







## About Sask Wheat

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The Saskatchewan Wheat Development Commission (Sask Wheat) was established in June 2013. The Commission, with its producer-elected and directed board, ensures that producers have the resources, leadership, and provincial, national or international representation to strengthen Saskatchewan's competitive advantage and to ensure producers' and Saskatchewan's interests are protected. Check-off dollars administered by the Commission will go towards research and market development initiatives that improve wheat varieties, grow their marketability and provide higher value to producers.

## Our Vision

That wheat is a sustainable, profitable and internationally competitive crop capturing the benefits for Saskatchewan farmers and the community.

## Our Mission

To provide leadership in identifying and supporting research, market development and advocacy that contributes to profitable and sustainable wheat production for Saskatchewan farmers.

### PHOTO CREDIT

Front cover: Third photo from the left courtesy of Canadian International Grains Institute (photo is of the Analytical Services Lab)  
Page 13: Top photo courtesy of the Canadian International Grains Institute (photo is of the Pilot Mill)



## Strategic Priorities

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### **Research**

GOAL: Maximize direct financial benefit to Saskatchewan producers through yield gains, improved quality characteristics and agronomic efficiencies.

### **Advocacy/ Communications**

*A: Advocacy / Advisory Function*

GOAL: To represent the interests of Saskatchewan wheat producers to governments, their respective agencies or representatives, corporations and non-governmental organizations.

*B: Communications / Producer Relations*

GOAL: To communicate regularly with producers and the public.

### **Market Development**

GOAL: Promote Canadian wheat in a way that increases value, marketability and provides a greater net return to producers.

### **Administration**

GOAL: To facilitate an organizational structure with strong leadership at the board and executive administration level, accountable to Saskatchewan wheat producers and with the flexibility to meet the demands of producers, processors, and consumers, whether domestic or international.



# CHAIR'S REPORT

Bill Gehl, Chair



The Saskatchewan Wheat Development Commission (Sask Wheat) has made significant strides over the past four years, making strategic decisions that are and will be benefitting Saskatchewan's wheat producers.

As I reflect on the past crop year, it is not the challenges that come to the forefront, but rather the response of producers to those challenges and the tools they had available to meet their needs. Even in a year with an early snowfall and widespread fusarium head blight damage, most producers were able to minimize the damage to their crop and find opportunities to market their wheat.

The 2016-2017 crop year provided ample evidence of the benefit of farmer-funded wheat research and variety development, with several varieties performing well in spite of drought conditions in much of Saskatchewan during the 2017 growing season. Midge-tolerant CWRS varieties also continue to be popular and are delivering results to many producers.

Farmer funding is a critical component of research and breeding, as nobody knows what is happening in the fields better than the farmers growing the crops. The Board of Directors of Sask Wheat is focussed on investing farmer money strategically on research, breeding and activities that have the greatest opportunity to improve the bottom lines for Saskatchewan grain farmers.

In 2016-2017, Sask Wheat expended \$2,107,887 on 20 projects. These projects were diverse in nature but were all focussed on issues relevant to Saskatchewan wheat producers, such as drought tolerance, weed control, nitrogen fixation and FHB management. Our Research Committee, which is chaired by Laura Reiter and includes Ken Rosaasen and Sask Wheat staff, have done a tremendous job of integrating Sask Wheat with the major funding programs in Saskatchewan and Alberta and in providing oversight to determine the optimal projects for Saskatchewan farmers to invest in.

Sask Wheat was very active in the past year in advocating for a fair transportation system for Canadian grain. Sask Wheat and our transportation coalition partners,

the Agricultural Producers Association of Saskatchewan (APAS) and the Saskatchewan Barley Development Commission (SaskBarley), made two trips to Ottawa after changes to the Canada Transportation Act were announced by Minister of Transport Marc Garneau in November 2016. While we were pleased that our voices were heard on the retention of the Maximum Revenue Entitlement (MRE), we are still asking the federal government to complete a formal costing review.

Collaborating with other commissions and organizations is essential to Sask Wheat. This year, coinciding with the end of the Western Canadian Deduction (WCD), Sask Wheat, the Alberta Wheat Commission and the Manitoba Wheat and Barley Growers Association formed the Canadian Wheat Research Coalition (CWRC). The CWRC will facilitate a collaborative approach to producer funding of regional and national research projects in variety development and agronomy including the next Canadian National Wheat Cluster and core wheat breeding agreements with Agriculture and Agri-Food Canada and universities.

Sask Wheat is also collaborating with the wheat commissions in Alberta and Manitoba and with grain companies on a renewed representative governance model and strategic direction for the Canadian International Grains Institute (Cigi). The collaborative approach taken by the three provincial commissions with the Cigi Board of Directors followed from a memorandum of understanding signed by the commissions in January 2017, which signalled the continued commitment to provide producer funding to Cigi as well as to core wheat breeding activities currently being funded through the WCD via the Western Grains Research Foundation (WGRF).

Sask Wheat will continue to work hard on behalf of Saskatchewan's wheat producers. I am proud of the hard work and strategic decisions of our Board of Directors and staff. I'm confident the work we are completing now will have a long-term, positive impact on Saskatchewan's grain farmers for years to come.

# GENERAL MANAGER'S REPORT

Harvey Brooks, General Manager



The 2016-2017 crop year was challenging for wheat producers. Many had large wheat yields in 2016 but faced downgrading due to diseases like fusarium head blight and wet, cold conditions during harvest. This was followed by widespread drought in 2017 which impacted both yields and quality.

