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June 19, 2017

Sharla Hordenchuk
Director, Environmental Assessment & Stewardship Branch
Ministry of Environment
4th Floor, 3211 Albert Street
Regina, SK, S4S 5W6

Dear Ms. Hordenchuk:

RE: The Agricultural Packaging Product Waste Stewardship Regulations

CleanFARMS is pleased to submit the enclosed product stewardship program (version 03) on behalf of regulated stewards to meet the requirements of *The Agricultural Packaging Product Waste Stewardship Regulations*.

We look forward to your feedback and ongoing support.

Sincerely,

A handwritten signature in black ink, appearing to read "BFriesen".

Barry Friesen, P.Eng.
General Manager

cc: Che-Wei Chung, Manager, Waste Stewardship and Recycling
Kyla Clincke, Senior Waste Management Coordinator

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PRODUCT STEWARDSHIP PROGRAM FOR GRAIN BAGS

Regulation: The Agricultural Packaging Product Waste Stewardship
Regulations

Submitted to: Saskatchewan Ministry of Environment

Version: 03

Date submitted: June 19, 2017

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1. Introduction

This Product Stewardship Program (PSP) has been developed to meet the requirements of *The Agricultural Packaging Product Waste Stewardship Regulations (the regulations)* and provide a valuable recycling program that enhances Saskatchewan's agricultural sector.

CleanFARMS submitted earlier versions of this PSP to the Ministry of Environment on the following dates:

- January 31, 2017 – Version 01
- March 31, 2017 – Version 02

This version (03) was submitted on June 19, 2017.

1.1. Program phases

When any program is launched, its needs change as the program matures. For the purpose of this document, CleanFARMS has proposed the following program phases:

- Pilot: present to December 31, 2017
Government funded pilot programs have been available since 2011. These programs will continue until December 31, 2017. The government funded pilot programs are managed by Simply Ag Solutions Inc.
- Transition: January – December 2018
The program officially launches on January 1, 2018. For the first year, the program will likely need to accommodate a large volume of legacy materials, mainly grain bags that are purchased in prior years and, in particular, in areas that have not been serviced by the pilot program.
- Onset: January 2019 – December 2021
During this time, program operators will be able to fine tune operations and work to increase collection volumes.
- Steady state: January 2022 onwards
After two years of operations, the program will likely be classified in its steady state with a focus on continuous improvement.

Where appropriate, some sections of this document reference to these phases.

1.2. A Prairie-wide approach

While this program has been designed to service Saskatchewan interest, it is important to note that activities and regulations, or lack thereof, from outside of the province can significantly impact the program. CleanFARMS has always recommended a broader, Prairie-wide approach, to manage agricultural plastics that would ensure a more level playing field for stewards and farmers. A Prairie-wide approach will also encourage local end markets, entrepreneurship and job creation.

2. Organizational structure

2.1. CleanFARMS

CleanFARMS is a not-for-profit industry stewardship organization that operates under Canada's Not For Profit Corporation's Act. CleanFARMS operates a number of industry-funded stewardship programs for items like pesticide containers, fertilizer containers, seed bags, pesticide bags, obsolete pesticides and obsolete animal health medications.

CleanFARMS is governed by a private-sector Board. Membership in CleanFARMS is open to companies whose products or packaging fall under the programs the organization operates. When a company (sometimes referred to as a steward or first seller) registers with CleanFARMS, the company is referred to as a 'member.'

Annual Reports are available at www.cleanfarms.ca.

From time to time, CleanFARMS is approached about developing or expanding programs that help farmers and industry meet business and environmental goals.

After the regulations were launched in mid-2016, CleanFARMS and several first sellers agreed to work together to develop a PSP that would allow first sellers to enter into an agreement with CleanFARMS to operate, on their behalf, an approved product stewardship program.

The following first sellers are working with CleanFARMS to develop a PSP:

- Canadian Tarpaulin Manufacturers Ltd.
- FLAMAN Group of Companies
- Grain Bags Canada
- RPC BPI AGRICULTURE (AT Films Inc.)

2.2. First sellers

According to the regulations:

"first seller" means a person who:

(a) is a manufacturer, distributor, owner or licensee of intellectual property rights of an agricultural packaging product that is sold, offered for sale or otherwise distributed into or in Saskatchewan;

(b) is a vendor of an agricultural packaging product outside of Saskatchewan and who, as an ordinary part of his or her business, sells agricultural packaging products to consumers in Saskatchewan;

(c) imports agricultural packaging products into Saskatchewan for resale in Saskatchewan; or

(d) purchases agricultural packaging products outside of Saskatchewan for use in Saskatchewan.

Based on CleanFARMS' current understanding of Saskatchewan's grain bag industry:

- There are no companies that fit the description of (a).
 - A policy will be developed to accommodate 'voluntary stewards,' a term commonly used to describe companies, usually located outside of the province, who may elect to assume responsibilities of the actual stewards (first sellers) who are defined under the regulations. If this does occur, it is still the responsibility of the first seller to ensure that the voluntary steward meets all of the requirements of the regulations. Failure to remain in compliance with the regulations means that the first seller is also not in compliance.

- While a number of companies fit the description of (b), most of these companies are located outside of the country and sell agricultural packaging product to companies or persons who fit the description of (c).
- The majority of companies who will be impacted by the regulations fit the description of (c).
 - Estimates suggest that 25 to 30 companies fall under this description.
- There are a wide variety of companies and individuals who fit the description of (d).
 - At this time it is not possible to estimate the number of companies that fit this description. Individuals or companies who import bags that are both used on-farm and re-sold would likely fall into this description.
 - CleanFARMS will likely have a better estimate of the number of companies or individuals who fit this description (d) when the program is the onset or steady state phase of the program.

All first sellers are eligible to join CleanFARMS to meet the regulatory requirements under the regulations.

2.2.1. First seller outreach

CleanFARMS has a steward/first-seller outreach strategy in place for its other programs. This strategy will be fine-tuned to meet the needs of this PSP. It will likely involve the key steps below.

2.2.1.1. Company Identification

CleanFARMS uses a variety of tools to identify (potential) first sellers. This includes desktop research, outreach at farm shows and member referrals.

Once CleanFARMS identifies a company as a potential first seller, the first seller is contacted in person, by phone or by email to better determine that the company meets the definition of a first seller. CleanFARMS attempts to identify a key individual within the company who is responsible for regulatory compliance or end of life stewardship.

(In some cases, after learning more about a company, it may not meet the definition of a first seller. Internally, this company is identified as 'outside scope.' Records and interactions are documented in the event that the company's product line or circumstances change.)

2.2.1.2. Education and awareness

CleanFARMS emails the first seller informing them of the benefits of CleanFARMS' programs and their stewardship obligations. A meeting by phone or in-person is requested.

Repeated attempts by phone or email are made to set up a meeting. These interactions are documented.

CleanFARMS will engage with the first seller at least five times over 30 business days before the first seller is internally identified as 'non-responsive'.

2.2.1.3. First seller meeting

CleanFARMS and the first seller meet to review program benefits, pricing, key policies and registration procedures. The first seller is asked to register or sign up for membership.

Following the first seller meeting, CleanFARMS will engage with the steward at least five times over 30 business days before the steward is internally classified as 'non-compliant'. These interactions are documented.

2.2.1.4. Outreach to non-responsive and non-compliant first sellers

A registered letter is sent to ‘non-responsive’ or ‘non-compliant’ first sellers. The content in the letter varies depending on the individual circumstances and usually addresses:

- Information provided in the education and awareness phase (2.2.1.2) and first seller meeting (2.2.1.3).
- The preferred next step(s) which include a meeting with CleanFARMS, confirmation that the company is not a first seller or registration.
- Ministerial outreach – CleanFARMS outlines its internal procedures for managing non-responsive and non-compliant first sellers. Companies are advised that CleanFARMS will be identifying them to the Ministry of Environment who handle further compliance and enforcement.

2.2.1.5. Ministerial engagement

If a first seller remains non-responsive and/or non-compliant, CleanFARMS provides ministry officials with documentation of interactions and first seller contact information.

2.3. Governance model

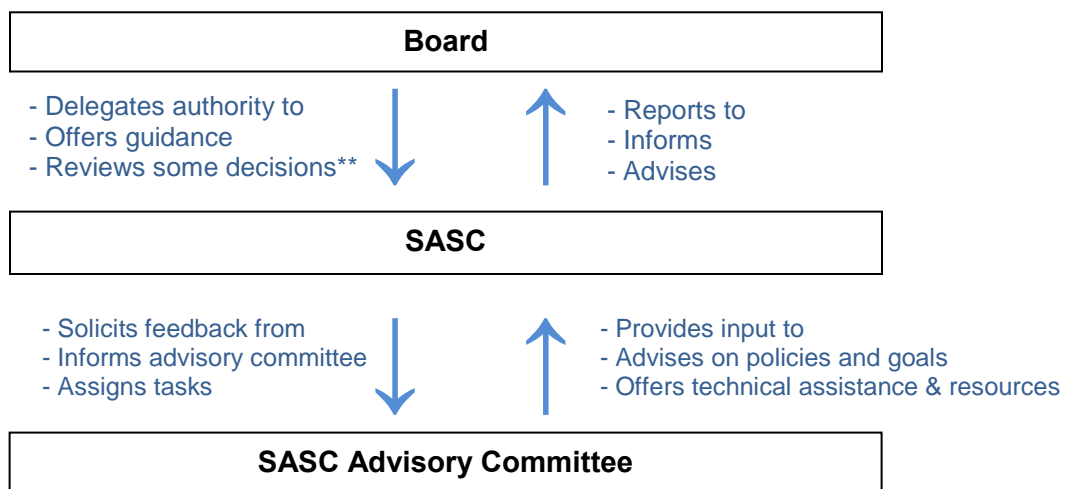
CleanFARMS’ mandate and governance have evolved along with its programs offerings. While the Board retains a central role by providing overall strategic direction, the program is overseen by the Saskatchewan Agricultural Stewardship Council (SASC), which represents grain bag first sellers.

The following table outlines the key committees who will play a role in the program:

Committee	Key responsibilities	Membership
Board	- Overall strategic direction - Risk management	CleanFARMS member companies (all business lines)
SASC	- Program oversight - Approval of annual budget, EHF and business plan	CleanFARMS member companies (first sellers)
SASC Advisory Committee	- Input and advice - Liaises with representative organizations	Key stakeholders

*According to CleanFARMS’ by-laws, the number of Directors on the Board shall be a minimum of six and a maximum of fifteen.

