



About Sask Wheat



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

Sask Wheat will 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 and top of page 10: Photos of Jay Gould Farms Ltd. Photos by Ryan Henderson (hendyproductions.com).

Strategic Priorities



Research

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

Market Development

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

Advocacy

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

Communications

GOAL: Communicate regularly with producers and stakeholders.



Chair's Message

Laura Reiter
Board Chair

As I complete this year as Chair of the Saskatchewan Wheat Development Commission (Sask Wheat), I'm struck by the number of tremendous opportunities that came our way and by our ability as an organization and an industry to collaborate with others to address common issues that will impact Saskatchewan's wheat farmers and the Canadian grain sector.

Sask Wheat welcomed two new directors to our Board in 2018, with Brett Halstead and Jake Leguee joining Bill Gehl, Dan Danielson, Scott Hepworth, Ken Rosaasen and myself on the Board. Together with our staff, we renewed our strategic plan, focusing on our four priority areas of research, market development, advocacy, and communications.

The opportunities to collaborate with our fellow wheat commissions and organizations such as the Western Grains Research Foundation (WGRF) were plentiful the past year. Sask Wheat, the Alberta Wheat Commission (AWC) and the Manitoba Wheat and Barley Growers Association (MWBGA) formed the Canadian Wheat Research Coalition (CWRC) in 2016-2017. This past year, the CWRC worked closely with Agriculture and Agri-Food Canada (AAFC) as well as producer and private organizations from across Canada to cement the details of the five-year Canadian National Wheat Cluster agreement on wheat research. The CWRC is also beginning discussions on the core wheat breeding agreements with AAFC and western universities.

We are looking forward to working with the organizations involved in the Wheat Cluster and core wheat breeding agreements. Other opportunities to collaborate with our sister commissions and others within the industry came from our involvement in the Canadian International Grains Institute (Cigi) and Cereals Canada, as well as from participating in research funding programs such as Saskatchewan's Agricultural Development Fund (ADF) and Alberta's Agriculture Funding Consortium (AFC).

Sask Wheat's research program continues to invest farmer money strategically on research, breeding and agronomy activities that have the potential to improve the bottom lines for Saskatchewan grain farmers. We invested in five agronomy projects through the Integrated Crop Agronomy Cluster, which is a five-year program under AAFC being administered by the WGRF. We have also invested in a project under the Organic Science Cluster 3, another five-year program under AAFC.

Sask Wheat was again very vocal about getting Bill C-49, the *Transportation Modernization Act*, passed by the federal government. Sask Wheat and our transportation coalition partners, the Agricultural Producers Association of Saskatchewan (APAS) and the Saskatchewan Barley Development Commission (SaskBarley), were pleased that the Act was passed and that farmer voices were heard on the retention of the Maximum Revenue Entitlement (MRE) for western grain transportation.

On the trade front, the new United States-Mexico-Canada Agreement on trade will provide more clarity for wheat farmers, as will the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Sask Wheat will continue to advocate on behalf of Saskatchewan's wheat farmers to open new market opportunities and maintain and improve existing markets for Canadian wheat.

It has been a pleasure to work on behalf of my fellow grain farmers and I'm looking forward to another productive year ahead. The Board of Directors of Sask Wheat has made strategic investments and formed partnerships that will position us to address current and emerging issues, benefiting Saskatchewan's wheat farmers and all of those within Saskatchewan's agriculture sector.



General Manager's Message

Harvey Brooks
General Manager

After going through humid and wet conditions in 2016, which encouraged the development of fusarium head blight (FHB), much of Saskatchewan faced drought conditions in 2017, impacting yields for many producers. Despite variable growing conditions, the combination of better genetics and agronomic practices has dramatically improved the resiliency of wheat production in Saskatchewan. Average yields for 2018 are beyond expectations we had in mid-August.

Sask Wheat is focused on research and variety development that will improve resistance to biotic and abiotic stresses to protect yield and quality under various weather conditions and various pest or disease threats. Our research program is developing, with our research staff, Research Committee and external reviewers thoroughly evaluating funding requests and providing our board with the advice they need to ensure they are investing farmer money in a prudent and beneficial way.

Sask Wheat also continues to be an advocate for wheat farmers, taking on issues such as the Country of Origin Labelling (COOL) requirements for durum wheat in Italy. Being the largest producers of durum in Canada, Saskatchewan durum producers are uniquely affected by non-tariff barriers such as this. We have been active in this file, working closely with the Government of Canada and Cereals Canada.

Sask Wheat has also been working on the transportation file, monitoring the status of grain movement through membership in the Ag Transport Coalition to ensure grain is moved and that rail costs remain fair for producers. Prior to the Transportation Modernization Act being passed, Sask Wheat and our producer coalition partners, the Saskatchewan Barley Development Commission and the Agricultural Producers Association of Saskatchewan (APAS), communicated frequently with the Minister of Transport and the Minister of Agriculture and Agri-Food to ensure the new legislation maintained important aspects like the Maximum Revenue Entitlement to protect producers against monopoly pricing while ensuring railway profitability.

