



2018-2019 | Annual Report

Sask  Wheat
DEVELOPMENT COMMISSION



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 goes 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.



Strategic **P**riorities

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

This was a year that was notable for the challenging weather conditions, from drought in the spring to snow and rain through much of harvest. On a positive note, there were several developments that should lead to both short and long-term benefits for Saskatchewan's wheat producers.

This year saw the announcement of the Canadian National Wheat Cluster, which will be administered through the Canadian Wheat Research Coalition (CWRC). Sask Wheat, the Alberta Wheat Commission, and the Manitoba Wheat and Barley Growers Association formed the CWRC in 2017 to take on regional and

national research endeavors such as the Canadian National Wheat Cluster and the Core Breeding Agreements with Agriculture and Agri-Food Canada (AAFC) and western Canadian universities.

The CWRC is an excellent example of how collaborating will allow us to best serve all wheat producers in Western Canada. Our ability to collaborate with other organizations was extended thanks to the establishment of the Wheat Cluster, allowing us to collaborate with AAFC and producer and private organizations from across Canada.

Sask Wheat remains focussed on the needs of Saskatchewan wheat producers. We made several investments in research over the past year which will lead to new varieties with improved genetic traits, such as drought tolerance and improved fusarium resistance, as well as innovations in areas such as pest management and agronomic practices. The \$8.8 million we invested in research is more than double the amount we invested in the previous crop year.

Agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Canada-United States-Mexico Agreement (CUSMA) will reduce trade barriers to key trading partners and should help maintain market access. However, we still have marketing and export challenges that must be dealt with. Sask Wheat has been calling

for action by the federal government to force Italy to remove their country of origin labelling (COOL) requirements on pasta, which has limited the access to a key market for durum producers during a time of price and weather challenges.

Transportation remains a concern for producers, although the reporting requirements brought in by the Transportation Modernization Act will bring needed transparency to grain handling and movement. Sask Wheat has joined the Ag Transport Coalition and will continue to monitor the performance of the railways to ensure grain is getting to port in a timely and cost-effective manner.

Sask Wheat has also been very vocal about the proposed changes to the value capture system in terms of end point royalties or trailing contract systems for certified and farm-saved seed used by producers. Sask Wheat and our fellow commissions across Western Canada were disappointed in the limited number of options proposed, and we asked for greater producer engagement prior to the adoption of any new system. We will continue to insist that the federal government work with producers prior to facilitating any changes.

This brings to a close my second term at Sask Wheat. It has been a pleasure to work on behalf of my fellow grain farmers over the past six years. Sask Wheat is a strong, responsive organization thanks to our dedicated and involved directors and the strategic decisions that we have made in terms of investment and staffing. With your involvement, Sask Wheat will continue to be a strong voice for farmers on issues that affect your bottom line. ◆

General Manager's Message



Harvey Brooks, General Manager

2018-2019 was a very challenging year for grain producers in Saskatchewan. Non-tariff trade disruptions, particularly with China and canola, and tariff impediments for pulse crops in India, weighed heavily on producers' production and marketing decisions.

Some positive developments, such as the signing of new trade agreements aimed at maintaining access to key markets in North America and Asia, will be important in the long-run. In 2018-2019, however, major markets seemed willing to place less emphasis on "rules-based trade" and more emphasis on domestic political considerations. Another major factor in 2018-2019 was the impact of the African Swine Flu on Chinese pork production – this resulted in a massive decrease in feed demand and shifted demand for oilseeds and feedgrains from traditional suppliers. It is likely that this demand reduction will be felt for years.

The changes in trade relationships allowed wheat to have access to the grain handling and transportation system at record levels during a year with better performance of the system as a whole. The 2018-2019 crop year saw a record setting 37.1 million tonnes of grain shipped from the three major ports - Vancouver, Prince Rupert, and Thunder Bay. The year ended with over 21 million tonnes of wheat being delivered into the Canadian grain handling system, up 13 percent from 2017-2018, and over 18 million tonnes of wheat being exported, up 12 percent from 2017-2018.

For durum, the 2018-2019 year saw nearly 5 million tonnes delivered into the Canadian grain handling system, up 15 percent from 2017-2018, and 4.5 million tonnes of durum being exported, up 13 percent. This was a positive development, especially considering the challenges posed by the non-tariff barriers imposed by Italy on Canadian durum, as well as fluctuating prices. So, despite the 2018 harvest being threatened by poor moisture conditions in much of the growing season, a good crop was harvested and exports exceeded expectations.

