vote.”

ONE MEMBER, ONE VOTE

Seeds Canada: Membership Categories

Membership in Seeds Canada will be voluntary and offered in three classes:

Seed Sector Business
Class Members

**Seed Sector Affiliate
Class Members**

Seed Sector Professional
Class Members

- Public and not-for-profit institutions that represent segments or regions of the seed sector. (i.e., provincial seed associations, universities, international associations).
- This Class has access to membership services.
- Candidates for governance positions may be drawn from this class.
- No voting rights except in exceptional circumstances (same as in the original Seeds Canada proposal).

Seeds Canada: Membership Categories

Membership in Seeds Canada will be voluntary and offered in three classes:

Seed Sector Business
Class Members

Seed Sector Affiliate
Class Members

**Seed Sector Professional
Class Members**

- Members that are individual professionals who provide support and/or quality assurance services (i.e., seed analysts, LSCI, graders, etc.).
- This Class has access to membership services.
- Candidates for governance positions may be drawn from this class.
- No voting rights except in exceptional circumstance (same as in the original Seeds Canada proposal).

Seeds Canada: Membership Fees

Seeds Canada Class	Previous Membership Status	Interim Fee	Rationale
Seed Sector Business Class Members	Member of one of the four amalgamating associations	<ul style="list-style-type: none"> Total of pre-Seeds Canada memberships 	<ul style="list-style-type: none"> Sum of membership fees from the most recent fiscal year across any associations they currently hold memberships in
	New Member (i.e., not previously a member in good standing with one of the amalgamating organizations at the time of Amalgamation)	<ul style="list-style-type: none"> \$624+ based on revenue 	<ul style="list-style-type: none"> Sliding scale based on revenue derived from seed related businesses Equivalent to CSTA 2020 membership fee schedule (See Appendix)
Seed Sector Affiliate Class Members	Any	<ul style="list-style-type: none"> \$1,000 	<ul style="list-style-type: none"> Current CPTA Affiliate membership fee
Seed Sector Professional Class Members	Any	<ul style="list-style-type: none"> \$435 	<ul style="list-style-type: none"> Current CSAAC Analyst Member fee

Seeds Canada: Membership Fees

Membership at Day 1 of Seeds Canada

- The existing members of the amalgamating seed organizations will be members in Seeds Canada at amalgamation.
- The initial fee structure will reflect what members are currently paying to amalgamating organizations. If a member is paying multiple organization fees, their fee will reflect the aggregate total of fees paid for the most recent fiscal year(s).

New Members and Fees

- New members will be required to apply for membership and pay a fee set by the Seeds Canada Board of Directors.
- A full fee review will be completed before February 1, 2022.

Professional Recognition

- Certain professions (e.g., seed analysts) require professional training and development to maintain membership and use of the corporate seal. These requirements will be upheld in Seeds Canada.

Seeds Canada Governance

Seeds Canada: Board of Directors

The Seeds Canada Board of Directors will be a strategic Board, focused on approving strategy, operational plans and budgets.

Responsibilities of the Board include:

- Accountability to members, ensuring that Seeds Canada is complying with applicable laws and by-laws, and upholding high ethical standards
- Developing Strategic & Operating Plans for Seeds Canada and ensuring alignment with Seeds Canada's vision
- Setting measurements for success and regularly reviewing progress
- Developing and implementing policies to identify and manage the principal risks of the Seeds Canada-business
- Providing guidance and advice to Seeds Canada's management
- Receiving and taking appropriate action on all audits of operations, relating to the fiscal review, privacy, and *Competition Act* compliance
- Ensuring all external policy statements comply with Seeds Canada's vision
- Overseeing succession planning of the Board of Directors and the Executive Director
- Managing overall Board, individual Director and Executive Director performance

Seeds Canada: Governance Structure

- The Seeds Canada Board of Directors will emphasize the importance of democracy, diversity and inclusion.
- There will be an inaugural 15-member Board of Directors with the option in the future to adjust the Board size to between 11 and 15 members.
- After amalgamation, the Board of Directors will be elected on a staggered basis to ensure continuity on the board over election cycles.
- Directors will be elected by Seed Sector Business Class Members.
- Executive positions (i.e., President) are elected from within the Board of Directors.
- Any members in good standing in any of the three Membership Classes can stand for election.

