



# 137<sup>th</sup> Annual General Meeting of Members

## Holstein Canada Minutes

Location: (Electronic Webinar)

Date: April 29, 2020

### 1. Welcome and Call to Order

President Gerald Schipper welcomed everyone to the 2020 Annual Meeting of Members and called the 137<sup>th</sup> AGM to order at 12:00 p.m., with a quorum of voting members registered.

President Schipper shared the electronic AGM format would differ from past AGMs, covering only business items. Resolutions and Awards would be addressed or presented at a later date. He gave special welcome to the Saskatchewan 2020 Convention Committee, as the AGM was to take place in their province before the unfortunate cancellation due to COVID-19. President Schipper mentioned he and CEO Ann Louise Carson wore their yellow 2020 Convention jackets to honour Saskatchewan. President Gerald thanked the sponsors who had showed their commitment to the Saskatchewan Convention and Association.

President Schipper asked that a moment of silence be observed during pauses required for each vote, in memory of departed members of the Holstein Canada (HC) family, in support of the dedicated front-line workers during these trying times and for the people of Nova Scotia mourning their recent tragic loss.

CEO Ann Louise Carson shared some housekeeping items regarding the electronic AGM format. Due to technology limitations, the AGM would be presented visually in both official languages, with audio in English only. Simultaneous interpretation would be available by telephone for francophone members. The Agenda, 2019 Annual Report and 2019 AGM Minutes were posted in advance on the HC website for reference. Movers and seconders were preselected to allow motions to be on the table. Members would be able to communicate comments or questions using the webinar chat function or by text before each vote or throughout the webinar. Electronic voting, privilege reserved for members, would be recorded. Ann Louise advised all was done to respect By-laws and electronic AGM received Agriculture & Agri-Food Canada approval. She thanked all for their understanding and flexibility in this historic AGM.

### 2. Approval of Agenda

On a **motion**, the membership accepted the agenda with the addition of item #10 – Special Recognitions. Moved by Elyse Gendron (VAL-BISSON); Seconded by Dennis Werry (LOA-DE-MEDE). – *Motion Carried*

### 3. Minutes of 2019 Annual General Meeting of Members

On a **motion**, the membership accepted the minutes of the 136<sup>th</sup> Annual General Meeting of Members. Moved by Doug Peart (PEARTOME); seconded by Angus MacKinnon (BUCKLAND). – *Motion Carried*

### Business arising from the Minutes

At the 2019 AGM, the Board asked members to allow them to appoint an auditor based on the Request for Proposal (RFP) process. Three firms submitted proposals & made presentations to RFP sub-committee of Audit, Risk Management & Finance Committee. The process focused on points for value & service. KPMG was recommended by the sub-committee and approved by the Board in July. The Board thanked members for their confidence.

On a **motion**, the membership ratified the Board of Director's decision regarding appointment of KPMG as Holstein Canada's auditing firm. Moved by Willem Vanderlinde (LUCKYHILL); seconded by Benoît Turmel (BEAUÇOISE). – *Motion Carried*

#### 4. Address of the President

President Gerald Schipper stated it had been a privilege to lead the HC Board as they completed Year 1 and dove into Year 2 of the 3-year Strategic Plan. He summed up 2019 as a tough year for dairy producers from a cropping perspective. However, despite challenging conditions, producers turned to our services in greater numbers, a tribute to their value, as HC reached new records in 2019.

##### Strategic plan

President Gerald shared it was no coincidence that the first Pillar of the Strategic Plan was *Producer Engagement*. Being a strong grassroots organization comes with a responsibility to be present, to listen, and to make decisions based on producer input. The main motivating factor for the Board was our strong link to grassroots. As *Youth* has a dedicated Pillar in our Strategic Plan, the Board of Directors enhanced committees with youth representatives on all external committees. He gave special recognition to members, Branches and to committees as their input was key to important Board decisions.

While underlining the many strengths of our Association, President Schipper shared HC Board faced some challenges and spent a considerable amount of time discussing data ownership (80/20) in the past year. Why aren't all producers contributing to the data pool, and how do we reward those who do? The answers are not quick to find and are linked to two important Pillars in our Strategic Plan: *Technology* and *Partners*. The main focus was keeping channels open with *Lactanet* as they complete their first year, strengthening links with *Dairy Farmers of Canada* (DFC) and pledging continued support for both organizations. Together we are stronger.

##### Committee Updates

President Gerald thanked all committees for their dedication and vision. He was pleased to provide updates for a few committees on their behalf.