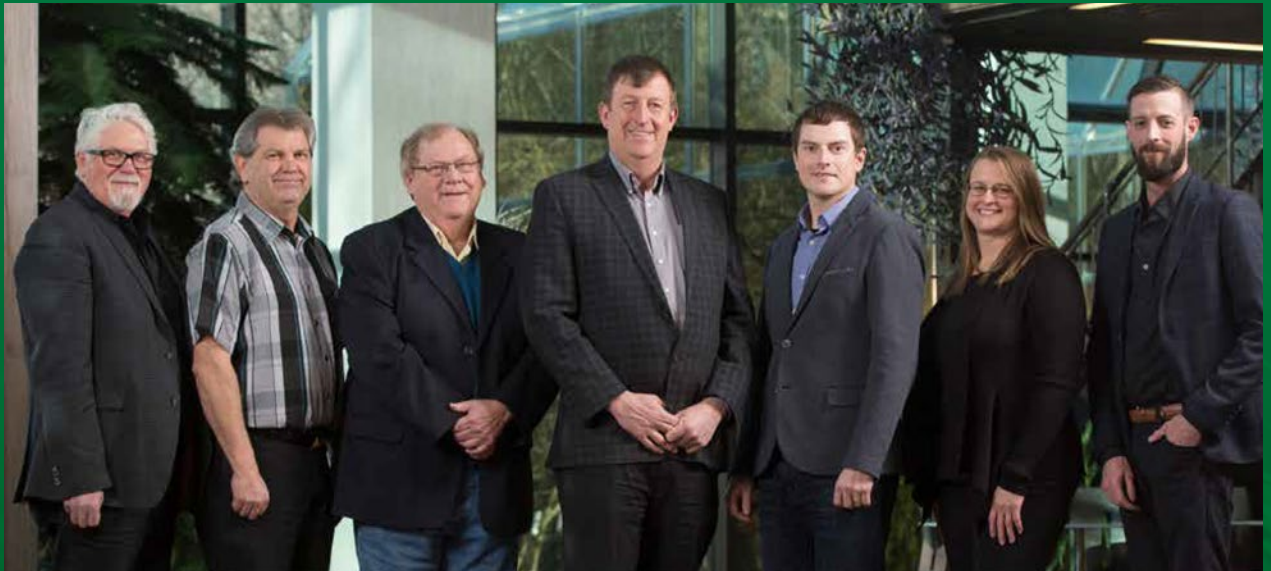
The majority of Sask Wheat's

focus is on research and variety development. We continue to participate in research programs such as the Agricultural Development Fund through the Saskatchewan Ministry of Agriculture and the Agriculture Funding Consortium through Alberta Agriculture and Forestry. 2018-2019 saw Sask Wheat collaborating with organizations from across the country on the Canadian National Wheat Cluster, which is being administered through the Canadian Wheat Research Coalition (CWRC). The CWRC was formed by Sask Wheat, the Alberta Wheat Commission and the Manitoba Wheat and Barley Growers Association for collaboration on regional and national wheat research efforts. The CWRC has taken a leadership role in farmer funded public research. Our collaborative efforts in research help to leverage more funding for important projects that will lead to greater opportunities for Saskatchewan wheat producers.

Sask Wheat is focused on issues that impact Saskatchewan wheat producers. We are investing strategically in research and breeding and continue to be vocal advocates on issues such as transportation and trade to allow producers to enhance their net profitability from producing wheat. We look forward to continuing our efforts on behalf of wheat producers and to strengthening Saskatchewan's agriculture sector and economy. ♦



Board of Directors and Staff



(Left to right): Ken Rosaasen (Preeceville), 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



Debbie Forgie
Administrative
Assistant



Blair Goldade
Research Program
Manager



Valar Gurusamy
Research Project
Manager



James Lokken
Interim Policy
Manager



Deborah Rousson
Office Administrator



**Graeme
Shepherdson**
Research Program
Assistant



Kelsey Tollefson
Policy Manger

Research

Research to improve the relative net profitability of wheat for producers is the key priority of Sask Wheat. The objective of the research program is to maintain and strengthen research capacity and leverage relationships to 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, and production management
- **Post-production** – storage, end-use quality, new uses, economic/regulatory analysis, and processing and value-added initiatives

In the 2018-2019 crop year, Sask Wheat committed over \$8.8 million to 51 projects, including over \$3.1 million to 14 projects under the Canadian National Wheat Cluster. Sask Wheat has committed over \$20 million to 135 projects since 2014. This has helped leverage almost \$107 million in total funding for these projects.

Sask Wheat works closely with the Alberta Wheat Commission (AWC) and the Manitoba Wheat and Barley Growers Association (MWBGA), collaborating on a number of initiatives of regional or national scope, notably the Canadian Wheat Research Coalition. In 2018-2019, the three commissions co-funded 36 projects. These projects will deliver benefits to wheat producers across all three Prairie provinces.

The Board of Directors of Sask Wheat is focussed on investing farmer money

strategically in research and breeding that shows the greatest opportunity to improve the bottom lines for Saskatchewan grain farmers.

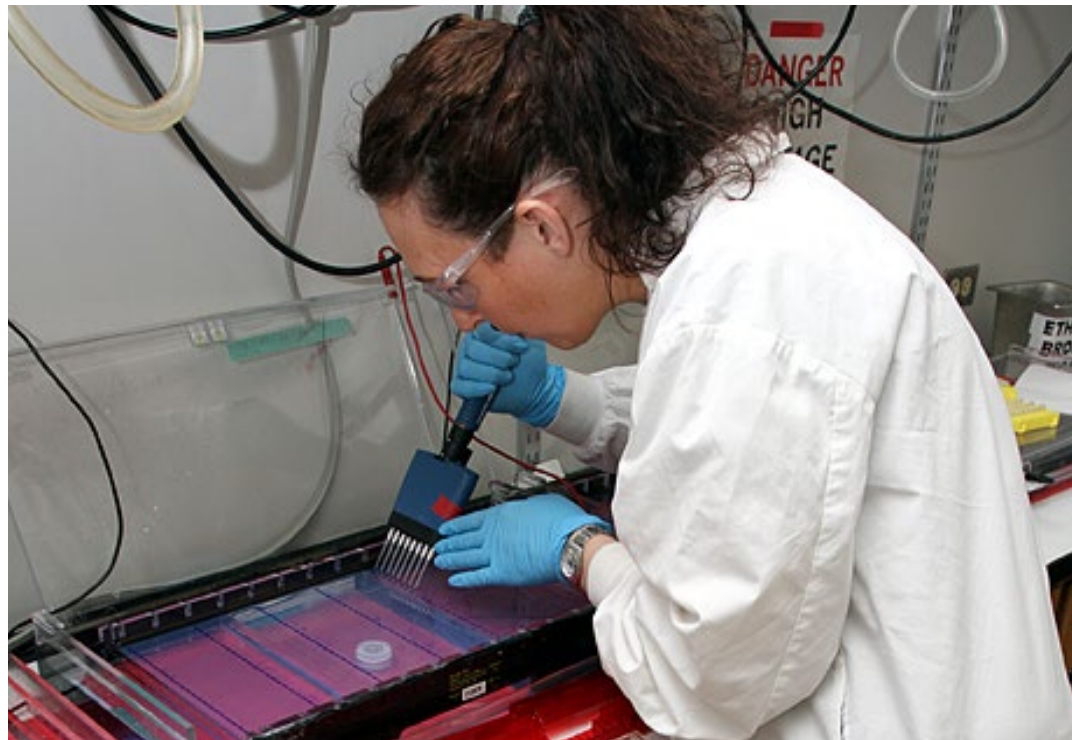
Featured Project: 4DWheat

Sask Wheat is investing \$1 million over four years in the 4DWheat project, a cutting-edge research project that will accelerate the future development of higher yielding, stress resistant wheat varieties for Canadian farmers. Together with AWC and MWBGA, the total producer investment in this project is \$1.9 million.

Led by Dr. Curtis Pozniak of the

University of Saskatchewan's Crop Development Centre, and Dr. Sylvie Cloutier of Agriculture and Agri-Food Canada (AAFC), 4DWheat (Diversity, Domestication, Discovery, and Delivery) will utilize wild-wheat relatives and elite germplasm along with industry-leading genomic techniques to better understand wheat's genetic potential. The research will also examine the economics and policies of using wild-wheat germplasm sources and germplasm from international sources.

