



Manitoba Flax Growers Association

ANNUAL GENERAL MEETING Minutes

Tuesday, February 18th, 2014 @ 1:50 p.m. – 2:30 p.m.(CST)

Victoria Inn Hotel & Convention Centre

Embassy E

1808 Wellington Avenue, Winnipeg, MB.

Attendees:

Eric Fridfinnson (*Chair*)

Brad Rasmussen

Chris Raffard

Ernie Wiens

John Dueck

Regrets:

Hugh Drake

Shawn Zeghers

Anastasia Kubinec (*observer*)

Present:

Monika Haley, MFGA (recording)

Maureen Jordan, FCC

The Chair called the meeting to order at 1:50 p.m.

Welcome – Eric Fridfinnson, Chair

The Chair welcomed guests to the MFGA Annual General Meeting.

This format is a departure from our past practice for annual meetings. Over the past number of years we tried different venues to encourage member attendance and participation. Last year's meeting was held in Brandon in conjunction with Ag Days, unfortunately, in spite of what we thought was a very good program and good accessibility, and we had a disappointing turn out. Other farm organizations were facing a similar problem, so we, (Manitoba Corn Growers, Canola Growers, Pulse Growers, and the National Sunflower Association) along with help from MAFRD,

joined the organizers of the Manitoba Special Crop Symposium group to organize this conference. Originally other commodity groups considered joining, and may well in the future. Our vision was to create a first class conference with speakers that would challenge and inform progressive Manitoba farmers.

We also wanted to improve what we are offering to Manitoba farmers. The message we received from members was that there were just too many meetings, and too many people trying to find face time with these farmers. These meetings are also rather expensive to organize and all of the groups have been approaching the same industry players for sponsorship funds. The end result was this effort to join together, pool our resources and create a great conference where farmers can gather a lot of information and ideas saving our members valuable time by coming to one meeting rather than several. We hope that in coming years, others will join and we can hold even larger and better conferences.

We do have a very short time for a business meeting today, and this does limit the time available for members to provide input to MFGA. I want to extend the offer to any members who have questions or concerns to contact our office, any of your Board of Directors, or me. That could be here at this conference or at any time through the year.

This organization has focused on improved agronomy and breeding as the major goal for the organization. This year we completed funding of our project to develop a non-transgenic, herbicide tolerant flax trait. Our share of this project was \$200,000 over the past four years. We also completed the last of four payments of \$25,000/yr. towards the TUFGEN (flax genomic mapping) project. As well, we completed the last of a collaborative program with AAFC Morden to improve breeding, agronomy and pathology. This was a \$160,000 program financed with support from ARDI. Right now we are in the process of developing an agronomy program in cooperation with The Flax Council of Canada and The Saskatchewan Flax Development Commission. We have earmarked \$50,000/yr. for the project and hope to begin once our negotiations with funding partners have been completed. We also plan to participate in an effort to promote the health claim that was recently awarded to flax. Details of the claim are available online through the website of the Flax Council of Canada. This is a huge win for our industry and we need to make sure the right people are aware of it. It is only one of 10 of these claims ever verified by Health Canada and will greatly interest the food industry and consumers. We also hope to support some other worthwhile flax production work in the coming year.

Your Board has chosen to join KAP and leave the majority farm policy discussion and activism in that format. This past year we did join with the Manitoba Canola Growers to file a brief with the Competition Bureau regarding the acquisition of the Viterra Ag supply division by Agrium. We felt that many producers will be disadvantaged by the industry consolidation this transaction creates. Some changes were made through the course of the deal, but our original concerns we believe are still valid. We continue to monitor the issue of lack of competition in the fertilizer industry and may well revisit this topic in the future. Another topic that should be of concern to producers is the introduction of UPOV 91 for the Canadian seed industry. KAP is conducting some investigation of this topic and we hope to support that effort to ensure we understand what the pros and cons of the proposed legislation would be.

As I said at the beginning, we do not have a great deal of time this morning, but I do want to introduce our Administrator Monika Haley, and to thank her for another year of excellent work, and the rest of your board of directors; Ernie Wiens, Hugh Drake, John Dueck, Shawn Zeghers,

Brad Rasmussen and Chris Raffard. Thanks for your attendance today, and with those remarks I would like to begin the formal part of the meeting.

Annual Business Meeting

1. Approval of Agenda

MOTION: Raffard/Wiens to approve the agenda as circulated.

Carried

2. Approval of minutes of last AGM – January 14th, 2013 (see attached)

MOTION: Wiens/Dueck to approve the minutes as circulated.

Mr. Eduard Hiebert of St. Frances, Manitoba noted he would appreciate circulation of any documents a head of time. In future, every report presented should be sent to producers. He objected to the AGM's today being held all at one time. This has to be addressed.

The Chair asked Mr. Hiebert for any suggestions regarding the AGM.