In a year with significant uncertainty, Sask Wheat worked hard to profile producers' levy dollars to increase profitability from growing wheat. Our fusarium head blight risk maps were a popular tool in both 2016 and 2017, although the conditions were markedly different between the two growing seasons. We also funded and co-hosted the wheat midge risk map, which was compiled by the Saskatchewan Ministry of Agriculture.

In addition, we hosted two successful Think Wheat events in Rosetown and Humboldt, which brought the latest information on marketing, varieties, agronomy, and disease and pest management to producers. Sask Wheat also brought in excellent speakers such as Peter "Wheat Pete" Johnson for CropSphere 2017, which we hosted with five other Saskatchewan crop commissions. We will continue to host these events to bring producers information that will benefit their businesses.

Sask Wheat's role as an advocate for farmers was central to our activities in the past year. Nowhere was this more evident than with transportation. We have been working in a coalition with the Saskatchewan Barley Development Commission (SaskBarley) and the Agricultural Producers Association of Saskatchewan (APAS) that has been unique in providing a "pure producer" voice in the transportation discussions. The research we have undertaken has demonstrated that producers' bottom lines are significantly impacted when grain handling and transportation capacity is lower than that required by producers.

While we were pleased with the provisions of the Transportation Modernization Act, which was introduced in May 2017, we are now focusing on the regulations for the new legislation, the details of which will have a major impact on producers. The transportation coalition submitted a brief to the Standing Committee on Trans-

portation, Infrastructure and Communities and we continue to call for a formal costing review to be completed before the regulations are in place.

Sask Wheat continues to grow and evolve as an organization. 2016-2017 saw the end of the Western Canadian Deduction, with Sask Wheat, the Alberta Wheat Commission (AWC) and the Manitoba Wheat and Barley Growers Association (MWBGA) assuming the former Western Canadian Deduction (WCD). These funds are earmarked to fund the Canadian International Grains Institute (Cigi) and the ongoing varietal development work undertaken through the core wheat breeding agreements with Agriculture and Agri-Food Canada and the western Canadian universities.

The end of the WCD opened the door for expanded collaboration between wheat commissions and the creation of a new entity, the Canadian Wheat Research Coalition (CWRC). This newly formed coalition, which consists of Sask Wheat, AWC and MWBGA, will work to synchronise efforts regarding national and regional wheat research with a long-term strategy of improving net profitability of wheat production.

Starting in late 2017, with coordination and collaboration on the Canadian National Wheat Cluster, the CWRC will be the vehicle for wheat producers' participation in strategically important regional and national wheat research. We also expect that the CWRC will be used as the vehicle to assume future responsibility for the next round of core wheat breeding agreements with Agriculture and Agri-Food Canada and the Prairie universities. This formalized collaboration through the CWRC is the natural continuation of the already high level of collaboration between the three wheat commissions on varietal development and research efforts.

Growing wheat is becoming more challenging, as wheat producing regions from across the globe continue to narrow the quality gap and sell at competitive prices. It is therefore crucial that Canadian wheat producers focus on collaboration and funding innovation to bring long-term benefits to growers and hopefully enhance the resiliency and profitability of wheat in future production.



# Board of Directors and Staff



**Back row (L-R):** Scott Hepworth (Assiniboia); Glenn Tait (Meota); Rod Flaman (Edenwold); Ken Rosaasen (Saskatoon); Laura Reiter (Radisson)

**Front row:** Dan Danielson, Vice-Chair (Saskatoon); Bill Gehl, Chair (Regina)



**Harvey Brooks**  
General Manager



**Pat Tremaine**  
Office Manager



**Blair Goldade**  
Research Program  
Manager



**Dallas Carpenter**  
Communications  
Manager



**Kelsey Richardson**  
Policy Manager



**Valar Gurusamy**  
Research Program  
Assistant





# Research

## Objectives

Sask Wheat has producer and profit oriented research as a key priority. The objective of the research program is to build research relationships and identify and invest in research and development initiatives in three main priority areas:

- *Variety development* – genetics and breeding methods, including molecular/pre-breeding, breeding, pathology/entomology, quality and performance testing
- *Production* – agronomy and cropping systems, fertility management, weed/disease/pest management, production management
- *Post-production* – storage, end-use quality, new uses, economic/regulatory analysis, processing and value-added initiatives

In 2016-2017, Sask Wheat further developed partnerships with other research-focused organizations, notably the Alberta Wheat Commission and the Manitoba Wheat and Barley Growers Association, along with governments, and private organizations. These partnerships will be critical in leveraging research funding in order to maximize return on producer investment in research.

## Research Commitments

In the 2016-2017 crop year, the Board of Directors of Sask Wheat expended **\$2,107,887 on 20 projects**.

Ultimately, our research program aims to improve crop management, reduce input costs and environmental impact, and increase yield and quality of grain for Saskatchewan producers.

## Canadian Wheat Research Coalition

The Alberta Wheat Commission (AWC), the Saskatchewan Wheat Development Commission (Sask Wheat) and the Manitoba Wheat and Barley Growers Association (MWBGA) have formed the Canadian Wheat Research Coalition (CWRC), a federal not-for-profit corporation that will facilitate long-term investments aimed at improving profitability and competitiveness for western Canadian wheat farmers.

The CWRC will facilitate a collaborative approach to producer funding of regional and national research projects in variety development and agronomy including the next Canadian National Wheat

Cluster and core wheat breeding agreements with Agriculture and Agri-Food Canada and universities. Additional regional projects that align with variety development and agronomic priorities will also be considered for funding through the CWRC.

