

# Team Canada - Elbows Up! WestGen's AGM Highlights

**Amanda Poelman**

A full house of producers and industry partners attended the Clarion Hotel on March 17th for WestGen's Annual General Meeting. It has been a wet spring in the Fraser Valley, and this week was no exception, which likely boosted attendance while farmers wait for more favourable field conditions.

**President's Report**

Richard Boonstoppel called the meeting to order, saying, "2024 threw some curveballs our way - high interest rates, input costs, market uncertainties - the usual fun of agriculture. Not to mention the trade uncertainties thanks to our neighbours to the south." Despite these challenges, WestGen delivered a solid performance last year with Richard noting, "Being farmer-owned is our greatest strength."

Looking ahead, Richard says, "WestGen remains true to its vision to be the top-performing and most admired genetics company in Western Canada while helping to increase the profits, efficiency and sustainability of your operations." Highlighting WestGen's commitment to Canadian agriculture, Richard noted, "The WestGen Endowment Fund and sponsorships are not just good PR, but investments in our industry's future and the next generation of dairy farmers."

In closing, Richard urged producers, "WestGen exists to be your voice in the industry and whatever challenges may come, we will be there for you."

Later in the meeting, Tony DeGroot was re-elected for a three-year term on the board, while Darrin Rasmuson was introduced as a newly elected director from Alberta.

**CEO Report**

CEO Chris Parry's address opened with the acknowledgement that the industry has lived through a variety of challenges over the past several years, including COVID, flooding, cyber-attacks, and the economy, stating, "It has been a difficult time and what affects you also affects us. What you're feeling on the farm, we feel in our company."

That said, WestGen had a good year in 2024, exceeding budget expectations. There were significant improvements in semen revenue over 2023 and a 4% increase in the total number of doses sold. Beef and sexed semen doses did particularly well, now equalling the total of conventional semen sold. Semex's investments in sexed semen machines were made to keep up with the growing global demand for a sexed product. Excluding Semex and portfolio investments, the 2024 annual operation revenue for the Antares Alliance was \$22.8M, with an operational profit of \$1.3M.

From a people and culture standpoint, Chris says, "We believe that success is driven by an energized and empowered team in a value-inspired culture." This is by achieved emphasizing organizational culture and supporting professional development. Year over year, very few changes have occurred in the number of staff, except for Bow Valley Genetics, with the closure of the Regina (SK) location.

In the area of digital transformation, "Our technology roadmap focuses on driving operation efficiencies and leveraging

**During the AGM, speakers collectively donned their red jerseys, showing that we were all "Team Canada" and highlighting the importance of "Buying Canadian!"**



artificial intelligence," says Chris. This creates efficiencies for WestGen's service delivery model and several projects are ongoing to improve the use and flow of data, including a new sales and field inventory management system being developed with partner Vivaria.

WestGen will enter the development of a new strategic plan in 2025, which will be built on sustainability and growth, cementing the company's position over the next decade. With market uncertainties brought about by tariffs, WestGen has been deliberate in the promotion of "buy local and buy Canadian."

In closing, Chris expressed sincere gratitude to the board of directors for their guidance and direction and for giving up their time to "deliver your (producer) voice to our company." He also thanked the industry partners and stakeholders for their support, and, above all - the producers - for their continued loyalty. "We are all collectively Team Canada - elbows up!"



**Board President Richard Boonstoppel reinforced the commitment to western Canada with continued investment in youth, targeted research and new technologies/services to benefit producers. "We exist to be your voice in the industry."**



**Keynote speaker, Dr. Victor Cabrera from the University of Wisconsin, spoke about the immense potential to manage dairies with greater precision, using the vast amounts of data available. Integrating all sources of data through scientific decision support tools will be game-changing.**

**Business Report**

CFO Vernon Smith presented the business report following an auditor's report given by MNP. He stated that it was a bit of a slow start in semen sales in 2024, due to high interest rates and lack of incentive days;

however, as previously mentioned, the year finished strong. Sexed semen sales have increased to 50% of semen revenue, trending upwards over 2023, while beef semen sales were 21%, a decrease from 2023.

