

ANNUAL REPORT

2017/18

Growing Healthy Potatoes Together



BENEFITS OF MEMBERSHIP

As a Member of the PGA, you have access to valuable information, support and networking opportunities to assist and ensure the success of your potato business, which includes:

Environmental Farm Plan & CanadaGAP education sessions & assistance to establish On Farm Safety Programs

National and international industry updates presented at Area Meetings and Field Days

Membership Directory - Table/Fresh and Seed Directory listings

Weather Reports & Disease Bulletins

**PGA
BENEFITS**

Post Harvest Seed Testing and CFIA inspection requirements

Representation and promotion of Alberta Potatoes at several trade shows within the province and abroad

Potato research projects and development strategies

Communication through PGA website, newsletters and social media



PGA CORE VALUES & MISSION STATEMENT

The PGA is a progressive, member driven organization focusing on success and sustainability in Alberta's Potato Industry through leadership, engagement, collaboration and truly effective communication.



**Unity. Trust.
Respect.**

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

As a member driven organization, we recognize the importance of trust, respect and transparency in all we do.



**Environment.
Economics.
Sustainability.**

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



**Leadership.
Collaboration.
Communication.**

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.

4 KEY PILLARS

ENGAGEMENT

- PMRA Chemical Re-evaluations
- PCN Working Group
- Prairie Pesticide Minor Use Consortium
- CFIA Ridgetown Inspectors Program
- Canada Gap
- Potato Sustainability Program
- Thailand Trade Mission
- Area Grower Meetings
- PGA AGM and Trade Show

COMMUNICATION

- Outstanding In Your Field
- FCC Student Presentation – Brooks
- Canada Ag Day – Meet in the Middle – Olds
- Ag Expo – Lethbridge
- Aggie Days – Calgary and Lethbridge
- Amazing Ag – Edmonton
- Potato Minute
- Friday Facts
- PGA Website

There are four strategic initiatives identified as cornerstones or pillars that our organization focus' on as we move forward.

LEADERSHIP

- Seed Sector Value Chain Round Table
- National Environmental Farm Plan
- Canadian Horticultural Council
- Canadian Potato Council
- Canadian Young Speakers Association
- AgSafe Alberta – Farm Safety
- Syngenta Leadership Program
- United Potato Growers of Canada
- Canada/US Potato Meetings
- Potato Association of America
- World Potato Congress – Lima, Peru

COLLABORATION

- PGA Field Days
- BC Potato Trials
- Washington State Field Day
- Oregon Field Day
- PEI Potato Conference
- Potato Expo
- Potato Marketing Association of North America
- Taber Cornfest - Chili Cook Off
- APIA- Alberta Potato Industry Association
- Alberta Irrigation Projects Association
- OWC- Oldman Watershed Council

THE BOARD

On behalf of your board of directors, it is my pleasure to welcome you to this year's AGM. For the first time in many years, we assemble in Edmonton. Thanks to those who have traveled that much further this year. It's great to be able to see the diverse growing areas this province offers. I hope you are excited to come together to share and enjoy the benefits of growing potatoes in Alberta. We have a special industry in one of the most secure and blessed areas of the world. As we gather to reflect on the year behind, and plan and look forward to the year ahead, I hope we are able to appreciate the exceptional opportunity we have been given.

The PGA AGM is a terrific venue for all attending to grow and develop our businesses. Whether through the business meetings, networking activities, research presentations, or guest speakers, the potential to

benefit your operation and participate in your organization's future is here. Much attention is given by the PGA staff into making this time spent effective and relevant; I hope you find that to be true for yourself.

In addition to professional development, this can also be a great place to have fun. There's something unique about producers and industry coming together in this way that makes for a great atmosphere. The mealtimes, partners program, and hospitality time gives us a chance to reconnect with old friends or to make new ones. It's the people who are at the heart of this industry here; this is one of the biggest values in our gathering.

Time spent away from the farm or business can be hard to come by, so your presence and participation here is important and appreciated. Thanks go to the PGA staff of Deb B., Patti, Cindy, Deb H., Thomas, Roberta, and Terence for their year round work on behalf of Alberta's potato growers, as well as the special effort they put into this AGM. Enjoy your stay in Edmonton at this year's AGM, and on behalf of your board, I hope it is time well spent.

Sincerely,



Russ Van Boom, Northbank Potato Farms Ltd.
Chairman

“We have a special industry in one of the most secure and blessed areas of the world..”



Back Row L-R: Jeff Ekkel, James Bareman, Russ Van Boom - Chairman, Michel Camps - Vice Chairman, Front Row L-R: Louis Claassen, Lyndon Nakamura. Missing: Tony Bos



PGA STAFF OUR TEAM

Terence Hochstein



Executive Director

Cindy Fletcher



Financial/Office Manager

Patti Lamb



Executive Assistant/Events/
Accounts Clerk

Deb Hart



Seed Coordinator

Thomas McDade



Agricultural Manager

Deb Brewin



Communications &
Promotions Director

Roberta Sebok



Administrative Assistant

EXECUTIVE DIRECTOR REPORT

The 2017 crop will enter the record books as our highest yielding crop to date, topping out at 391 cwt/acre harvested. Over the last five years, our entire industry in Alberta has increased its production by almost 10%, while only increasing its total acres by 1%. More attention to agronomic practices, cooperative weather, although trying at times, and a renewed appetite for longer rotations have played a large part to the success of our increased yields. The quality of the potato that is produced by our Alberta growers continues to attract attention across North America and the World. With the commencement of Cavendish Farm's new processing facility in Lethbridge in early 2018, and its anticipated start date in the fall of 2019, the excitement of future expansion opportunities for not only our processing industry, but our seed industry is a positive sign for the members of the PGA. The seed industry also sees positive opportunities for growth with the JR Simplot expansion announcement in Manitoba this past April, and an overseas request from Thailand earlier this year. As well, the USA market continues to grow year over year for seed exports.

On the Farm Safety front, the hard work and perseverance of the Ag Coalition has finally come to fruition this year with the formation of the AgSafe Alberta Safety Society. The agricultural community from across Alberta was drawn into the world of OH & S and WCB with the passage of Bill 6 and Bill 17 by the Government of Alberta. As an industry we have always been concerned about the safety of our employees and family members that work with us on a daily basis. One of our Seven Codes of Practice focuses on farm safety as our industry can be very labor intensive at times. The formation of the Safety Society now formalizes the safety of all agricultural workers across the province. AgSafe Alberta is governed by an eleven member Board of agricultural producers of which the Potato Growers of Alberta is represented by Hanneke Camps – CP Farms.