###### a. Classification Advisory Committee

Front legs, locomotion and straight legs all affect cows' mobility and optimal functionality. To better identify these traits, in early 2021, we will separate legs from feet and go to five major type sections as seen below with their weightings:

- 40% - Mammary System
- 20% - Dairy Strength
- 12% - Rump
- 20% - Mobility
- 8% - Foot

The foot section will consist of heal depth and foot angle; mobility will carry all the leg traits.

###### b. Show and Judging Committee

To make shows more relevant and optimize young milking animals, a new class structure will take effect January 1, 2021. It will divide younger milking classes into groups based on date of calving. Two classes will be added for milking animals while preserving the ages of heifer classes. Milking intermediate yearling and intermediate 2-year olds are the two new classes and the dates on the younger milking classes have changed. These changes are a follow-up to considerable consultations and will be updated on the HC website in May.

###### c. Breed Advisory Committee

The committee requires two new representatives: from Ontario and Western Canada.

## Canadian Dairy Leadership

Mr. Schipper acknowledged international guests from the U.S. and Mexico, thanking them for joining the AGM. Our Holstein cow connects us at home and on the global stage. Trips to the United States, Mexico and Brazil were great opportunities to promote Canadian Holsteins. Canadian Holstein leadership is a thing to celebrate with great successes for both our industry and our individual members. Five of the Top 8 Most Influential Breeders in the World, as chosen by their peers in *Holstein International*, including #1, were Canadian. A proud moment for Canada on the world stage. He congratulated GILLETTE, HANNOVERHILL, JACOBS, and BRAEDALE on their achievements. Of special note, Marc and France Comtois of COMESTAR were selected as #1. Mr. Comtois was also inducted in the Canadian Agricultural Hall of Fame in 2019.

## Recognitions

Awards and recognitions have been postponed however, the following were mentioned:

### Canadian Production Champions (New)

BERGITTE BIG KAHUNA HOTMAIL (Owners: Bertrand Boutin & Fils Inc.) VG-87-4YR-CAN 4-yr old for Fat
ROYOLAIT MARIJO LAUTHORITY (Owners: Ferme Royolait Inc.) VG-88-4YR-CAN 5-yr old for Milk, Protein & Total Performance
KNONAUDALE ATWOOD KNOT (Owners: Ferme Des Trèfles Inc.) EX-90-3E-CAN 8-yr old for Milk & Total Performance
FARNEAR BROCADE P BUFFY-ET (Owners: Ferme Parkhurst Inc.) VG-88-6YR-CAN 9-yr old for Fat & Total Performance

### Century of Holsteins 1920–2019

Descendants of James C. Jenkins

### Certificate Superior Achievement

Keith Flaman

### Certificate of Recognition

Lorne Loveridge

### 2019 Master Breeders

AGGIES	AMIGO	BOISBLANC	CHARPENTIER
DARCROFT	FAMIPAGE	GOLDENFLO	HAMMINGVIEW
IDEE	LARENWOOD	LEHOUX	LESBERTRAND
LESPERRON	MAPLEBROUGH	MAURICIENNE	NICREST
SUNNYHOME	WILMARLEA	WISSELVIEW	

## 2019 Cow of the Year finalists (winner to be announced at the Royal Agricultural Winter Fair)

CALBRETT SHOTTLE TEEKAH EX-93-3E-CAN 9* (5/40)
DUHIBOU SAMUELO PORTEFOLIO EX-95-4E-CAN 11* (8/48)
KNONAUDALE JASMINE EX-96-4E-CAN 5* (7/18)
LOYALYN GOLDWYN JUNE EX-97-5E-CAN 1* (0/8)

### Today's Reality

Mr. Schipper acknowledged the HC Board of Directors and welcomed new Directors Karen Versloot (Atlantic Canada) and Harold Sweetnam (Manitoba/Saskatchewan). He thanked Directors for their vigilance and flexibility through the current pandemic challenges. Their work continued through social distancing, including the search for a new CEO, and regular business through many virtual meetings.


Our Association's Vision was created 18 months ago with financial and bovine health in mind but applies to today's reality. "A Healthy Dairy Industry for All" rings true as we strive to keep members and staff healthy and safe. The Board made the difficult decision on March 17 of taking HC staff off-field, with the support and understanding of our members. President Schipper thanked the HC Team for adapting to the changes and pushing through while working from home in many cases. He welcomed new CEO Vincent Landry, the newest member of the HC Team. He looked forward to the future with him and the dedicated Management Team.

President Gerald thanked the membership for the privilege of serving as Board President and shared he would be serving for a second term, at the request of the Board. He was grateful to his family and team at SKIPWELL for their great support, which allowed him to serve the Association.