This producer funding is part of a larger investment of \$11.2 million which includes funding from Genome Canada, AAFC, the Western Grains Research Foundation and a number of industry partners. Funding for this project is being administered by Genome Prairie. ♦



Funded Research Projects



Enhancing FHB Screening Capacity for Breeding and Research

- Term: 1 year
- Sask Wheat Funding: \$31,939
- Lead Researcher(s): Anita Brûlé-Babel (University of Manitoba)
- Funding Partners: Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation, Saskatchewan Winter Cereals Development Commission

Glyphosate-or-Auxinic-Resistant Kochia and Russian Thistle Prairie Surveys

- Term: 5 years
- Sask Wheat Funding: \$23,000
- Lead Researcher(s): Julia Leeson (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Manitoba Pulse and Soybean Growers, Western Grains Research Foundation, Saskatchewan Pulse Growers, Saskatchewan Canola Development Commission

Prairie Weed Surveys

- Term: 5 years
- Sask Wheat Funding: \$96,669
- Lead Researcher(s): Julia Leeson (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Pulse Growers, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Manitoba Pulse and Soybean Growers, Western Grains Research Foundation, Saskatchewan Pulse Growers, Saskatchewan Canola Development Commission

The Population Structure of Fusarium Pathogens of Small Grain Cereals, Their Distribution and Relationship to Mycotoxins, the Effect of Crop Management, and the Development of a Risk Model for Fusarium Head Blight to Improve Cereal Quality and Yield in Canada

- Term: 5 years
- Sask Wheat Funding: \$90,675
- Lead Researcher(s): Dilantha Fernando (Agriculture and Agri-Food Canada)



- Funding Partners: Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Saskatchewan Barley Development Commission, Western Grains Research Foundation, Brewing and Malting Barley Research Institute

Economic Value of Diversified Cropping Systems

- Term: 4 years
- Sask Wheat Funding: \$46,449
- Lead Researcher(s): Elwin Smith (University of Lethbridge)
- Funding Partners: Alberta Pulse Growers, Alberta Wheat Commission, Brewing and Malting Barley Research Institute, Manitoba Pulse and Soybean Growers Association, Prairie Oat Growers Association, Western Grains Research Foundation

Selecting Crop Sequences and Developing a Risk Model to Mitigate FHB in Western Canadian Cereal Production

- Term: 5 years
- Sask Wheat Funding: \$363,843
- Lead Researcher(s): Randy Kutcher (University of Saskatchewan), Paul Bullock (University of Manitoba)
- Funding Partners: Western Grains Research Foundation

Saskatchewan Orange Blossom Wheat Midge Survey 2018 and 2019

- Term: 2 years
- Sask Wheat Funding: \$42,000
- Lead Researcher(s): Sharon Nowlan
- Funding Partners: Saskatchewan Crop Insurance Corporation

Coordinated Monitoring of Field Crop Insect Pests in the Prairie Ecosystem

- Term: 5 years
- Sask Wheat Funding: \$24,956
- Lead Researcher(s): Meghan Vankosky (Agriculture and Agri-Food Canada)
- Funding Partners: Western Grains Research Foundation

Optimizing Systems Productivity, Resilience and Sustainability in the Major Canadian Ecozones

- Term: 5 years
- Sask Wheat Funding: \$60,000
- Lead Researcher(s): Yantai Gan (Agriculture and Agri-Food Canada)
- Funding Partners: Western Grains Research Foundation

Accelerating the Introgression of Enhanced Stem Solidness from Tall Wheatgrass to Spring Wheat

- Term: 3 years
- Sask Wheat Funding: \$143,175
- Lead Researcher(s): Pierre Hucl (University of Saskatchewan)
- Funding Partners: Saskatchewan Ministry of Agriculture – Agriculture Development Fund, Alberta Wheat Commission

Characterization of Multiple Resistance Components Against Fusarium Head Blight in Wheat

- Term: 3 years
- Sask Wheat Funding: \$317,079
- Lead Researcher(s): Randy Kutcher (University of Saskatchewan)
- Funding Partners: Saskatchewan Ministry of Agriculture – Agriculture Development Fund, Manitoba Wheat and Barley Growers Association

Building on Past Success: Furthering our Understanding of Wheat Stripe Rust to Mitigate Disease and Improve Resistance

- Term: 3 years
- Sask Wheat Funding: \$129,473
- Lead Researcher(s): Randy Kutcher (University of Saskatchewan)
- Funding Partners: Saskatchewan Ministry of Agriculture – Agriculture Development Fund, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association

Microbial Efficiency of Crop Residue Decomposition

- Term: 2 years
- Sask Wheat Funding: \$28,483
- Lead Researcher(s): Dianne J. Knight (University of Saskatchewan)
- Funding Partners: Western Grains Research Foundation

Prairie Crop Disease Monitoring Network

- Term: 5 years
- Sask Wheat Funding: \$5,000
- Lead Researcher(s): Kelly Turkington (Agriculture and Agri-Food Canada)
- Funding Partners: Western Grains Research Foundation

Developing Novel Technologies for Controlling Herbicide Resistant Wild Oat in Wheat

- Term: 4 years
- Sask Wheat Funding: \$120,000
- Lead Researcher(s): Steve Shirtliffe (University of Saskatchewan)
- Funding Partners: Saskatchewan Ministry of Agriculture – Agriculture Development Fund, Alberta Wheat Commission

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Alternatives to Sm1: Hairy Glumes, Awns, and Egg Antibiosis for Managing Wheat Midge

- Term: 3 years
- Sask Wheat Funding: \$114,620
- Lead Researcher(s): Tyler Wist (Agriculture and Agri-Food Canada)
- Funding Partners: Saskatchewan Ministry of Agriculture – Agriculture Development Fund, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association

Can Farmer Saved Seed of Wheat Perform as well as Certified Seed?

- Term: 3 years
- Sask Wheat Funding: \$271,985
- Lead Researcher(s): Mike Hall (East Central Research Foundation)

Priming Plant Defence: A Broad-Spectrum Defence Response that Protects Crops That Have no Genetic Resistance or Effective Chemicals

- Term: 3 years
- Sask Wheat Funding: \$104,500
- Lead Researcher(s): Hossein Borhan (Agriculture and Agri-Food Canada)
- Funding Partners: Saskatchewan Ministry of Agriculture – Agriculture Development Fund, Western Grains Research Foundation

Effects of Stored Grain Bulk Properties on Airflow Distribution

- Term: 3 years
- Sask Wheat Funding: \$169,050
- Lead Researcher(s): Hubert Landry (Prairie Agricultural Machinery Institute)

Canadian Organic Grain Initiative

- Term: 3 years
- Sask Wheat Funding: \$113,850
- Lead Researcher(s): Marla Carlson (Sask Organics)

Expanding Albertan Capacity for Hard Red Spring Wheat Breeding, and the Education of Future Scientists

- Term: 2 years
- Sask Wheat Funding: \$220,000
- Lead Researcher(s): Dean Spanner (University of Alberta)
- Funding Partners: Alberta Wheat Commission