Along with the positives of the last year, also comes some definite challenges. The potato industry across Canada is not immune to Pest Management Regulatory Agency Re-Evaluation and Special Review of many of the current chemistries that our industry uses. The PGA remains concerned about the review process of Health Canada. Of greater concern is the continued viability of our industry, due to the fact that there are no alternatives to some of these products that PMRA are considering to remove from the 'toolbox'. All agricultural sectors across Canada are worried that the ability to remain competitive in a global economy will, in some cases, be jeopardized by some of PMRA's decisions. The PGA continues to work tirelessly with the Canadian Potato Council to protect our industry's interests.

Your PGA Team continues to strive for improvement and focus on providing value to you, our grower members. This past year we began restructuring our responsibilities within the office to, not only create positive changes, but to add additional value to the organization. Deb Hart continues to focus on our ever expanding seed industry as the Seed Coordinator. Cindy Fletcher has taken over as Financial/Office Manager, Deb Brewin is our Communications/Promotions Director, Patti Lamb remains our Executive Assistant and Events Coordinator, as well as adding A/R and A/P to her portfolio, Roberta Sebok joined us last fall part time as an Administration Assistant and Thomas McDade is responsible for the Ag Director portfolio.

Our organization's mantra continues to be based on success. A quote by Conrad Hilton defines what we do on a daily basis.

"Success seems to be connected with action. Successful people keep moving. They make mistakes, but they don't quit."

I would personally like to acknowledge and thank all of the members of my Team. It is through their daily hard work and dedication that your organization is successful and continues to remain a leader in the potato industry.

An organization's success is also measured by the time invested by its members. Aside from our Board we have a number of members who tirelessly volunteer for a number of committees both provincially and nationally. Some have been doing these unheralded jobs for over twenty years. There are too many names to mention so I will say THANK YOU all for your tireless dedication to the success of our organization.

This past year we have added a number of new Board members to our Board and retained three existing members. I would like to individually thank Russell Van Boom (Chairman), Michel Camps (Vice Chairman), Lyndon Nakamura, Jeff Ekkel, Tony Bos, James Bareman and Louis Claassen for their continued direction and support of not only myself, but the entire organization. The time that you have invested away from your individual farms and family for your organization does not go unnoticed.

THANK YOU FOR YOUR DIRECTION AND SUPPORT, IT HAS BEEN A TREMENDOUS PLEASURE WORKING BOTH WITH YOU AND FOR YOU!

Until next year,



Terence Hochstein, Executive Director

OUR COMMITTEES

SEED COMMITTEE REPORT

JEFF EKKEL, CHAIRMAN

Our 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. The committee continues to support and encourage participation in the post harvest grow out in Hawaii.

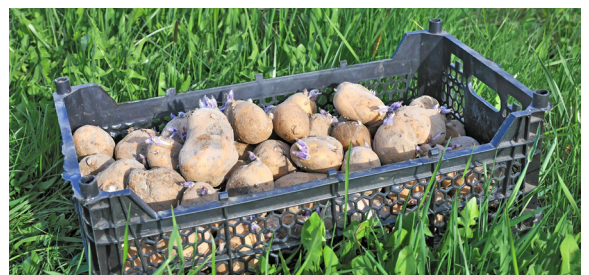
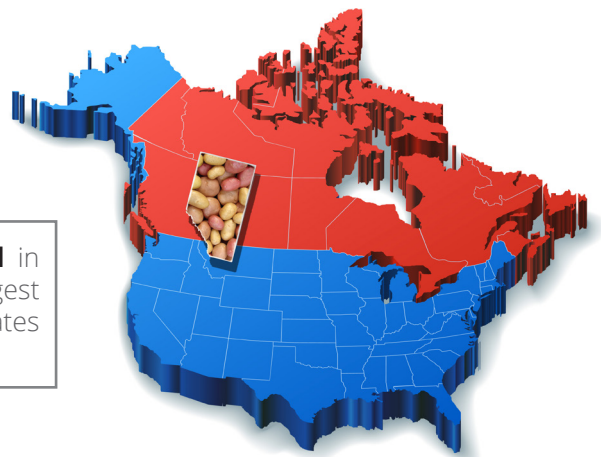
We continue to look at developing new markets and improving existing ones. The expansion in processing facilities in Alberta and USA should help to maintain a strong demand for Alberta seed potatoes. Even with a potential increase in demand, we as a committee, continue to encourage growers to grow only what they have sales for. As an industry that ships to the USA, the committee remains working with CFIA to reduce the PCN testing requirements and provide input on CFIA proposed cost recovery.

Over 50% of Seed produced in Alberta is exported. Our two largest customers are the United States and other Canadian provinces

Seed Committee Members:

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

With a tough growing and harvesting year behind us, I would like to thank seed growers for their continued support, as it takes all of us working together to carry on producing the high quality seed our customers have come to expect. I would like to thank all the staff at the PGA for their hard work this year.



NEGOTIATION COMMITTEE REPORT

GREG NAKAMURA, CHAIRMAN

As I write this report, most of the potato crop has been harvested, but not without a struggle. The weather has been cool and wet for the past two weeks, making what was left to harvest very difficult. The 2018 crop certainly did well considering the late spring with yields slightly above average. Planting didn't start until late April, but with warm temperatures and good soil moisture in May, the crop jumped out of the ground and quickly made up for the late spring. Summer was very dry again, but with reservoirs full in the spring, we were able to irrigate enough to meet the needs of the crop. The last weeks of August brought a lot of smoke from the forest fires and this seemed to put the crop on hold. Quality wise, hollow heart will be a concern this year as numbers seem to be up in this area. Yields seem to be above normal.

On the negotiation side, with demand for French fries up, we were able to negotiate an increase in the 2018 contract that brought the Lamb Weston and McCain contracts up to where the Cavendish contract was. For the last year of the two year contract, a slight increase will take place. In other areas, they were able to negotiate settlements with increases ranging from 5 to 9%. This should help us in being able to ask for an increase when we sit down again to bargain for the 2020 contracts.