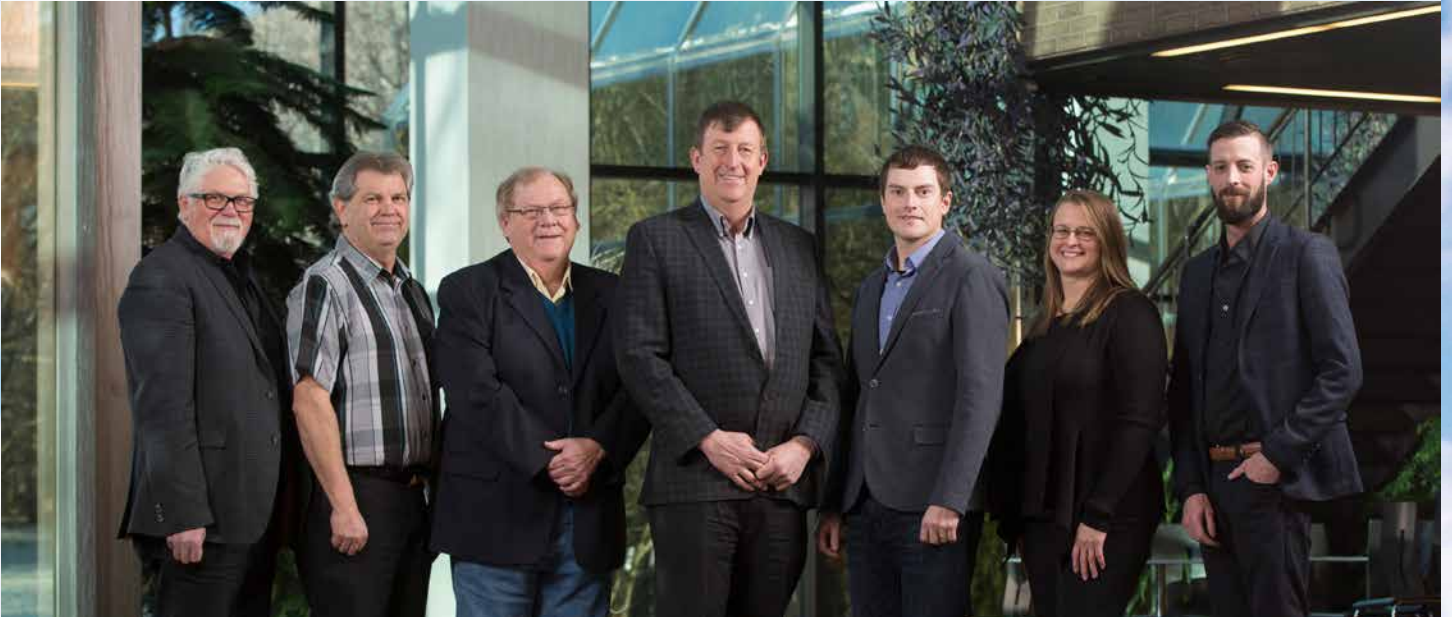
Sask Wheat was also pleased to see new provisions introduced that are meant to improve the transparency and accountability of the railways.

Communication to producers and the public continues to be a key strategic objective of the organization. In addition to our participation in the annual CropSphere conference, producers have opportunities to hear from marketing and agronomic speakers at our Think Wheat and Grade School events, as well as our semi-annual meetings. We also try to provide the latest information on our website, including the FHB risk maps, the wheat midge forecast map, and the weekly commentary on Wheat Market Outlook and Prices report.

Our commitment to collaborating with organizations such as the AWC, MWBGA, the Canadian Grain Commission, the Canadian International Grains Institute, Canada Grains Council, Cereals Canada, and the Ag Transport Coalition has leveraged Sask Wheat as an organization, allowing us to maximize the impact of our resources and speak with a stronger voice on several issues. Sask Wheat's collaboration with AWC and MWBGA was a key part of the successful and smooth transition to a single wheat levy in each province after the end of the Western Canadian Deduction last year. The largest reflection of our collaboration, however, is the formation of the Canadian Wheat Research Coalition and our joint sponsorship of the Canadian National Wheat Cluster with the federal government to secure just under \$25 million in critical research efforts for the next five years.

Sask Wheat remains committed to enhancing wheat production in Saskatchewan and increasing the relative net profitability of wheat. Investing in research and breeding while being vocal advocates on issues like transportation and trade should pay dividends in the future. We look forward to continuing our efforts on behalf of wheat producers and to strengthening Saskatchewan's agriculture sector.