The three wheat commissions will serve as founding members on the farmer-led board of directors. The structure allows for additional producer or private sector groups that share an interest in advancing wheat research in Canada to join as organizational members.

The CWRC will be administered by a host commission, which will rotate every three years starting with Sask Wheat.



# Funded Projects - 2016/2017

## ***Nitrogen Fixation in Triticale and Wheat***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$86,250

**Lead Researcher(s):** Dr. François Eudes (Agriculture and Agri-Food Canada)

**Funding Partners:** Alberta Wheat Commission

## ***Establishment of LC-MS/MS based mycotoxin / Deoxynivalenol (DON) Diagnostic platform for FHB research and breeding program***

**Term:** 2 years, beginning in 2017

**Funding Amount:** \$112,746

**Lead Researcher(s):** Dr. Randy Kutcher (University of Saskatchewan)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund

## ***Increasing variability in a wheat breeding program***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$ 110,975

**Lead Researcher(s):** Dr. Graham Scoles (University of Saskatchewan)

## ***Assessment and deployment of a new dwarfing gene in red spring wheat***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$81,941

**Lead Researcher(s):** Dr. Pierre Hucl (University of Saskatchewan)

**Funding Partners:** Alberta Wheat Commission; Saskatchewan Ministry of Agriculture - Agriculture Development Fund

## ***Optimization of root development and photosynthesis parameters for yield increase/protection***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$199,496

**Lead Researcher(s):** Dr. Gopalan Selvaraj (National Research Council)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund; Alberta Wheat Commission

## ***Investigation into converting a combine grain loss signal into a grain loss rate***

**Term:** 1 year, beginning in 2017

**Funding Amount:** \$23,848

**Lead Researcher(s):** Mr. Nathan Gregg (Prairie Agricultural Machinery Institute)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund; Saskatchewan Pulse Growers; Saskatchewan Canola Development Commission

## ***Comparing wheat allergenicity in ancient and modern wheats***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$98,210

**Lead Researcher(s):** Dr. Ravindra Chibbar (University of Saskatchewan)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund; Western Grains Research Foundation

## ***Input Study: Intensive Wheat Management***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$185,472

**Lead Researcher(s):** Mr. Stewart Brandt (Northeast Agriculture Research Foundation)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund

## ***Field evaluation of one seed treatment inducing multiple agronomic responses from emergence to yield***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$106,893

**Lead Researcher(s):** Dr. Karen Tanino (University of Saskatchewan)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund

## ***Development of physiological markers for high throughput field screening of drought tolerant wheat lines***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$113,466

**Lead Researcher(s):** Dr. Karen Tanino (University of Saskatchewan)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund



***High-throughput omics approaches for effective breeding selection of durum wheat quality***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$146,444

**Lead Researcher(s):** Dr. Wentao Zhang (National Research Council)

**Funding Partners:** Saskatchewan Ministry of Agriculture - Agriculture Development Fund

***In-Crop Weed Clipping for Weed Control***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$106,828

**Lead Researcher(s):** Dr. Steven Shirtliffe (University of Saskatchewan)

**Funding Partners:** Alberta Wheat Commission, Saskatchewan Pulse Growers, Saskatchewan Ministry of Agriculture - Agriculture Development Fund

***Manipulating recombination in crop polyploids***

**Term:** 4 years, beginning in 2017

**Funding Amount:** \$266,897

**Lead Researcher(s):** Dr. Isobel Parkin (Agriculture and Agri-Food Canada)

**Funding Partners:** Saskatchewan Canola Development Commission

***Effect of Harvest Residue Distribution on Subsequent Crop Emergence and Performance***

**Term:** 4 years, beginning in 2017

**Funding Amount:** \$40,796

**Lead Researcher(s):** Mr. Nathan Gregg (Prairie Agricultural Machinery Institute)

**Funding Partners:** Saskatchewan Canola Development Commission

***Harrington Seed Destructor Evaluation at Field Scale in Alberta***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$160,490

**Lead Researcher(s):** Dr. Breanne Tidemann (Agriculture and Agri-Food Canada)

**Funding Partners:** Alberta Canola Producers Commission; Western Grains Research Foundation

***Identifying resistance to tan spot disease in winter and durum wheat***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$103,500

**Lead Researcher(s):** Dr. Reem Aboukhaddour (Agriculture and Agri-Food Canada)

**Funding Partners:** Alberta Wheat Commission

***SK Water Monitoring for Neonicotinoid Insecticides***

**Term:** 1 year, beginning 2017

**Funding Amount:** \$12,000

**Lead Researcher(s):** Dr. Claudia Sheedy (Agriculture and Agri-Food Canada)

**Funding Partners:** Saskatchewan Canola Development Commission; Saskatchewan Pulse Growers

***Expansion of in vitro selection to develop FHB and leaf spot resistant wheat and barley***

**Term:** 3 years, beginning in 2017

**Funding Amount:** \$138,000

**Lead Researcher(s):** Dr. Nora Foroud (Agriculture and Agri-Food Canada)

**Funding Partners:** Alberta Wheat Commission; Western Grains Research Foundation; Alberta Innovates

***SK Varietal Performance Group (SVPG) Trials***

**Term:** Annual (fourth year of funding)

**Funding Amount:** \$28,500

**Funding Partners:** Sask Pulse Growers; Saskatchewan Oat Development Commission; Saskatchewan Flax Development Commission; Saskatchewan Seed Growers Association; Saskatchewan Winter Cereals Development Commission; Saskatchewan Barley Development Commission; 2015 Canola Performance Trials, Saskatchewan Ministry of Agriculture

***SK Varietal Performance Group (SVPG) Trials Wheat Enhancement/Extra data***

**Term:** Annual (second year of funding)

**Funding Amount:** \$62,622





## Advocacy and Market Development

### Transportation

Sask Wheat along with our producer coalition partners, APAS and SaskBarley, have continued to be actively involved in transportation policy and advocating on behalf of Saskatchewan producers.