WHAT'S CHANGED?

The Board will not have set positions representing regional or value chain segments. Directors will be elected by Business Class Member voting.

A skills matrix will be used to ensure the broad, overall representation of the industry.

Board Skills Matrix

The governance structure will be based on a skills matrix that includes diversity in crop types, value chain segments, regions and governance skills, such as:

- Seed sector experience
- Value chain segment (seed grower, processor, distributor, breeder, analyst, etc.)
- Commodity (corn, forage, soybean, canola, cereals, garden, vegetable, specialty, etc.)
- Business model (exporter, broker, input supplier, service provider, etc.)
- Region (East, West)
- Skills and attributes (financial and accounting, governance, etc.)
- Professional designation (seed analyst, etc.)
- Language skills

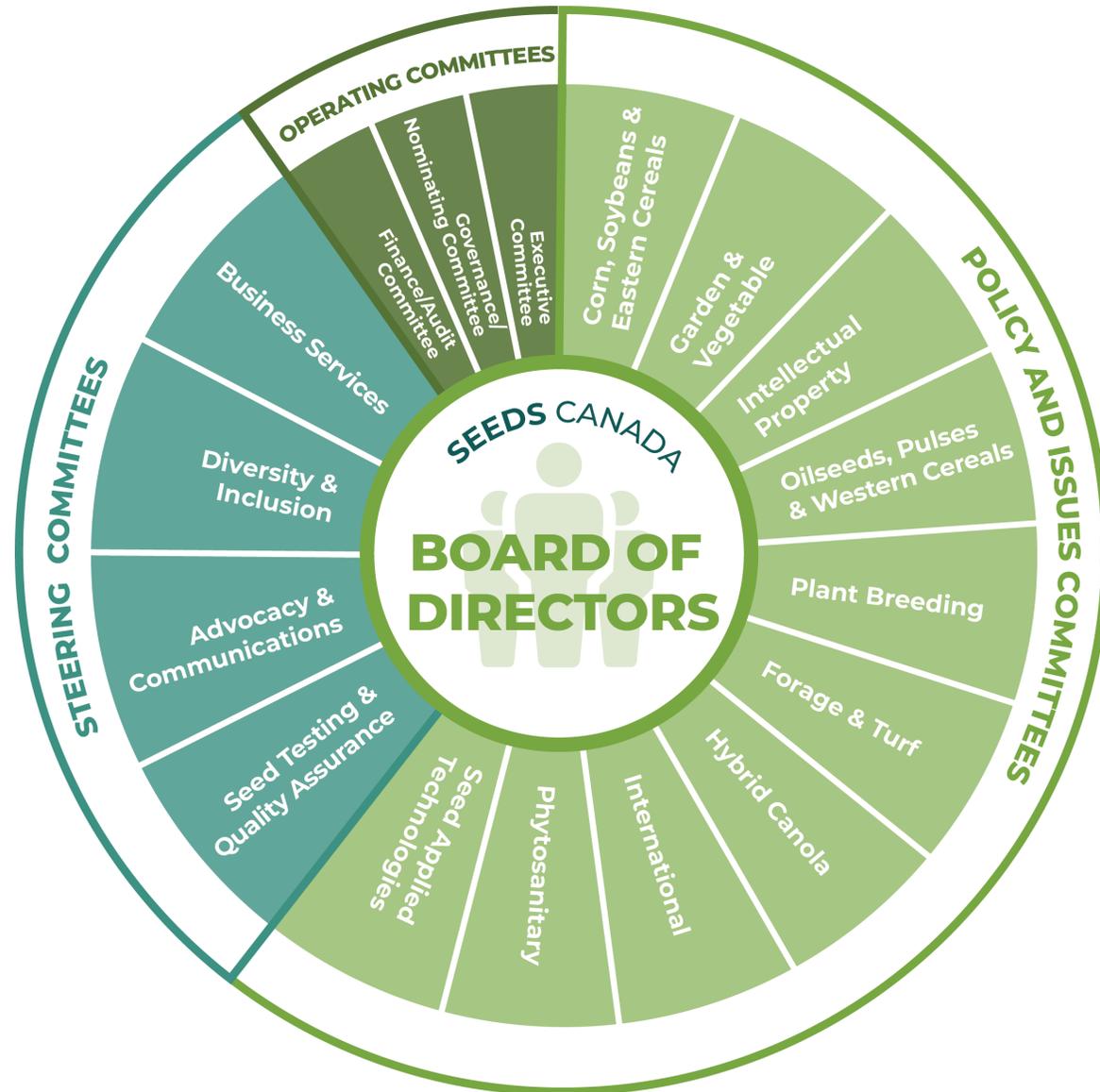
Board Skills Matrix

Desired Skills/Attributes/Experience	Skills / Attributes				Region		Value chain segment					Crop type							Business model				
	Financial management	Governance	Professional designations*	French language skills	East	West	Seed testing	Distributor	Plant breeder	Processor	Seed grower	Canola	Cereals	Corn	Forages	Garden	Soybeans	Specialty	Vegetable	Broker	Exporter	Input supplier	Service provider**
Board Member #1																							
Board Member #2																							
Board Member #3																							
Board Member #4																							
Board Member #5																							
Board Member #6																							
Board Member #7																							
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Board Member #9																							
Board Member #10																							
Board Member #11																							
Board Member #12																							
Board Member #13																							
Board Member #14																							
Board Member #15																							

*Includes accredited seed analyst, grader, operator, SICA, LSCI, auditor

**Includes seed lab, ASCIS and other service providers

Seeds Canada: Committee Chart



WHAT'S CHANGED?

The new structure clearly demonstrates the importance of member participation and engagement.

Committees have been revamped to demonstrate the direct connection between members and the Board of Directors.

Client-based services, such as audit services, will be a staff function at arm's length from the Board.

Seeds Canada Governance: Operating Committees