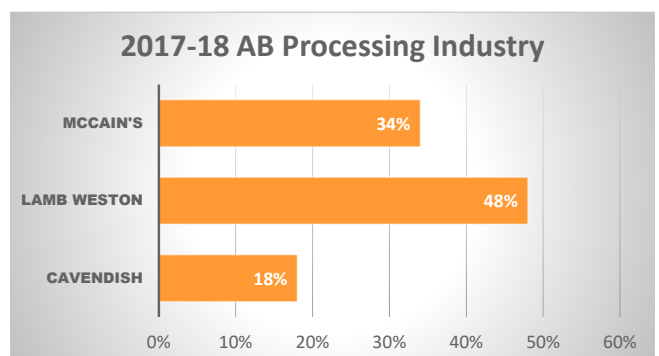
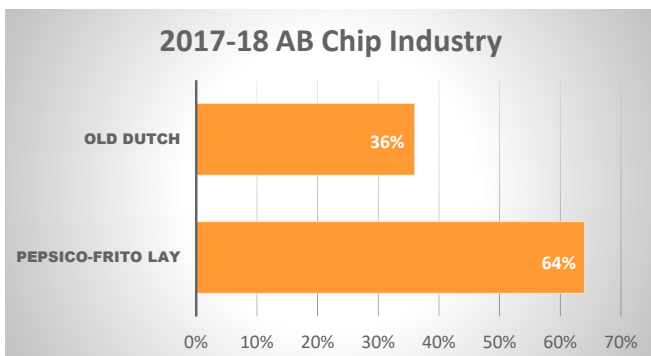
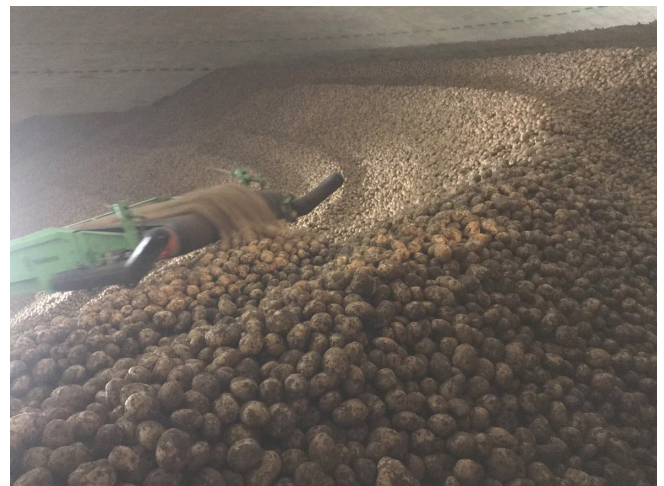
The new Cavendish plant seems to be progressing on schedule and hope to be running product through it in August or September of 2019. This will bring

Negotiating Committee Members:
 Greg Nakamura (Chairman) - Nakamura Farms Ltd.
 & GBIJ Farms Ltd.
 Brian Tajiri -Tri-T Farms (2005) Ltd.
 Mark Miyanaga - Triple M Farms Ltd.
 Mike Wind - Windiana Farms Ltd.
 Tony Bos - Boston Farms Ltd.
 Laus Stiekema - Stiekema-Kolhorn JV,
 Stan Kanegawa - S-Scan Farms Ltd.
 Louis Ypma - SLM Spud Farms Ltd.
 Terence Hochstein - PGA ED

on an expansion of acres and give existing growers and future growers an opportunity to expand or get started in the industry. The potato industries' future looks promising with the expansion, but will also be challenging.

The committee will continue to try and make this industry profitable and successful.

As always, my committee and myself will be happy to answer any concerns you may have.



RESEARCH COMMITTEE REPORT

THOMAS MCDADE, AGRICULTURE DIRECTOR

The Potato Growers of Alberta (PGA) research portfolio was in transition this last year, as the 5-year projects from Growing Forward II came to an end and we officially began a new five-year cycle with Canadian Agricultural Partnership (CAP). The new cluster of research projects that the PGA Research Committee had initially chosen to support were:

- Colorado Potato Beetle, Chemical Resistance
- Wireworm Control and Management
- Potato Early Die Complex
- Late Blight Strain Tracking
- PVY Strains
- National & Alberta variety trials
- Irrigation Water Management and Variable Rate Irrigation

The Potato Early Die Complex project, was not selected for funding during the initial round. However it appears that Dr. Tenuta's project will receive funding via another avenue, from AAFC. This project is of particular importance to the PGA as PED is not only a primary yield limiting issue in Alberta, but this project also involves a local Researcher, Dr. Dmytro Yevtushenko at the University of Lethbridge. The Irrigation and Water Management and the PVY Strains projects were also not supported for national funding.

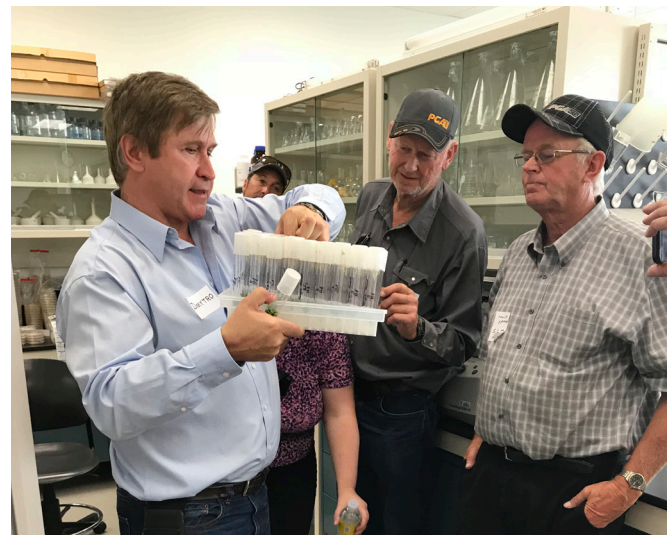
The PGA Research Committee had also revamped and relaunched the Insect Monitoring program during this last winter. This was in response to the potato psyllid issue that we all became aware of, late in the 2017 growing season. As the previous insect monitoring program had come to an end in March of this year, the PGA Research Committee created a partnership with the industry processors: Cavendish Farms, McCain Foods, Lamb Weston, Old Dutch, PepsiCo Ltd as well as the Alberta Agriculture and Forestry, to create and fund a new Insect Monitoring Program. The new program once again covered all of the potato growing areas of Alberta, and was focused on monitoring for psyllids and aphids. As neither of these two pests can be detected effectively without an insect monitoring / trapping program, the value of this

Research Committee Members:

Harold Perry (Chairman) - Perry Produce Ltd.,
 ,Jan Bennen - Bennen Farms Ltd.
 Alison Davie - North Paddock Farms Ltd.
 Bruce Chedzoy - Chedzoy Farms
 Michel Camps - CP Farms Ltd.
 Deb Hart - PGA Seed Coordinator
 Thomas McDade - PGA Agricultural Director

program cannot be overstated as the cost of spraying insecticides is very high.