Producer coalition members travelled to Ottawa in February and April 2017 to meet with federal officials from Transport Canada and Agriculture and Agri-Food Canada, as well as Members of Parliament. The producer coalition made it clear this was an extremely complex review of grain transportation and politicians and bureaucrats needed to understand the direct implications for grain producers. The coalition provided a “pure producer voice” to outline the potential negative impacts if regulations did not take grain producers’ interests into account.

Bill C-49, the Transportation Modernization Act, was introduced in May 2017. The producer coalition was optimistic about Bill C-49, which would amend the Canada Transportation Act; however, the coalition was concerned about Bill C-49 being passed in time to cover the transportation of the 2017 crop. The producer coalition called for Bill C-30, the Fair Rail for Grain Farmers Act, to be extended if Bill C-49 was not passed in time.

The producer coalition also made a submission to the Standing Committee on Transport, Infrastructure and Communities in September in response to Bill C-49. The coalition was encouraged to see the Maximum Revenue Entitlement (MRE) maintained in Bill C-49. However, the coalition highlighted the need for a full costing review to be completed to accurately represent the costs of shipping grain in the MRE.

### Trade: Renegotiating the North American Free Trade Agreement (NAFTA)

The renegotiation of NAFTA has been a critical trade issue for Sask Wheat in 2017, and Sask Wheat has been actively involved in the consultation process. Sask Wheat first sent a letter to Minister MacAulay and sent out a news release in June 2017, in the wake of calls to accommodate American-grown wheat in the Canadian grain grading system. Sask Wheat strongly supports the important function that Canada’s grain registration and grading system provides, and called for thorough consultations to occur before any changes are made to the Canada Grains Act.

In July 2017, Sask Wheat submitted a written response to the federal government’s NAFTA consultations. In this response, Sask Wheat raised other important non-tariff trade barriers that should be updated and harmonized under NAFTA, such as Sanitary and Phytosanitary (SPS) provisions, Maximum Residue Limits (MRLs) and Low Level Presence (LLP) of biotech crops.

Besides written submissions, Sask Wheat also participated in roundtable discussions with the provincial government in July 2017 and with the federal government in September 2017.

Market access to Mexico and the U.S. is of great importance to Saskatchewan wheat producers, and therefore it is crucial this market access is maintained. Furthermore, it is also important to protect regulations and standards in the Canadian system that are important to the end users of Canadian wheat. Sask Wheat will continue to participate in NAFTA consultations and advocate on behalf of Saskatchewan wheat producers.



## Canadian International Grains Institute (Cigi)

In July 2017, Sask Wheat along with the Alberta Wheat Commission (AWC), Manitoba Wheat and Barley Growers (MWBGA) and several grain companies agreed to collaborate on a renewed representative governance model and strategic direction for Cigi. Sask Wheat and AWC have two representatives on Cigi's Board of Directors and MWBGA has one. The Board also has five representatives from the grain companies.

This renewal in governance and strategic direction of Cigi coincides with the wheat commissions assuming the responsibilities and financial obligations of the Western Canadian Deduction (WCD), which ended on July 31, 2017.

Sask Wheat believes that Cigi is an important vehicle to open up and maintain global market opportunities for Canadian wheat and support the profitability of wheat producers. The work Cigi does in technical support and education for global customers adds significant value to the Canadian wheat brand.

Having producer representation around the Cigi Board table is incredibly valuable for producers to have important conversations with industry representatives and continue to build Canada's global reputation as a producer of high quality wheat.