Three Operating Committees will oversee Seeds Canada governance and finances. The members are Directors that will be appointed by the Board.

Executive:

- Chaired by Seeds Canada President
- Meets regularly to review operations and issues that arise between Board meetings
- Reviews privacy and confidentiality concerns

Audit and Finance:

- Chaired by Vice President
- Reviews Seeds Canada finances and approves audited financial statements

Governance and Nominating:

- Chaired by a Director, the Past President shall be a member of this committee
- Other members will not be up for re-election
- Call, accept, and review applications to ensure members are eligible to serve on the Board
- Assess candidates against skills matrix and encourage diverse representation
- Determine election procedures
- Share candidate information with the membership at least 30 days before the vote

Seeds Canada Governance: Steering Committees

- The Steering Committees are strategic committees that meet regularly to review the operation and performance of member and client services and provide advice on operations. The members are appointed by the Board and chaired by Directors. Steering Committees can only be disbanded by a resolution of the Seeds Sector Business Class Members.
- **Business Services**
 - Oversees client programs including the VUA and Midge Tolerant Wheat.
 - Reviews existing and potential business services.
 - Staff reports on program delivery and performance-related issues.
- **Diversity & Inclusion**
 - Provide members with diversity and inclusion education, inspiration and ideas through events and communications. This committee also supports greater diversity of representation in Seeds Canada leadership roles.
- **Advocacy & Communications**
 - Advise and make recommendations to the Board on policy and advocacy positions; stakeholder, industry and public relations; and member engagement and communications.
- **Seed Testing and Quality Assurance (STQA)**
 - Oversees and makes recommendations to the Board and staff on issues directly related to seed testing and quality assurance.
 - Establishes issue specific sub-committees as needs arise (e.g., Methods and Procedures for Testing Seed, Research & Referee, etc.)
 - Works directly with Manager of Professional Development and Analyst Programs staff member and provides guidance on seed testing issues, training development, and workshops.
 - Works with other Seeds Canada committees on seed and quality issues where required.