Relationships between these committees are outlined below:



**The CleanFARMS Board provides governance over the company and will review decisions made by the SASC that impact the broader organization, particularly from a financial perspective.

2.4. *Governance documents*

The following documents outline CleanFARMS' governance and the expectations of staff, members and contractors:

- By-laws – available at www.cleanfarms.ca
- Code of Conduct – available at www.cleanfarms.ca
- Board approved policies – available to members. These are available to outside stakeholders on demand and cover the following:
 - Board-management delegation
 - Executive limitations
 - Governance process
 - Operations policies
- Membership agreement – available at www.cleanfarms.ca

2.5. *Saskatchewan Agricultural Stewardship Council (SASC)*

First sellers who are CleanFARMS members will form the SASC, a committee which will provide oversight and feedback to staff (see Section 2.6) who are responsible for day to day operations.

The SASC is a committee of the CleanFARMS Board. The SASC is organized through a Terms of Reference (Appendix A) which outlines the purpose, structure and decision making process for the committee.

All first sellers are eligible to sit on the SASC, although they are not required to do so. Being a member of the SASC ensures that the first seller has a voice in the program's oversight.

2.5.1. *Member communication and opportunities for feedback*

CleanFARMS primarily communicates with its members electronically. An e-newsletter is typically issued quarterly. Committee-specific communication is adapted to meet the needs of each committee. Member meetings or check-ins are scheduled regularly.

CleanFARMS conducts periodic member surveys that allow members to anonymously evaluate member communication, satisfaction, perception of value and other program-related specifics.

Additional details specific to how the SASC committee will function and communicate are available in the SASC Terms of Reference (Appendix A).

2.6. *Management structure*

CleanFARMS staff are responsible for implementing the PSP on behalf of its members:

- Saskatchewan-based staff will be directly responsible for supporting collection site operations and other duties as assigned.
- Additional support such as communications, administration and finance services is available through CleanFARMS' national network which includes an Ontario-based head office and regional support. This allows first sellers to efficiently use the resources that CleanFARMS already has in place.

CleanFARMS intends to establish an office in Saskatchewan that will be responsible for the day to day direction of this program.

2.7. *Dispute resolution*

All CleanFARMS members must abide by a very explicit Code of Conduct (Appendix D). The Code of Conduct comprises a number of important policies that include a code of business ethics, lobbying, privacy, complaints from public and a dispute resolution process (Section 8) for complaints or disputes amongst members.

3. Description of products targeted by the program

3.1. *Agricultural packaging product*

According to the regulations, an “agricultural packaging product” means:

a large, bulky, single-use bag, commonly known as a grain bag, made from plastic and used to protect and temporarily store grains, pulses, silage and other agricultural produce.

Based on this definition, feedback from the Ministry of Environment and using terminology more commonly used by first sellers and users, the following items fall under the definition of an agricultural packaging product:

- grain bags used to store grain,
- silage bags used to store grain, and
- grain bags used to store other materials.

For the purpose of this program plan, the term grain bag will be used to describe the material that this program is designed to manage.

3.2. *What’s in and what’s out*

One way to help stewards (and users) determine what products are managed by this program is by differentiating between ‘what’s in and what’s out’:

What’s in	What’s out
- All grain bags - Silage bags used to store grain	- Silage bags not used to store grain - Bale wrap - Tarp - Mulch film

3.3. *End users*

Grain bags are generally used on commercial farms. The purchaser or user is typically a farmer. In some cases the user and the first seller can be the same individual or company.

3.4. *Non-program materials*

In order to ensure a level playing field, the PSP has been designed to ensure that non-program materials are not captured through the collection stream. Non-program materials include, but are not limited to:

- Other types of agricultural plastics
The definition used in the regulation is problematic, partially because it focuses on what the product is used to store, rather than more commonly used industry-accepted categories. Anecdotal information suggests that well-intentioned users may attempt to use the program to recycle items

like silage bags or various types of tarps. These plastics are visually difficult to differentiate from grain bags when they are at the end of their life.

- **Product purchased out of province**
Some users may choose to purchase grain bags from out of province for a variety of reasons which may include the avoidance of an Environmental Handling Fee. This is especially problematic because Alberta and Manitoba lack similar regulation on grain bags.

Non-program materials will likely be identified at the drop off point by requiring that collection sites ask users to show proof that they have paid their EHF.

3.4.1. *Silage bags*

Some stakeholders have raised concerns that silage bags may be a predominant type of non-program material that may enter the collection stream and significantly impact various components of the program. CleanFARMS has been asked to monitor the impact of this on the proposed program and outline how it will mitigate this concern.

3.4.1.1. *Tools to keep silage bags out of the collection stream.*

The proof of purchase requirement is the key tool that will help ensure that silage bags (that are not used to store grain) do not enter the collection stream. Silage bags will not be subject to an EHF at the point of purchase. If a user does not have proof of purchase of the EHF, the item will not be accepted and therefore will not form part of the program.

3.4.1.2. *Impact on the proposed program*

An efficient way to determine the impact that silage bags may have on this program is to survey collection sites and SASC Advisory Committee members annually on this topic.

Collection sites will be asked via an annual online survey to comment on the frequency of users attempting to drop off program non-program materials (which could include silage bags). This annual survey may also touch on their perceptions of illegal dumping of non-program materials at collection sites and other behaviours that may be related to silage bags being excluded from the program.

SASC Advisory Committee members will also be asked to comment on this as the program unfolds.

3.4.1.3. *Outreach to additional user groups*

CleanFARMS may also reach out to farm groups whose members use silage bags (for purposes other than storing grain) to gauge additional user feedback. Many farm groups have environmental or sustainability committees or working groups whose mandates may be related to recycling and waste management who would be able to provide feedback on this.

4. Ensuring Saskatchewan interests are represented

CleanFARMS uses a variety of mechanisms to formally and informally open communication channels between itself and stakeholders who use, help deliver, and are impacted by its programs.

4.1. SASC Advisory Committee

In order to facilitate stakeholder input, an advisory committee, the SASC Advisory Committee (SASCAC), will be formed to provide stakeholders with a structured way to provide input into the program. This is a permanent committee that is separate from the SASC.

The SASCAC was initially formed in 2013 to provide input to earlier government consultations on broader ag plastics recycling initiatives.

The SASCAC will be re-engaged in the pilot phase for the primary purpose of facilitating feedback on the PSP. Organizations that represent municipalities, farmers, watersheds and recycling or environmental groups will have the opportunity to sit on the SASC Advisory Committee.

The SASCAC will be organized through a Terms of Reference which will outline the purpose and structure for the advisory committee. Similar to the SASC, the SASC Advisory Committee will attempt to achieve consensus in all decisions.

The Terms of Reference and the composition of the SASC Advisory Committee will be reviewed regularly.

The SASC Advisory will meet a minimum of twice a year and a maximum of four times per year during the pilot and transition phases.

4.2. Key stakeholders

The following organizations have received an invitation to participate on the SASC Advisory Committee:

Organization name	Organization's response to invitation to participate
Saskatchewan Association of Rural Municipalities (SARM)	Yes
Ministry of Agriculture	Yes
Ministry of Environment	Yes
Association of Regional Waste Management Authorities of Saskatchewan (ARWMAS)	Yes
Saskatchewan Waste Reduction Council	Yes
Agricultural Producers Association of Saskatchewan (APAS)	Yes
SaskCanola	Yes
Saskatchewan Wheat Development Commission	TBD
Western Canadian Wheat Growers Association	Yes
Saskatchewan Association of Watersheds	Yes
Canadian Plastics Industry Association	Yes
Prairie Agricultural Machinery Institute	TBD

Organizations not listed above who wish to participate on the SASC Advisory Committee can contact CleanFARMS.

4.3. PSP consultation process

CleanFARMS will seek input from key stakeholders and the public through a formal PSP consultation process. The purpose of the consultation is to invite stakeholders to:

- Provide advice about their needs, wants and expectations
- Comment on plans that have been outlined in the PSP

CleanFARMS made an earlier version of this PSP (Version 1.01) available on its website, www.cleanfarms.ca. Key stakeholders were informed of the online availability of the PSP by email. Stakeholders were asked to provide written comments in response to the PSP.

On a more informal basis, CleanFARMS sought input from key stakeholders at the SARM trade show in March 2017 and additional events.

Please see Appendix D for a Consultation Report which summarizes the feedback received during the consultation.

4.4. First seller outreach

CleanFARMS will also seek input from first sellers through the PSP consultation process outlined in Section 4.3. First sellers, whether they are currently working with CleanFARMS or not (see Section 2.1), will have the opportunity to provide feedback.

4.5. Additional outreach and collaboration

CleanFARMS is a member of various waste management or recycling organizations and industry coalitions like Recycle Saskatchewan.

To ensure good information sharing and to promote a coordinated approach, CleanFARMS also engages with groups that have an interest in ag plastics management in Alberta and Manitoba.

CleanFARMS also exchanges information with groups offering similar stewardship programming across the globe.

4.6. Access to information and staff

One way to ensure that key stakeholders have the opportunity to provide input in to the program is to ensure that relevant information is made available easily online:

- All documents, with the exception of proprietary or confidential information, relevant to this PSP are/will be available online at www.cleanfarms.ca.
- CleanFARMS offers a toll-free phone number 1-877-622-4460.
- CleanFARMS shares information electronically with an extensive stakeholder list that is updated regularly. Anyone can be part of CleanFARMS' stakeholder list.

5. Program operations

5.1. Background

An overview of how grain bags are purchased, used and returned is important when considering program operations:

5.1.1. Product lifecycle

The lifespan of a grain bag varies depending on its use and the user. The lifespan usually follows this pattern/schedule:

- Farmers typically purchase grain bags in the spring, summer or early fall. Some may be pre-ordered, but most are purchased 'just in time' because a farmer may not know the actual number required until harvest.
- Grain bags are filled during harvest. Like many farm-based activities, this is weather dependent and can occur in the summer and throughout the fall.
- The bags are emptied at various times depending on when the farmer sells or moves the grain. In some cases, the bag is used only as temporary storage during harvest time and the grain is moved to other storage locations almost immediately after harvest is over when the farmer has more time.
- Where collection programs currently exist, the bags are often returned the following year after harvest with the majority returned from March to May. For example, bags purchased and used in 2017 will likely be returned in 2018.