Integrated Management of Stripe Rust in Wheat for Alberta (2019-2022)

- Term: 3 years
- Sask Wheat Funding: \$100,000
- Lead Researcher(s): Dean Spanner (University of Alberta)
- Funding Partners: Alberta Wheat Commission

Integration of New Molecular Markers to Develop Pre-Harvest Sprouting Tolerant Cereals

- Term: 3 years
- Sask Wheat Funding: \$69,000
- Lead Researcher(s): Jaswinder Singh (University of McGill)
- Funding Partners: Alberta Wheat Commission

Nanocarrier Technology for the Next Generation of Cereal Seed Treatments

- Term: 3 years
- Sask Wheat Funding: \$115,000
- Lead Researcher(s): John Laurie (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission

Beneficial Insects in Prairie Crops: Quantifying the Value and Vulnerability of Biological Pest Control

- Term: 3 years
- Sask Wheat Funding: \$10,000
- Lead Researcher(s): Haley Catton (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission, Alberta Barley Commission, Alberta Agriculture and Forestry

Effector Based Screening for Leaf Spot Complex in Canada

- Term: 3 years
- Sask Wheat Funding: \$165,600
- Lead Researcher(s): Reem Aboukhaddour (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission

Upcycling a Defeated Disease Resistance R Gene of Wheat

- Term: 3 years
- Sask Wheat Funding: \$109,200
- Lead Researcher(s): André Laroche (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission

Pesticide Impact on Soil Microbiome: An Opportunity to Identify Microbial Candidates for Inoculation and Field Bio-Augmentation

- Term: 3 years
- Sask Wheat Funding: \$66,000
- Lead Researcher(s): Claudia Sheedy (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission, Alberta Agriculture and Forestry

Integrating N Fertilizer Technologies with Superior Genetics to Optimize Protein in CWRS Wheat Without Compromising Yield, 4R Principles and Environmental Health

- Term: 3 years
- Sask Wheat Funding: \$750,000
- Lead Researcher(s): Brian Beres (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission, Alberta Agriculture and Forestry

Wheat Yield Gaps: Magnitude and Opportunities to Sustainably Improve Yield

- Term: 3 years
- Sask Wheat Funding: \$100,000
- Lead Researcher(s): Brian Beres (Agriculture and Agri-Food Canada)
- Funding Partners: Alberta Wheat Commission, Alberta Bio Innovates





Factors Influencing Wheat Variety Adoption Decisions in Canadian Prairies

- Term: 3 years
- Sask Wheat Funding: \$31,510
- Lead Researcher(s): Henry An (University of Alberta)
- Funding Partners: Alberta Wheat Commission

4DWheat: Diversity, Domestication, Discovery, and Delivery

- Term: 4 years
- Sask Wheat Funding: \$1,000,000
- Lead Researcher(s): Curtis Pozniak (University of Saskatchewan), Sylvie Cloutier (Agriculture and Agri-Food Canada)

- Funding Partners: Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation, Genome Canada, Saskatchewan Ministry of Agriculture

Phenotyping Fusarium Head Blight for Genetic Enhancement of Wheat

- Term: 2 years
- Sask Wheat Funding: \$129,013
- Lead Researcher(s): Anita Brûlé-Babel (University of Manitoba)
- Funding Partners: Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association

Increasing Wheat Protein with Post Emergent Applications of UAN vs Dissolved Urea

- Term: 2 years
- Sask Wheat Funding: \$172,500
- Lead Researcher(s): Mike Hall (East Central Research Foundation)

SK Variety Performance Group (SVPG) Trials 2019

- Term: 1 year
- Sask Wheat Funding: \$69,844
- Lead Researcher(s): Mitchell Japp (Saskatchewan Ministry of Agriculture)
- Funding Partners: Saskatchewan Ministry of Agriculture, Saskatchewan Seed Growers' Association, Saskatchewan Barley Development Commission, Saskatchewan Oat Development Commission, Saskatchewan Flax Development Commission

Saskatchewan Variety Performance Group (SVPG) Wheat Enhancement - Extra Data 2019 and 2020

- Term: 2 years
- Sask Wheat Funding: \$270,348
- Lead Researcher(s): Mitchell Japp (Saskatchewan Ministry of Agriculture)

Field Pathogenomics: A Pilot Project to Study Pathogen Diversity Directly from Field Samples and Determine Their Adaptation to Host Varieties

- Term: 1 year
- Sask Wheat Funding: \$60,000
- Lead Researcher(s): Randy Kutcher (University of Saskatchewan) ◆

Canadian Wheat Research Coalition

The Canadian Wheat Research Coalition (CWRC) is a unique collaboration between Sask Wheat, the Alberta Wheat Commission, and the Manitoba Wheat and Barley Growers Association. It was established in 2017 to improve the profitability of wheat for western Canadian producers. The CWRC is currently hosted by Sask Wheat.

A key role of the CWRC is to administer large regional or national research programs such as the Canadian National Wheat Cluster on behalf of Canadian wheat farmers. The new five-year Wheat Cluster was announced in January 2019.

The CWRC will continue to pursue collaborative research projects in variety development and agronomy, notably the successors to the core wheat breeding agreements with Agriculture and Agri-Food Canada (AAFC) and the western Canadian universities. Additional regional projects that align with variety development and agronomic priorities will also be considered for funding through the CWRC.

Worth nearly \$25 million over five years, projects funded through the Wheat Cluster address common issues that farmers face and will lead to improved varieties and agronomic practices.

The Wheat Cluster was announced at CropSphere 2019 by the Hon. Lawrence MacAulay, the former Minister of Agriculture and Agri-Food. Funding for the Wheat Cluster comes from AAFC through the Canadian Agricultural Partnership's AgriScience program and 10 producer and private organizations from across Canada.

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Below: The former Minister of Agriculture and Agri-Food, the Hon. Lawrence MacAulay (middle), with the Sask Wheat Board of Directors.

Canadian National Wheat Cluster

Canadian wheat farmers will see significant benefits through the Wheat Cluster.