Seeds Canada Governance: Policy & Issues Committees

- The Policy & Issues Committees are the direct route for members to bring specific issues forward to Seeds Canada staff and Board.
- Attendance, membership and committee leadership positions are open to all Seeds Canada members and the Chair is elected by Committee members.
- Committees have direct input to the Board of Directors through an appointed Board Liaison.
- Meetings will take place as needed throughout the year.
- Committees are member-driven and responsive to specific member needs.
- Duties of each committee include, but are not limited to:
 - Identify and prioritize issues of importance
 - Provide input on work plans
 - Provide a forum for members to discuss concerns
 - Seek and develop consensus on issues and provide input to the Board of Directors
 - Draft and submit resolutions, position and policy statements
 - Initiate analysis
 - Propose communication and advocacy strategies

COMMITTEES

- International
- Phytosanitary
- Seed Applied Technologies
- Planting Breeding
- Forage & Turf
- Hybrid Canola
- Corn, Soybeans and Eastern Cereals
- Garden & Vegetable
- Intellectual Property
- Oilseeds, Pulses & Western Cereals

Seeds Canada Service Delivery

Seeds Canada: Service Delivery Model

- Seeds Canada will continue to offer all original services offered by each of the four founding organizations. This will ensure continuity and uninterrupted flow of service offerings.
- Seeds Canada distinguishes between three types of services:
 - **Member-based Services:** services exclusive to members of Seeds Canada such as communications, regulatory affairs, professional development programming, and advocacy.
 - **Client-based Services:** services associated with seed industry regulation or operation (e.g., RSE accreditation, and training for seed quality assurance activities) and non-seed services such as organic certification. Services will be provided on a cost recovery basis, paid for by the user (i.e., not subsidized by membership fees).
 - **Corporate Services:** including Human Resources, Financial Services, Board governance and IM/IT.
- The amalgamation of services across the value chain under one Seeds Canada umbrella will provide greater ease and simplicity in accessing a wide array of services.

Seeds Canada: Organizational Function

- Seeds Canada will bring together staff from the four amalgamating organizations.
- Seeds Canada will build on existing strengths, find efficiencies and identify functional opportunities to provide improved services to members and clients.
- Seeds Canada will be headquartered in Ottawa, Ontario, with one office for all functional groups to support integration, with the option of remote work to include Seeds Canada employees outside of the Ottawa region.
- Seeds Canada may enter into Memorandums of Understanding with other associations as required to support shared concerns.