Similarly, the Late Blight Spore trapping program was once again deployed this year. Looking back at the previous growing seasons, the value of the program as an early warning system is readily apparent. In 2017, there were a couple of examples in which localized incidences of late blight spore activity, was quickly isolated and resolved before a larger outbreak could occur. The information of the late blight spore trapping network is extremely valuable to the PGA members as a management tool, and negates the needs to spray fungicides as a proactive measure.



The partnership with the potato industry processors and the University of Lethbridge continued to make progress this last year. The construction of the new science building on the U of L campus, the recruitment of new students and the application of new funding grants, were some of the highlights of the Potato Research Chair program, this past year.

OUR WORKING PARTNERS

AGSAFE ALBERTA

HANNEKE, PGA BOARD REP



A little over a year ago, the PGA had approached me and asked if I would be interested in filling a Board position with AgSafe Alberta.

My name is Hanneke Camps. My husband and I farm in Barnwell, Alberta, growing process potatoes, grain corn, sugar beets and wheat. We have five full time, and about four to fifteen seasonal employees. I run all operations at our potato storages at planting and harvest time. Due to my involvement with AgSafe Alberta, I decided to build our own farm safety manual through the program, which was completed last spring. We learned a lot while setting up and implementing our new safety policies and found most of them were already in place. We did more communicating and educating about safety, and therefore everyone on our farm became involved.

On November 13, 2017, AgSafe Alberta had their inaugural meeting, led by Gord Winkel. AgSafe Alberta is a product of the industry-led AgCoalition who address the concerns of farmers and ranchers in regards to Bill 6 and 17, related to Occupational Health and Safety (OH & S) throughout the 2016-17 year. With Growing Forward 2 funding, the livestock and crop sector working groups hired a coordinator to develop tools and resources, which were delivered on an ongoing basis under AgSafe Alberta. The AgSafe Alberta project was completed on February 28, 2018 and later transferred to the AgSafe Alberta Society.

We had a busy year, getting the Board up and running, which consists of representatives from 11 agricultural industry organizations:

Alberta Wheat Commission, Kent Ericson, Chair
 Alberta Poultry Sector, Erna Ference, Vice chair
 Alberta Barley Commission, Shane Debock
 Alberta Beef Produces, Garth Porteous
 Alberta Cattle Feeders Association, Martin Zuidhof
 Alberta Canola Producers Commission, Kevin Serfas
 Alberta Pork, Martin Waldner
 Alberta Pulse Growers, Tim Vanderhoek
 Alberta Milk, Martin VanDiemen
 Potato Growers of Alberta, Hanneke Camps
 Landscape Alberta, Member to be appointed

We were also setting up our Bylaws and building the Policy and Procedures Manual. We met several times throughout the year, and one day was spent on strategic planning. Here, we outlined our mission, vision and goals, to ensure we had a clear view of what was required to adopt the program. We created a timeline and set out priorities, which included establishing a "hiring committee" on August 1st. Jody Wacowich also began her position as the first Executive Director for AgSafe Alberta, with office space rented at the Alberta Wheat Commission in Calgary. In the meantime, to keep the momentum going, the advisors and project coordinator's terms of the AgSafe Alberta Project were extended so the farm visits to assist in building safety manuals and attending producer group meetings continued.

Going forward, AgSafe Alberta's vision to promote and improve farm and ranch health and safety will assist in building Safety Manuals for your business, and continue to provide online education and tools to create a safer work environment for all farmers and ranchers, their families, employees and visitors.



CANADIAN HORTICULTURAL COUNCIL/ CANADIAN POTATO COUNCIL

JOHN BAREMAN, CHAIRMAN (CPC)

CANADIAN POTATO
COUNCIL



On behalf of the Canadian Potato Council (CPC), I extend greetings to the Potato Growers of Alberta as you come together for your Annual General Meeting.

The Canadian Potato Council continues to work for the industry on a national level. The support and expertise provided by the Potato Growers of Alberta makes our efforts effective in various ways. The CPC has been continuing their efforts to learn the onerous burden of PCN Testing. To date, more than 260,000 samples have been tested and all have been negative. The proposal presented to our U.S. counterparts has not yet been accepted.

Council continues to provide guidance in areas of research. Two projects, Colorado Potato Beetle and Late Blight, have had final reports. Over the summer,

a number of new projects have been selected and we await approval for funding from the Canadian Agriculture Partnerships. Our group has been very engaged with PMRA (Pesticide Management Regulation Agency). Success has been achieved in the review work of the PMRA on registered pesticide products for use in potatoes, particularly as it relates to Bifenthrin, Phorate, Mancozeb and Metiran.

Trade issues have also become more of a flash point in light of the recent NAFTA negotiations and we continue to promote a positive position for our discussion with our partners south of the border.

On behalf of the Canadian Potato Council, I wish you a successful and enjoyable meeting and Conference.



POTATO SUSTAINABILITY INITIATIVE



MIKE WIND, ALBERTA GROWER REP

Potato Sustainability Initiative: Continuous Improvement In Sustainable Potato Production

In response to a 2010 request from McDonald's to help implement a shareholder agreement, a collaboration was developed to promote and track IPM and other best practices in potato production. Participants included McCain Foods, ConAgra Foods, Simplot, McDonald's, the National Potato Council (NPC), the Canadian Horticultural Council, several growers, and the IPM Institute of North America.

In 2013, McDonald's asked the group to broaden the survey to contain additional practices important to sustainability including waste reduction, air quality, energy and water conservation, and greenhouse gas reduction. In addition, Basic America Foods, Cavendish, Kraft Heinz and Sysco joined the effort, now called the Potato Sustainability Initiative (PSI). In 2017, an advisory committee was also formed to review progress and provide recommendations. The committee includes Land Grant University experts and representatives from non-governmental organizations.

The annual grower survey was created to increase awareness, and promote and track adoption of best practices. The survey is continually improved with input from growers, processors, university scientists and non-governmental organization members. Growers complete the survey on an easy-to-use customized website developed by our software partner. Results are reported on the PSI and the NPC website. An index score is calculated by summing the four levels (basic, steward, expert, master) with a maximum possible of 400% or 4.0.