5.1.2. Environmental Handling Fee

Typical of most extended producer responsibility programs, this program will be funded by what is commonly referred to as an Environmental Handling Fee (EHF).

- The EHF will cover the costs of all program operations including program development costs.
- An EHF will be applied as a visible fee at the time of purchase.
- The price of the EHF varies based on the weight of the grain bag.
- Users who purchase grain bags from out of province will not be able to participate in the collection program paid by industry unless they also purchase an EHF.
 - These users can purchase an EHF through a first seller or directly from CleanFARMS using an online or phone-in ordering system.

5.1.2.1. Environmental Handling Fee: a requirement at drop off

- The user is responsible for presenting an EHF to a collection site at drop off.
 - Procedures are under development to assist users who misplace their EHF. Users will likely be asked to contact the first seller to retrieve their EHF.

5.2. Key program elements

5.2.1. Initial establishment of collection network

At the onset of the program, it is CleanFARMS' intention to develop agreements with up to 35 collection locations where farmers can drop off grain bags, under the conditions of the program. The key is to establish acceptable coverage for the program across the entire province where grain bags are used.

CleanFARMS will arrange for the collection of the grain bags to be shipped for recycling to acceptable facilities. The relationship with recycling facilities, in this instance, will be between CleanFARMS and the recycler or broker for the recycler.

Additionally, some entrepreneurs may seek to provide additional service directly to individual farmers to collect grain bags on-farm for a 'convenience' fee charged directly to farmers by the entrepreneur. CleanFARMS will consider making arrangements with the recycler or broker for the recycler, or, in

some instances, may allow the entrepreneur to develop its own relationship with the recycler, provided that it meets the requirements of CleanFARMS for recycling.

In the future, CleanFARMS may wish to move its entire collection and recycling model to a format whereby the collection site or the entrepreneur is responsible to make arrangements to ship the grain bags to recyclers approved by CleanFARMS. In this case, the relationship will be between the collection site/entrepreneur and the recycler. CleanFARMS will provide incentives to the collection site/entrepreneur only if the grain bags are collected under the terms of the program requirements and the grain bags are guaranteed to be shipped to approved recyclers.

5.2.2. Collection sites

As of winter 2017, there are about 17 pilot collection sites currently accepting grain bags through the pilot program. These locations service many areas of the province, although there are some gaps.

Earlier research shows that 35 collection sites will likely adequately service the province. Using the estimated area of agricultural land in Saskatchewan (600 km x 550 km), 35 collection sites set in the center of 100 km x 100 km areas would provide a maximum travel distance of approximately 70 km.

Municipal collection sites are best suited although private collection sites can be used in certain instances. CleanFARMS will work with municipalities on service models that best services their areas. However, given the seasonal nature of the use/disposal of grain bags, collections may operate as blitz-style or event based.

5.2.2.1. Establishing collection sites

Collection site recruitment will begin once the product stewardship program is approved.

The first priority will be establishing collection sites in regions that have not been adequately serviced through the pilot programs and ensuring continued support from the 17 pilot collection sites. This will ensure all users have a base level of access at the beginning of the transition phase. CleanFARMS aims to have 25 – 30 collection sites in place by the beginning of the transition phase. By the beginning of the onset phase, the full 35 collection sites should be established.

5.2.2.2. Drop off procedures

- Users must prepare the bags for efficient drop off:
 - Bags must be rolled or baled for shipping. While some users own grain bag rollers, collection sites may lend out grain bag rollers to users or roll loose bags dropped off at the collection sites. Collection sites will be required to have a means of rolling or baling bags that are dropped off by users.
- Collection sites will temporarily store grain bags before CleanFARMS arranges for a contractor to collect and transport them for recycling.
 - Collection sites will be required to accommodate at least one truckload (approximately 15 metric tonnes) on site.
 - Collection sites notify CleanFARMS once a truckload of material has been accumulated
 - Generally, loads are shipped within 30 days of notification.

5.2.2.3. Onsite recommendations

Collection sites will want to ensure that materials are stored in a way that minimizes contamination. The following key operating standards are recommended:

- Collection sites should be staffed during open hours to assist users;
- Sites should employ vector controls;
- A segregated area (at least one acre) is required to temporarily store grain bags;

- Access will need to be restricted using fencing or other means to minimize contamination and illegal dumping and to maintain site cleanliness;
- Grain bags will need an appropriate storage surface such as gravel to further minimize contamination and maintain site cleanliness;
- Rolling and/or baling equipment will be required:
 - Grain bag rollers compact grain bags, facilitate handling and minimize contamination. While some users own grain bag rollers, collection sites should have one available for use.
 - Baling equipment is another option for collection sites and can replace the need for rollers.

Additional tools like weigh scales and loading docks may also be useful.

5.2.2.4. *Compensating collection sites*

A funding model where CleanFARMS compensates collection sites for annual capital costs plus compensation (\$/kg) based on the volume of material collected are best suited for this program.

5.2.2.5. *Alternative collection sites*

Large Volume Users (LVUs) may benefit from alternative arrangements. For example, it may be more efficient to provide LVUs with sea containers for on-farm storage/collections rather than asking them to take larger than normal volumes to a collection site.

Large Volume Users are eligible for compensation.

5.2.3. *Recycling options for grain bags*

The program will provide a solutions-based approach that relies on sound environmental stewardship principles following the 4Rs hierarchy of Reduce, Reuse, Recycle and Recover.

For grain bags, the primary goal is to recycle material into marketable end-use products rather than other disposal practices like high temperature incineration without energy recovery, or landfilling.

5.2.3.1. *End markets*

Like most stewardship organizations, CleanFARMS prefers to utilize local end markets over international options.

Regardless of location, contracts will stipulate that end markets must be approved in advance to ensure health, safety and environmental standards are met.

5.2.3.1.1. *Existing end markets*

Existing end markets for recycled grain bags tend to be overseas, but there are still some options within North America. North American end markets currently exist in Alberta, Oregon, Arkansas and California.

Saskatchewan does not have any local businesses that can recycle grain bags though some entrepreneurs are currently exploring these options.

5.2.3.1.2. *End markets currently in use*

Grain bags collected through the current pilot project have been accepted in Alberta and Oregon. The majority are sent overseas.

CleanFARMS will continue to use these end markets in the early stages of the program while focusing on developing additional end markets (see Section 5.2.3.2).

5.2.3.2. *Developing end markets*

CleanFARMS' goal is to develop new end markets that provide traceability to ensure safe and acceptable processing and recycling. It also makes good business sense to ensure that more than one customer is available to accept materials in the event any one plant may shut down. End markets will be selected based on a number of criteria that include but are not limited to:

- Health, safety and environmental practices;
- Pricing (i.e. price paid for material);
- Hierarchy of recycling;
- Long term viability of the processor.

CleanFARMS' long-term goal is to develop processing and recycling capacity in western Canada. A consistent, high volume of plastic is required to provide entrepreneurs with an incentive to develop local facilities. Traditionally, some processors have cited that at least 4,500 tonnes of one material is needed to support a single market for recycling plastics. Since Saskatchewan has an estimated 3,000 tonnes only (maximum), it will take some time for more local markets to develop for this material.

5.2.3.3. Energy recovery as an alternative

In the unlikely event of a recycling market shortage, CleanFARMS would consider energy recovery as the next best alternative.

5.2.4. Physical tracking of materials collected

CleanFARMS currently uses a material tracking system that manages the 2.5 million kilograms of plastic generated through its container management program.

This system will be adapted to manage and track the volume of grain bags that are collected through this program.

5.2.5. Ownership of materials collected

The following outlines how grain bags will likely travel through the collection system.

Step	Owner: key responsibility	Ownership		CleanFARMS' key responsibility
		Begins when	Ends when	
Pre-drop off	User: Follows preparation steps	N/A	The material is accepted at the collection site.	-User education and awareness
Drop off at collection site	Collection site: Accepts and temporarily stores material according to specifications	The material is accepted	FOB (Free on Board) or when material is loaded for shipping	-QA/QC -Payment of incentive upon verification of shipping.
Loading, transportation	Contractor: Loading and safe transportation to customer	N/A	N/A	-Ensure contractor follows specifications. -QA/QC
Delivery to end market	Customer: Recycle grain bags into new materials & remit payment to CleanFARMS	FOB	N/A	-Develop end markets

Note: In most cases, the contractor and customer may be the same company or individual.

5.2.6. Quality assurances/quality control

Quality assurance (QA) is the process or set of processes used to measure and assure the quality of a product. Quality control (QC) is the process of ensuring products and services meet consumer expectations.

Success of any QA/QC program also means that continuous improvement of all areas of the program is addressed. A fulsome QA/QC program is currently under development and will draw from previous experience and, hopefully, gleaned from Simply Ag Solutions Inc. who is operating current pilot programs.

The following table gives an overview of some of the processes that will be implemented for the program:

Control point	Process document	Process
Collection sites	Collection site agreement	Financial arrangements, hours of operation, accessibility by grain bag users.
	Collection site specifications	Truck accessibility, storage capacity, cleanliness.
Grain bags	Grain bag specifications	Cleanliness, tightness of roll, tying materials.
Loading and shipping	Loading and shipping specifications	Loading requirements, truck weights.
Processing	Processing agreements	End use products, disposal of non-program wastes.

5.2.7. *Contract management*

CleanFARMS follows industry-wide best practices for contract management. While each contract, party and contractor may differ, the following are some standard criteria that are considered:

- Health and safety standards and requirements - Parties must abide by all applicable health, safety and environmental standards and appropriate regulation at all times. Similar to its existing programs, CleanFARMS will develop a Best Practices Guide for this program that outlines requirements to protect the health and safety of workers and the environment and field compliance expectations.
- Insurance requirements - Parties must meet minimum insurance requirements that protect and indemnify CleanFARMS and first sellers from all liabilities as they arise from and relate to the performance and delivery of services provided.
- Experience - Contractors must have appropriate experience with the public and private sector. Contractors should also have experience with the complexities that are sometimes involved when working in the agricultural and industry-stewardship sectors.
- Other – Contractors must disclose conflicts of interest to CleanFARMS and are bound by confidentiality agreements.