Board of Directors and Staff



(L-R): Ken Rosaasen (Saskatoon), Bill Gehl (Regina), Dan Danielson (Saskatoon), Brett Halstead (Nokomis), Jake Leguee (Weyburn), Laura Reiter (Radisson), Scott Hepworth (Assiniboia)



Harvey Brooks
General Manager



Dallas Carpenter
Communications
Manager



Blair Goldade
Research Program
Manager



Valar Gurusamy
Research Project
Manager



Kelsey Tollefson
Policy Manager



Deb Rouson
Office Administrator



Graeme Shepherdson
Research Program Assistant



Pat Tremaine
Office Administrator



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

Canadian Wheat Research Coalition

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, was formed in 2017. The founding members are the Alberta Wheat Commission (AWC), the Manitoba Wheat and Barley Growers Association (MWBGA) and Sask Wheat.

The CWRC will facilitate a collaborative approach to producer funding of regional and national research projects in variety development and agronomy including the Canadian National Wheat Cluster and core wheat breeding agreements with Agriculture and Agri-Food Canada and western universities. Additional regional projects that align with variety development and agronomic priorities will also be considered for funding through the CWRC.

Research Commitments

In the 2017-2018 crop year, the Board of Directors of Sask Wheat committed **\$4,164,725 to 32 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.

Funding Year	Number of Projects	Total Cost of Approved Projects	Total Funding committed by Sask Wheat
2013/2014	2	\$1,704,397	\$205,840
2014/2015	12	\$29,198,549	\$2,101,268
2015/2016	22	\$11,446,402	\$3,400,347
2016/2017	19	\$13,099,789	\$2,171,032
2017/2018	32	\$11,281,552	\$4,164,725
TOTAL	87	\$66,730,689	\$12,043,212



Funded Projects



Grain consumption patterns, their respective nutrient contribution and related health outcomes in Canadians

- Funding Amount: \$43,125
- Lead Researcher(s): Dr. Hassan Vatanparast
- Funding partners: Alberta Wheat Commission, Grain Farmers of Ontario

Developing a soil health assessment protocol for Saskatchewan producers

- Funding Amount: \$37,820
- Lead Researcher(s): Dr. Kate Congreves (University of Saskatchewan)
- Funding Partners: Western Grains Research Foundation, Saskatchewan Ministry of Agriculture - Agriculture Development Fund, Saskatchewan Canola Development Commission

Fusarium head blight resistance to triazole fungicides in Western Canada

- Funding Amount: \$98,185
- Lead Researcher(s): Dr. Pierre Fobert (National Research Council, Canada)
- Funding Partners: Saskatchewan Ministry of Agriculture - Agriculture Development Fund

Revisiting nitrogen fertilizer recommendations for Saskatchewan: Are we measuring the right soil nitrogen pool?

- Funding Amount: \$35,526
- Lead Researcher(s): Dr. Farrell Richard (University of Saskatchewan)
- Funding Partners: Western Grains Research Foundation, Alberta Wheat Commission, Saskatchewan Canola Development Commission

Deployment of adult plant resistance genes for durable stripe rust and leaf rust resistance in Canadian durum wheat

- Funding Amount: \$311,547
- Lead Researcher(s): Dr. Pierre Fobert (National Research Council, Canada)

Monitoring SOC on commercial direct-seeded fields across Saskatchewan - Phase 4

- Funding Amount: \$41,055
- Lead Researcher(s): Gerry Burgess (Saskatchewan Soil Conservation Association)
- Funding Partners: Saskatchewan Ministry of Agriculture - Agriculture Development Fund, Saskatchewan Canola Development Commission, Saskatchewan Pulse Growers, Prairie Oat Growers Association, Saskatchewan Barley Development Commission, Saskatchewan Flax Development Commission

Scale-up production and field-testing of biological agents for controlling fusarium head blight in wheat

- Funding Amount: \$62,004
- Lead Researcher(s): Dr. Vladimir Vujanovic (University of Saskatchewan)
- Funding Partners: Saskatchewan Ministry of Agriculture - Agriculture Development Fund

Defining best management practices for using supplemental heating with natural air drying

- Funding Amount: \$66,810
- Lead Researcher(s): Dr. Joy Agnew, Prairie Agricultural Machinery Institute (PAMI)
- Funding Partners: Saskatchewan Canola Development Commission



A genetic and genomics approach to improving the milling potential of durum wheat

- Funding Amount: \$458,816
- Lead Researcher(s): Dr. Curtis Pozniak (University of Saskatchewan)

An integrated approach for enhancing Fusarium head blight resistance in durum

- Funding Amount: \$449,786
- Lead Researcher(s): Dr. Curtis Pozniak (University of Saskatchewan) and Dr. Ron Knox (Agriculture and Agri Food Canada)
- Funding Partners: Saskatchewan Ministry of Agriculture - Agriculture Development Fund, Alberta Wheat Commission