In 2015, we introduced several performance metrics to assist in measuring the impacts of sustainable practices implemented by growers. These metrics include worker safety, waste and recycling, nutrient use, irrigation, greenhouse gas production and pesticide risk.

To ensure validity of the survey results, growers

participate in an audit program, under which professional auditors verify survey answers on-farm, with 20% of the grower base audited each year. Along with validity of survey results, audits are used to educate and assist growers in introducing appropriate practices to their potato growing operations. Initial audits were completed in 2016 for the 2015 growing season on 10% of PSI growers. We are currently auditing 20% of growers as our full audit selection. Our audits are conducted by professional, third-party auditors analyzing audit results each year to help improve survey questions and to identify opportunities to make continuous improvements in practices and outcomes.

Growers, processors and buyers benefit from the efficiencies generated by collaborating on a single program for North American potato production. PSI has been informed by and/or been benchmarked to multiple sustainability programs and metrics, including Sysco's Sustainable AG/IPM program, McDonald's Social Accountability Questionnaire, the Sustainable Agriculture Initiative checklist, Wisconsin Potato and Vegetable Growers Association Healthy Grown, Field to Market and the National Potato Council IPM Survey.

Currently, we are collaborating with The Sustainability Consortium (TSC) under a mutual membership agreement to improve and streamline sustainable agriculture metrics. We are working with TSC on their Ag Metrics Task Force and TSC has a seat on our Advisory Committee. We are also working to benchmark our survey and metrics against the Sustainable Agriculture Initiatives Farm Sustainability Assessment for the United States and Canada.

UNITED POTATO GROWERS OF CANADA

KEVIN MACISAAC, GENERAL MANAGER



The United Potato Growers of Canada has had another interesting and positive year working to support growers in getting the possible return on their investment.

Estimates of crop production, yield and quality will be even harder for our organization to estimate this year, given all the variables. Our mandate of providing data so growers can better manage supply with existing demand will be increasingly important in the coming months. Growers continue to look forward to receiving crop update information from other provinces and other countries throughout the growing season. After harvest, the information becomes more about analyzing the volume of potatoes (for each sector of seed, table, and processing) remaining in storage as each month finishes up, ultimately leading to acreage management decisions at planting time. Growing conditions in the major potato producing parts of Europe, have been challenging in recent years. This will no doubt have an effect on our international marketing decisions. The potato industry is seeing expansion again, mostly driven by processing demand. It is great to see growers able to grow their business as their customers grow theirs, based on consumer demand for innovative products. Certainly this is a refreshing contrast to many years where our organization had to promote the reduction of acres to best match supply with demand.

Our working relationship with the United Potato Growers of America continues to be an important part of our mandate. UPGC is also a partner with UPGA in several large conferences such as the Potato Business Summit, held in conjunction with Potato Expo each January. This event has now become the strongest information provider at that international venue. Last year's attendance in Orlando, Florida was outstanding. It is expected that this year's upcoming conference in Austin, Texas on January 9th will see similar results.

Similarly, the Crop Transition Conference held each June in Minneapolis allows both Canada and the US to create an accurate timeline of supply as the crop transitions from old storage to new out of field. Data and information is key to not oversupplying the market at any given time and in past years this conference has been critical in maintaining the initial price as the first

area (Big Lake) begins to market its crop. Canada is now an important participant and contributor in that meeting.

Methods of disseminating information to growers are constantly evolving. Since not all provinces currently are members, we provide information updates in both national and provincial magazines and newspapers to reach growers in those areas who ask for and appreciate, the data we provide.

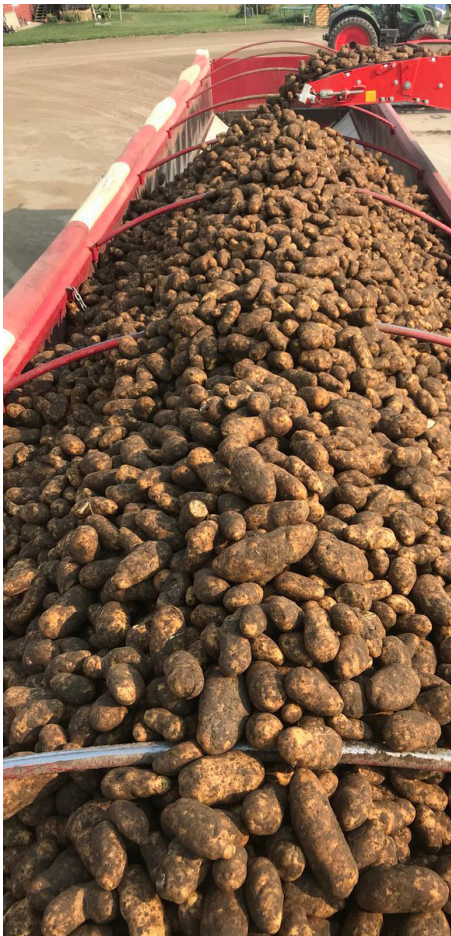
Our operating expenses in our budget track consistently from year to year, and on the revenue side, levy support from member provinces is very much appreciated. Grower decisions to support our organization at the \$0.50/acre level have been critical to maintaining our existence. Realizing the many initiatives 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. This year has been very successful one in attracting new partners to support UPGC. Thanks are extended to AMVAC, Farm Credit Canada, The Quebec Packers Association, Equipment Capitale, Coderre Packaging, Sac Drummond, Seneschal, and Green Diamond Equipment for your valued support. We are always looking to expand our Partner clientele, which can provide synergistic benefits for each side of the industry.

Our organization is involved in many facets of data collection and interpretation; whether it is the European crop in World Potato Markets, the tracking of Potatoes Imported into Canada, the Statistics Canada acreage estimate in July, or the Canadian Production estimate in November – we could not do it without the support of the staff in the office of the Potato Growers of Alberta, who do their job so well.

The final thank you goes out to our two board directors from Alberta: Terence Hochstein, and Mike Wind – it has been a pleasure working with you in the last year.

We look forward to your continued support.



