



Annual Report

Farmers' Advocate Office

2019 - 2020

Alberta 

Alberta Agriculture and Forestry, Government of Alberta
Annual Report 2019 - 2020

Farmers' Advocate Office

Peter J. Dobbie, Q.C.: Farmers' Advocate for Alberta

Janet Patriquin: Assistant Farmers' Advocate

Michele Del Colle: Energy, Utilities, and Policy Specialist

Anna Kauffman: Rural Engagement Specialist

Roseline Soparlo: Administrative Coordinator

Bernie Yakimyshyn: Farm Implement Inspector (outgoing)

Brenda Tangen: Appeals and Hearings Coordinator

Keith Rasmuson: Farm Implement Inspector (incoming)



Table of Contents

Introduction.....	3
Message from the Farmers' Advocate.....	4
Advocacy.....	5
Rural Disputes.....	7
Energy, Utilities and Surface Rights.....	9
Publications List.....	11
Farm Implement Compensation Fund.....	Appendix A



Introduction

The Farmers' Advocate Office (FAO) serves as a resource for Alberta farmers, ranchers, and rural landowners. The FAO works to ensure that the rights and interests of rural Albertans are recognized, understood, and protected. The FAO provides ongoing support for rural Albertans through the delivery of timely information to our clients.

Rural communities have their own unique issues. Our office understands and respects the cultural perspective of these communities. Through extension and engagement, we empower landowners to mitigate risks to their agricultural operations.

Mission

Our mission at the Farmers' Advocate Office (FAO) is to:

- Empower rural Albertans through awareness of key issues;
- Provide objective, unbiased ideas and advice for resolving disputes;
- Represent a unified rural Alberta perspective on matters of concern; and
- Facilitate interaction on strategic matters among key stakeholders.



Our Vision

“To be a vital, issues-driven organization valued by stakeholders for our constructive contributions; respected for our impact on matters of concern to farmers and rural Albertans”

Message from the Farmers' Advocate

Dear Minister Dreeshen,

I am pleased to present the 2019-20 Annual Report of the Farmers' Advocate Office for your review. This report highlights some of the key undertakings and accomplishments of our office over the fiscal year. The financial statements for the Farm Implement Compensation Fund are attached as required under the *Farm Implement Dealership Act*.

Sincerely,



Peter J. Dobbie, Q.C.

Farmers' Advocate for Alberta



Advocacy

The FAO helps bridge the gap between rural Alberta and the provincial government, bringing the concerns of rural landowners to decision-makers, and advocating for legislative and policy change on behalf of the rural community. Advocacy efforts are delivered through collaboration with Synergy groups, municipal collaboration, committee participation and partnerships.

Advisories

[2019-2 \[rev. November 2019\] Still an Issue in 2019!! Landowner Rights for Annual Rental Payment Reductions and the *Surface Rights Act*](#)

[2019-3 \[rev. October 2019\] Risks to Agribusiness Regarding Grain Dealers and Farm Input Suppliers](#)

[2019-4 \[rev. October 2019\] Commonly Asked Questions: Can I Deny Access to a Wellsite?](#)

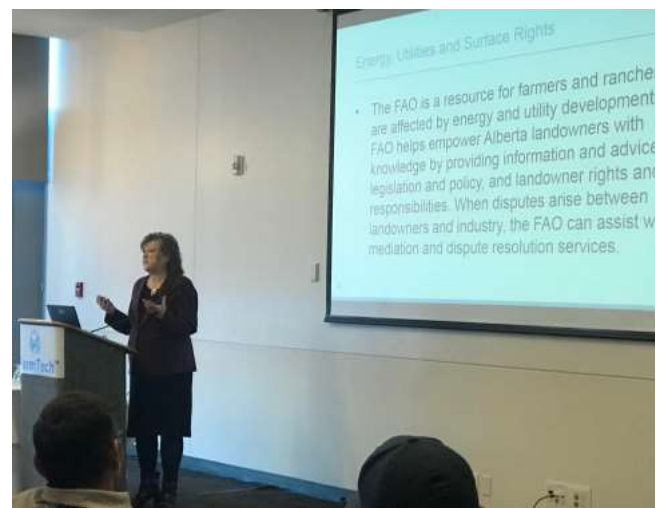
[2019-5 \[rev. December 2019\] Incorrect Registration of Builders' Liens](#)