6. Program funding and financial management

6.1. Environmental Handling Fee

Program operations will be fully financed through an Environmental Handling Fee (EHF) collected and remitted to CleanFARMS by first sellers. The EHF is not collected by the provincial government and is not considered to be a tax.

First sellers will also identify this fee separately from the cost of the product when a product is purchased.

Grain bags are sold in various sizes and weights. Thus, the EHF will be determined on a per kilogram basis.

Research suggests that the EHF will be subject to GST, but not PST. CleanFARMS is currently working with the Ministry of Environment to confirm this and, if necessary, update associated guidelines like the Ministry of Finance's [Saskatchewan Provincial Sales Tax Rulings](#) (Section 15).

6.1.1. Determining the EHF

Similar to other stewardship programs, the program costs will be distributed fairly to all first sellers. Quite simply, this will be determined by dividing the total program costs by the total weight of product distributed into the marketplace.

6.1.1.1. Program costs

Program costs are currently categorized as follows:

- A: Program development – costs incurred during the transition phase
- B: Program costs – regular ongoing costs that include site, operations, administration, shared (see 6.1.1.1.1) and communications
- C: Recycling revenue – revenue generated through the sale of the collected grain bags
- D: Reserve fund development – funds allocated to cover the costs of winding down operations in the event this occurs (typically 50 to 150 per cent of operating costs. For a new program like this, the reserve fund will be built over a five year period)

The SASC approves a yearly budget for the program.

6.1.1.1.1. Shared costs

CleanFARMS currently offers four programs. From a finance standpoint, there is no cross-program subsidization. This same principle would be applied to the grain bag recycling program. For example, revenue generated from the grain bag recycling program would not be used to finance another program.

It is important to note that there are certain tools, and associated expenditures, that are shared across multiple programs. A few examples of these tools include websites and insurance requirements. CleanFARMS uses the term 'shared costs' to categorize these types of costs. CleanFARMS allocates a percentage of the shared costs to each program based on each programs estimated usage of the tool.

Preliminary estimates suggest that the grain bag recycling program will account for approximately eight to ten per cent of shared costs. In addition, the grain bag recycling program will not be responsible for any shared costs until the transition phase.

6.1.1.2. Number of units and weight sold into the marketplace

First sellers will report, in confidence, their sales figures, which include the weight of product and units delivered into the marketplace, to CleanFARMS.

To ensure confidentiality of the data, only finance staff and the General Manager have access to the sales data. Strict confidentiality agreements have been established with the finance staff and the General Manager.

A consolidated figure is reported to the SASC. This captures the total weight of bags delivered into the marketplace for a reporting period:

- E: Total weight of bags sold into the marketplace

This figure will be reported in the Annual Report to government.

6.1.1.3. Calculation of the EHF

The following formula is used to determine the EHF:

$$EHF = \frac{A + B - C + D}{E}$$

6.1.1.4. Preliminary EHF estimates

Using the funding formula outlined in 6.1.1.3, preliminary EHF estimates are as follows:

EHF (per unit sold into the market)	Preliminary estimate
EHF (per tonne)	\$250
EHF (per kilogram)	\$0.25

The following are the top five most common sizes and corresponding EHF:

Size (feet)	Weight (kg)	Preliminary EHF estimate
10 x 250	167	\$42
10 x 300	200	\$51
10 x 250	169	\$43
10 x 300	203	\$51
9 x 250	137	\$35

Without historic data or comparable programs in Western Canada, CleanFARMS has had to make some assumptions and projections. The EHF is based on cost assumptions without yet having an accurate number of grain bags used in the province.

Assumption	Figure	Notes
Total program costs	\$1,070,000	
Recycling revenue	\$325,000	Based on \$150 per tonne
Costs covered by the EHF	\$740,000	Total program costs minus recycling revenue
Tonnes of grain bags generated or sold	3,000	
Tonnage recovered	2250	
Recovery rate	75%	

6.1.1.5. *Factors that may impact program costs*

A number of factors could increase program costs and the corresponding EHF

- Collection volumes higher than estimated
- Generation rates lower than estimated
- Participation in the program is not undertaken by first sellers
- Market prices for used grain bags drops

The following factors will decrease program costs and the corresponding EHF:

- Prairie-wide approach – If Manitoba and Alberta adopt a similar approach, program costs will likely decrease due to improved efficiency, cost sharing and the potential elimination of the proof of purchase requirement.
- Market prices for used grain bags increase

6.1.1.6. *EHF evaluation cycle*

The EHF will be re-evaluated on a yearly basis until the program has reached the steady state phase.

6.1.2. *Reporting Period for First Sellers*

For CleanFARMS' existing programs, first sellers report to CleanFARMS on an annual basis for the prior calendar year and EHF's are determined yearly using the formula above. Because these are very mature programs, CleanFARMS is able to offer members very predictable EHF's. (Please note that the EHF for existing programs is incorporated into the cost of the product which allows for very simple reporting (annual) and invoicing (usually biannual).)

CleanFARMS will work with first sellers to develop an appropriate reporting period and fee submission schedule. Initial research suggests that the invoicing (or EHF submission) schedule for this program may be more frequent than those for existing programs.

6.1.3. *Ministerial notification of EHF*

CleanFARMS will notify the Ministry of Environment of the EHF on a yearly basis or whenever it changes. CleanFARMS will work with the Ministry of Environment to develop a notification schedule to ensure appropriate time between when the EHF has been approved by the First Sellers (see Section 6.3), when the Ministry of Environment is notified and when the EHF comes into effect.)

6.1.4. *Financial auditing*

CleanFARMS conducts an annual independent audit of its finances. Oversight of the audit is conducted by an Audit Committee, a subcommittee of the CleanFARMS Board. For the 2017 audit, CleanFARMS' Audit Committee selected Welch LLP as its independent auditor.

The annual auditing program will be conducted in the year following the first year of operations. It will report the Saskatchewan grain bag stewardship program financials in a separate report to be included in the Annual Report to government.

6.1.5. *First seller auditing*

A first seller auditing program is under development to ensure that first sellers are reporting accurately and to provide a mechanism for 'double checking' reporting. The auditing program will be approved by the SASC.

Some key aspects of the program may include:

- First sellers will typically be selected at random for auditing. However, certain triggers such as significant changes in reporting and compliance history may trigger a non-random audit.
- First sellers will be notified in writing that they have been selected for an audit and advised of the requirements of the process.

- CleanFARMS will use two types of audits:
 - Level 1 - a desktop audit or review of records and documentation that a first seller has provided to CleanFARMS.
 - Level 2 – In the event that a Level 1 review indicates inaccuracies, a more in-depth review will take place. A Level 2 audit is conducted onsite, at the first seller’s office. It will likely include a review of data and reporting/record-keeping procedures, as well as interviews with staff or management.
- In most cases a Level 1 review is sufficient and effective in addressing member reporting and remittance errors or omissions
- Findings will be reported (in confidence) to the first seller, general manager and finance staff. Corrective actions, as required, will be undertaken and in extreme cases may involve deregistration from the approved stewardship program, in which case the first seller may be subject to further penalties established and enforced by government regulators

Since this is a new stewardship program, efforts will first focus on proper education to first sellers surrounding reporting requirements before extreme measures are taken.

The auditing program may need to be adjusted depending on the number of first sellers who are contributing to the program.

6.2. First seller input on EHF and funding formula

First sellers have the opportunity to provide input on fees and other aspects of the program by sitting on the SASC and participating in SASC meetings.

The SASC will meet regularly to review the program. Quarterly meetings are likely the best frequency. Depending on the SASC’s preferences, meetings can take place by teleconference. However, there will be at least one in-person meeting per year when the annual budget is up for discussion and approval.

The annual budget, which outlines the funding formula and the proposed EHF, is provided to first sellers at least 10 business days prior to the meeting when it is discussed. Members can provide input on the annual budget at the meeting or to staff in advance of the meeting.

6.3. First seller notification of EHF

Once the annual budget is approved, first sellers will be notified of the EHF by electronic communication within five business days of the date it has been approved.

This notification will include an outline of how the EHF is calculated, the formula used and how first sellers can provide input into the program (which includes the EHF).

7. Public education and awareness

7.1. Development of public awareness and education program

Promotional and educational activities will be used to support the program during its various phases.

CleanFARMS has a comprehensive and well-developed education and awareness approach that has been specifically developed to meet the needs of farmers/producers and other stakeholders involved in the agricultural sector. This approach is in use to support CleanFARMS' existing program and will be tapped into to further support program-specific activities.

Please note that this section largely focuses on user education and awareness. Details relating to member or first seller communication can be found in Sections 2.5.1 and 6.3.

7.1.1. Pilot and transition phases

Education and awareness will need to support education to:

- municipalities about collection site recruitment
- users about an upcoming EHF and program participation
- first sellers surrounding their obligations

7.1.2. Onset and steady state phases

Education and awareness efforts may shift more towards the benefits of program participation and actions required by users.

7.2. Ongoing outreach through trade shows

Events like the Farm Progress Show and Crop Production Week are efficient and effective tools to reach the key stakeholders that are impacted by this program. These events allow CleanFARMS to hear first-hand from users and first sellers. This two-way communication is particularly important during the initial phases of a stewardship program.

CleanFARMS will participate in at least one trade show per year during the pilot, transition and onset phases. These events will be used to survey users to get qualitative and quantitative data, including baseline data, on program awareness, usage and satisfaction.

7.3. Public education and awareness evaluation

Evaluation tools will likely measure and evaluate reach, engagement, sentiment and outcome. User exit surveys are one of the most common ways to measure this. Additional tools may include:

- Media content analysis (impressions, sentiment, placement) and monitoring (volume/clippings)
- Web visits, search engine traffic, unique visitors, page views, inbound links, downloads (or registrations, if applicable), bounce rate and conversion rate
- Social sharing/online forum comments/feedback, number of inquiries, requests or complaints received
- Focus group, polls, interviews, quantitative (or qualitative) surveys
- Return rates

8. Performance measures

The primary way that CleanFARMS measures the success of its programs is through its return rate, which compares the volume of the designated material sold into the marketplace (Section 6.1.1.2) with the volume collected.

Additional performance measures that may be considered include:

- Contamination rates
- Public awareness
- Program efficiency
- Number of collection points (access)
- User exit surveys to assess user satisfaction
- Collection site surveys to assess collection site experience and satisfaction
- Bags collected by site or region

All CleanFARMS members have the opportunity to suggest additional performance measures via the Board and other relevant committees like the SASC. The SASC Advisory Committee can also provide input into performance measures.