### 5. Chief Executive Officer Report

CEO Ann Louise Carson addressed the membership, presenting the Association's daily road map, its Strategic Plan. There were many measurable goals for each of the six Pillars, all with a focus of better serving our members. She highlighted the accomplishments and challenges of 2019 leading into 2020.

#### #1 Producer Engagement:

- Doubled on-farm workshops (from 40 to 80)
- Organized a Branch Secretary Forum for sharing of information and training
- Continued growth in Social Media (Instagram  24%)

#### #2 Youth Engagement:

- Held 40 presentations in agricultural institutions, with Branches
- Launched Jr Membership Program in January 2020
- Continued support in Youth Activities and scholarships

The following were recipients of the 2019 Education Awards, as part of the HC Young Leaders Program:

Christina Boonstoppel - Grunthal, Man. University of Saskatchewan	Grace Hughes – Bonshaw, P.E.I. Dalhousie University
Hannah Woodhouse – Guelph, Ont. University of Guelph	Jaime Wilson – Port Perry, Ont. University of Guelph
Jonathan Pelletier – Saint-Gervais, Que. University of Laval	Leslie MacKinnon – Coaticook, Que. McGill University

### #3 Growth & Value:

- 5th consecutive year of growth for Registrations: 316,302
- 3rd consecutive year of growth for Classifications: 272,976
- New Classification herds: 130

### #4 On-Farm Service Excellence:

- 3 On-farm Services are overlapping more & more thanks to cross-training
  - Classification
  - Field Service
  - Cattle Assessments
- Groupe AGÉCO: 3rd party study on economic impact of our services with in-depth study group, proved the benefit of using HC services

### #5 Value-Added Technology:

- Developed **Compass** with Industry Partner *Lactanet*
- Designed **Holstein PLUS+**, a one stop more efficient software (+ is for Sister Breeds)
- Made available a new texting option for members to communicate with our Customer Service Team at 226-401-8305

### #6 Business Connections

- Expanded services to Sister Breeds in line with vision “A Healthy Dairy Industry for All”
- Strengthened connections with DFC: stronger together
- Working with *Lactanet*
  - Launching of **Compass**
  - Establishing DairyTrace Customer Service

Ann Louise thanked colleagues at DFC, *Lactanet*, AI and Sister Breeds. Working closely with Industry Partners benefits all our members as we face the COVID-19 situation and anything else related to our industry. The Strategic Plan showed many successes, however a few challenges were faced in 2019. Technology and the depth of projects can bring with it some delays or changes in course. Patience and flexibility are key to reaching project goals as they are worth the wait. A tight labour market, especially for bilingual staff in Brantford, posed another challenge. Our biggest hurdle remains the “short-term” gain mind-set in a tight margin environment with a category of members, as genetic improvement is a longer-term gain. The AGÉCO study will provide tools to help demonstrate mid to long-term gain with the use of our services.

CEO Carson reported in early 2020, we were heading to our best year yet. With the onset of COVID-19, HC was affected and some tough decisions were made mid-March. Based on information available at the time, with the goal of keeping clients and staff healthy (priority #1), HC self-deemed all on-farm services as a non-essential and stopped all farm visits. Government restrictions on workplace environments were also followed diligently concerning office staff. As a result of this difficult decision, 50% of revenue was lost. Focus was put on the other 50%, Herdbook services, and projects. CEO Carson reported Q1 registrations were ↓ by 2% and April was showing a similar trend.

Ann Louise was pleased to share the Team and their families remain healthy. Management is preparing for the eventual return to full services by training employees from their home base and creating a phased in strategy for on-farm services and office staff. The date of possible return, based on DFC projections, could be June 1 for farm visits with increased biosecurity, and allowing field staff to return home every night, which limits Classification to QC and ON for month 1. As the COVID-19 situation is fluid, decisions will be based on updated information from government sources.

Ms. Carson welcomed new CEO, Mr. Vincent Landry who will be leading HC with the support of a great Management Team, wishing them all much success. Ann Louise thanked the entire HC Team, Branch colleagues and Industry Partners. She thanked the Board of Directors with particular mention of Past Presidents. A special thank you went to President Gerald Schipper for his leadership in this transition

year. She thanked the membership for welcoming her into their barns, banquets and meetings and for the privilege of working for the Association. She concluded with a parting thought: "Always, always question *almost* everything but never, ever question the power of Grassroots."