Marker assisted pyramiding of pleiotropic and novel resistance loci to stripe and other rust diseases in adapted CWRS wheat

- Funding Amount: \$422,400
- Lead Researcher(s): Dr. Richard Cuthbert (Agriculture and Agri Food Canada)

Post harvest DON reduction strategies for Canadian Western Spring Wheat, durum and barley

- Funding Amount: \$86,250
- Lead Researcher(s): Dr. Rex Newkirk (University of Saskatchewan)
- Funding Partners: Saskatchewan Ministry of Agriculture - Agriculture Development Fund (ADF)

Fermentation technologies for improved nutritional quality and digestibility of wheat products

- Funding Amount: \$57,250
- Lead Researcher(s): Dr. Michael Gaenzle (University of Alberta)
- Funding Partners: Alberta Wheat Commission

Revisiting the value of early fungicide applications in wheat

- Funding Amount: \$112,171
- Lead Researcher(s): Dr. Sheri Strydhorst (Alberta Agriculture and Forestry)
- Funding Partners: Alberta Wheat Commission, Alberta Innovates – Bio Solutions

Genetics and improvement of earliness in Canadian spring wheat

- Funding Amount: \$150,000
- Lead Researcher(s): Dr. Dean Spaner (University of Alberta)
- Funding Partners: Alberta Wheat Commission

Nitrogen fixation in triticale and wheat

- Funding Amount: \$260,000
- Lead Researcher(s): Dr. Alicja Ziemienowicz (University of Alberta)
- Funding Partners: Alberta Wheat Commission, Alberta Innovates – Bio Solutions

A comparative genomics approach to improve doubled haploid breeding for common and durum

- Funding Amount: \$66,000
- Lead Researcher(s): Dr. John Laurie (Agriculture and Agri Food Canada)
- Funding Partners: Alberta Wheat Commission

Precision breeding in wheat mediated by engineered haploid inducers

- Funding Amount: \$110,000
- Lead Researcher(s): Dr. John Laurie (Agriculture and Agri Food Canada)
- Funding Partners: Alberta Wheat Commission



An efficient system to identify virulence patterns in stripe rust in Canadian

- Funding Amount: \$67,650
- Lead Researcher(s): Dr. Reem Aboukhaddour (Agriculture and Agri Food Canada)
- Funding Partners: Alberta Wheat Commission

An on-farm approach to evaluate the interaction of management practices and environment on FHB development in wheat

- Funding Amount: \$174,357
- Lead Researcher(s): Christiane Catellier (Indian Head Agricultural Research Foundation)

Increasing wheat protein with a post anthesis application of UAN (ADOPT)

- Funding Amount: \$66,580
- Lead Researcher(s): Mike Hall (East Central Research Foundation)
- Funding Partners: Saskatchewan Ministry of Agriculture - Agriculture Development Fund

Saskatchewan Variety Performance Group (SVPG) trials 2018

- Funding Amount: \$39,900
- Lead Researcher(s): Mitchell Japp (Ministry of Agriculture)
- Funding Partners: Saskatchewan Ministry of Agriculture - Agriculture Development Fund, Saskatchewan Barley Development Commission, Saskatchewan Oat Development Commission and Saskatchewan Seed Growers Association.

Saskatchewan Variety Performance Group (SVPG) 2018 wheat enhancement/extra data

- Funding Amount: \$69,138
- Lead Researcher(s): Mitchell Japp (Ministry of Agriculture)

Ultra-low cost genetic selection pipeline for wheat and canola

- Funding Amount: \$431,850
- Lead Researcher(s): Dr. Andrew Sharpe (Global Institute for Food Security)
- Funding Partners: Saskatchewan Canola Development Commission, Alberta Wheat Commission

Mitigating free asparagine, acrylamide precursor

- Funding Amount: \$74,715
- Lead Researcher(s): Dr. Martin Scanlon (University of Manitoba)
- Funding Partners: Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, SeCan, FP Genetics, Warburtons

Biological control and management of fusarium head blight and associated diseases in organic grain production

- Funding Amount: \$15,525
- Lead Researcher(s): Dr. Myriam Fernandez (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission

Enhancing fusarium head blight screening capacity for breeding and research

- Funding Amount: \$45,000
- Lead Researcher(s): Dr. Anita Brûlé-Babel (University of Manitoba)
- Funding Partners: Western Grains Research Foundation, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Saskatchewan Winter Cereals Development Commission



Glyphosate- or auxinic-resistant kochia and Russian thistle Prairie surveys

- Funding Amount: \$23,000
- Lead Researcher(s): Julia Leeson (Agriculture and Agri-Food Canada)
- Funding Partners: Western Grains Research Foundation, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Manitoba Pulse and Soybean Growers, Saskatchewan, Canola Development, Commission, Saskatchewan Pulse Growers