2018 Canadian Potato Plantings (Acres)

Source: Statistics Canada Table 32-10-0358-01 July 19 2018

Province	2013	2014	2015	2016	2017	2018	Change
Newfound land	500	380	400	400	350	350	0%
Prince Edward Is.	82,900	85,000	85,800	87,000	84,200	84,000	-0.2%
Nova Scotia	1,900	1,725	1,624	1,774	1,700	1,500	-11.8%
New Brunswick	47,300	47,700	47,700	47,630	51,700	53,000	+2.5%
Quebec	42,996	42,255	41,761	41,761	42,996	42,255	-1.7%
Ontario	38,000	35,500	34,750	34,800	35,400	34,000	-4.0%
Manitoba	70,000	63,000	67,300	65,914	62,900	64,100	+1.9%
Saskatchewan	7,000	6,900	6,700	6,900	6,500	6,500	0%
Alberta	52,483	52,984	53,128	52,998	53,570	55,410	+3.4%
British Columbia	6,200	5,890	6,100	7,250	6,500	6,800	+4.6%
Total	349,279	341,335	345,263	346,417	345,817	347,416	+0.5%

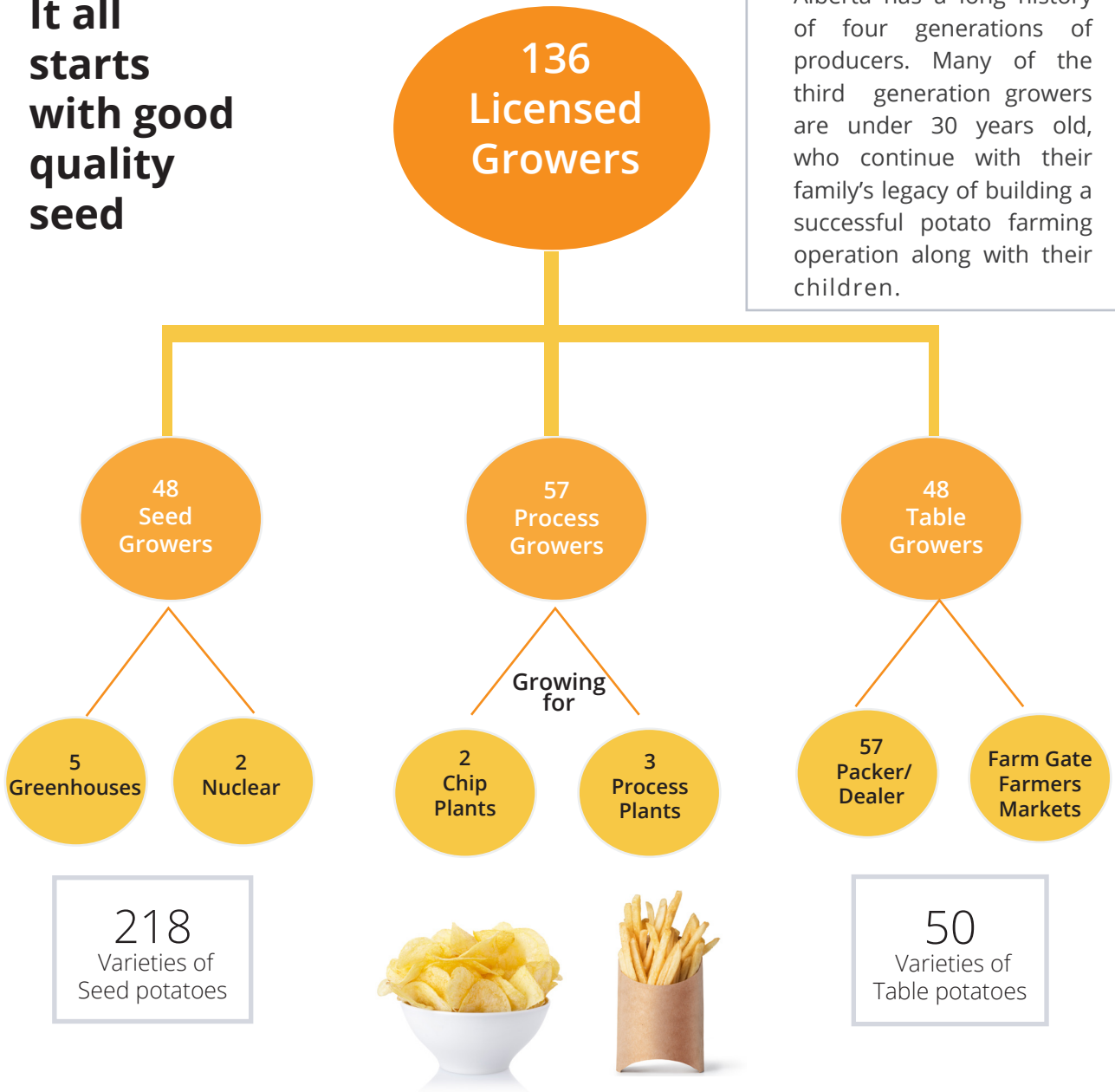
10th World Potato Congress
 CUSCO-PERU | MAY 27-31, 2018
 www.worldpotatocongress2018.org

XXVIII CONGRESO DE LA ASOCIACIÓN LATINOAMERICANA DE LA PAPA
 BIODIVERSITY, FOOD SECURITY, AND BUSINESS



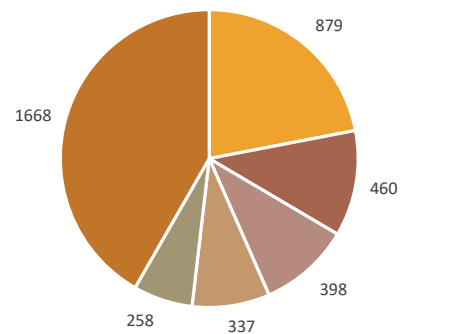
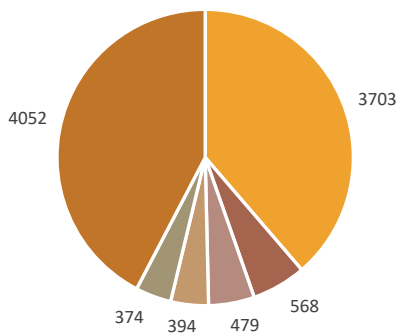
It all starts with good quality seed

The Potato Growers of Alberta has a long history of four generations of producers. Many of the third generation growers are under 30 years old, who continue with their family's legacy of building a successful potato farming operation along with their children.