Performance measures will be reported through the Annual Report to government.

In addition to the annual reporting described in Section 9, this PSP will be evaluated every five years to determine if it is meeting the needs of those involved.

9. Annual Report to government

CleanFARMS will comply with the Annual Report requirements outlined in the regulation. This will be submitted to the Director, Environmental Assessment and Stewardship, Ministry of Environment and made available to the SASC and SASC Advisory Committee.

CleanFARMS also publishes a yearly report (also referred to as an 'Annual Report'), which summarizes collection figures, achievements and additional activities. These are available at www.cleanfarms.ca.

10. Ensuring a smooth transition

CleanFARMS will be requesting transitional funding to ensure a smooth transition of the pilot programs to the industry-funded model.

Appendix A – SASC Terms of Reference (draft)

Members & roles

- **Members: First Sellers of Targeted Product**
Members are responsible for attending meetings, providing input to the program and completing member responsibilities (sales surveys, paying invoices). When serving on the SASC, members must make decisions based on the best interest of The Program and CleanFARMS.
- **Chair: Selected by the Members**
The Chair is responsible for calling meetings, setting or approving meeting agendas and liaising with the Board. Members will select a Chair.

Goal

Deliver an efficient and effective government-approved grain bag recycling program that:

- provides value to First Sellers,
- demonstrates a long-term commitment to good environmental stewardship,
- supports CleanFARMS' mission and vision, and
- meets the requirements outlined in *The Agricultural Packaging Product Waste Stewardship Regulations*.

Deliverables

- Product Stewardship Plan & self-funded program
- Annual budget & business plan
- Periodic reports to the CleanFARMS Board (usually in conjunction with Board meetings)
- Annual report to Saskatchewan's Ministry of Environment

Scope

The SASC shall:

- assist with identifying First Sellers and other key stakeholders,
- review, evaluate and approve an annual business plan and budget that is drafted by staff,
- review, evaluate, and provide information and recommendations to the Board where the Board is making decisions in areas that are related to the SASC's responsibilities, and
- annually review its terms of reference and recommend any required changes.

Budget & resources

- An interest free loan of up to \$100,000 from CleanFARMS' general reserve fund is available to cover development costs provided certain criteria are met.
- Annual budget as approved by the committee.
- CleanFARMS staff will provide administration and management support to the SASC and associated programs.

Governance

- The SASC will aim to achieve consensus in all decisions. In the event that a consensus cannot be reached, all questions/decisions shall be decided by a majority of votes. In the case of an equality of votes, the Chair, in addition to their original vote, may cast a second vote. Each Member (or company) is entitled to one vote.
- SASC Members can select a proxy to attend a meeting in the event that a Member is unable to attend. The Member will inform the Chair of the substitution at least five business days prior to the meeting. The proxy will have all the same responsibilities and roles, including voting rights, as the Member.
- The SASC has the responsibility and authority to make decisions directly related to The Program without Board ratification. However, any decisions or recommendations that may have an impact

on other CleanFARMS programs or the organization's overall reputation must be ratified by the Board. Staff will use their discretion to identify these decisions or recommendations.

Additional notes

- Members must adhere to the By-Laws and Code of Conduct.
- 2017 meetings (development phase):
 - Monthly touchpoints (teleconferences) will be scheduled throughout 2017.
 - A monthly report will be provided to Members. A monthly report can replace a touchpoint.
- Once the program is in a 'steady state', regular meetings will be established on a quarterly basis, or as determined by the SASC.
 - Depending on the SASC's preferences, most meetings will take place by teleconference. There will be at least one in-person meeting per year, typically when the annual budget is up for approval.
 - A yearly meeting schedule will be announced.
 - Members will forward agenda items to the Chair or Council Coordinator at least 10 business days prior to meetings.
 - Meeting agendas & materials will be provided to the council at least five business days prior to meetings.
 - A quarterly report will be provided to the SASC.

Appendix B – Code of Conduct

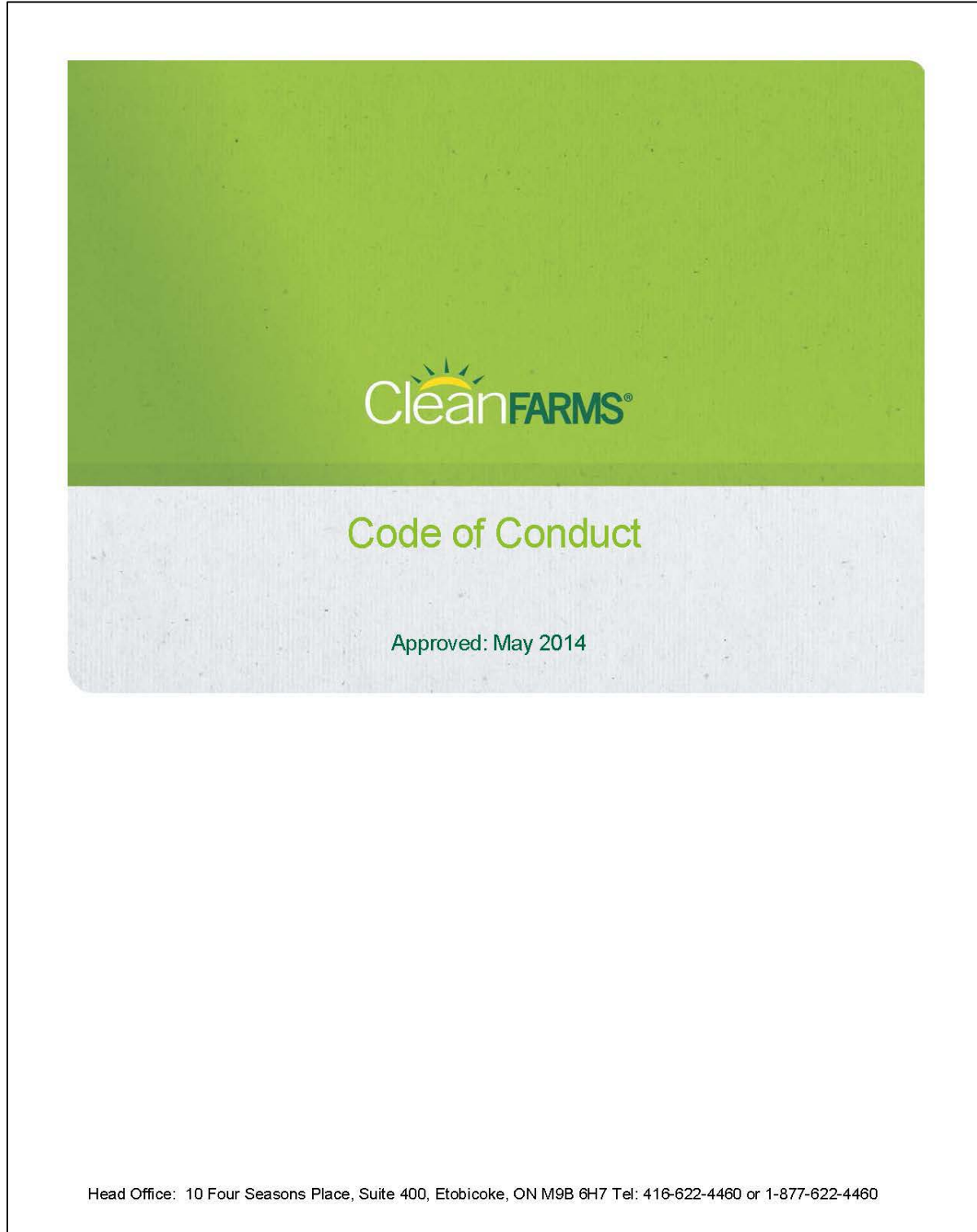


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FOREWORD

Purpose

CleanFARMS is a not-for-profit industry stewardship organization committed to environmental responsibility through the proper management of agricultural waste. The purpose of this Code of Conduct is to define the principles, standards and guidelines which CleanFARMS' Members and Employees agree to follow in order to support this commitment.

Interpretation

This Code of Conduct has been approved in accordance with By-Law No 1 of CleanFARMS (the "General By-Laws"). This Code of Conduct supersedes and replaces any previous Code of Conduct as of the effective date set out below.

Except as otherwise defined herein, all capitalized terms used in this Code of Conduct have the meanings given to them in the General By-Laws.

In the event of any inconsistency between this Code of Conduct and the General By-Laws, the General By-Laws will prevail to the extent required to resolve the inconsistency.

This Code of Conduct has been voluntarily adopted by, and is binding on, Members. Members are reminded that additional rights and obligations relevant to their operations may apply under statutory and common law in the jurisdictions in which they carry on business. CleanFARMS does not provide Members with legal advice and recommends that Members get independent legal advice with respect to applicable laws and regulations.

Application

As provided in Section 4(e) of the General By-Laws, all Members must comply with this Code of Conduct. In the event of a breach of this Code of Conduct by a Member, the Member may be subject to the sanctions and disciplinary measures set out in the General By-Laws, in particular in Section 4(h) of the General By-Laws.

All CleanFARMS Employees are also bound by this Code of Conduct.

Questions and clarifications

Questions and clarifications should be directed to the General Manager.

Amendments

CleanFARMS reserves the right to modify or amend this Code of Conduct, which shall become binding when approved in accordance with the General By-Laws.

Effective date

This version of the Code of Conduct was approved in accordance with the General By-Laws as of May 6, 2014 and is effective as of that date.

1. MISSION AND VISION

CleanFARMS' mission is to enable environmental sustainability through effective stewardship of waste agricultural plastics and packaging.

CleanFARMS' vision is to be the leading Canadian stewardship organization for recycling agricultural products and packaging.

2. BACKGROUND

CleanFARMS is a not-for-profit industry stewardship organization committed to environmental responsibility through the proper management of agricultural waste. This is a long standing industry commitment that has guided the industry for many years and is one of the reasons Canadian agricultural has gained a reputation of excellence world-wide.

CropLife Canada, the trade association representing the pesticide industry, managed CleanFARMS' core programs, the empty pesticide container and obsolete pesticide programs, since their inceptions in 1989 and 1998 respectively.