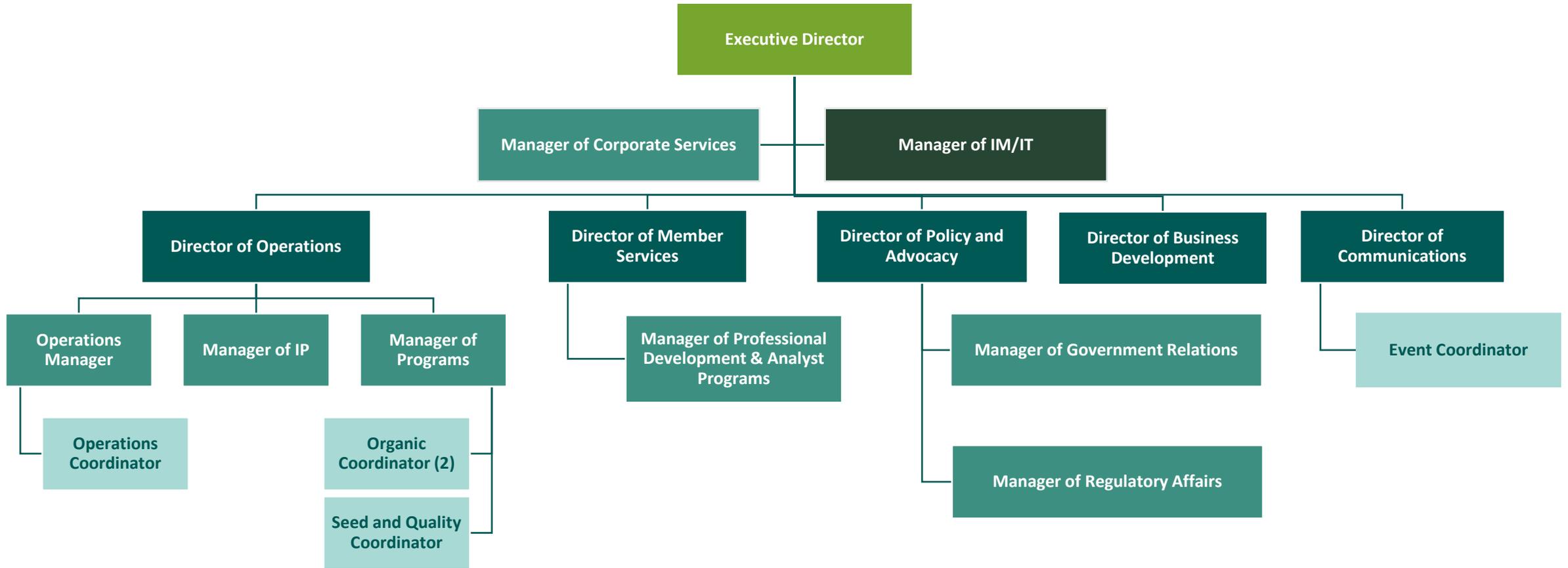
Seeds Canada: Organizational Accountabilities

Services provided by staff will fall under the following business lines:

Operations	Corporate Services	Member Service	Policy and Advocacy	IM/IT	Business Development	Communications
<ul style="list-style-type: none"> • Regulatory, accreditation, and standards services • Conformity verification services (such as for registered seed establishments RSE) • Develop and maintain seed standards and quality assurance • Impartial, nondiscriminatory services without influence • Monitor intellectual property protection 	<ul style="list-style-type: none"> • Human Resources • Financial Services • Board governance committees 	<ul style="list-style-type: none"> • Primary contact for members • Monitor member satisfaction • Recruit and retain members • Provide professional development • Administer analyst programs 	<ul style="list-style-type: none"> • Policy development with members • Advocate to governments and international bodies (e.g., IPPC) • International market access issues • Policy and Advocacy Committee • Commodity and Issues Committees 	<ul style="list-style-type: none"> • Manage internal IM/IT needs including program delivery • Support efficient internal communication • Maintain information security and integrity • Modern databases 	<ul style="list-style-type: none"> • Develop and improve member and client service • Monitor client satisfaction and needs • Support the growth and development of the industry • Assist operations with efficient program delivery • Business Services Committee • Market Development 	<ul style="list-style-type: none"> • Communicate to members and public • Brand development and management • Marketing and promotional campaigns • Organizes member and industry meetings and events

Seeds Canada: Organizational Chart

Business lines will be based on the following model:



Seeds Canada Financials

Seeds Canada: Financials

- Assumptions in the following slides are based on the status quo.
- The new Board will be responsible for reviewing the financial position of Seeds Canada with staff and may make changes that impact these projections.
- Efficiencies in operations will either be reinvested in Seeds Canada; returned to members through reduced membership or service fees; or added to the existing reserve fund.
- Budgets and operating plans, including service fees, will be approved by the Board and managed by the Executive Director.