The Wheat Cluster will run until 2023. It has four theme areas, which guide the research funded through it:

Theme 1: Cultivar development to enhance competitiveness and sustainability

Theme 2: Pre-breeding for future resistance to disease and insects

Theme 3: Insect resistance to protect grain yield and quality

Theme 4: Crop management to capture the genetic potential and minimize the environmental footprint

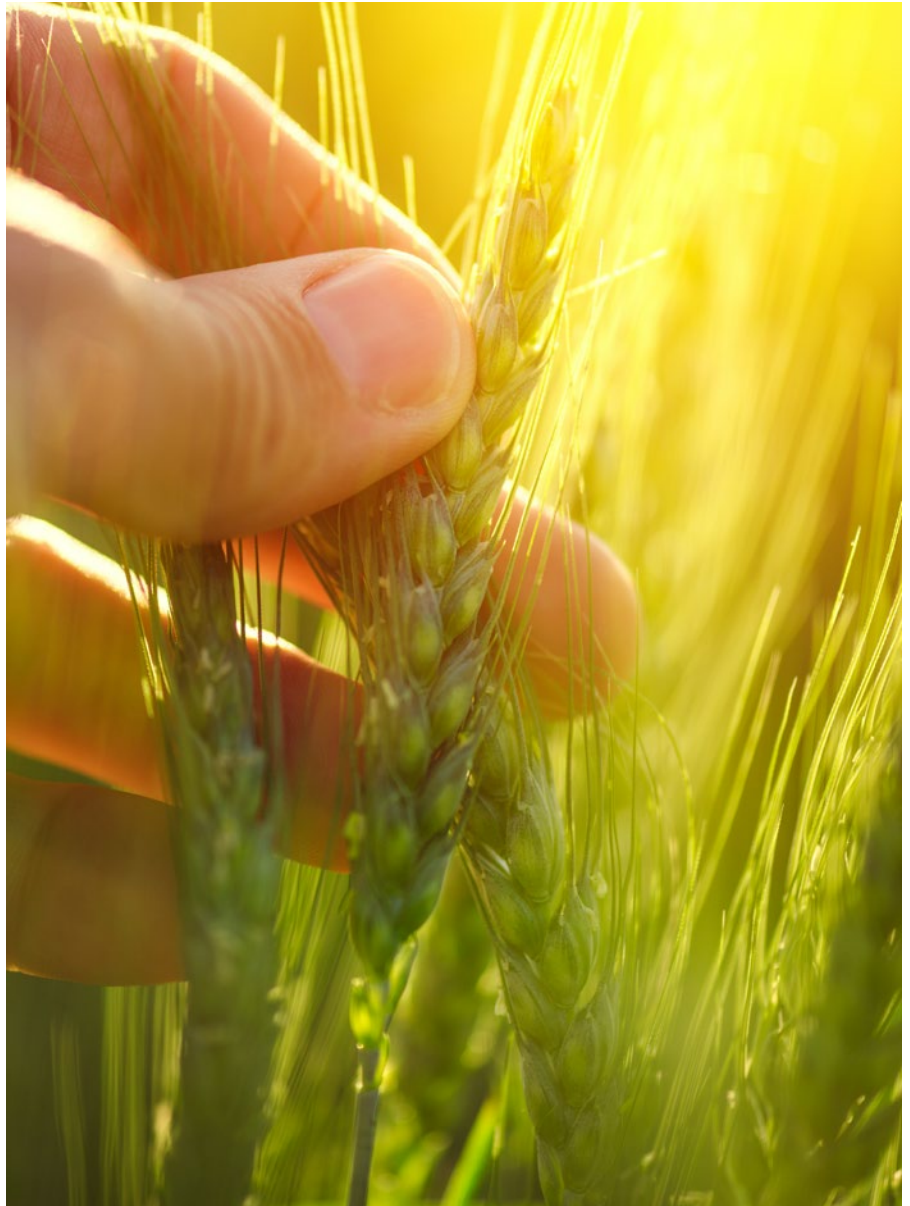
Sask Wheat committed \$3.1 million to 14 of the 22 projects within the Wheat Cluster:

Improving Yield, Yield Stability and Grade Protection in Western Canadian Spring Wheat Cultivars – An Integrated Approach

- Term: 5 years
- Sask Wheat Funding: \$735,908
- Lead Researcher(s): Pierre Hucl (University of Saskatchewan)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Breeding Field Ready Canada Western Red Spring Cultivars for the Eastern Prairies

- Term: 5 years
- Sask Wheat Funding: \$285,868
- Lead Researcher(s): Santosh Kumar (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation



Developing Canadian Western Red Spring Wheat Varieties for Northern Areas

- Term: 5 years
- Sask Wheat Funding: \$150,000
- Lead Researcher(s): Santosh Kumar (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Knowledge and Technology Transfer

- Term: 5 years
- Sask Wheat Funding: \$2,945
- Lead Researcher(s): Canadian National Wheat Cluster Administration
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation,

Saskatchewan Winter Cereals Development Commission, Winter Cereals Manitoba, Canadian Field Crop Research Alliance

Breeding Improved CPS Red Cultivars

- Term: 5 years
- Sask Wheat Funding: \$109,081
- Lead Researcher(s): Richard Cuthbert (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Development of Field-Ready Cultivars of Canada Western Soft White Spring (CWSWS) Wheat

- Term: 5 years
- Sask Wheat Funding: \$20,000
- Lead Researcher(s): Harpinder Randhawa (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

CWRS Western Prairies for Drought and Heat Stress

- Term: 5 years
- Sask Wheat Funding: \$382,619
- Lead Researcher(s): Richard Cuthbert (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Breeding Improved Canada Western Amber Durum Cultivars

- Term: 5 years
- Sask Wheat Funding: \$940,552
- Lead Researcher(s): Yuefeng Ruan (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Pre-Breeding Platform for Canadian Wheat Improvement

- Term: 5 years
- Sask Wheat Funding: \$100,000
- Lead Researcher(s): Sylvie Cloutier, Curt McCartney (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Pre-Breeding and Development of Breeding Tools to Diversify Disease Resistance in Bread Wheat

- Term: 5 years
- Sask Wheat Funding: \$11,391
- Lead Researcher(s): Colin Hiebert (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Application of Biotechnological Tools to Wheat Breeding

- Term: 5 years
- Sask Wheat Funding: \$74,402
- Lead Researcher(s): Ron Knox (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and

Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Pyramiding Oviposition Deterrence and Sm1 to Control Wheat Midge

- Term: 5 years
- Sask Wheat Funding: \$53,515
- Lead Researcher(s): Alejandro Costamanga (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Investigating Crop Management Options to Lessen the Impact of Fusarium Head Blight in Wheat

- Term: 5 years
- Sask Wheat Funding: \$100,000
- Lead Researcher(s): T. K. Turkington (Agriculture and Agri-Food Canada)
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation

Science Coordination

- Term: 5 years
- Sask Wheat Funding: \$58,128
- Lead Researcher(s): Canadian National Wheat Cluster Administration
- Funding Partners: Agriculture and Agri-Food Canada, Alberta Wheat Commission, Manitoba Wheat and Barley Growers Association, Western Grains Research Foundation, Saskatchewan Winter Cereals Development Commission, Winter Cereals Manitoba, Canadian Field Crop Research Alliance ◆

Advocacy

Value Capture

A topic Sask Wheat was vocal about on behalf of wheat producers in 2018-2019 was value capture by the seed sector, including the prospect of paying royalties on farm-saved seed.