[2020-1 \[rev. January 2020\] Changes to Workplace Legislation for Farmers and Ranchers](#)

[2020-2 \[rev. January 2020\] Farmers' Advocate Office strongly cautions farmers and ranchers NOT to follow recommendations to "safely turn off the power to the well and safely close the valves"](#)

Public Outreach

This year, the FAO attended and spoke at various trade shows and community outreach events. These events provide a platform for our office to determine challenges currently faced by rural landowners. Engagement with landowners provides information on trending issues. Notable interactions are documented to provide information for our team and to allow us to anticipate some future areas of concern for our clients. We engage with other departments in Government to assist them in fulfilling their obligations.



*Energy, Utilities, and Policy Specialist,
Michele Del Colle, Farm Tech
(January 29 & 30, 2020)*

Tradeshows

2020 Farm Tech - Presentation by Energy, Utilities, and Policy Specialist

2020 Agricultural Expo and Seed Fair - Booth attendance by Rural Engagement Specialist

2020 Rural Municipalities of Alberta - Invited to speak, cancelled due to Covid-19

Alberta Provincial Crime Watch Association Annual Symposium



Assistant Farmers' Advocate, Janet Patriquin, Farm Tech (January 29, 2020)



Partnerships

Alberta Energy Regulator (AER)
Alberta Utilities Commission (AUC)
Surface Rights Board (SRB)
Utilities Consumer Advocate
Rural Utilities Branch
Federation of Gas Cooperatives
Federation of Rural Electrification Associations
Synergy Alberta
Canadian Association of Petroleum Producers
Alberta Association of Surface Land Agents
Olds College

Committee Participation

Policy Advisory Committee
AER Multi-Stakeholder Engagement Committee (MSEAC)
Alberta Industry-Government Joint Geophysical Committee
Alberta Surface Rights Federation
Rural Alberta Framework Advisory Committee
Warburg Surface Rights Group

Synergy Groups

Calumet Synergy Association
Pembina Area Synergy
Rimbey Regional Synergy Group
West Central Stakeholders
Wapiti Area Synergy Partnerships
Central Mountainview Advisory Groups
Sundre Petroleum Operators Group
Foundation of Administrative Justice

Rural Disputes

Changes to the *Farm Implement Act* and Regulations

This year the *Farm Implement Dealerships Act* and the *Farm Implement Act* were integrated into the *Farm Implement Dealership Act* as part of the Government of Alberta's Red Tape Reduction Strategy. Further, a full legislative review was conducted in order to streamline the licensing of farm implement dealers and distributors. Changes maintain the purpose of the *Act*: to help protect the investment that farmers make in their machinery.

This year it is with gratitude for over 20 years of exceptional service that we wish Bernie Yakimyshyn a happy retirement from the FAO. We would like to further welcome Keith Rasmuson to his new role as Farm Implement Inspector.

Licensing Dealers and Distributors

All dealers selling new farm implements in Alberta must be licensed. In 2019, the FAO licensed 371 dealers. Any distributor selling products to an Alberta dealer must also be licensed. In 2019, the FAO licensed 160 distributors. These lists are publicly available on the FAO website.

FAO staff worked in collaboration with the Farm Implement Inspector to address many issues. In 2019-20, the Farm Implement Inspector had 32 client files, none required site visits. Problems that cannot be resolved through direct negotiation or mediation with the Farm Implement Inspector may proceed to the Farm Implement Board (FIB) for review and potential hearing. The FAO received two Notices of Failure to Perform. No cases were heard by the Farm Implement Board in 2019-20

Farm Implement Board Members	
Brian Chomlak	Chair, Farmer Member
Remi Cyr	Vice Chair, Farmer Member
Robert Kennedy	Farmer Member
Tien Macdonald/Marty Chamberland	Association of Equipment Manufacturers (AEM) - Canada
Trevor Jubenville	Agricultural Manufacturers of Canada (AMC)
Cameron Kay	Western Equipment Dealers Association
Terry Murray	Ministers Representative

Changes to *Agricultural Operation Practices Act*

On January 31, 2020, new workplace requirements for 'Insurance for Farming and Ranching Workers' came into force in Alberta under the *Agricultural Operation Practices Act (AOPA)* as part of the new *Farm Freedom and Safety Act (FFSA)*.