2017-18 TOP 5 SEED INDUSTRY VARIETIES BY ACRE

2017-18 TOP 5 TABLE INDUSTRY VARIETIES BY ACRE



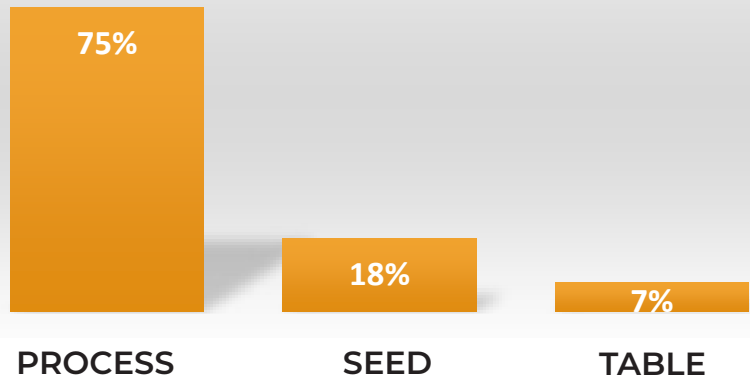
- Russet Burbank
- Ranger Russet
- Bintje
- Other(213)
- HO2000
- Russet Norkotah

- HO2000
- Russet Norkotah
- Perline
- Sangre
- Russet Burbank
- Other (45)

Although PEI and Manitoba planted more acres than Alberta, **our growers still harvested more tons per acre than all provinces across the country.**

The Alberta Potato Industry contribute **over 1 Billion dollars** to the provincial economy

2017-18 TOTAL PLANTED ACRES



ANNUAL GENERAL BUSINESS MEETING NOVEMBER 15 & 16, 2017 - SHERATON HOTEL RED DEER, ALBERTA

Session #1

Wednesday, November 15, 2017

8:30-10:30 a.m.

Terence Hochstein, Executive Director, announced Chairman Ed Vandenberg has resigned and stepped down from the Board. Vice-Chairman, Jake Schutter, will take over as Chairman for the 2017 Annual General Meeting.

Session Chairman - PGA Vice-Chair, Jake Schutter

Welcome and Call to Order - Jake Schutter welcomed everyone and called the meeting to order at 8:35 a.m. Introduction of Special Guests. Jake Schutter introduced Brent McEwan and Janelle Hancock from Alberta Agriculture and Forestry, Marketing Council.

Additions to the Agenda

There were no additions to the agenda.

Approval of Agenda

Motion to approve the Agenda - Ypma, Louis/Stolk, Ed. Carried.

Approval of Minutes from 2016 AGM held Nov 22, 23, 2017, Banff AB

Motion to approve the Minutes - Zeinsta, Jerry/Langeweg, Serge. Carried

Resolution Committee and call for Resolutions - Ernie Van Boom

Ernie Van Boom announced he had received two resolutions for the 2017 Annual General Meeting and read Resolution 2017-001 pertaining to the reversal of Bill 43 and Resolution 2017-002 pertaining to a Dickey survey in Alberta. The 1st and 2nd call for additional resolutions was made.

Call for Nominations:

One Director-at-Large for a 1 year term: Stan Kanegawa nominated Louis Claassen. Louis was not present however previously agreed to let his name stand. Lyndon Nakamura nominated Harold Perry, who declined the nomination.

Tyler Buba nominated Matthew Visser, who accepted the nomination. One Director-at-Large for a 3 year term: Harold Perry nominated Charles Nakashima, who was not present, however previously agreed to let his name stand. Arjan Wordman nominated James

Bareman, who accepted the nomination.

PGA Vice-Chairman's Report - Jake Schutter

Jake Schutter reviewed his report as presented in the Annual Report.

Executive Director's Report- Terence Hochstein

Terence Hochstein reviewed his report as presented in the Annual Report.

Appointment of Auditor

Motion to retain the accounting firm of Avail CPA for 2017/18. Ypma, Louis/Torsius, Bill. Carried Bill Torsius moved to adjourn the meeting at 9:45 a.m.

Session #2

Thursday, November 16, 2017

8:30 - 9:30 a.m.

Session Chairman - Jake Schutter

Jake Schutter called the meeting to order at 8:40 a.m.

2016-17 Financial Statements - AVAIL CPA

Calvin Scott reported the statement is similar to last year with very few changes. Any changes were reviewed by the Board and the audit was performed as per an independent audit report.

Motion to accept the Financial Statement - Bennen, Jan/Hoogland, Jake. Carried.

U of L program - Terence Hochstein

The financial commitment to the University of Lethbridge is into the 6th year, although only a five year commitment was made by the processors. For the first three years of the commitment, the money was not used, as a researcher had not been hired, however Dr. Dmytro Yevtushenko was hired two years ago. It takes approximately five years to build a program, and there are some students taking potato-related courses. There are also two Masters students, one working on late blight and another beginning work on early die. The processors will support another three years of funding, including this year only. They would also like to see quarterly reports. A final decision will be made by the Board on December 7th.

John Bareman -APRE update

John Bareman reported APRE will be focusing on nutrition research moving forward and the financial situation reflects less money spent on administration and more on research and promotion. Lamb Weston has agreed to join APRE, however New Brunswick has still not rejoined.

Final Call for Resolutions - Ernie Van Boom

Ernie made the final call for resolutions with no more being presented.

Ernie read Resolution 2017-001 again, and after some discussion, there was a slight change to the wording.

Motion to accept Resolution 2017-001 - Torsius, Bill/Groot, Don. Carried

Ernie read Resolution 2017-002 again. There was some discussion pertaining to a survey, with industry wanting to be proactive as some processors and growers will be asking for this test to be done. Industry needs to be confident in the process, testing and results, with the strain identification being very important. It was mentioned samples sent for the PHT grow out can be tested by Dr. Peter Ellis if they exhibit visual signs of black leg. The Board will discuss at the next meeting.

Motion to accept Resolution 2017-002 - Goutbeck, Cecil/Hoogland, Jake. Carried.

Second and Third Call for Board Nominations

The second and last call for nominations was made with no additional names coming forward. Matthew Visser withdrew his name for the Board position. Charles Nakashima, James Bareman and Louis Claassen have let their names stand for Director-at-Large positions. James Bareman spoke to the growers about his nomination.

Election of Board Positions

Voting took place for the 3-year Director-at-Large position with James Baseman announced as the new Director. Voting took place for the 1-year Director-at-Large position, and Louis Claassen was announced as the new Director. Jake Schutter announced the new Board and thanked those who let their name stand and to those who had served on the Board.

Other Items of Importance

Deb Hart addressed the possibility of a federal lab in Alberta. Discussions will have to take place with both Alberta Agriculture and Forestry and with the Canadian Food Inspection Agency.