Prairie Weed Surveys

- Funding Amount: \$96,669
- Lead Researcher(s): Julia Leeson (Agriculture and Agri-Food Canada)

The population structure of fusarium pathogens of small grain cereals, their distribution and relationship to mycotoxins

- Funding Amount: \$90,675
- Lead Researcher(s): Dr. Dilantha Fernando (University of Manitoba)

Economic value of diversified cropping systems

- Funding Amount: \$46,446
- Lead Researcher(s): Dr. Elwin Smith (Agriculture and Agri-Food Canada)

Saskatchewan orange wheat blossom midge survey 2018 and 2019

- Funding Amount: \$42,000
- Lead Researcher(s): Sharon Nolan
- Funding Partners: Saskatchewan Crop Insurance Corporation

Sask Wheat invests in the Integrated Crop Agronomy Cluster

In July, Sask Wheat announced the commitment of up to \$543,000 to five research activities under the Integrated Crop Agronomy Cluster (ICAC).

The ICAC, a five-year program funded under the Canadian Agricultural Partnership (CAP) and managed by the Western Grains Research Foundation, consists of eight research activities ranging from soil health to herbicide resistance and climate change adaptation. The five projects receiving a commitment from Sask Wheat include:

- \$166,000 for a project studying the crop sequence effects on fusarium head blight in cereals;
- \$60,000 for a project studying agroecosystem productivity, resilience and sustainability;
- \$50,000 for a project that will monitor field crop pests across the Prairies;
- \$173,000 for a project developing decision support tools for the management of fusarium head blight in Western Canada; and
- \$94,000 for the Prairie Crop Disease Monitoring Network.



Advocacy and Market Development



Transportation

Transportation continues to be an important policy file for Sask Wheat. Bill C-49, the *Transportation Modernization Act*, received royal assent in May 2018. Sask Wheat was pleased to see the passage of Bill C-49, and we are hopeful it will lead to more consistent and predictable movement of Canadian grains to port and market.

Sask Wheat worked closely with our producer transport coalition partners, the Agricultural Producers Association of Saskatchewan (APAS) and the Saskatchewan Barley Development Commission (SaskBarley), throughout the development of Bill C-49. The producer coalition was in frequent contact with the federal government over the past four years, advocating on behalf of farmers for a fair, effective and transparent transportation and handling system.

Bill C-49 maintains the Maximum Revenue Entitlement (MRE), which ensures railway profitability while protecting farmers from excessive rail freight rates. This was a key demand from the producer coalition. The new legislation also includes requirements for railways to disclose data and increase transparency on performance metrics. Sask Wheat will be engaged in the consultations to develop regulations for the new service and performance metrics once they are launched. It is hoped these transparency initiatives, along with the potential for reciprocal penalties in railway service agreements, will improve accountability and system performance.

Sask Wheat is also involved in Transport Canada's Collaborative Forward Planning (CFP) initiative, which was created following the breakdown in rail service in the winter of 2018. The CFP initiative was developed to find solutions to promote reliability, efficiency, and effectiveness in the rail supply chain.

Sask Wheat will continue to advocate for the creation of a grain industry capacity planning group, with producer representation, to establish performance targets and assess ongoing operations of the railways.

Value Capture for Cereals

Sask Wheat has been actively engaged in the discussion around value capture models for cereals for several years. Sask Wheat is a member of the Wheat and Barley Variety Development Working Group and also the Value Creation Working Group of the Grains Roundtable.

In November 2017, the Grains Roundtable put forward two proposed value creation models for Canada, end point royalties (EPRs) and royalty collection enabled via production contracts. The federal government has launched consultations on these two proposed models that will continue into 2019.

Sask Wheat is committed to being a part of a system that will maintain and grow funding for wheat research in Canada. Maintaining producer involvement is the most important consideration of any potential value capture model. Since producers are ultimately paying for variety development through either levies and/or royalties, they should have an influence on the direction and focus of variety development.

This will be a very important discussion in 2019 for producers to be a part of, and Sask Wheat will communicate any ongoing developments to keep producers informed. Sask Wheat will continue to participate in the ongoing value creation consultations and ensure that producer interests are represented and heard.

Country of Origin Labelling - Durum Wheat in Italy

One of the major market access issues Saskatchewan wheat producers faced in 2017-18, and continue to face, are the Country of Origin Labelling (COOL) requirements for durum wheat in Italy. The COOL requirements are expected to increase overall costs for Italian processors and end users, and therefore encourage Italian pasta processors to favour durum from Italy and other European member states. Consumer concerns about Canadian durum production methods (e.g. the use of glyphosate) and mycotoxin levels (e.g. fusarium/DON levels) have also significantly impacted Italian buyer preferences against Canadian durum.