The FFSA distinguishes between farm size based on the number of waged non-family workers and introduced workplace insurance requirements for 'large farm employers'. Farming or ranching operations with more than five waged, non-family workers employed for more than six consecutive months are required to have workplace insurance.

Under Section 1.3 of AOPA, workplace insurance compliance issues may be referred to a Practice Review Committee (PRC) by written request from a person or on the Minister's own initiative. Prior to the FFSA, a PRC was initiated to investigate nuisance complaints made under AOPA. Consequently, workplace insurance complaints constitute a new function for PRCs in addition to the existing portfolio of nuisance claims.

Alberta Financial Services Corporation Appeals

Five AFSC AgrilInsurance appeals were conducted during the fiscal year with four other appeals put on hold. These postponements were due to the involvement of the AgriStability program, Covid-19 and the training of Appeal Committee/Board members. Of the appeals held in 2019/2020, there was one regarding AFSC chickpea grading errors and three appeals dealt with uninsured causes of loss, specifically poor management and excessive weeds. Another appeal involved a dispute on carryover and the grading of wheat of which the Appeal Committee ruled in favor of the producer. All other appeals held in the fiscal year were dismissed.

Working with the Alberta Provincial Crime Association

The FAO is a founding member of the Alberta Provincial Crime Watch Association (APCWA). The FAO attended this years annual symposium as an honorary board member.

This year, the FAO would like to acknowledge the Cochrane Foothills Protective Association for their outstanding effort to reduce crime in their community.



Rosemary Lindsay, President of Cochrane Foothills Protective Association receiving annual award, Annual Symposium (February 1 & 2, 2020)

Energy, Utilities and Surface Rights

Over the past year, the FAO has continued to work for rural Albertans and bring the voice of farmers and ranchers forward by advocating for legislative and policy changes to protect their rights and interests. This past year we have experienced some difficult times for landowners impacted by the many energy producers struggling to recover from sustained low commodity prices and less access to capital for spending in the energy industry.

The role of the FAO is to work with our colleagues from industry, various regulators, and provincial and municipal governments to offer recommendations on policy initiatives or changes and identify the gaps in recognition of the rights of rural Albertans.

The most common issues dealt with this fiscal year continue to be:

- Industry Insolvency
- Unilateral Rental Reductions
- Orphan Well Inventory
- Weed Control
- Care and Custody of Energy Sites
- Decommissioning, Reclamation and Remediation
- Electric Transmission Lines
- Contract Negotiations

The FAO continues with our extensive stakeholder engagement program. This outreach with our stakeholders strives to assist landowners with the exchange of information that is important to empower Albertans with knowledge on trending issues and matters that could affect landowner rights.

Accessing Well Sites

In October 2019 the FAO published an Advisory clarifying the responsibility of landowners to allow access to well sites. Organizations other than those listed on title may access the site. The FAO works with the Orphan Well Association (OWA) to ensure landowners understand the process of well site decommissioning.

Unilateral Rental Reductions

The FAO continues to work with landowners who are impacted by energy companies imposing unilateral rental reductions. Advisory 2019-2 outlines how challenging economic times for Alberta has resulted in letters sent to landowners to inform them that annual compensation for a surface lease on their property will decrease.

Incorrect Registration of Builders Liens

In December 2019, the FAO saw an increase in calls related to incorrectly registered builders' liens. Landowners were informed that a landowner is not directly liable for the amount claimed under a lien related to a company's energy interest. A correctly registered builders' lien should not be a cause for concern.

The FAO recommended to landowners to examine any builders' liens registered against their title to ensure they have been registered correctly.