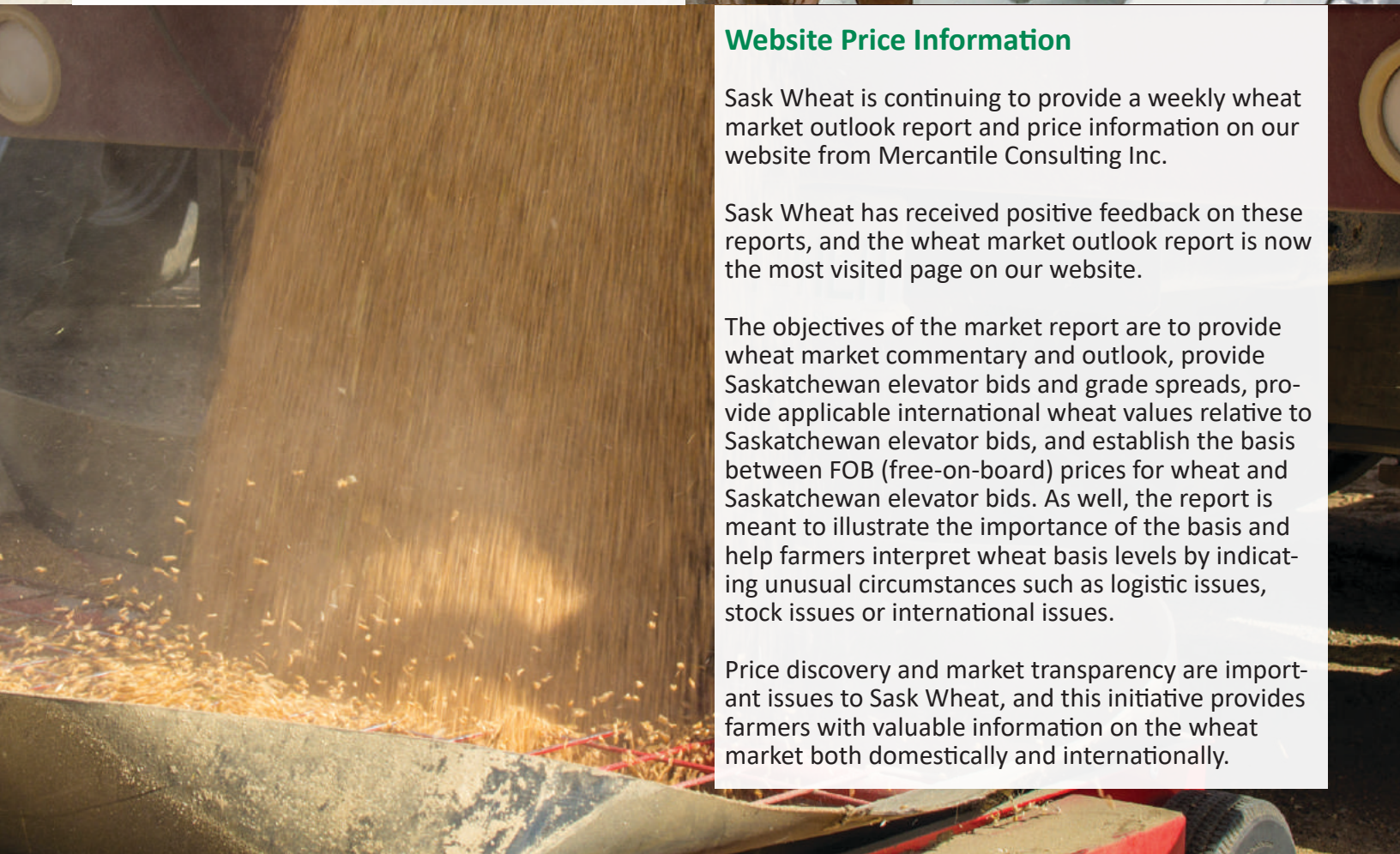
## Website Price Information

Sask Wheat is continuing to provide a weekly wheat market outlook report and price information on our website from Mercantile Consulting Inc.

Sask Wheat has received positive feedback on these reports, and the wheat market outlook report is now the most visited page on our website.

The objectives of the market report are to provide wheat market commentary and outlook, provide Saskatchewan elevator bids and grade spreads, provide applicable international wheat values relative to Saskatchewan elevator bids, and establish the basis between FOB (free-on-board) prices for wheat and Saskatchewan elevator bids. As well, the report is meant to illustrate the importance of the basis and help farmers interpret wheat basis levels by indicating unusual circumstances such as logistic issues, stock issues or international issues.

Price discovery and market transparency are important issues to Sask Wheat, and this initiative provides farmers with valuable information on the wheat market both domestically and internationally.







## Communications

### CropSphere and AGM

The fourth annual CropSphere conference was held at Prairieland Park alongside the Western Canadian Crop Production Show for the first time in 2017.

The conference was a tremendous success, with 642 people attending the two-day event. Sask Wheat hosted CropSphere along with SaskBarley, SaskCanola, SaskFlax, SaskOats, and the Saskatchewan Pulse Growers. CropSphere 2017 featured two full days of sessions focusing on the latest news in production, marketing, and research.

Sask Wheat brought in Peter “Wheat Pete” Johnson to talk about wheat agronomy and Dr. Randy Kutcher from the University of Saskatchewan (pictured below) to speak about fusarium head blight management. The keynote speakers for CropSphere included David Frum, senior editor of *The Atlantic*, and Mike Jubinville, lead analyst and president of Pro Farmer Canada.



The Sask Wheat Annual General Meeting was held on the second day of CropSphere. Following the AGM, Sask Wheat hosted the first Wheat Producers’ Forum, where wheat producers were able to ask the Directors and staff of Sask Wheat any questions about the organization.

### Think Wheat

Sask Wheat hosted the Think Wheat extension meetings in Rosetown and Humboldt in early March of 2016. Think Wheat is aimed at providing wheat producers with the most up-to-date and relevant information about producing and marketing their crops.

More than 100 producers and agronomists attended the meetings, hearing from six speakers. The agronomy session contained up-to-date information in the areas of sprayer technology, wheat varieties to consider from the 2017 Seed Guide, and disease and pest management. The marketing sessions provided information on grain grading, the basics of marketing grain, market export basis, and the global market outlook.



### Semi-Annual Meeting

Once again, Sask Wheat held our Semi-Annual Meeting in Regina during Canada’s Farm Progress Show. Our keynote speaker was Dr. Mario Tenuta (pictured above) of the University of Manitoba. He spoke about nitrogen loss when applied at shallow depths and the future of nitrogen management.



## FHB Risk Maps and Pre-Harvest Herbicide Campaign

For the third-straight year, Sask Wheat hosted fusarium head blight risk maps on our website during June and July. There was a significant spike in map views in late June, with over 5,000 unique views during the growing season.