In late 2018, Agriculture and Agri-Food Canada (AAFC) and the Canadian Food Inspection Agency (CFIA) put forward two options, one an end-point royalty on all UPOV '91 wheat varieties sold and the other a trailing contract royalty applied to farm-saved seed of these varieties.

AAFC and CFIA held consultations with farm groups in November and December 2018, including a meeting in Saskatoon. This led to calls for broader consultations involving grain producers before any decisions were made on these proposals.

Sask Wheat and the other five crop commissions that put on CropSphere 2019, hosted an engagement session on the final afternoon of the conference. Over 400 producers attended, engaging with AAFC on what the proposed changes will mean to them and their businesses. The overriding messages from the CropSphere session were clear: Producers want more value capture options considered and a greater opportunity to engage in the process before any value capture model is adopted.

In January 2019, Sask Wheat joined with crop commissions from across Western Canada to call for major changes in the Government of Canada's current consultation process on value capture. In a letter to former Minister of Agriculture and Agri-Food, Lawrence MacAulay, the commissions said the likelihood of an industry wide agreement on either of the proposed

models is low and asked for more consultation and consideration of other options.

Further consultation sessions were conducted in Western Canada by AAFC and the CFIA over the winter and spring of 2019, and the government committed to conducting an online



Right: Sask Wheat Chair Laura Reiter addresses the value capture engagement session at CropSphere 2019.

engagement process to gather producer opinions. The online engagement process had not occurred by the time the federal election was called and the entire process was put on hiatus.

Sask Wheat continued to be vocal on this issue well into the spring of 2019. In an editorial published in the March 21 edition of the Western Producer, Sask Wheat Chair Laura Reiter expressed that producers continued to have concerns with the proposed changes, including the potential impact on using farm-saved seed, and noted the continued lack of producer input into the process.

The editorial also stressed that Canadian wheat research must include

a strong effort by the public sector and continue to provide for public/private/producer partnerships. Before any value capture changes are made, it is critical to recognize the investments made by producers in research and the achievements that producer check-offs have delivered.

CGC DON and Falling Number Consultation

In March 2019, the Canadian Grain Commission (CGC) invited stakeholders from the grain sector to provide input on whether falling number and deoxynivalenol (DON) should become official grain grading factors. Although not official grading factors, falling number and DON are often included as

quality factors in grain contracts and are increasingly used by grain buyers to negotiate prices with producers.

Sask Wheat provided input to the CGC on the issue in April 2019. This included the request that these factors be reviewable under the “subject to inspectors’ grade and dockage” clause of the Canada Grain Act. Currently, producers have no way of validating or challenging tests for falling number and DON done at primary elevators and private lab results do not fully resolve disputes.

Sask Wheat also asked if testing for falling number and DON will be required for each delivery in order for producers to receive a grade. It is





unclear what criteria may be used for applying test results and if that would be left to the discretion of the primary elevator.

The cost and accuracy of testing was another issue Sask Wheat raised with the CGC. Adding additional costs

into the grain handling system is concerning to producers as these costs will be passed back to the producer. Producers also need to be assured of the accuracy of the equipment and understand the risks of “false negative” and “false positive” test results.

The tests for falling number and DON levels were not added as official grading factors in 2019. The CGC added testing for both of these factors to the Harvest Sample Program, which also provides unofficial grades and protein content for participating wheat producers.

Transport Canada Freight Rail Data Consultation

Sask Wheat, along with our producer coalition members, the Agricultural Producers Association of Saskatchewan (APAS) and the Saskatchewan Barley Commission, has been very active in the *Canada Transportation Act Review* and the *Transportation Modernization Act* consultations.

The *Transportation Modernization Act*, which was given Royal Assent in May 2018, includes new transparency requirements for the major railways. The railways are now required to submit detailed rate data along with public service and performance information on their operations to Transport Canada. Statistics Canada posts the railway performance metrics weekly on the Transportation Data and Information Hub, a partnership of Transport Canada and Statistics Canada.

In March 2019, Transport Canada launched a regulatory process to amend the Transportation Information Regulations. This process was aimed at expanding and refining the data collected to further increase the transparency of railway performance. The process included a public consultation that asked for input on a number of fronts, including how the current metrics are being used, if more metrics

are desirable, and what additional information on the rail system would help to understand its performance.

Sask Wheat responded to the public consultation with a letter that included a grain sector response to Transport Canada's questions developed by the Crop Logistics Working Group. The grain sector response included three recurring themes:

- the need for standards against which to benchmark performance;
- the need for appropriate contextual data to allow stakeholders to accurately assess both the veracity of the reported performance and the significance of changes in performance; and
- more granular performance data through the inclusion of regional and commodity-based reporting.

For producers, an important measure to be included in Transport Canada's metrics is on-time car order fulfillment. Order fulfillment is a critical measure of railway performance for the grain sector as it provides the clearest view of rail service performance that the grain sector experiences weekly. A lack of timeliness in car supply creates delays and service disruptions that have a significant impact on producers looking to move their crop and meet their financial obligations.

Sask Wheat made it clear to Transport Canada that Saskatchewan wheat producers rely on Canada's rail transportation system to move their product to port in a timely and efficient manner to maintain their competitiveness in export markets. Producers lack alternative, cost-effective options to move their grain to port, and therefore

are held captive by the rail industry, which can have serious economic consequences for producers.

Call for a rail costing review

Stemming from a resolution that was passed at the 2018 Annual General Meeting, Sask Wheat wrote to the Minister of Transport, the Hon. Marc Garneau, to urge the federal government to immediately initiate a costing review to enable the national railways to meet their commitments to Canadian grain producers.

In previous submissions, the producer coalition highlighted the need for regular costing reviews to ensure that the costs built into the Maximum Revenue Entitlement (MRE) accurately reflect the actual costs of moving grain. However, regular costing reviews have not been performed, with the last full costing review being completed in 1992. Since that time, elevator consolidation and large rail car spots have created cost saving efficiencies that need to be accounted for in the MRE.

In July 2018, Minister Garneau responded, stating that "A costing review that aims to further lower the Maximum Revenue Entitlement would not advance our objective of promoting network efficiency and investment over the long term. As it stands, grain is the only commodity subject to rate regulation, and freight rates for grain are among the lowest of all commodities."