Turning off the Power to Wellsites

In January 2020, the FAO issued an Advisory to warn landowners of the dangers of landowners attempting to turn off the power to wellsites. Interfering with any oil and gas infrastructure or that of an electrical distribution utility could create public safety risks including spills of liquids and gases, explosions, fires and electrocution.

Many landowners are rightfully frustrated when oil and gas operators fail to live up to their obligations under a surface lease. However, before acting, landowners should seek specific legal advice to understand their rights, responsibilities and risks prior to taking any steps to deal with contractual breaches by operators.

Publications List

Energy, Utilities and Surface Rights

[Clubroot and Energy/Utility Development \(2018\)](#)

[Freehold Mineral Rights in Alberta \(2019\)](#)

[Geophysical Exploration & Landowners' Rights \(2017\). Ag-Dex 878-5.](#)

[Incurring Costs for SRB Processes \(2017\)](#)

[Land Titles: An Overview \(2016\)](#)

[Pipelines in Alberta: What Landowners Need to Know \(2019\). Agdex 878-4.](#)

[Promises to "Top Off" Compensation \(2017\)](#)

[Renewable Energy in Alberta \(2017\). Ag Dex-871-15.](#)

[The Life Cycle of an Energy Development \(2019\)](#)

[Understanding Reclamation in Alberta \(2019\)](#)

[Water Well Restoration or Replacement Program \(WWRRP\) \(2019\)](#)

[What Does This Letter Mean? The Language of Insolvency \(2019\)](#)

[What You Need to Know About Communications Towers \(2017\)](#)

Rural Disputes

[A Brief Guide to Water Act Enforcement \(2019\)](#)

[Engaging with your Municipality \(2017\)](#)

[Foreign Ownership of Agricultural Land in Alberta \(2017\)](#)

[Rural Issues: Who Should I Contact? \(2019\)](#)

[Surface Material Extraction Pits in Alberta: What Landowners Need to Know \(2019\)](#)

[Water Act Essentials \(2017\)](#)

[What are my Fencing Obligations? \(2017\)](#)

[You Suspect Spray Drift... Now What? \(2017\)](#)

[The Farm Implement Dealerships Act \(Brochure\) \(2019\)](#)

[Farm Implement Dealerships Act](#)

[Agriculture Operation Practices Act](#)

FARM IMPLEMENT COMPENSATION FUND

FINANCIAL STATEMENTS

March 31, 2020

FARM IMPLEMENT COMPENSATION FUND

FINANCIAL STATEMENTS

March 31, 2020

INDEX

	Page
Independent Auditor's Report	
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Cash Flow Statement	6
Notes to Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Members of Farm Implement Board

Opinion

We have audited the accompanying financial statements of Farm Implement Compensation Fund, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Farm Implement Compensation Fund as at March 31, 2020, and the results of its activities and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit, in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Bergeron & Co. Chartered Professional Accountants

May 14, 2020
Edmonton, AB

**FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF OPERATIONS
For the year ended March 31, 2020**

	<u>2020</u>	<u>2019</u>
REVENUE		
Farm Implement Fund Levies	\$ 146,599	\$ 149,533
Interest	48,247	42,725
Assessments	<u>-</u>	<u>45,500</u>
	<u>194,846</u>	<u>237,758</u>
EXPENSES		
Compensation awarded	-	55,715
Bank charges	<u>-</u>	<u>23</u>
	<u>-</u>	<u>55,738</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 194,846</u>	<u>\$ 182,020</u>

FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2020

NET ASSETS	<u>2020</u>	<u>2019</u>
Restricted Balance, beginning of year	\$ 2,592,575	\$ 2,410,555
Excess of revenue over expenses	<u>194,846</u>	<u>182,020</u>
	<u>2,787,421</u>	<u>2,592,575</u>
Restricted Balance, end of year	\$ <u>2,787,421</u>	\$ <u>2,592,575</u>

FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF FINANCIAL POSITION
March 31, 2020