Sask Wheat also published a Fusarium Management Guide, which was distributed to producers with our March newsletter. The guide included management strategies from Mitchell Japp and Barb Ziesman of the Saskatchewan Ministry of Agriculture and spraying tips from Dr. Tom Wolf.

In late July and early August, Sask Wheat conducted an awareness campaign encouraging producers to spray pre-harvest herbicides according to the label to avoid unnecessary residue left in wheat kernels. The campaign included radio commercials in four centres across the province and resources on the Sask Wheat website, showing producers how to check if wheat kernels are at or below the 30 per cent moisture threshold for spraying.



## Scholarships

The Sask Wheat essay awards for undergraduate students were awarded at the annual Bean Feed awards dinner of the College of Agriculture and Bioresources in November 2016. The four students who received the \$2,500 Sask Wheat award included two fourth-year crop science majors along with two fourth-year agronomy majors.

The recipients of these scholarships were selected on academic merit as well as an essay. In their essays, the students were required to describe how an area of research has or could benefit the wheat sector while also describing a current challenge facing the wheat sector and how it may be addressed by research.

A fifth Sask Wheat graduate scholarship for a student from the College of Agriculture and Bioresources was also awarded at the 2016 Bean Feed dinner. Graduate scholarship recipients are selected based on academic merit as well as the projected impact of their studies on the wheat industry.

2016 graduate scholarship recipient Tatiana Vera-Ardila (M.Sc.) is pictured here. Her project is on the timing of fungicide application and inheritance of resistance to stripe rust in spring wheat (Dr. Randy Kutcher is her supervisor).





# Audited Financial Statements



November 27, 2017

## **Independent Auditor's Report**

### **To the Board of Directors of Saskatchewan Wheat Development Commission**

We have audited the accompanying financial statements of Saskatchewan Wheat Development Commission, which comprise the statement of financial position as at July 31, 2017 and the statements of operations and net assets and cash flows for the year then ended, and the related notes which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.





**Basis for qualified opinion**

In common with many similar not-for-profit organizations, Saskatchewan Wheat Development Commission derives revenue from producer check-off fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Saskatchewan Wheat Development Commission. Therefore, we were not able to determine whether any adjustments might be necessary to producer check-off fees, excess of revenue over expenditures and cash flows from operations for the years ended July 31, 2017 and 2016, current assets as at July 31, 2017 and 2016 and net assets as at August 1, 2016, July 31, 2017, August 1, 2015 and July 31, 2016. Our audit opinion on the financial statements for the year ended July 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Wheat Development Commission as at July 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**



# Saskatchewan Wheat Development Commission

## Statement of Financial Position

As at July 31, 2017

	2017 \$	2016 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,361,659	2,078,717
Investments (note 3)	3,333,906	5,212,797
Accounts receivable	902,720	497,289
Prepaid expenses	5,388	3,503
	<hr/> 7,603,673	<hr/> 7,792,306
<b>Non-current assets</b>		
Investments (note 3)	9,766,169	6,643,884
Tangible capital assets (note 4)	24,753	28,225
	<hr/> 17,394,595	<hr/> 14,464,415
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	<hr/> 1,044,560	<hr/> 632,276
<b>Net assets</b>		
Unrestricted net assets	14,474,735	11,956,839
Internally restricted net assets	1,875,300	1,875,300
	<hr/> 16,350,035	<hr/> 13,832,139
	<hr/> 17,394,595	<hr/> 14,464,415
<b>Operating lease (note 6)</b>		
<b>Commitments (note 7)</b>		

### Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.



# Saskatchewan Wheat Development Commission

## Statement of Operations and Net Assets

For the year ended July 31, 2017

	Budget (unaudited) (note 8) \$	2017 \$	2016 \$
<b>Revenue</b>			
Producer check-off fees	6,000,000	6,281,644	6,192,960
Refunds	(400,000)	(321,550)	(361,840)
	5,600,000	5,960,094	5,831,120
Interest and investment income	-	252,865	210,385
Other income	-	1,244	1,470
Grants	-	-	10,000
	5,600,000	6,214,203	6,052,975
<b>Expenditures</b>			
Research			
Research projects (note 7)	4,290,000	2,107,877	1,402,427
Research management and consulting	210,000	16,847	4,344
Market development	511,250	139,875	52,982
Communications and advocacy			
Producer engagement	562,500	383,028	399,162
Policy, advisory and advocacy	196,250	50,493	39,950
Governance			
Directors (note 5)	118,500	121,598	106,821
Meetings	23,000	12,500	11,071
Other governance	10,000	6,038	2,227
Election	-	2,029	81,522
General and administrative			
Wages and benefits	603,750	577,450	562,691
Service contracts	142,620	119,623	127,086
Rent	70,000	65,735	60,562
Other general and administrative	59,500	45,886	49,012
Staff travel	30,000	29,768	26,525
Amortization of tangible capital assets	-	17,560	14,166
	6,827,370	3,696,307	2,940,548
<b>Excess (deficiency) of revenue over expenditures</b>	(1,227,370)	2,517,896	3,112,427
<b>Unrestricted net assets – Beginning of year</b>	11,956,839	11,956,839	9,219,712
<b>Transfer to internally restricted net assets</b>	-	-	(375,300)
<b>Unrestricted net assets – End of year</b>	10,729,469	14,474,735	11,956,839

The accompanying notes are an integral part of these financial statements.



