

## **Levy History**

The idea of stable funding for forage seed research, development and extension in the Peace Country has its roots back to 1982 as shown in the Timeline Leading to the Stable Funding Initiative.

A forage seed strategic planning process was started early in 2002 with 25 industry stakeholders invited to participate. This planning process resulted in the need for stable funding to further develop the industry. In March 2002, producer members of the Peace Region Forage Seed Association (PRFSA) unanimously passed a resolution that they investigate the establishment of a levy on forage seed in the Peace River area of Alberta and B.C. A stable funding committee of eight stakeholders was formed to lead the process.

The stable funding committee worked with the Marketing Council office starting in January 2003 to develop draft and final commission regulations. Before the March 2003 PRFSA annual general meetings (AGM), a pamphlet explaining the commission concept was distributed to about 2000 separate addresses of forage seed producers in the Peace Country. The pamphlet invited all forage seed producers to the upcoming PRFSA AGM where a discussion and producer vote would be held on the formation of a new commission.

At the PRFSA 2003 annual general meeting, a vote of British Columbia and Alberta producers was taken. The B.C. voters unanimously approved a refundable levy through that province's Grain Industry Development Council. Of the Alberta producers attending the meeting, they were 81 percent in favour of a refundable commission under the Marketing of Agricultural Products Act.

As of December 2003, the steering committee recommended a service charge of 0.75 percent of seed sale value be implemented on July 1, 2004.

In the estimation of the industry, in order to remain viable, the industry needs continued research into production, new variety development and extension to producers. In its five-year strategic plan, the industry forecasts many of the projects it will undertake. The plan estimates \$200,000 in revenue each year and plans for a 30 percent refund level, leaving about \$140,000 per year for research/development activities and administration.

Alberta producers looked at a regional refundable commission (would only cover the Peace Country of Alberta). It was proposed and approved that there would be three directors representing a cross section of areas and crops. Those three directors would also sit on the PRFSA where they would jointly fund forage seed research projects with their B.C. counterparts. Each province would account for the money separately but would be able to join forces on projects.

Manitoba currently has a 0.75 percent service charge and Saskatchewan is thinking about implementing one. About half of Canada's forage seed is grown in the Peace Country. The Alberta Peace has an estimated 1086 farms producing forage seed on about 341,000 acres and the B.C. Peace has an estimated 212 farms producing forage seed on about 90,000 acres. There are 13 (11 in Alberta) forage seed dealers/buyers in the Peace.