Beginning February 1, 2010, CleanFARMS took over the management of these programs with the intention of expanding its programs beyond pesticide containers and obsolete pesticides to include other on-farm inorganic waste. One of the first steps to achieving this goal began in 2013 when CleanFARMS expanded its empty pesticide container program to include fertilizer containers.

As farming continues to grow in Canada, the agricultural sector is seeking more options for recycling agricultural plastic waste. With a solid reputation for cost-effective stewardship programming, a commitment to constant improvement, and a dedicated and engaged membership, CleanFARMS is well suited to meet the needs of the Canadian agricultural sector.

CleanFARMS members represent a broad cross section of product manufacturers, distributors, retailers and suppliers to Canada's agricultural industry. The conduct of this diverse group of companies is critical to the success of the organization's operations, its ability to deliver valuable programs that meet the needs of Canadian farmers, and the industry's reputation as a whole.

3. GUIDING PRINCIPLES

The products manufactured and distributed by CleanFARMS members are, for the most part, strictly regulated. In addition to regulations set by federal, provincial and municipal governments, the industry has adopted industry-led initiatives to protect people and the environment through their products entire lifecycle, including end of life management. This Code of Conduct, and the stewardship programs operated by CleanFARMS, are such initiatives.

CleanFARMS takes its responsibility to the environment and public safety very seriously. CleanFARMS' stewardship programs and other initiatives focus on achieving maximum environmental benefit in program delivery while minimizing any risk.

Recovering valuable resources is the primary goal of CleanFARMS' stewardship programs. However, that goal must be pursued in a manner that reduces the risk of fires, spills, industrial accidents, misuse and environmental contamination. To help achieve its primary goal and these related objectives, CleanFARMS has developed, and all Members, Directors and Employees hereby agree to adopt, the following set of guiding principles:

- 3.1 Programs must be operated so that there is no unacceptable health and safety risk.
- 3.2 Programs must be managed by the manufacturers/brand owners of the products.
- 3.3 Programs should strive to achieve the highest and most practical end use of products while following the 3Rs (reduce, reuse, recycle) hierarchy.
- 3.4 Programs must achieve reasonable, high participation rates. While they may never actually achieve this goal for practical reasons, programs should still strive towards 100% recovery.
- 3.5 Programs must provide reasonable accessibility for all users of the products to participate.
- 3.6 Programs must be open to participation by all manufacturers/brand owners.

CleanFARMS recognizes the importance of continuously improving health and safety standards and protecting the environment. The programs that CleanFARMS manages are more than a continuously improving set of practices – they represent a guiding philosophy based on proactivity, evolving to meet user needs, and an industry-led commitment to the safe management of the industry's waste.

4. STANDARDS FOR MEMBERS

CleanFARMS Members are committed to supporting stewardship initiatives as appropriate for each technology sector they are involved in and as a means to pursue and promote health and safety for people and the environment. In carrying out this commitment, the Members of CleanFARMS acknowledge and agree that they have the duties and responsibilities set out below.

- 4.1 *Program participation* - Every Member will participate in all stewardship programs that are developed and approved by CleanFARMS to the extent that such stewardship programs apply to the business of the Member. Members will comply with all requirements of the stewardship programs in which they are required to participate.
- 4.2 *Stewardship* - Members will manage all packaging in a safe and environmentally sound manner consistent with the guiding principles for stewardship programs developed by CleanFARMS, including by promoting the use of packaging that enhances safety in use, transport, handling and where applicable, ease of cleaning, rinsing or other preparation steps for recycling or disposal.
- 4.3 *General engagement* - Members will remain engaged with CleanFARMS in their capacity as members, including by doing the following:
 - 4.3.1 Remaining familiar with the CleanFARMS corporate mandate, its mission, vision, objectives, and operations;
 - 4.3.2 Remaining familiar with, and complying with, the rights and requirements of Members under the *Canada Not-for-profit Corporations Act* and regulations made thereunder;
 - 4.3.3 Remaining familiar with, and complying with, CleanFARMS's articles, by-laws, approved corporate policies and stewardship programs, and this Code of Conduct, as such documents apply to Members;
 - 4.3.4 Preparing for all Member meetings by reviewing all agenda materials including reports and other background material;
 - 4.3.5 Attending and participating in Members meetings.
- 4.4 *Fees* - As required under the General By-Laws, Members will pay all fees assessed to them by CleanFARMS. All such fees shall be paid in a timely manner in accordance with any applicable approved corporate policy regarding the setting and payment of fees. Members agree and acknowledge that CleanFARMS may charge, and Members who fail to pay fees in a timely manner agree to pay, late fees and other penalties as set out in approved corporate policies.
- 4.5 *Reporting* - Members will provide CleanFARMS with all data and information requested and reasonably required by CleanFARMS to carry out its mandate, provided that CleanFARMS will store, use and disclose such information in accordance with approved corporate policies. Without limiting the foregoing, Members agree to complete the CleanFARMS annual sales survey on or before the submission deadline stipulated in the notice of such sales survey. Each Member hereby irrevocably consents and agrees that CleanFARMS may provide notice to all Members and to government authorities to whom CleanFARMS must report data

gathered through the sales survey of the names of those Members who fail to complete the sales survey by the prescribed submission deadline.

- 4.6 *Members' Employees* - Because Member's employees often serve as resources about CleanFARMS' programs and the role they play in protecting public health and the environment, Members will ensure that such employees will be well-trained, customer-oriented and up-to-date in their knowledge of the appropriate CleanFARMS' stewardship programs that apply to their area of work. To ensure this, CleanFARMS members will:
- 4.6.1 Establish and maintain high standards of recruiting and selection to ensure the employment of well-qualified individuals;
 - 4.6.2 Ensure that all appropriate personnel, including those newly hired, fully understand:
 - 4.6.2.1 this Code of Conduct;
 - 4.6.2.2 the Member's responsibilities under CleanFARMS' stewardship programs that apply to the Member; and
 - 4.6.2.3 the importance of stewardship programs.
 - 4.6.3 Ensure that the Member has written procedures in place for handling inquiries related to stewardship and CleanFARMS stewardship programs applicable to the Member;
 - 4.6.4 Ensure that its personnel will provide full and factual information on the CleanFARMS' stewardship programs applicable to the Member, without misrepresentation or exaggeration.
- 4.7 *Competition* - Members will comply, and cause all of their representatives to comply, with the guidelines for meetings of competitors set out in Section 7 of this Code of Conduct.
- 4.8 *Divergent Positions* - If a Member intends to advocate publicly, including to government, a position on an issue that it believes is not consistent with this Code of Conduct or CleanFARMS mandate, mission and values (a "Divergent Position"), the Member should first inform CleanFARMS, by letter to the General Manager, stating its intention to take the Divergent Position, and give CleanFARMS reasonable time to consider and respond to the Member regarding the Divergent Position before presenting it's the Divergent Position to others outside CleanFARMS. Similarly, if CleanFARMS believes a Member has or intends to advocate publicly a Divergent Position, CleanFARMS shall notify in writing the Member of its disagreement with the Divergent Position. In either case, the Member and CleanFARMS will discuss the Divergent Position in good faith with a view to resolving the issues on which they disagree prior to the Member publicizing the Divergent Position. If the identified differences are not resolved, CleanFARMS recognizes the right of the Member to publicly pursue its own position. When presenting the Divergent Position to others, the dissenting Member agrees to expressly indicate that it speaks for itself and not for CleanFARMS or for other Members or the industry.

5. STANDARDS FOR DIRECTORS

CleanFARMS' Board of Directors is responsible for managing or supervising the management of the activities and affairs of CleanFARMS'. Directors are nominated by the Executive and elected by the Members in accordance with the By-Laws. The Directors of CleanFARMS acknowledge and agree that they have the duties and responsibilities set out below. These duties are in addition to, and shall be interpreted in a manner not inconsistent with, any directors' duties arising under statutory or common law.

5.1 Duties of Directors

- 5.1.1 *Duty and standard of care* - In exercising his or her powers and discharging his or her duties, a Director shall (a) act honestly and in good faith with a view to the best interests of the corporation; and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 5.1.2 *Compliance with law* - A Director shall comply with the *Canada Not-for-profit Corporations Act* and the regulations made thereunder, as well as with all other applicable laws.
- 5.1.3 *Compliance with corporate documents* - A Director shall comply with the articles and all by-laws of the Corporation, as well as this Code of Conduct and any approved corporate policies of CleanFARMS.
- 5.1.4 *Disclosure of conflicts of interest* - A Director shall disclose to CleanFARMS, in writing or by requesting to have it entered in the minutes of meetings of Directors or of committees of Directors, the nature and extent of any interest that the Director has in a material contract or material transaction, whether made or proposed, with CleanFARMS, if the Director: (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. If a Director is uncertain, he or she should seek advice from the Chair or the President and CEO.
- 5.1.5 *Limitations on voting where conflicts of interest exists* - A Director required to make a disclosure of a potential conflict of interest shall not vote on any resolution to approve the contract or transaction unless the contract or transaction: (a) relates primarily to the Director's remuneration as a director, an officer, an employee, an agent or a mandatary of CleanFARMS; (b) is for indemnity or insurance as permitted under the *Canada Not-for-profit Corporations Act*; or (c) is with an affiliate of CleanFARMS.
- 5.1.6 *Competition* - Directors will comply with the guidelines for meetings of competitors set out in Section 7 of this Code of Conduct.