# Saskatchewan Wheat Development Commission

## Statement of Cash Flows

For the year ended July 31, 2017

	2017 \$	2016 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	2,517,896	3,112,427
Amortization of tangible capital assets	17,560	14,166
	<u>2,535,456</u>	<u>3,126,593</u>
Changes in non-cash working capital items		
Accounts receivable	(405,431)	154,728
Prepaid expenses	(1,885)	22,200
Accounts payable and accrued liabilities	412,284	219,040
	<u>4,968</u>	<u>395,968</u>
	<u>2,540,424</u>	<u>3,522,561</u>
<b>Investing activities</b>		
Purchase of tangible capital assets	(14,088)	(10,151)
Purchase of investments	(8,418,694)	(6,756,681)
Redemption of investments	7,175,300	2,000,000
	<u>(1,257,482)</u>	<u>(4,766,832)</u>
<b>Net change in cash and cash equivalents</b>	1,282,942	(1,244,271)
<b>Cash and cash equivalents – Beginning of year</b>	2,078,717	3,322,988
<b>Cash and cash equivalents – End of year</b>	<u>3,361,659</u>	<u>2,078,717</u>
<b>Cash and cash equivalents consist of the following</b>		
Cash balances with banks	2,346,300	1,070,821
Investment savings account	1,015,359	1,007,896
	<u>3,361,659</u>	<u>2,078,717</u>

The accompanying notes are an integral part of these financial statements.

# Saskatchewan Wheat Development Commission

## Notes to Financial Statements

July 31, 2017

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### 1 Nature of business

The Saskatchewan Wheat Development Commission (the “commission” or “SWDC”) was established by provincial legislation on June 7, 2013. The activities of the commission are funded primarily by a levy on Saskatchewan produced spring wheat, which is collected by buyers at the time of sale.

The mandate of the commission is to provide leadership in identifying and supporting research, market development and advocacy that contributes to profitable and sustainable wheat production for Saskatchewan farmers.

### 2 Summary of significant accounting policies

#### a) Basis of presentation

These financial statements include the accounts of the commission and are presented in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).

#### b) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reporting period. Actual results could differ from these estimates.

#### c) Cash and cash equivalents

Cash consists of cash balances with banks and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

#### d) Tangible capital assets

Tangible capital assets are recorded at cost and amortized over their expected useful lives. Computer equipment is amortized using the declining balance method at a rate of 33%. Office furniture is amortized using the straight-line method at a rate of 20%.

#### e) Internally restricted net assets

The commission has internally restricted net assets totaling \$1,875,300 comprised of the following: a) Revenue Stabilization Reserve Fund in the event of a crop disaster or revenue-destabilizing event (\$1,000,000) and b) Organizational Reserve Fund in the event of an organizational shut down (\$875,300).

(1)



# Saskatchewan Wheat Development Commission

## Notes to Financial Statements

July 31, 2017

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f) Revenue recognition

Producer check-off fees are recognized as product is sold from the producer to the buyer. Refunds are recognized using the accrual method based on actual requests submitted by producers for the crop year and are paid out subsequent to year-end by the commission.

The commission follows the deferral method of accounting for contributions, including grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for expenses of the current period are recognized as revenue in the current period and restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenses are recognized.

Investment income is recognized as it is earned. Contributions of materials and services are recognized only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the commission's operations and would otherwise have been purchased.

g) Financial instruments

Financial assets and financial liabilities, consisting of cash and cash equivalents, investments, accounts receivable and accounts payable and accrued liabilities are initially recognized at fair value and subsequent measurement is at amortized cost. The commission does not consider itself to have significant exposure to credit risk, currency risk, interest rate risk, liquidity risk, market risk or other price risk.

### 3 Investments

Investments consist of guaranteed investment certificates which earn interest at rates ranging from 1.05% to 2.27% and mature in the following fiscal years:

	\$
July 31, 2018	3,333,906
2019	4,570,464
2020	4,479,570
2021	355,640
2022	360,495
	<u>13,100,075</u>

# Saskatchewan Wheat Development Commission

## Notes to Financial Statements

July 31, 2017

### 4 Tangible capital assets

	July 31, 2017		
	Cost \$	Accumulated amortization \$	Net book value \$
Computer equipment	24,776	21,563	3,213
Office furniture	46,921	25,381	21,540
	<u>71,697</u>	<u>46,944</u>	<u>24,753</u>

	July 31, 2016		
	Cost \$	Accumulated amortization \$	Net book value \$
Computer equipment	20,342	13,387	6,955
Office furniture	37,267	15,997	21,270
	<u>57,609</u>	<u>29,384</u>	<u>28,225</u>

### 5 Related party transactions

During the year ended July 31, 2017 members of the commission's elected Board of Directors received payments for per diems, expenses and communications allowances of \$119,531 (2016- \$101,243). All related party transactions described above are measured at carrying amounts.



# Saskatchewan Wheat Development Commission

## Notes to Financial Statements

July 31, 2017

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### 6 Operating lease

On August 15, 2017 the commission renewed their lease agreement with Saskatchewan Opportunities Corporation, otherwise known as Innovation Place, for office space. The term of the lease agreement is 3 years and future minimum monthly lease payments, including occupancy costs, to the end of the term of the lease on November 30, 2020, are as follows:

	\$
2018	65,662
2019	68,984
2020	70,645
2021	<u>23,548</u>
	<u>228,839</u>

Rent expense for the year ended July 31, 2017 was \$65,735 (2016 - \$60,562).