Sask Wheat will continue to pursue a costing review from the federal government to ensure that producers are paying fair costs for moving their grain. ♦

New Crop Missions

Sask Wheat participated in the Canadian Wheat New Crop Missions in late 2018. Sask Wheat Chair Laura Reiter travelled to Japan,

Advocacy and Market Development

Indonesia, Singapore and China in mid-November, while Vice-Chair Scott Hepworth travelled to Morocco, Algeria and Italy in the second week of December.

These New Crop Missions are organized and coordinated through: the Canadian International Grains Institute (Cigi), the Canadian Grain Commission, and Cereals Canada. They take place each year in November and December and in 2018 included missions to 17 of Canada's top markets for wheat and durum.

The primary goal of the missions is to inform Canada's top customers about the quality of the year's harvest and how they can expect Canadian wheat and durum to perform in their mills and bakeries, as well as their pasta, couscous, and Asian noodle plants. The missions give farmers the opportunity to speak directly to Canadian wheat customers, letting them know about the decisions Canadian farmers make to maintain the quality of Canadian wheat. The missions also allow farmers to hear questions and concerns from customers first-hand.

Italian COOL Regulations

Italy was once the top importer of Canadian durum, importing over 1 million tonnes annually. This dropped to just over 328,000 tonnes in the 2017/2018 crop year after Italy adopted country-of-origin labelling (COOL) requirements for pasta. As Saskatchewan produces 80 to 85 percent of Canada's durum crop annually (almost 4.6 million tonnes in 2018), this trade action has taken a significant toll on durum farmers across the province.

In early September 2019, Sask Wheat called for the Government of Canada to undertake World Trade Organization (WTO) action to lift the COOL restrictions on durum in Italy. Sask Wheat corresponded with then Minister of International Trade Diversification,



Above: Sask Wheat Vice-Chair Scott Hepworth presents at a New Crop Mission meeting in Morocco.

Right: Bags of grain, including durum, as well as durum semolina, in a Moroccan market.



Partnerships

Sask Wheat is a member of organizations and participates in committees and coalitions that allow us to represent and further the interests of Saskatchewan wheat producers. These partnerships include:

- Ag in the Classroom
- Ag Transport Coalition
- Agricultural Producers Association of Saskatchewan (APAS)
- Agriculture Institute of Canada
- Agriculture Trade Negotiations Consultation Group
- Canada Grains Council
- Canadian Wheat Research Coalition (CWRC)
- Canadian International Grains Institute (Cigi)
- Canadian Roundtable for Sustainable Crops
- Cereals Canada
- Commodity Supply Chain Table
- Farm and Food Care Saskatchewan
- Grains Roundtable
- Interprovincial Policy Committee – with AWC and MWBGA
- Producer Coalition on Transportation - with APAS and SaskBarley
- Protein Industries Canada
- Saskatchewan Soil Conservation Association Carbon Advisory Committee
- Saskatchewan Trade and Export Partnership (STEP)
- SeCan and Crop Development Centre Durum Breeding Project
- Wheat and Barley Variety Development Working Group

the Hon. Jim Carr, and the Minister of Agriculture and Agri-Food, the Hon. Marie-Claude Bibeau, on taking further steps to resolve this dispute. Sask Wheat will continue to voice producer concerns about the COOL requirements and highlight the importance of the Italian market for durum producers until action is taken to lift these barriers.

Canada-United States-Mexico Agreement

Sask Wheat has provided input into the Canada-United States-Mexico Agreement (CUSMA), which will replace the North American Free Trade

Agreement (NAFTA), on behalf of Saskatchewan's wheat producers. The agreement was signed by the leaders of the three countries on September 30, 2018, although it has only been ratified by Mexico to date.

The Agreement also addresses agricultural biotechnology, including plant breeding, requiring the three countries to enhance their cooperation and exchange of information on biotechnology matters related to trade.

The CUSMA includes a section devoted to grain trade. A key aspect will allow US-grown wheat varieties registered in Canada that are delivered in Canada to

be treated the same as Canadian-grown wheat within our grading system. The Agreement maintains key parts of the Canadian grain system, specifically our classification system, which ensures Canadian grain meets the quality expectations of our global customers.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) free trade agreement was ratified by Canada and five other countries – Australia, Japan, Mexico, New Zealand and Singapore – on December 20, 2018. Vietnam joined on January 14, 2019. Brunei, Chile, Malaysia, and Peru are expected to ratify the agreement soon.

This agreement should help to maintain Canadian wheat export markets. Under the new agreement, Japanese tariffs for Canadian wheat will eventually drop by \$65/tonne. The CPTPP will put Canada on equal footing with Australia which has enjoyed preferential access to several CPTPP markets (including Japan and Vietnam) due to existing bilateral agreements.

Keep It Clean

Sask Wheat participated in the Keep it Clean program in 2018-2019. Keep it Clean is a national program run by five organizations, including Cereals Canada, aimed at encouraging producers to use only registered pesticides and fungicides, and to always read and follow the label.

Sask Wheat supplemented the Keep it Clean campaign with a news release at the beginning of the 2019 that reminded producers to only use products registered for pre-harvest application for weed management. ◆

Think Wheat

Sask Wheat held the Think Wheat extension meetings in Moose Jaw and Yorkton in March 2019. These meetings are a key way to bring information and resources on marketing and agronomy to wheat producers.

Communications: Extension

The 2019 Think Wheat meetings included an overview of global wheat markets and how they would impact Saskatchewan producers, by Marlene Boersch of Mercantile Consulting. Dean Dias from the Canadian International Grains Institute (Cigi) gave a presentation on the requirements of export markets and why quality Canadian wheat is important to these markets.

Osler-area farmer Josh Lade spoke to his fellow producers about weed control and herbicide resistance, while Agriculture and Agri-Food Canada entomologist Tyler Wist talked about wheat midge and midge tolerant wheat. Chris Holzapfel of the Indian Head Agricultural Research Foundation addressed the topics of maximizing yields and FHB management. Finally, Jim Downey of SeCan spoke about new wheat varieties.

The meetings were well attended by wheat producers in each area and the feedback was positive. Plans are to expand the meetings in coming years and go to areas that have yet to host a meeting.



Grade School

For the third year, Sask Wheat joined SaskBarley, SaskCanola, Cigi, and the Canadian Grain Commission (CGC) for Grade School. The 2018 meetings were held on November 27 in Swift Current and November 28 in Humboldt.

The Grade School events included presentations from the crop commissions in addition to presentations from Cigi on quality testing and the importance of high-protein, high-quality Canadian wheat to export markets.