	ASSETS	
	2020	2019
CURRENT		
Cash	\$ <u>2,787,421</u>	\$ <u>2,592,575</u>
TOTAL ASSETS	\$ <u>2,787,421</u>	\$ <u>2,592,575</u>
	NET ASSETS	
Restricted net assets	<u>2,787,421</u>	<u>2,592,575</u>
TOTAL LIABILITIES & NET ASSETS	\$ <u>2,787,421</u>	\$ <u>2,592,575</u>

Approved by the Directors:

Prion Chomlek, Director

_____, Director

**FARM IMPLEMENT COMPENSATION FUND
CASH FLOW STATEMENT
For the year ended March 31, 2020**

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ <u>194,846</u>	\$ <u>182,020</u>
INCREASE IN CASH	194,846	182,020
CASH, beginning of year	<u>2,592,575</u>	<u>2,410,555</u>
CASH, end of year	<u>\$ 2,787,421</u>	<u>\$ 2,592,575</u>

FARM IMPLEMENT COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2020

1. PURPOSE OF THE FUND

The Farm Implement Compensation Fund (the Fund) consists of money received by the Farm Implement Board (the Board) from levies, assessments and penalties in accordance with the Farm Implement Act. This fund is maintained by the Board and its financial results are reported annually through an audit process. Every year the Board sets the levy that Alberta dealers and distributors pay to the Fund. In addition to the levy, the Board may order an additional assessment on applicants who did not hold a licence in the previous year and on licensees with respect to whom the Board awarded compensation from the Fund. The Board and the Fund are both exempt from income tax.

2. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Revenue recognition

- a) The revenues of the Fund consist of levies, assessments, and interest. Levies and assessments are recorded as income when they are received. Levies received that are for the following calendar year are not deferred.

Interest is recorded as revenue when it is received.

Cash and cash equivalents

- b) Cash is comprised of amounts on deposit at financial institutions.

Financial instruments

- c) Financial assets and liabilities are measured initially at fair value, except for transactions with related parties which are measured at carrying value or exchange value, as appropriate. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash.

3. CONTRIBUTED MATERIALS AND SERVICES

Operating expenses related to the fund and its activities are administered and paid by the Farm Implement Board. These are not recorded in the Compensation fund.

**FARM IMPLEMENT COMPENSATION FUND
CASH FLOW STATEMENT
For the year ended March 31, 2020**

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ <u>194,846</u>	\$ <u>182,020</u>
INCREASE IN CASH	194,846	182,020
CASH, beginning of year	<u>2,592,575</u>	<u>2,410,555</u>
CASH, end of year	<u>\$ 2,787,421</u>	<u>\$ 2,592,575</u>

FARM IMPLEMENT COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2020

1. PURPOSE OF THE FUND

The Farm Implement Compensation Fund (the Fund) consists of money received by the Farm Implement Board (the Board) from levies, assessments and penalties in accordance with the Farm Implement Act. This fund is maintained by the Board and its financial results are reported annually through an audit process. Every year the Board sets the levy that Alberta dealers and distributors pay to the Fund. In addition to the levy, the Board may order an additional assessment on applicants who did not hold a licence in the previous year and on licensees with respect to whom the Board awarded compensation from the Fund. The Board and the Fund are both exempt from income tax.

2. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Revenue recognition

- a) The revenues of the Fund consist of levies, assessments, and interest. Levies and assessments are recorded as income when they are received. Levies received that are for the following calendar year are not deferred.

Interest is recorded as revenue when it is received.

Cash and cash equivalents

- b) Cash is comprised of amounts on deposit at financial institutions.

Financial instruments

- c) Financial assets and liabilities are measured initially at fair value, except for transactions with related parties which are measured at carrying value or exchange value, as appropriate. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash.

3. CONTRIBUTED MATERIALS AND SERVICES

Operating expenses related to the fund and its activities are administered and paid by the Farm Implement Board. These are not recorded in the Compensation fund.

Farmers' Advocate Office

100, 7000 - 113 street
Edmonton, AB
T6H 5T6
310-FARM

farmers.advocate@gov.ab.ca

www.farmersadvocate.gov.ab.ca

farmers'
advocate
office