Italy has historically been a very important market for Canadian producers, importing on average 21 percent of Canada's durum production over the last five years. Losing sales in a market as significant as Italy due to a non-tariff trade barrier is certainly a major concern for producers, particularly in Saskatchewan where over 75 percent of Canada's durum is grown. Sask Wheat understands the importance and severity of the situation and recognizes that producers need this issue to be resolved as quickly as possible. Sask Wheat has discussed the importance of this issue with both agriculture and trade representatives within the federal government and will continue to support their efforts to resolve this issue and offering consultation as needed.

Sask Wheat is working closely with Cereals Canada on this issue. We have been involved in industry discussions with Cereals Canada, producer organizations and Barilla -- a major pasta producer in Italy and North America -- regarding the use of crop protection products in durum, providing information on production practices and overall quality parameters. The buying preferences of major buyers around specific quality and production practices are important factors in maintaining export markets. There has been a strong, unified effort on this file from across the entire industry, and this cooperation will continue as we move forward.





Communications



CropSphere and AGM

The CropSphere agricultural conference was held at TCU Place during Crop Production Week in January 2018.

The conference had over 700 producers and agrologists attend to the two-day event. Sask Wheat hosted CropSphere along with SaskBarley, SaskCanola, SaskFlax, SaskOats, and the Saskatchewan Pulse Growers. CropSphere 2018 featured two full days of sessions focusing on the latest news in production, marketing, and research.

Sask Wheat brought in Marlene Boersch from Mercantile Consulting to talk about marketing opportunities and the global wheat market. Sask Wheat also brought in University of Guelph agriculture professor David Hooker to explain the need for proper crop rotations, especially when it comes to managing fusarium head blight.

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

Semi-Annual Meeting

Once again, Sask Wheat held our Semi-Annual Meeting in Regina during Canada's Farm Progress Show. Our keynote speakers were Barb Ziesman, Provincial Plant Disease Specialist, and James Tansey, Provincial Pest Management Specialist, with the Ministry of Agriculture.

Reclassification Awareness Campaign

Sask Wheat joined the Alberta Wheat Commission and the Manitoba Wheat and Barley Growers Association in a spring and summer awareness campaign to remind wheat producers that several Canadian Western Red Spring and Canadian Prairie Spring Red varieties were being reclassified to the new Canada Northern Hard Red class by the Canadian Grain Commission on August 1, 2018.

The awareness campaign included advertisements in the Western Producer and Grainews, along with articles in the Sask Wheat newsletter and eNews.

The campaign also included several messages on the social media channels, including Sask Wheat's Twitter account.



Sask Wheat was responsible for developing the branding and website for the Canadian Wheat Research Coalition (CWRC). The CWRC website is wheatresearch.ca.

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

2017. For the third year in a row, four students received the \$2,500 Sask Wheat awards.

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.

Sask Wheat also provides \$100,000 per year for University of Saskatchewan Agriculture and Bioresources graduate students focussing on wheat research. So far, five graduate students have been awarded the Sask Wheat graduate scholarship.



Think Wheat and Grade School

Sask Wheat hosted the Think Wheat extension meetings in Weyburn and Tisdale. Think Wheat is aimed at providing wheat producers with the most up-to-date and relevant information about producing and marketing their crops.

Over 80 producers and agronomists attended the meetings, hearing from six speakers. The speakers addressed topics such as marketing, the global wheat market, wheat varieties to consider from the Seed Guide, and disease and pest management.

Sask Wheat partnered with the Saskatchewan Canola Development Commission and the Saskatchewan Barley Development Commission to host the Grade School grading information sessions. The sessions were held in Rosetown and North Battleford and included presentations from the Canadian International Grains Institute and grading demonstrations from the Canadian Grain Commission.



FHB Risk Maps and Pre-Harvest Herbicide Campaign

For the fourth 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 updated and distributed the Fusarium Management Guide for the second year in a row. The guide includes 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 joined with Cereals Canada in the Keep it Clean awareness campaign. Keep it Clean encourages producers to spray pre-harvest herbicides according to the label to avoid unnecessary residue left in wheat kernels. The campaign was conducted primarily on social media and included print ads in industry publications. The Keep it Clean campaign will continue with messaging focussed on storage and seeding.



November 7, 2018

Independent Auditor's Report

To the 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, 2018 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.