### 7 Commitments

The total maximum commitment to projects awarded funding as of July 31, 2017 is \$7,804,231 (2016 - \$5,394,674), of which \$3,821,296 of research expenditures had been incurred as of July 31, 2017 (2016 - \$1,713,419). The total anticipated maximum commitments for these research projects over the next five years are as follows:

	\$
2018	2,020,046
2019	1,273,781
2020	627,882
2021	61,226
2022	<u>-</u>
	<u>3,982,935</u>

### 8 Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the commission's board of directors.



November 27, 2017

**To the Board of Directors of  
Saskatchewan Wheat Development Commission**

We have audited Saskatchewan Wheat Development Commission's (the Commission's) compliance with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing and investing activities during the year ended July 31, 2017:

*The Agri-Food Act, 2004*

*The Saskatchewan Wheat Development Plan Regulations*

Compliance with the provisions of the stated legislative and related authorities is the responsibility of management of the Commission. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with standards for assurance engagements published in the CPA Canada Handbook – Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Commission complied with the criteria established by the legislative and related authorities referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with these criteria, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, for the year ended July 31, 2017, the Commission has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

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*PricewaterhouseCoopers LLP*  
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.





November 27, 2017

**To the Board of Directors of  
Saskatchewan Wheat Development Commission**

We have tested certain controls of Saskatchewan Wheat Development Commission (the Commission) to express reasonable assurance as to their operating effectiveness as at July 31, 2017 related to the objective of safeguarding assets. That is, to ensure assets are not lost or used inappropriately; to ensure the Commission does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving the Commission's financial goals; and to monitor and react to the Commission's progress towards the objectives established in its financial plan.

**Scope**

The Chartered Professional Accountants of Canada (CPA Canada) defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

We used the control framework included in the Guidance on Control published by CPA Canada to make our judgments about the effectiveness of the Commission's control. We did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

**Management responsibility**

The Commission's management is responsible for effective control related to the objective described above. Our responsibility is to express an opinion on the effectiveness of control based on our audit.

**Our responsibility**

Our responsibility is to express an opinion on the effectiveness of control based on our audit. We conducted our audit in accordance with the Canadian Standard on Assurance Engagements 3001, Direct Engagements established in the CPA Canada Handbook - Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance as to the effectiveness of the Commission's control related to the objective stated above. An audit includes obtaining an understanding of the significant risks related to the objective stated above, the key control elements and control activities to manage these risks, and examining, on a test basis, evidence relating to control.

Our audit on the effectiveness of the Commission's control related to the above objective does not constitute an audit of internal control over financial reporting performed in conjunction with an audit of financial statements in CPA Canada Handbook - Assurance Section 5925, An Audit of Internal Control Over Financial Reporting that is integrated with an Audit of Financial Statements.

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**Limitations**

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgment in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

**Conclusion**

In our opinion, based on the limitations noted above, the Commission’s internal controls were effective, in all material respects, to meet the objective stated above as of July 31, 2017.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**



## Saskatchewan Wheat Development Commission 2016-2017 Payee List

### Personal Services (threshold \$2,500 except Board of Directors)

#### Board of Directors (all amounts included)

	Honorariums	Expenses	Total
Bill Gehl	12,850.00	7,602.02	20,452.02
Dan R. Danielson	14,700.00	3,600.38	18,300.38
Glenn Tait	10,050.00	6,023.81	16,073.81
Ken Rosaasen	16,150.00	8,471.19	24,621.19
Laura Reiter	16,500.00	5,187.73	21,687.73
Rod Flaman	3,450.00	1,299.41	4,749.41
Scott Hepworth	6,000.00	7,646.31	13,646.31
	<u>79,700.00</u>	<u>39,830.85</u>	<u>119,530.85</u>

#### Extension (threshold \$5,000)

Agriculture in the Classroom			10,500.00
Agrimetrix Research & Training			8,390.00
Annex Publishing & Printing Inc			6,300.00
Canada Grains Council (Global Crops Symposium)			18,000.00
Canadian Agricultural Safety Association			10,000.00
Canadian Roundtable for Sustainable Crops			11,250.00
CropSphere			12,611.47
Evraz Place			5,687.12
Farm & Food Care Saskatchewan			24,000.00
Mercantile Consulting Venture Inc.			7,095.69
Prairie Certified Crop Advisor Board			7,800.00
U of S College of Agriculture			125,500.00
Weather Innovations Consulting LP			22,000.00

#### Research & Development (threshold \$5,000)

Agriculture and Agri-Food Canada			155,591.00
Carleton University			18,688.00
NARF			57,132.00
National Research Council of Canada			192,069.65
Prairie Agricultural Machinery Institute			45,743.00
The Governors of University of Alberta			56,000.00
University of Saskatchewan			1,085,833.63
University of Manitoba			69,026.00
Receiver General for Canada			352,775.76
Saskatchewan Variety Performance Group			66,353.00
Sharon Nowlan			18,565.00

#### Media & Communication (threshold \$5,000)

Canada Post			47,527.63
Jeff's Crestwear			12,382.54
Saskatoon Fastprint			47,075.34
The Western Producer			10,709.77

**Market Development** (threshold \$20,000)

Healthy Grain Institute	84,750.00
Mercantile Consulting Venture Inc.	55,125.00

**Supplier Payments** (threshold \$20,000)

Agriculture Council of Saskatchewan Inc.	110,921.47
Innovation Place	66,286.60

**Other Payments** (threshold \$20,000)

0.00





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