Although revenues from non-semen products decreased slightly, Vernon believes this was due to the "conservative mood" among producers at the start of 2024, as well as the shifting timelines for available grants and funding.

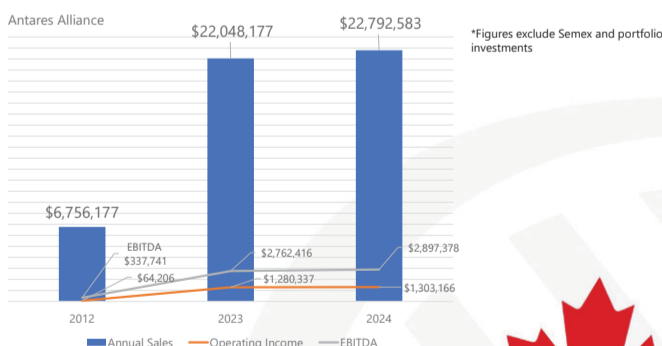
The General Fund has increased over 2023, and although it is not as robust as the 2020/2021 levels, it is trending in the right direction. The 2025 budget was approved by the board at the end of last year and projects a 1% increase in semen sales and a 1% decrease in operating expenses.

Tim Hofstra presented the Audit and Risk report, highlighting that since the global markets continued to strengthen, the WestGen portfolio also performed well over 2023. The Building Fund, General Contingency Fund and Genetics Fund realized a net increase of \$564K, while the Endowment Fund increased \$700K, remarkably. Overall revenue over expenses continued to trend upward in 2024.

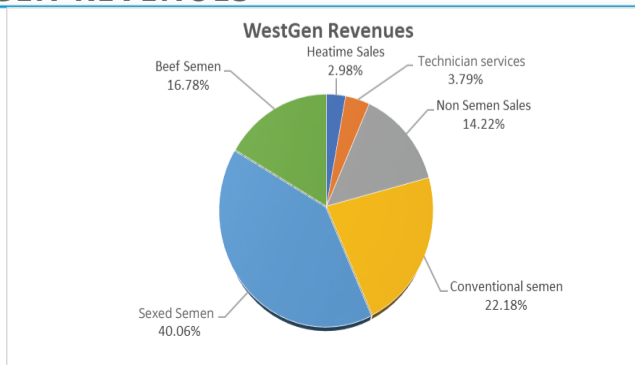
**WestGen Endowment Fund**

Mike Duncan presented a report about the WestGen Endowment Fund (WEF) on behalf of chair, Michael Andres. 2024 marked the 20th anniversary of the fund, which has invested \$2.7M in various projects to support agriculture advancement since 2004. Of that, \$750K has been devoted to scholarships and youth development.

