

SaskCanola & SaskFlax Amalgamation Proposal June 2023

Background

As directed by member resolutions at the January 2023 Annual General Meetings (AGMs) of both the Saskatchewan Canola Development Commission (SaskCanola) and the Saskatchewan Flax Development Commission (SaskFlax), the two commissions are engaged in a consultation process with growers regarding a potential amalgamation.

An online survey is currently underway for growers to respond to from July to mid-November 2023.

The following document provides an amalgamation proposal for further consideration by growers, addressing governance, research, advocacy, market development, and administration. If consultation results are supportive, amalgamation resolutions will be presented at the AGMs of each organization in January 2023. Should the resolutions be accepted, both commissions will work with Agri-Food Council to amend regulations with a target date of August 1, 2024 for amalgamation into a single commission.

Governance

To ensure that levies are represented and invested to provide the greatest value to both types of growers, governance and representation are two important considerations.

If amalgamation is approved by producers of both organizations in January 2024, SaskCanola and SaskFlax would continue to operate with their respective current Board of Directors until July 31, 2024, with some administrative wind-up required in subsequent months. On August 1, 2024, an amalgamated organization would commence operations as a single entity.

In the fall of 2024, SaskCanola is scheduled to hold elections for four director positions out of a total of eight director positions. At that time, if amalgamation has occurred, any producer who has paid either SaskCanola or SaskFlax levies in at least one of the previous two crop years (August 1, 2021 to July 31, 2023) and has not requested a levy refund in the most recent year that levies were paid, will be eligible to contest a seat on the board of the newly merged commission. The four new directors elected to the board will represent the interests of both oilseed crops of which levies are paid and collected.

The structure of the new organization would allow for the potential inclusion of experts and interested parties external of the Board and Staff, in the membership of any committees the Board may form.

Research

Research is a fundamental priority of both commissions. Ensuring that flax research opportunities remain viable is a key consideration of the amalgamation process.

Both the SaskCanola and SaskFlax Boards have had discussions about the importance of investment in research for the two crop types. To ensure that flax priorities are met effectively, a flax sub-committee would review and recommend new research projects to the Board and would be funded by the flax levy.

Recommendations to the Boards for funding canola and flax projects are based on the quality and impact of the research initiatives to meet the needs of Saskatchewan growers.

Advocacy

Predominantly, advocacy issues are of broad interest to all Saskatchewan growers. For those that are specific to either canola or flax, it will be the responsibility of the Board of Directors to directly represent each respective crop as needed if specific policy issues arise.

Market Development

Currently, SaskCanola is responsible for marketing canola on a national level through the National Canola Marketing Program, in partnership with Alberta and Manitoba canola commissions. SaskFlax has worked with Flax Council of Canada to develop and implement healthyflax.org. As individual organizations, the international market development and trade advocacy activities are carried out by the respective national organizations.

The Board of Directors of the merged commission would be responsible for setting market development priorities for flax, which could lead to cost savings and growth opportunities for both canola and flax provincial market development initiatives.

Administration

Amalgamation requires approval by the producer memberships of both SaskCanola and SaskFlax, achieved through approval of amalgamation resolutions by a majority of the registered producers voting at each of the SaskCanola and SaskFlax AGMs. Once resolutions have been carried at both annual meetings, Agri-Food Council would need to make the appropriate amendments to the regulations to allow for both mandates to be completed by a single commission with one board of directors. If this occurs, transfer of levy collection and other administration would proceed as follows:

Levy Collection: The levies would be collected and tracked individually for each crop type, effective August 1, 2024. Currently, SaskFlax receives its levy collection reported separately for flax seed and straw and this process would continue.

Funding Allocation: The Board of Directors of the newly merged commission would be responsible for prioritizing and allocating funds appropriately towards canola and flax research, advocacy, and market development.

Administration: SaskCanola, effective January 2023, has already taken on the management and administration duties of SaskFlax. Going forward, some of the perceived benefits of a single Oilseeds commission include:

- reducing administrative overhead;
- increased (specialized) staff capacity;
- encouraging diversity in crop rotation;
- streamlined extension resources for growers (ie. single website, newsletter, etc.)

SaskFlax would still be responsible for a final audit and annual report for the 2023-24 fiscal year including any required wind-down of operations and activities. Given that SaskFlax's regulations would be repealed to align with the end of its last fiscal year, there would not be any requirement to hold a dedicated SaskFlax AGM in January 2025. However, as SaskCanola regulations would be amended to include flax, there would be a presentation at the 2025 AGM on the final SaskFlax report.

Next Steps

This document provides the basis for the current consultation which is directed toward registered producers of SaskCanola and SaskFlax. Your voice as a levy-paying producer is important. Have your say in the proposed amalgamation by participating in our survey.

Votes on the proposed amalgamation of SaskFlax and SaskCanola will be held at their respective AGMs on Tuesday, January 9, 2024. To register, visit SaskCrops.com