On a **motion**, the membership accepted CEO Ann Louise Carson's report as presented. – *Motion Carried*

## 6. Remarks from incoming CEO

Incoming CEO Vincent Landry addressed the members, sharing his pride and excitement to start his new role. He thanked the Board, members, staff and Branches for the warm welcome and opportunity to share his energy and passion for the Breed, to the service of the members across the country. He acknowledged the current difficult situation and reaffirmed HC remains at the service of its members, while keeping the health of all concerned a priority as we continue to provide services allowed by government through the pandemic. He looked forward to meeting members in the near future.

## 7. 2019 Financial Report

Chair of the Audit, Risk Management & Finance Committee, Nancy Beerwort, presented the Financial Report. Ms. Beerwort introduced the Audit, Risk Management and Finance Committee members and provided the following high-level summary of the 2019 financial results.

### Operating Fund

- Income from Operations: \$13.1M (record year)
  - Record year with:
    - 316,302 Registrations ↑ 13% since 2010
    - 272,976 Classifications ↑ 7% since 2010
- Revenue ↓ 3 % below budget largely due to work stoppage of animal assessments
- Total Expenses were \$13.6M
- Expenses higher than 2018 but 4% below budget
- Deficit (\$547K)

### Reserve Fund

- No withdrawals in 2019
- Surplus of \$321K

### All Funds Total

- (\$225K) Deficit

### Reserve Fund Investments

The Reserve Fund is held in an investment portfolio serving as a contingency fund to provide cash for ongoing operations in the event of an industry disruption that would impair revenues. It has also served to provide cash for large projects that could not be funded by regular working capital. The Board approved strategy targets, a minimum balance equal to 6 months of the net operating expenses. In addition, the Association has a \$3M asset, its Head Office in Brantford that could be leveraged as an added source of cash in an emergency situation.

The Chair shared the Reserve Fund investments conforms to established guidelines outlined in the Association's financial policies. She reported an increase of \$322K from 2018. The categories of investments are as follows:

Fixed Income – 60%	Common Shares – 25%	Cash & Equivalent – 14%	Preferred Shares – 1%
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## 2019 Top Five Expenses

- People Costs – 51%
- NLID Costs – 10%
- Travel – Classifiers & Assessors – 9%
- Other Costs of Sales – 8%
- Travel – Other – 4%

## Financial Impact of COVID-19

Ms. Beerwort advised that normally the Association would present the 2020 budget at the AGM, which targeted a break-even position. In a post COVID-19 world, a deficit is now expected in 2020; as for every full month we are off-farm, the revenue loss is \$500K. On the other side, travel costs have decreased to next to nothing. Many 2020 events are cancelled, postponed or done differently like today's AGM, due to restrictions. The Association is always cost conscious and now more than ever.

HC will benefit from all government support programs available. Programs of greatest benefit: 75% wage subsidy (HC qualifies) and GST/HST/QST payment deferral until June to support cash flow. The Association will be resilient as always and we are continually adapting, re-adjusting budgets and operating plans to align with the best information available at the time.

On a **motion**: the membership accepted the 2019 financial report, as presented. Moved by Nancy Beerwort (CHERRYCREST); Seconded by Ben Cuthbert (SILVERMAPLE).- *Motion Carried*

## 8. Appointment of Audit Firm

On behalf of the Board, Ms. Beerwort recommended appointing KPMG as auditors for 2020.

On a **motion**: the membership reappointed KPMG as the Association's auditing firm for the year 2020. Moved by Nancy Beerwort (CHERRYCREST); Seconded by Gilles Côté (JEANRI). – *Motion Carried*

## 9. Guests and Members input session

### Guests

President Gerald Schipper gave a special welcome to our many guests, beginning with Holstein Canada Past Presidents, Branch Presidents, Sister Breed Associations, Industry Partners and Young Leaders. DFC President Pierre Lampron and CEO Jacques Lefebvre shared a few words with the members.

Mr. Lampron thanked President Gerald Schipper for his role in bringing HC and DFC in closer collaboration. He was proud of the supportive role both organizations played as milk producers were hard at work producing the milk that helps feed our nation. He acknowledged this is a difficult time for all Canadians, but dairy farmers are known for being resilient and taking on huge challenges. He concluded that despite the challenges created by the pandemic, there was also opportunity. The confinement has resulted in more home cooking, therefore higher need for dairy products. This is an opportunity for us to shine even brighter than usual because we are local and we can supply Canadians with the nutritious dairy they need as they look for food security and access to domestic produce. In support of the dairy farmers, a short video called *Here for Canada*, produced by DFC, was shared.