5.2 Responsibilities of Directors

Without limiting a Director's duties as set out above, each Director agrees to the following:

- 5.2.1 *Familiarity with CleanFARMS* - A Director will be familiar with the CleanFARMS corporate mandate, its mission, vision, objectives, and operations;

- 5.2.2 *Familiarity with legal requirements* – A Director will be familiar with the requirements imposed on directors under the *Canada Not-for-profit Corporations Act* and regulations made thereunder;
- 5.2.3 *Familiarity with corporate documents* – A Director will be familiar with the CleanFARMS' articles, by-laws, approved corporate policies and this Code of Conduct;
- 5.2.4 *Objectivity* – A Director will always act objectively and in accordance with the duties set out above;
- 5.2.5 *Preparation* – A Director will prepare for all board meetings and all committee meetings of which the Director is a member, by reviewing all agenda materials including reports and other background material;
- 5.2.6 *Attendance* – A Director will attend and participate in all Board meetings and all committee meetings of which the Director is a member;
- 5.2.7 *Financial literacy* – A Director must have financial proficiency to manage and invest corporate funds (or delegate and supervise such management and investment), undertake reviews of financial statements and reports at frequent intervals and to enact policies that provide for the appropriate management and investment of corporate funds.
- 5.2.8 *Record keeping* – A Director will keep careful notes at meetings, review the minutes of all meetings, and will maintain proper record-keeping systems;
- 5.2.9 *Corporate policies* – A Director will insist upon the establishment and regular review of corporate policies and monitor staff adherence to them;
- 5.2.10 *Delegation* – A Director must supervise and oversee tasks delegated by the Board and ensure that those to whom tasks are delegated are sufficiently qualified to complete the assigned tasks;
- 5.2.11 *Authority* – A Director must be aware of the scope of his own authority and the permitted activities of CleanFARMS, act accordingly within these boundaries, and not hold him or herself out to have authority which he or she does not have in respect of CleanFARMS;
- 5.2.12 *Outside advice* – A Director may obtain outside expert advice whenever necessary, after appropriate consultation with the Board;
- 5.2.13 *Disclosure* – A Director will disclose all personal dealings as early as practical;
- 5.2.14 *Voting* – A Director will refrain from voting only where necessary and will record and ensure that minutes record Directors' disclosures, dissents, or refrainments from voting;
- 5.2.15 *Internal systems* – A Director will ensure that the managers have effective internal systems in all areas of CleanFARMS' activities, particularly accounting.

6. STANDARDS FOR EMPLOYEES

CleanFARMS Employees have a central role in developing, promoting, running and improving CleanFARMS' stewardship programs in accordance with the guiding principles set out in this Code of Conduct. All Employees will carry out their roles and responsibilities as employees in a manner that is at all times consistent with this Code of Conduct. Without limiting the foregoing, Employees acknowledge and agree that they have the duties and responsibilities set out below.

- 6.1 Remaining familiar with the CleanFARMS corporate mandate, its mission, vision, objectives, and operations;
- 6.2 Remaining familiar with, and complying with CleanFARMS' approved corporate policies, stewardship programs, and this Code of Conduct, as such documents apply to Employees;
- 6.3 In the case of Officers, also remaining familiar with, and complying with CleanFARMS' articles and by-laws, as such documents apply to Officers;
- 6.4 Taking opportunities provided by CleanFARMS to enhance skills applicable to the operations of CleanFARMS and to improve knowledge of stewardship best practices;
- 6.5 At all times providing full and factual information regarding CleanFARMS mandate and stewardship programs, without misrepresentation or exaggeration.

7. GUIDELINES FOR MEETINGS OF COMPETITORS AND CLEANFARMS

7.1 Purpose

These guidelines for meetings of competitors and CleanFARMS (the "Guidelines") are intended to reduce the risk of not complying with Canadian competition law when CleanFARMS staff and CleanFARMS Member company representatives come together in meetings ("Meetings") under the auspices of CleanFARMS. It is understood that the Meetings may involve discussions of intellectual property ("IP") rights among other matters.

These Guidelines are not a substitute for legal advice. However, they are intended to provide Members, Directors and Employees with sufficient information to recognize potential problems under Canadian competition laws and to seek legal advice concerning the potential problems before such Members, Directors or Employees act in a manner that could be contrary to applicable law. CleanFARMS recommends that all Members and Directors seek independent legal advice regarding their respective obligations with respect to applicable competition law.

The background to these Guidelines is described in Appendix A to this Code of Conduct.

7.2 Complying with Competition Law at Meetings

7.2.1 General

Failure to comply with the Guidelines can result in severe criminal and civil penalties for trade associations, companies and individuals.

Meetings must never be seen to affect the competitive aspects of the participating companies' operations.

Prohibited discussion topics at Meetings apply equally to social gatherings and other communications outside of or incidental to Meetings – even to comments made in jest.

In general, joint lobbying, good faith complaints to regulatory authorities and litigation relating to regulatory performance are not anti-competitive.

Agreements or combinations between or among competitors need not be formal to raise questions under competition law, but may include any kind of understanding, formal or informal, secretive or public, under which each of the parties can reasonably expect that another will follow a particular course of action.

Collaboration at Meetings should not occur to advance any company's specific commercial interests.

It is the responsibility of each Meeting participant to avoid raising improper subjects for discussion. Each participant in the Meetings should be thoroughly familiar with their responsibilities under Canada's competition law and should consult their company's legal counsel in all cases involving specific situations, interpretations or advice.

The following list of Do's and Don'ts for Meeting participants is not exhaustive.

7.3 Do's

- 7.3.1 *Reminder*: Do begin each meeting with a reminder to all participants of the importance of complying with competition law and of the existence and application of these Guidelines to all CleanFARMS meetings.
- 7.3.2 *Record Keeping, Agendas and Minutes*: Do insist on appropriate record keeping for Meetings. Prepare and distribute before the Meeting a written agenda that is clear and specific and adhere to it during the Meeting. Ensure that all discussions with competitors are confined to the immediate subject for which the Meeting was convened. Ensure that comprehensive minutes are taken and object if they do not accurately reflect the discussion and actions taken. Ensure that minutes are reviewed and mistakes corrected.
- 7.3.3 *Document Retention*: Do have a document retention program which clearly sets out which records are kept and for what period of time in order to protect participants by keeping a history of previous Meetings that have been held.
- 7.3.4 *Voluntary Participation*: Do ensure that participation in Meetings and membership in any related committees is voluntary and based on clear and transparent criteria.
- 7.3.5 *Appropriate Oversight*: Do ensure that all Meetings have appropriate oversight and supervision. Consult with legal counsel on all competition law compliance questions that may arise at Meetings.
- 7.3.6 *Competitive Regulatory Framework*: Do ensure that the primary objective of any regulatory framework the Meeting develops is to promote open and effective competitive markets. The regulatory framework should neither favour nor constrain the ability of particular market participants to compete in the market but may require compliance with stewardship programs and standards for safety and environmental protection (whether voluntary or imposed by law).
- 7.3.7 *Inappropriate Subjects of Discussion*: Do be vigilant. Any Meeting participant who becomes concerned that a discussion is straying into competitively sensitive areas should ask the chair of the Meeting to halt the discussion pending clarification. Protest against any discussions or Meeting activities, which appear to violate competition law and record the objection. Disassociate from any such discussions or activities and leave any Meeting should they continue.
- 7.3.8 *Competitively Sensitive Information*: To minimize the exchange of competitively sensitive information, do (a) use publicly available information and aggregated (as opposed to company-specific) information to the greatest extent possible, (b) focus on historical rather than future information, (c) only disseminate information in an aggregate form, (d) use an independent data collection agency, and (e) ensure participants provide data voluntarily (i.e., without being coerced).
- 7.3.9 *Legal Counsel*: Do have legal counsel present at any Meetings where competitive sensitivities are at issue (because of the subject to be discussed or the personnel (e.g., marketing or senior management) to be present. When in doubt, seek legal advice.

7.4 Don'ts

- 7.4.1 *Competitively Sensitive Information:* Don't, in fact or appearance, discuss or exchange any competitively sensitive information such as:
- 7.4.1.1 price-related information (whether past, present or future), including individual company prices, price changes, price differentials, mark-ups, discounts, allowances, credit terms and freight terms;
 - 7.4.1.2 data bearing on price, including that related to individual company cost structure, profit margin, allowances, production levels, capacity, inventories and sales;
 - 7.4.1.3 information relating to individual company statistical reporting, standardization, certification, research and lobbying;
 - 7.4.1.4 industry pricing policies, including price levels, price changes and differentials;
 - 7.4.1.5 allocation of geographic or functional markets, suppliers or customers;
 - 7.4.1.6 non-public revenue, market plans, or market share data.
 - 7.4.1.7 future strategies and plans of individual companies;
 - 7.4.1.8 the exercise (individually or in concert) of intellectual property rights that create, enhance or maintain market power and thereby harm competition;
 - 7.4.1.9 changes in industry production, capacity or inventories;
 - 7.4.1.10 bids on contracts for particular products and procedures for responding to bid invitations;
 - 7.4.1.11 plans of individual companies concerning the design, production, distribution or marketing of particular products, including proposed territories or customers;
 - 7.4.1.12 matters relating to actual or potential individual customers or suppliers that might have the effect of excluding them from any market or of influencing the business conduct of companies toward such suppliers or customers; and
 - 7.4.1.13 any other confidential or sensitive information (even if it does not fit in any other category above) which would be likely to affect competitive behaviour or rivalry.
- 7.4.2 *Discrimination:* Don't discriminate against competitors when developing product or intellectual property standards, specifications or programs.
- 7.4.3 *Collective Action:* Don't engage in any collective action by way of refusal to deal, boycott or embargo which would affect competition – whether among competitors, suppliers or customers.

- 7.4.4 *Pricing or IP Licensing:* Don't enter into an agreement or make any threat or promise involving the pricing or IP licensing activities of other companies.
- 7.4.5 *Sanctions:* Don't have sanctions aimed at forcing members to obey various association recommendations which may have an anti-competitive effect. However, sanctions implemented for legitimate purposes, such as for failure to comply with stewardship programs or with standards for safety and environmental protection (whether voluntary or imposed by law), don't raise concerns under the Competition Act.
- 7.4.6 *Informal Meetings:* Don't hold unscheduled or informal Meetings (between competitors), whether held in conjunction with regular Meetings or not.

8. DISPUTE RESOLUTION

8.1 Complaints from the public regarding Members

- 8.1.1 Complaints made to CleanFARMS by a member of the public concerning the conduct of a Member must be addressed in writing to the official representative of the company and the General Manager of CleanFARMS. On receipt of such a complaint, the General Manager will refer the matter to the Member involved for resolution of the issue.
- 8.1.2 Members hereby agree to indemnify and hold CleanFARMS and its Members, Directors, Officers, Representatives, Agents and employees (collectively, the "Indemnified Parties") harmless of and from and against all costs, charges and expenses, including all amounts paid to settle any action or satisfy any judgment reasonably incurred by or on behalf of the Indemnified Party in respect of any civil, criminal or administrative action, private arbitration, or other proceeding, to which any Indemnified Party is or may become a party (or any such proceeding which might be threatened and in respect of which any Indemnified Party is threatened to be made a party) provided that in the case a Member, Director, Officer, Representative, Agent or employee, such person becomes a party or is threatened to be made a party as a result of being or having been a Member, Director, Officer, Representative, Agent or employee of CleanFARMS by reason of any negligence or wilful misconduct of the Member or by reason of a failure by the Member or any of its representatives to conduct itself in accordance with this Code of Conduct or with any requirements prescribed by CleanFARMS with respect to its stewardship programs.