Financial Position of Amalgamating Partners

A pro-forma operating financial statement for Seeds Canada has been produced based on the most recent aggregated financial statements of the amalgamating partners and conservative assumptions around revenue and cost structure of Seeds Canada post-ratification.

	CSTA(2020)	CSI(2019)	CSAAC(2019)	CPTA(2019)	Sum of Four
Membership Fees	\$ 944,916		\$ 27,645	\$ 157,000	\$ 1,129,561
Interest & Investment Income	\$ 34,881	\$ 22,542	\$ 605		\$ 58,028
Meeting, workshop& Training	\$ 694,586	\$ 27,000	\$ 21,461		\$ 743,047
Services		\$ 1,151,063	\$ 525	\$ 57,186	\$ 1,208,774
Other	\$ 25,631	\$ 53,540	\$ 11,797	\$ -	\$ 90,968
Total Revenue	\$ 1,700,014	\$ 1,254,145	\$ 62,033	\$ 214,186	\$ 3,230,378
Expenses					
Meetings, Workshops& Training	\$ 676,882	\$ 59,488	\$ 32,045	\$ 8,143	\$ 776,558
Salary & Benefits	\$ 548,338	\$ 607,249	\$ 9,714	\$ 126,000	\$ 1,291,301
Rent and Office Expenses	\$ 103,249	\$ 67,770	\$ 464	\$ 3,059	\$ 174,542
Travel	\$ 98,508	\$ 83,319	\$ 14,311	\$ 16,881	\$ 213,019
Membership Fees	\$ 79,799	\$ 47,265	\$ 7,241		\$ 134,305
Communications	\$ 205,837	\$ 33,266	\$ 1,701	\$ 8,026	\$ 248,830
Technology & Operations	\$ 107,775	\$ 268,390	\$ 3,576	\$ 53,201	\$ 432,942
Total Expenses	\$ 1,820,388	\$ 1,166,747	\$ 69,052	\$ 215,310	\$ 3,271,497
EBITDA	-\$ 120,374	\$ 87,398	-\$ 7,019	-\$ 1,124	-\$ 41,119
Total Net Assets	\$ 1,594,866	\$ 1,876,154	\$ 51,439	\$ 57,252	\$ 3,579,711

Financial Forecast of Amalgamating Partners

Category	2020	2021	2022	2023	2024
Membership Fees	\$ 1,141,916	\$ 1,165,916	\$ 1,194,713	\$ 1,224,375	\$ 1,254,926
Interest & Investment Income	\$ 65,881	\$ 68,579	\$ 71,290	\$ 74,016	\$ 74,756
Meeting, workshop and Training	\$ 712,456	\$ 77,870	\$ 232,870	\$ 432,870	\$ 482,870
Services	\$ 1,340,439	\$ 1,478,745	\$ 1,611,905	\$ 1,779,057	\$ 1,789,057
Other	\$ 254,631	\$ 196,144	\$ 151,666	\$ 152,200	\$ 152,744
Total Revenue	\$ 3,515,323	\$ 2,987,253	\$ 3,262,445	\$ 3,662,518	\$ 3,754,353
Expenses					
Meetings, Workshop and Training	\$ 769,937	\$ 87,000	\$ 270,000	\$ 445,000	\$ 470,000
Salary and Benefits	\$ 1,509,227	\$ 1,602,018	\$ 1,658,067	\$ 1,726,592	\$ 1,758,330
Rent and Office Expenses	\$ 235,121	\$ 235,339	\$ 236,245	\$ 240,594	\$ 242,785
Travel	\$ 160,972	\$ 136,500	\$ 166,500	\$ 241,500	\$ 251,500
Membership Fees	\$ 84,159	\$ 85,895	\$ 87,823	\$ 89,683	\$ 91,377
Communications	\$ 324,978	\$ 289,250	\$ 298,050	\$ 311,926	\$ 315,880
Technology and Operations	\$ 490,436	\$ 504,416	\$ 512,032	\$ 528,202	\$ 530,534
Total Expenses	\$ 3,574,830	\$ 2,940,418	\$ 3,228,717	\$ 3,583,497	\$ 3,660,406
Integration Costs		\$ 150,000	\$ 50,000		
EBITDA	\$ (59,507)	\$ (103,165)	\$ (16,272)	\$ 79,021	\$ 93,947
Total Net Assets	\$ 3,505,066	\$ 3,445,559	\$ 3,342,395	\$ 3,326,122	\$ 3,405,143