In Mr. Lefebvre's address to HC members, he began with an acknowledgement to retiring HC CEO, Ms. Ann Louise Carson, thanking her for leadership and passion for the Holstein Breed and for being such a great dairy ambassador. He welcomed new HC CEO Vincent Landry and looked forward to working with him. Mr. Lefebvre addressed the impact of COVID-19, stating DFC is working with Processors, Retailers, Canadian Dairy Commission and Food Banks to:

- accelerate retooling for processors

- address the bottlenecks in the retail system that cause lower demands for dairy
- stimulate consumption in the marketplace
- identify a program to house production until the marketplace stabilizes itself
- make donations in this time of need

DFC also set up a task force comprised of dairy organizations from all regions to develop an analysis of the impact of the pandemic on dairy farming, so that in turn we can identify the support we need to continue to feed the nation. Mr. Lefebvre shared CUSMA will enter into force in July, with significant impact for the dairy industry. DFC will set new objectives to try to mitigate this situation. He emphasized promoting the value of dairy, from its nutritious value, contribution to the Canadian economy and low environmental impact, are all strategies to be used. He concluded by mentioning the Blue Cow logo was now on over 8,000 products to distinguish the 100% Canadian Dairy quality products.

### Members' input Session

President Gerald Schipper invited the membership to ask questions, share ideas, concerns and comments via chat or telephone.

Ron Bird (BIRDVIEW) asked the Board to comment on this being the second year with a deficit of \$500K. How will the Board look to the future for changes? Audit, Risk Management & Finance Chair Nancy Beerwort replied the original 2020 budget was aiming for a break-even status but COVID-19 impacted the budget. She advised HC would have another deficit in 2020. As a contingency, the Reserve fund is available and HC will apply for government subsidies where applicable.

François Vermette (VERJATIN) asked if proAction® cattle evaluations would start before June 1. CEO Carson responded HC is following DFC directives; therefore, there will not be any non-essential on-farm services before June 1.

James Cranston (CRANHOLME) asked if HC has had to lay-off employees? CEO Carson responded that a few office staff members opted to self lay-off due their own circumstances. All other office staff are still working from home and a different pay scale has been applied to field staff who have used up their paid time days (which were expanded due to current situation) - they are still on payroll thanks to the government payroll subsidy program.

Deb Knapton (KNAPVIEW) asked would Classifiers be able to resume local Classification and start back with herds at the time HC ceased operations? Ann Louise advised the Classification schedule has been revamped for month 1 of return, ensuring Classifiers are not going any further than a 90 minutes drive from their home to ensure they can return home at the end of the workday.

Benoît Lafond (ALLFOND) Holstein Québec President sent a letter with his comments, read on his behalf. Mr. Lafond thanked outgoing CEO Ann Louise for representing producer interests within the industry and wished her a happy retirement. He extended a warm welcome to new CEO Vincent Landry. He thanked HC for having an electronic AGM, which allowed members to have an overview of last year and understood the formula was not ideal to discuss issues brought up in the resolutions. He assured the members Holstein Québec will bring these to the floor next year in Ottawa. Meanwhile, it was requested the HC Board keep the content of the resolutions in mind when discussing this year's priorities. He thanked President Gerald for including the subject of data ownership in his report, as this has been an important discussion point this year for the QC branch, as supported by many resolutions.

Marc Comtois (COMESTAR) thanked HC and Ann Louise, along with Holstein Québec and *Semex* for their support in his nomination to the Canadian Agricultural Hall of Fame in 2019, and congratulated Ann Louise on her career.

### Special Recognitions

President Gerald thanked outgoing Director & Past President Harry Van der Linden, representing Atlantic Canada for 9 years. President Gerald was grateful for Harry's guidance as he took on the role



of Board President. National Director Ron Boerchers representing Saskatchewan and Manitoba was thanked for his 8 years of service to the Association.

A special thanks went to Ann Louise Carson for her outstanding leadership, guidance and contributions to the Association in her 8 years as CEO. Her presence and leadership in the dairy industry for many years with various industry organizations helped shape her for her final role with HC. It is with sorrow that we see her leave, especially in the current situation where a proper send-off is not permitted due to social distancing. President Gerald wished her well as she embarks in the next chapter in her life, a well-deserved retirement.

### **Convention - Ottawa 2021**

A short video from the Host Committee for 2021 Convention in Ottawa was presented to give members a glimpse of next year's convention and AGM. President Gerald looked forward to Ottawa and concluded by announcing the 2022 Convention will be held in Saskatchewan. The famous yellow Conventions jackets will come out again for 2022-Take 2.

<p><b>On a motion:</b> Germain Lehoux (LEHOUX) moved to adjourn the 2020 Annual General Meeting of Members.</p>
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Attest:



Suzanne Jalbert  
Bilingual Executive Assistant & Board Secretary