It was reported aerial spraying will not take place within two miles of a windmill, however the landowner can contact AUC with their concerns. It will be difficult to

expand irrigated acres with more windmills being built.

Jake Hoogland moved to adjourn the meeting at 9:50 a.m.

Board Meeting

Jake Schutter called a Board Meeting immediately following the Business Meeting. As Louis Claassen was not in attendance, it was agreed to wait until the Board Meeting on December 7th to appoint a Chairman and Vice-Chairman. Jake Schutter will continue to act as Chairman until the December Board meeting.

Resolution 2017-001

And Whereas, the Government of Alberta passed legislation to repeal Section 26-1 of MAPA;

Whereas, the sole source of revenue for the Potato Growers of Alberta, a not for profit organization, is levies collected on potato production in the province;

And Whereas, the collection of levies from all licensed potato growers within the province promotes unity and a strong industry with no division;

Therefore, be it resolved, that Alberta Agriculture and Forestry's Marketing Council proceed with a plebiscite to reverse the Potato Growers of Alberta refundable levies as legislated under Section 26-1 of MAPA.

Resolution 2017-002

Whereas the Alberta seed potato industry is very progressive continuing to produce high quality seed for domestic and international markets;

And Whereas the Alberta seed potato industry is the leading exporter of seed to the United States;

And Whereas Dickeya is considered an aggressive bacterial disease and a threat to the Alberta potato industry and export markets;

And Whereas the Alberta seed industry wishes to be proactive in prevention and managing potential potato disease risks;

Therefore be it resolved the Potato Growers of Alberta begin a blind testing survey of Alberta seed lots on a volunteer basis, with confidential results, using a previously established Canadian testing protocol for the purpose of determining if Dickeya is present in Alberta grown seed potatoes.

FINANCIALS - AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To: The Members of
Potato Growers of Alberta

We have audited the accompanying financial statements of Potato Growers of Alberta, which comprise the statement of financial position as at July 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Potato Growers of Alberta as at July 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Lethbridge, Alberta

October 24, 2018

A handwritten signature in black ink that reads "Avail LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

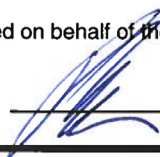
The audited financial statements of the Association are available on request by contacting the administration office

POTATO GROWERS OF ALBERTA
STATEMENT OF FINANCIAL POSITION
As at July 31, 2018

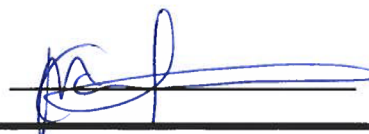
	2018	2017
ASSETS		
Current		
Cash	\$ 79,176	\$ 75,616
Short-term investments (note 3)	852,340	983,698
Accounts receivable	172,659	156,640
Interest receivable	27,847	20,989
Inventory	37,175	17,403
Prepaid expenses	58,595	79,062
Funds held on behalf of others (note 9)	721,252	235,059
Current portion of crop advances receivable	560,769	701,467
	2,509,813	2,269,934
Crop advances receivable (note 4)	1,550,400	1,508,610
Long-term investments (note 5)	1,205,000	850,000
Investment in Alberta Seed Potatoes Inc. (note 6)	8,000	8,000
Capital assets (note 7)	365,956	335,334
	\$ 5,639,169	\$ 4,971,878
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 33,398	\$ 54,761
GST payable	2,290	1,657
Payroll remittances payable	41	14,835
Deferred contributions (note 8)	9,000	9,400
Funds held on behalf of others (note 9)	721,252	235,059
Current portion of loans for crop advances	560,769	701,467
	1,326,750	1,017,179
Loans for crop advances (note 10)	1,550,400	1,508,610
	2,877,150	2,525,789
Commitments (note 15)		
Net assets		
Unrestricted	817,425	667,399
Internally restricted (note 11)	1,578,638	1,443,356
Invested in capital assets	365,956	335,334
	2,762,019	2,446,089
	\$ 5,639,169	\$ 4,971,878

Approved on behalf of the board:

Director



Director



POTATO GROWERS OF ALBERTA
STATEMENT OF OPERATIONS
For the year ended July 31, 2018

	2018	2017
Revenue		
Levies and licenses	\$ 1,470,210	\$ 1,426,616
Registrations and sponsorship	231,072	266,843
Interest	37,807	30,638
Grants and recoveries	29,730	17,168
	1,768,819	1,741,265
Expenses		
Wages and benefits	589,579	483,490
Research and industry development	176,280	224,104
Annual general meeting	142,275	287,949
Advertising and promotion	83,881	110,219
Memberships	83,409	60,847
Meetings and travel	76,228	75,075
Office and administration	52,049	45,882
Negotiation costs	44,638	40,080
Telephone and utilities	37,082	36,110
Extension and grower education	33,445	18,522
Professional fees	30,723	56,539
Automotive	25,805	22,850
Property costs	22,817	20,835
Donations	14,213	16,400
Insurance	13,163	16,002
Bad debts	559	-
Amortization	34,723	30,488
	1,460,869	1,545,392
Excess of revenue over expenses from operations	307,950	195,873
Other income		
Gain on disposal of capital assets	7,980	8,696
Excess of revenue over expenses	\$ 315,930	\$ 204,569



COMMITMENT LEADS TO SUCCESS

**“Coming together is a beginning,
staying together is progress,
working together is success”**

- Henry Ford

The PGA would like to recognize the dedication of those who go above & beyond, giving their time and commitment to your organization. Many people have been involved on one or several boards for many years. Some have given unselfishly for more than fifteen to twenty five years, some two or five years. Regardless of the time period, we appreciate your efforts. We thank everyone who puts their name forward to sit on committees and groups for the benefit of the potato growers and the advancement of the Alberta Potato Industry.

Also, thank you to our Grower and Industry Families that continue to support the PGA by attending meetings, help with tradeshow, donate products and so much more.

Thank you for all you do!!



Loyalty
ACCOMPLISHMENT
SUCCESS
Benefit
EFFORT
 Victory Attention

Faithfulness
 diligence

DEDICATION



GROWING & WORKING TOGETHER



ANNUAL REPORT

2017/18

Main Office:
6008-46 Ave
Taber, AB
T1G 2B1
Phone: 403.223.2262

North Office:
CDCN 17507 Fort Rd.
Edmonton, AB
T5Y 6H3
Phone: 80.415.2305

Email us:
pga@albertapotatoes.ca

Website:
www.albertapotatoes.ca



Annual Report created by Deb Brewin
PGA Communications & Promotions Director
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