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, 2018 and 2017, current assets as at July 31, 2018 and 2017 and net assets as at August 1, 2017, July 31, 2018, August 1, 2016 and July 31, 2017. Our audit opinion on the financial statements for the year ended July 31, 2017 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, 2018 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, 2018

	2018 \$	2017 \$
Assets		
Current assets		
Cash and cash equivalents	2,085,604	3,361,659
Investments (note 3)	4,606,158	3,333,906
Accounts receivable	1,387,907	902,720
Prepaid expenses	38,265	5,388
	<hr/>	<hr/>
	8,117,934	7,603,673
Non-current assets		
Investments (note 3)	14,802,568	9,766,169
Tangible capital assets (note 4)	20,651	24,753
	<hr/>	<hr/>
	22,941,153	17,394,595
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,263,289	1,044,560
	<hr/>	<hr/>
Net assets		
Unrestricted net assets	19,802,564	14,474,735
Internally restricted net assets	1,875,300	1,875,300
	<hr/>	<hr/>
	21,677,864	16,350,035
	<hr/>	<hr/>
	22,941,153	17,394,595
Operating lease (note 6)		
Commitments (note 7)		

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, 2018

	Budget (unaudited) (note 8) \$	2018 \$	2017 \$
Revenue			
Producer check-off fees	11,000,000	11,511,720	6,281,644
Refunds	(770,000)	(757,375)	(321,550)
	10,230,000	10,754,345	5,960,094
Interest and investment income	-	304,813	252,865
Other income	-	30,400	1,244
	10,230,000	11,089,558	6,214,203
Expenditures			
Research			
Research projects (note 7a)	5,393,000	3,001,732	2,107,877
Research management and consulting	210,000	18,926	16,847
Market development (note 7b)	1,856,500	1,077,475	139,875
Communications and advocacy			
Producer engagement	527,500	414,065	383,028
Policy, advisory and advocacy	178,250	43,930	50,493
Governance			
Directors (note 5)	153,500	105,416	121,598
Election	110,000	100,099	2,029
Meetings	23,000	15,956	12,500
Other governance	20,000	15,762	6,038
Operations and administration			
Wages and benefits	697,475	678,486	577,450
Service contracts	126,030	119,554	119,623
Rent (note 6)	75,000	70,662	65,735
General and administrative	83,000	62,778	45,886
Staff travel	45,000	23,483	29,768
Amortization of tangible capital assets	-	13,405	17,560
	9,498,255	5,761,729	3,696,307
Excess of revenue over expenditures	731,745	5,327,829	2,517,896
Unrestricted net assets – Beginning of year	14,474,735	14,474,735	11,956,839
Transfer to internally restricted net assets	-	-	-
Unrestricted net assets – End of year	15,206,480	19,802,564	14,474,735

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, 2018

	2018 \$	2017 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	5,327,829	2,517,896
Amortization of tangible capital assets	13,405	17,560
	<u>5,341,234</u>	<u>2,535,456</u>
Changes in non-cash working capital items		
Accounts receivable	(485,187)	(405,431)
Prepaid expenses	(32,877)	(1,885)
Accounts payable and accrued liabilities	218,729	412,284
	<u>(299,335)</u>	<u>4,968</u>
	<u>5,041,899</u>	<u>2,540,424</u>
Investing activities		
Purchase of tangible capital assets	(9,303)	(14,088)
Purchase of investments	(9,627,051)	(6,418,694)
Redemption of investments	3,318,400	5,175,300
	<u>(6,317,954)</u>	<u>(1,257,482)</u>
Net change in cash and cash equivalents	(1,276,055)	1,282,942
Cash and cash equivalents – Beginning of year	<u>3,361,659</u>	<u>2,078,717</u>
Cash and cash equivalents – End of year	<u>2,085,604</u>	<u>3,361,659</u>
Cash and cash equivalents consist of the following		
Cash balances with banks	1,085,589	2,346,300
Investment savings account	1,000,015	1,015,359
	<u>2,085,604</u>	<u>3,361,659</u>

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

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2018

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).

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2018

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 3.23% and mature in the following fiscal years:

	\$
July 31, 2019	4,606,158
2020	4,646,615
2021	3,372,029
2022	4,426,784
2023	2,357,140
	<u>19,408,726</u>

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2018

4 Tangible capital assets

	July 31, 2018		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	33,243	25,417	7,826
Office furniture	47,757	34,932	12,825
	81,000	60,349	20,651

	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
	71,697	46,944	24,753

5 Related party transactions

During the year ended July 31, 2018 members of the commission's elected Board of Directors received payments for per diems, expenses and communications allowances of \$105,416 (2017 – \$119,531). These related party transactions are measured at their carrying amounts.

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2018

6 Operating lease

On August 15, 2017 the commission renewed its 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:

	\$
2019	68,948
2020	70,645
2021	<u>23,548</u>
	<u>163,141</u>

Rent expense for the year ended July 31, 2018 was \$70,662 (2017 - \$65,735).

7 Commitments

a) Project grants

The total maximum commitment to projects awarded funding from June 7, 2013 to July 31, 2018 is \$11,075,288 (2017 - \$7,804,231), of which \$6,823,028 of research expenditures have been incurred related to these commitments as of July 31, 2018 (2017 - \$3,821,296). The total anticipated research expenditures related to these research projects over the next five years are as follows:

	\$
2019	2,324,526
2020	1,442,884
2021	361,571
2022	99,756
2023	<u>23,523</u>
	<u>4,252,260</u>

b) Program grants

During the year ended July 31, 2018, a funding agreement was signed between the commission, the Alberta Wheat Commission and the Manitoba Wheat and Barley Growers Association to support the Canadian International Grains Institute. The term of the agreement is from November 20, 2017 to August 31, 2019, and the total commitment from all parties is \$3.85 million to the end of the agreement.