Mr. Hiebert suggested having the AGM's at different times throughout the day. There should never be a report read to members at the meeting. Seems MCGA does the same and this is not an honest AGM. The associations are clouding the time.

The Chair noted that AGM minutes and other information will be posted to the MFGA website in future.

Carried

3. Business arising from the minutes

There was no other business arising from the minutes.

4. "Notice to Reader" Financial Statement Year Ending July 31st, 2013 (see attached)

Mr. Rasmussen presented the Financial Statement to the Members. The income is based on 2012 crop acres which were down from previous years. There is a good option for 2014. Assets are in the amount of \$336K of which is always cash. Liabilities are less than \$4K. There is a net deficit of \$20K and the income currently is up from previous year. There is a healthy balance in cash and two years of expenses in reserve which is a good cushion to push some research projects ahead. Sustainability is good.

Mr. Laxdal asked if there are any outstanding receivables from 2013.

Mr. Rasmussen noted there is nothing outstanding.

MOTION: Rasmussen/Laxdal to approve the Financial Statement Year Ending July 31st, 2013 as circulated.

Carried

The Chair pointed out that there is no doubt MFGA has a strong financial situation and is carrying larger balances compared to expenditures. MFGA has been conservative with flax acres being so low.

5. Appointment of Auditors

Mr. Rasmussen recommended appointing PriceWaterHouse Coopers.

- a) PwC has a significant profile in the agricultural industry and access to resources and contacts that will be beneficial for MFGA.
- b) Financial statements prepared by PwC are viewed as highest quality by users such as government, banks and other stakeholders.
- c) PwC small business and NPO group focuses on organizations like MFGA. They work closely with clients, provide staff continuity and their fees are very competitive. At the same time, they have access to big firm resources when required.
- d) PwC will prepare Notice-to-Reader financial statements and all the related tax filings.
- e) They will also assist with QuickBooks, accounting and business matters as needed.
- f) Notice-to-reader financial statements and related tax filings - \$1,500.

MOTION: Rasmussen/Raffard to appoint PriceWaterHouse Coopers as Auditors for the 2014/2015 Fiscal Year.

Carried

6. Resolution to approve all actions of the MFGA Board over the past year

MOTION: Dueck/Wiens to approve all actions of the MFGA Board over the past year.

Carried

7. Resolution to approve by-law change

Section 127 of The Corporations Act (Manitoba) (the “**Act**”) states that the board of directors of a corporation needs to call an AGM within fifteen (15) months of the preceding meeting.

The Manitoba Flax Growers Association Inc. by-laws clearly state that the directors are restricted to calling an AGM within six (6) months of the end of the fiscal year. There is no discretion in the by-laws that allow the directors to change this timeline.

Because the by-laws are specific on the timeline for having the AGM, the by-laws will override the Act. The board is having the AGM today, February 18th, 2014, which is more than six months after the end of the fiscal year; therefore, the by-laws will need to be amended. The board is able to amend the by-laws to schedule the AGM past the 6 months, as long as it is scheduled to be within 15 months of the last AGM so that it is not contrary to the Act.

The wording of the amendment will give the board as much flexibility as is allowed by the *Corporations Act* (Manitoba).

MOTION: Dueck/Raffard to approve amendment of the current membership by-laws by revising section 4.01 removing “The board of directors of the Corporation shall call an annual general meeting of the members not later than six (6) month of the end of the fiscal year” and replace with “The board of directors of the Corporation shall call an annual general meeting of the members not later than fifteen (15) months after holding the preceding annual general meeting”.

Mr. Laxdal pointed out that meetings could be pushed past 2 fiscal years.

Mr. Dueck noted, according to the Corporations Act, an AGM has to be held within 15 months of the last AGM which means the AGM cannot be pushed past 2 fiscal years.

Carried

8. Nominating Committee – John Dueck, Chair

The Chair of the Nominating Committee reported the current directors are as follows:

- Eric Fridfinnson
- Chris Raffard
- Shawn Zeghers, absent
- Ernie Wiens
- Hugh Drake, absent
- Brad Rasmussen
- John Dueck
- Anastasia Kubinec (observer)

There are three positions up for election: 1) Ernie Wiens; 2) Chris Raffard; 3) Shawn Zeghers. Each has served their 2 year terms.

Mr. Wiens and Mr. Raffard agreed to let their names stand. Further to that the nominations may be further added to which may be put forward today.

Mr. Cam Laxdal of Ste. Anne has put his name forward. Mr. Laxdal farms in Ste. Anne and was a principle of Lakeside Commodities and ran the Winnipeg office. He is presently on the Value-

The Chair indicated it's not about science but about consumer expectations and consumer opinions. If there are any concerns, please go to the MFGA website and contact us.

The Chair thanked everyone for attending.

10. Adjournment

Mr. Dueck to adjourn at 2:30 p.m.