8.2 Complaints or disputes among Member

- 8.2.1 Members consent and agree that disputes or controversies among Members, Directors, Officers, committee members, or volunteers of CleanFARMS concerning matters relating to CleanFARMS' articles, by-laws, Code of Conduct, approved corporate policies or operations ("Eligible Disputes") are to be resolved in accordance with mediation and/or arbitration as provided in Section 8.2.2.

8.2.2 Dispute Resolution Mechanism

In the event that an Eligible Dispute is not resolved in private meetings between the affected parties within 30 days of the written notice of an Eligible Dispute delivered by one of the parties to CleanFARMS and the other affected parties, then such Eligible Dispute shall be settled by a process of dispute resolution as follows:

- 8.2.2.1 The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the board of the organization) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.
- 8.2.2.2 The number of mediators may be reduced from three to one or two upon agreement of the parties.

8.2.2.3 If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of CleanFARMS is situated or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

8.2.2.4 All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators.

Appendix C – SASCAC Terms of Reference (draft)

The Saskatchewan Agricultural Stewardship Council Advisory Committee (SASCAC) is a standing committee that provides advice and recommendations into the Saskatchewan Agricultural Stewardship Council (SASC). The SASCAC helps ensure that the grain bag recycling program meets the needs of and provides value to the various stakeholders who play a role in it.

This Terms of Reference guides the SASCAC in carrying out its purpose, composition, membership and meetings.

Purpose

The overall purpose of the SASCAC is to provide a mechanism to ensure that stakeholders have an opportunity to provide input into the development, ongoing execution and effectiveness of a province-wide grain bag recycling program.

For 2017, the key deliverable for SASC Advisory Committee members is to provide feedback on the draft product stewardship program.

Composition

Key stakeholders groups whose members have one or more of the following responsibilities:

- have a mandate or responsibility in the grain bag recycling program,
- are expected to implement the program,
- are expected to bear the cost of implementing the program, or
- are impacted by the proposed program.

Key stakeholder groups are asked to assign a 'permanent' Advisory Committee Member to the SASCAC (the term of the appointment is at the group's discretion) to ensure some continuity. However, substitutes at meetings are welcome and CleanFARMS will do its best to accommodate individual members and peak seasons (e.g. seeding and harvest).

Advisory committee member responsibilities

- attend meetings,
- review reports/information and formulate responses and recommendations,
- seek input from their respective organizations where appropriate,
- recognize that some information shared to the SASCAC may be sensitive, and use discretion when disseminating sensitive information, and
- annually review its terms of reference and recommend any changes.

Resources

CleanFARMS will provide staff resources to the SASCAC for coordinating and arranging meetings, agendas, note taking (summary and action items), distribution of materials, and other functions as required.

The key staff resource to the SASC is the Council Coordinator, Kim Timmer.

Governance

- The SASCAC will aim to achieve consensus in guidance and recommendations. In the event that a consensus cannot be reached, matters shall be decided by a majority of votes.

Relationship to SASC

- The role of the Advisory Council is not directive or decision making in nature.
- The SASC is committed to engaging with the SASCAC on key issues impacting the program.
- The SASC will receive a report from each SASCAC meeting as prepared by CleanFARMS staff.

Additional notes

- The SASCAC will meet a minimum of two and a maximum of four times per year.
- Following the initial meeting, a yearly meeting schedule will be announced.
- Depending on the SASCAC's preferences, most meetings will take place by teleconference or in conjunction with SASCAC member events.
 - Members will forward agenda items to the Council Coordinator at least 10 business days prior to meetings.
 - Meeting agendas & materials will be provided to the council at least five business days prior to meetings.

Appendix D – Consultation Report

INTRODUCTION

In order to facilitate stakeholder input into this program, CleanFARMS made an earlier version of this PSP (V1.01) available on its website and sought input from various stakeholders. This Consultation Report summarizes the feedback that was received.

Feedback from the public and especially those that are impacted by this program is critical to its success and therefore stakeholder engagement is an ongoing process.

Given the tight timelines associated with this PSP, and the importance of stakeholder engagement, CleanFARMS will continue to engage with key stakeholders. A supplementary Consultation Report will be submitted by July 31, 2017 to reflect feedback received after March 31, 2017.

CONSULTATION PROCESS

- An earlier version of this PSP (V1.01) was posted on the CleanFARMS website, www.cleanfarms.ca.
- CleanFARMS met with some members of the SASC Advisory Committee in-person on March 14, 2017 in Saskatoon. CleanFARMS met with additional members of the SASC Advisory Committee on March 20, 2017 via teleconference.

During both of these meetings, attendees were provided with an overview of the PSP and were then asked to provide feedback.

The following organizations participated in these meetings:

- Saskatchewan Association of Rural Municipalities (SARM)
 - Ministry of Agriculture (observer)
 - Ministry of Environment (observer)
 - Association of Regional Waste Management Authorities of Saskatchewan (ARWMAS)
 - Saskatchewan Waste Reduction Council (SWRC)
 - SaskCanola
 - Western Canadian Wheat Growers Association
- CleanFARMS hosted a booth at the SARM convention where informal consultations took place.

SUMMARY OF FEEDBACK

Overall, SASC Advisory Committee members were supportive of the program because ‘grain bags are here to stay’ and a province-wide program is greatly needed. They recognized that challenges exist and that they play a role in building a sustainable program to service to entire province.

Feedback from the SARM convention was positive and, similar to what was heard at the SASC Advisory Committee meetings, attendees noted that there are some challenges. In addition to feedback specific to program operations, many attendees stressed the importance of a program that is easy and reliable for municipal employees to manage as one way to help ensure support from overworked Rural Municipal Administrators.

CleanFARMS received little feedback from the ‘general public’, i.e. unsolicited feedback via phone or email. The majority of inquiries were from potential collection sites looking for information on how to offer the program in their area.

The following summarizes the feedback received:

- The definition of the product is somewhat problematic. The inclusion of 'silage bags used to store grain' and exclusion of 'silage bags not used to store grain bags' may lead to confusion.
- There was some concern raised that the plan included an EHF, but not a refundable return-deposit. This was identified by some as a 'lack of incentive' which may discourage participation.
- Some suggested that a mechanism that prohibits the purchase of (new) grain bags unless the user provides proof that they have turned in their bags from previous seasons should be considered. There was one comparison made to municipal extermination programs where a user must prove that they have used the product properly before accessing new product. Outreach to SaskTip Inc. was recommended as one way to raise awareness of the program.
- Some farmers have significant legacy materials stored on the farm.
- Feedback on the Grain Bag Tag/Proof of Purchase requirement was mixed:
 - Some users noted that record keeping and tracking is a standard component of farming and 'hanging on to a tag' is a normal business practice.
 - Others mentioned that this could be a significant burden for both the user and the first seller:
 - This could significantly impact the workflow for some users as record keeping is not normal.
 - For first sellers, while they may remember to sell the appropriate number of Grain Bag Tags for large purchases, last minute purchases during very busy periods (harvest) can easily be forgotten.
 - Comparisons were made to existing certified seed/crop sale requirements where farmers are required to keep 'bin tags'. Again, feedback was mixed where some users said that this type of tracking is reasonable while others said that it was cumbersome.
 - Some users mentioned the importance of being able to track tags electronically as one way to improve the user experience.
- The importance of reliable service to collection sites was noted. Some suggested that timely service (due to lack of space) would be more important than direct compensation to municipalities for their role in the program.
- It was stressed repeatedly that the first year of operations is critical.
 - If users see an improvement in service (increased number of collection sites or expanded hours), they will be less opposed to the EHF.
 - The user's first experience with CleanFARMS and a collection site needs to be 'reasonable'. While the proof of purchase requirement is in itself reasonable, collection sites will need to use discretion to manage:
 - grain bags being returned in multiple rolls, which is a common occurrence,
 - contamination, and
 - first time users who may need to be educated about proper procedures.
- An 'EHF on a per kilogram basis' did not resonate with users. This was confusing to many. Most users know the dimensions of the grain bags they purchase (e.g. 250 x 10 feet), but don't know the weight.
- Some users are currently paying a small amount (\$5 or \$10) to dispose of their grain bags. Program operators and collection sites may be challenged in explaining the perceived 'increase in cost to approximately \$40 per bag.'

- Outreach to the Saskatchewan Urban Municipalities Association was recommended because the current collection network includes a mix of urban and rural communities.
- Several first sellers noted that the definition of the product and the frequency with which users purchase these items out of province will lead to an uneven playing field and present significant challenges.

In addition to the feedback above, the following questions were raised:

Question: Do we need to change the regulations to add new products?

Response: Yes.

Question: What is the estimated grain bag market?

Response: 20,000 grain bags annually.

Question: The current pilot projects include twine. Will twine continue to be collected under the province-wide, industry-funded program?

Response: The province-wide, industry-funded program excludes twine.

Question: Will all of the current pilot collection sites automatically be part of the new program?

Response: Maybe. Negotiations with potential collection sites will begin soon. It would be ideal if the current pilot collection sites continued to offer the service under the new program.

Question: Will grain bag rollers continue to be available to farmers?

Response: In all likelihood, yes. CleanFARMS recommends grain bag rollers as part of the onsite requirements for collection sites.

SUMMARY

Overall, feedback received from attendees is in line with informal feedback received during earlier stages of this project. CleanFARMS is not recommending any major changes to the program plan based on this Consultation Report.

The feedback stresses the importance of having a successful ‘transition year’ that ensures a positive experience for users, first sellers and collection sites.

ONGOING OUTREACH

CleanFARMS will continue to seek feedback from users and potential collection sites:

- CleanFARMS will be attending the ARWMAS annual meeting and the upcoming SWRC Waste Reform.
- Some organizations have not yet appointed a representative to the SASC Advisory Committee, but have indicated that they intend to. CleanFARMS will likely hold individual meetings with these organizations. (Meetings with farmers will become increasingly difficult as seeding will begin shortly.)

A supplementary Consultation Report will be submitted to the Ministry of Environment by July 31, 2017.