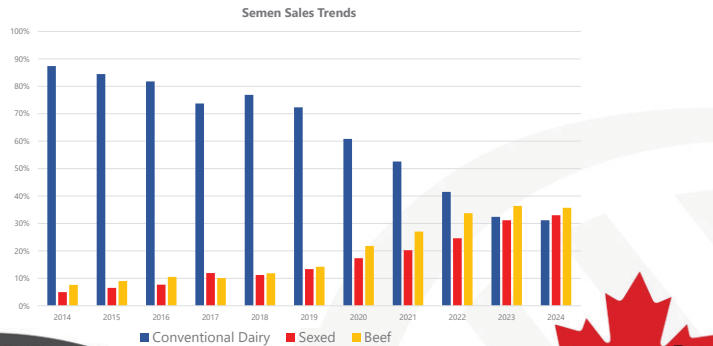
**ANTARES ALLIANCE**



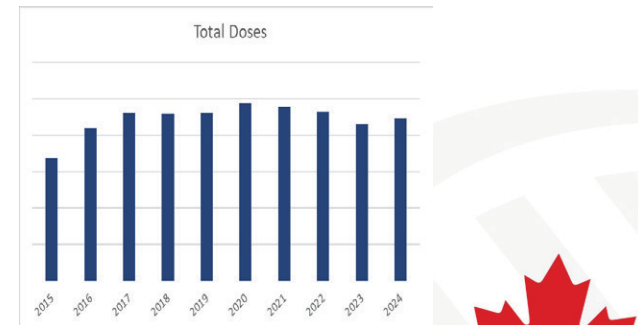
**WESTGEN REVENUES**



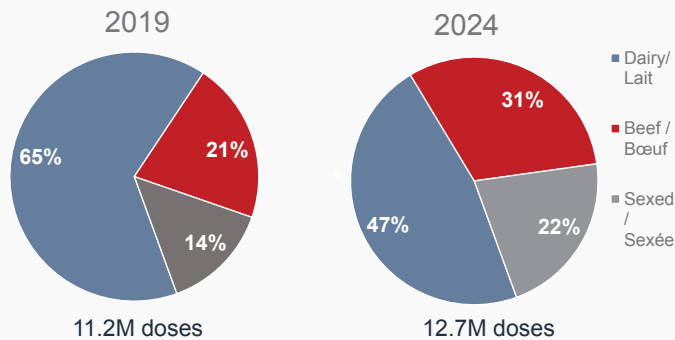
## SEMEN SALES TRENDS



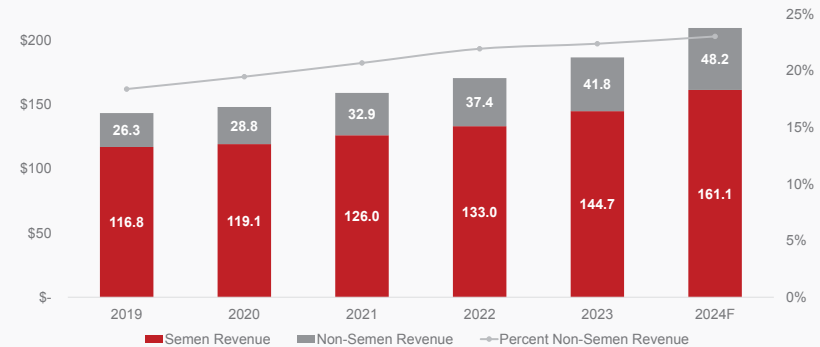
## TOTAL DOSES



## Wholesale Retail Sales Mix – Doses



## Semen vs. Non-Semen Revenue Trend (\$'000,000)



LET'S GO FURTHER, FASTER.



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The WEF remains committed to its mission “to strengthen the agriculture community and enhance the sustainability of Western Canadian producers.”

### Semex Report

CEO Matt McCready highlighted a very successful year at Semex as they celebrated their 50th anniversary. A \$212M global revenue was reported, driven by embryo sales, Elevate, and semen sales. The gross margin on semen is now 51%, an improvement over last year, and this is the first time that conventional doses

of semen made up less than 50% of sales due to the increase in beef doses.

Addressing the current trade situation between the USA, China and Canada, Matt says, “Semex does \$50M in business with the US, so the tariff situation is very serious. Semex has enlisted lawyers in both countries to help navigate this situation,” since the current tariff situation represents an estimated \$8M impact.

China has also blocked the US from exporting semen into the country and Semex is trying

to find alternatives to get genetics in (since Canada’s export license into China has been blocked for several years). Although China can survive without importing since they have been collecting their own bulls, they are at a lower genetic level and rely on the import of embryos to increase their genetic base. The Chinese government has been getting a lot of pressure from producers to let exports back in.

Touching briefly on HPAI, Matt noted that there seems to be a 20-30% reduction in

production when the disease is contracted, which has a very big impact on producers when they get it. There have been no reports of males having contracted the disease, so whether or not HPAI can be transmitted through semen is still unknown.

Other presentations, including University of Wisconsin’s Dr. Victor Cabrera (using AI in dairy management), Agwest’s Dr. Lisa McCrea (Reproduction Profitability), Semex’s Jay Shannon (Elevate genomic testing and LPI changes) will be summarized in the next issue.