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2018

The funding percentage for each party will be based on their share of the total tonnes of spring wheat sales on which levy is collected in Western Canada. Total tonnes will be calculated using the total levy collected from the previous crop year based on audited financial statements. The total levy collected will then be divided by the levy rate to determine the total tonnes collected for each funding party. Total Western Canadian tonnes will be used to determine the percentage share for each funding party.

The commission's total commitment to date is \$942,225, of which \$942,225 of research expenditures had been incurred as of July 31, 2018.

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.

Sask Wheat Development Commission 2017-2018 Payee List

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

Board of Directors (all amounts included)

	Honorariums	Expenses	Total	Notes:
Bill Gehl	12,900.00	7,168.10	20,068.10	
Brett Halstead	6,800.00	5,495.40	12,295.40	
Dan R. Danielson	13,025.00	2,940.76	15,965.76	
Glenn Tait	2,850.00	1,631.81	4,481.81	
Jake Leguee	4,800.00	2,734.80	7,534.80	
Ken Rosaasen	10,250.00	3,065.19	13,315.19	
Laura Reiter	15,250.00	6,979.40	22,229.40	
Scott Hepworth	4,800.00	4,725.78	9,525.78	
	<u>70,675.00</u>	<u>34,741.24</u>	<u>105,416.24</u>	

Extension (threshold \$5,000)

Farm & Food Care Saskatchewan			33,500.00	Global TV Agriculture Feature project
Mercantile Consulting Venture Inc.			7,093.47	Think Wheat \$6000 Speaker Fees
The Western Producer			15,710.10	Think Wheat, Sask Seed Guide, Joint SK, AB & MB
SeCan			6,000.00	Durum Summit 2018
Agrimetrix Research & Training			5,000.00	Sprayers101 Sponsorship
Canadian Agricultural Safety Association			10,000.00	Sponsorship
Canada Grains Council			12,000.00	Global Crops Symposium, membership
Canadian Centre for Health & Safety in Ag			10,000.00	First of two year contribution
Prairie Certified Crop Advisor Board			10,000.00	2018 Crop Diagnostic School
Farm & Food Care Saskatchewan			7,500.00	Farm to Fork Tour
CropSphere			13,679.88	Sponsorship \$12,000
Weather Innovations Consulting LP			22,000.00	FHB Risk Maps
Agriculture in the Classroom			15,000.00	Membership

Research & Development (threshold \$5,000)

Agriculture and Agri-Food Canada			313,834.00	
Carleton University			14,015.00	
East Central Research Foundation			53,265.00	
Government of Alberta			24,385.00	
IHARF			59,683.00	
Mitacs Inc.			55,125.00	
NARF			59,800.00	
National Research Council of Canada			230,519.29	
Prairie Agricultural Machinery Institute			107,280.00	
Receiver General for Canada			813,516.26	
Saskatchewan Pulse Growers			22,725.22	
Saskatchewan Variety Performance Group			78,105.00	
SaskCanola			20,466.68	
Sharon Nowlan			18,565.00	
SSCA of Saskatchewan			31,390.00	
The Governors of University of Alberta			124,450.00	
University of Saskatchewan			1,285,420.63	
University of Manitoba			45,328.00	
Western Grains Research Foundation			8,420.00	
Prairie Certified Crop Advisor Board			10,100.00	

Media & Communication (threshold \$5,000)		
Canada Post	43,482.14	newsletter
Jeff's Crestwear	22,462.43	promotional items
Saskatoon Fastprint	40,774.02	newsletter
The Western Producer	28,188.96	advertising, Think Wheat, Sask Seed Guide, FHB Risk Maps
Insightrix Research, Inc.	13,860.00	Election
Market Development (threshold \$20,000)		
Healthy Grain Institute	56,500.00	membership
Mercantile Consulting Venture Inc.	93,697.48	Market reports
CIGI	942,224.48	
Cereals Canada	145,744.20	
Supplier Payments (threshold \$20,000)		
Agriculture Council of Saskatchewan Inc.	109,129.08	Levy Central contract
Innovation Place	75,555.33	rent
Other Payments (threshold \$20,000)		
Houghton Boston	25,492.09	Election
VDC Virtual Data Corp	21,118.93	Computers, service contract, office equipment minor



Suite 310 - 111 Research Drive
Saskatoon, SK
S7N 3R2

Tel: 306-653-7932

Fax: 306-653-7935

info@saskwheat.ca

www.saskwheat.ca