- Forecasted results are estimates only, and actual results will vary based on external factors, decisions by Seeds Canada management, and timelines.
- Information on the current financial position of the amalgamation partners was provided for one of two financial years: 2019 or 2020.
- Aggregated information is considered indicatively correct but is not 100% current with 2020 actuals.
- Assumptions in forecasts were made using inflation factors and estimates of key cost reductions validated by the Oversight Committee.

Appendix: Membership Fees of Amalgamating Partners

- *CSI does not have membership fees

Current Fee Structure: CPTA

Member Size*	Usage Level**	Utility Factor	Annual Membership Fees (CAD)
1	1	1	\$1,000.00
1	2	2	\$3,000.00
1	3	3	\$6,000.00
2	1	2	\$3,000.00
2	2	4	\$6,000.00
2	3	6	\$9,000.00
3	1	3	\$6,000.00
3	2	6	\$9,000.00
3	3	9	\$12,000.00
Seed Retail Companies	1	2	\$3,000.00
Seed Industry Affiliates	1	1	\$1,000.00

***Member Size values** are assessed based on the following: Under \$5 million in gross annual sales = 1; \$5-20 million in gross annual sales = 2; and more than \$20 million in gross annual sales = 3.

****Usage Level values** are assessed based on the following: No active involvement in Enforcement Activities conducted by CPTA, but support of objectives associated with same and/or conduct of organization enforcement activities internally = 1; active involvement in Enforcement Activities, with limited reliance on CPTA = 2; and active involvement in Enforcement Activities, with more extensive reliance on CPTA support = 3.

Current Fee Structure: CSTA

Active Membership Class	Annual sales of seed and technology in or on the seed (\$ CAD)	2019-20 Membership Fees (\$ CAD)
AA	Less than \$250,000	\$624
A	\$250,001 to \$500,000	\$1,066
B	\$500,001 to \$1,000,000	\$2,002
C	\$1,000,001 to \$2,000,000	\$3,199
D	\$2,000,001 to \$4,000,000	\$4,786
E	\$4,000,001 to \$7,000,000	\$5,878
F	\$7,000,001 to \$10,000,000	\$8,609
G	\$10,000,001 to \$14,000,000	\$10,248
H	\$14,000,001 to \$18,000,000	\$11,939
I	\$18,000,001 to \$23,000,000	\$13,173
J	\$23,000,001 to \$28,000,000	\$15,138
K	\$28,000,001 to \$35,000,000	\$16,178
L	\$35,000,001 to 45,000,000	\$17,753
M	\$45,000,001 to \$55,000,000	\$19,741
N	\$55,000,001 to \$75,000,000	\$23,592
O	\$75,000,001 to \$100,000,000	\$28,950
P	\$100,000,001 - \$120,000,000	\$34,048
Q	\$120,000,001 to \$150,000,000	\$38,443
R	Over \$150,000,000	\$42,683 + (.005% x sales > \$150 m)
	Brokers (Canadian and Foreign)	\$2,029
	Foreign Members (Active, Associate and Affiliate Members from outside of Canada)	\$1,301
	Associate Member Fee	\$2,341
	Affiliate Member Fee	\$1,405

Current Fee Structure: CSAAC

CSAAC Fees - 2021

Membership Type	Fee (CAD)
Affiliate Member	\$143
Senior and Associate Member	\$435
Inactive Member	\$73