The majority of each day was spent on presentations and demonstrations from Joey Vanneste and Ross Warkentin from the CGC. The demonstrations included techniques for gathering a



CGC grain inspector Ross Warkentin demonstrates how to grade wheat at Grade School in Humboldt.

representative sample and the factors CGC inspectors look for to provide a grade. The CGC also covered what the rights of producers are when grain buyers are grading their grain at an elevator and what avenues are available to producers to dispute a grain grade.

Semi-Annual Meeting

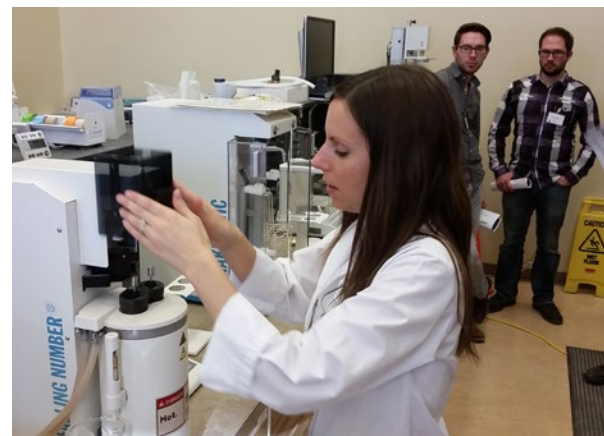
The Sask Wheat Semi-Annual Meeting was held on June 19 at the Western Canadian Farm Progress Show in Regina. The meeting was shifted from a breakfast meeting to a lunch meeting, which attracted more producers.

The keynote speaker for the meeting was Kentucky agronomist Phil Needham. Phil talked to the crowd



Above: Agronomist Phil Needham addresses wheat producers at the Sask Wheat Semi-Annual Meeting in June.

Right: Robyn Makowski, Cigi Analytical Services technician, prepares a flour sample for a falling number test during Combine to Customer.



Canadian International Grains Institute (Cigi) in Winnipeg in February and March of 2019. Sask Wheat sent 30 Saskatchewan producers to Combine to Customer in 2019, ten to each of the sessions.

The Combine to Customer program provides wheat producers with a broad overview of Canada’s grain industry. It covers export customer quality requirements and how Canadian wheat is used in different products. Seminars in the classroom and tours of the Cigi facility are included in the sessions, showing how wheat is milled and made into bread and noodles for testing purposes. The participants also get to see the different tests Cigi has in their Analytical Services lab that test for the same qualities in wheat as labs in commercial operations. Interested producers should contact Sask Wheat for attendance in future years.

Field Days

Sask Wheat supported the field days at the eight Agri-ARM sites in Saskatchewan. Each Agri-ARM site is a producer-directed, applied research and demonstration organization that conducts projects and holds extension events to provide farmers with the latest information on production technologies and practices. ♦

about the agronomy protocols to achieve high-yielding wheat, such as seeding rates and the best times to apply fertilizer to maximize returns.

CropSphere

The 2019 CropSphere conference, hosted by Sask Wheat along with SaskBarley, SaskCanola, SaskFlax, SaskOats, and the Saskatchewan Pulse Growers, was held on January 15 and 16 at TCU Place in Saskatoon.

Attendance was consistent with previous years, with 674 producers and agrologists attending. The breakout sessions were well received, notably the market outlook sessions by Chuck Penner and Marlene Boersch. The value capture engagement session, which was held on the final day of the conference, attracted over 400 people.

Combine to Customer

Three sessions of the Combine to Customer program were hosted by the

Farm and Food Care Saskatchewan

Sask Wheat remained a principal member of Farm and Food Care Saskatchewan in 2018-2019. Farm and Food Care connects farmers, ranchers,

such as chefs, food writers, bloggers, and dietitians the opportunity to experience working farms, ranches, and processing facilities.

Sask Wheat took part in the Student Farm Tour, spending the day interacting with students from the University of Saskatchewan's Nutrition Program as well as Saskatchewan Polytechnic's Culinary Arts Program.

Communications: Outreach and Education

Ag in the Classroom

and others involved in food production to their customers, while also connecting consumers to their food.

Sask Wheat is a strong supporter of agricultural education within the province. Once again, Sask Wheat provided support to Agriculture in the Classroom Saskatchewan, moving up to the "Leaders" level in 2019.

Sask Wheat sponsored Farm and Food Care's Food Influencer Program in 2019. The program gives influencers

In addition to a sponsorship, Sask Wheat supported the Agriculture

Right: Sask Wheat Communications Manager Dallas Carpenter interacts with students during the Farm and Food Care Saskatchewan Student Farm Tour.



Expedition for Teachers program. The Agriculture Expedition was a hands-on agriculture tour for teachers designed to educate and motivate them to incorporate agriculture education in their classrooms.

Learn to Lead

In 2018, the Board of Directors of Sask Wheat supported the development of young farmers to take on leadership roles in agriculture by sponsoring SaskCanola's Learn to Lead program, which was held in November in Saskatoon.

The Learn to Lead program covers topics such as governance, quality decision making, etiquette training, owning your brand, media management, and stress management. The



program has gained a successful reputation within the province's agriculture sector and has graduated several farmers who have sought leadership positions within agriculture organizations.

Scholarships

In late 2015, the Board of Directors of Sask Wheat announced that it would be enhancing its wheat research and innovation activities with the introduction of undergraduate and graduate scholarships for students at the University of Saskatchewan's College of Agriculture and Bioresources.

Since then, Sask Wheat has provided \$10,000 annually in undergraduate scholarships and \$100,000 annually in graduate scholarships. The graduate scholarships have helped the U of S's Crop Development Centre (CDC) support master's and PhD graduate students, which has enhanced the CDC's wheat research and development program.

For the fourth consecutive year, recipients of the Sask Wheat undergraduate scholarships were recognized at the College of Agriculture and Bioresources' Bean Feed event. To be eligible for the undergraduate scholarship, students must be enrolled in an undergraduate degree program specializing in an area of study that could have an impact on the wheat industry. In 2018, students James Macaskill (2nd year), Bryce Maxwell (3rd year), Jenna Olson (4th year), and Brette Poliakiwski (2nd year) each received a \$2500 award from Sask Wheat.

In addition, graduate students Zelalem Taye, a PhD candidate, and Lindsay Wileniec, an MSc candidate, received Sask Wheat Post-Graduate Scholarships.



Top: Sask Wheat Undergraduate Scholarship recipient Bryce Maxwell with Sask Wheat Director Ken Rosaasen.

Bottom: Sask Wheat Undergraduate Scholarship recipient Jenna Olson with Sask Wheat Director Ken Rosaasen.

Dr. Gurcharn Brar, Sask Wheat Graduate Scholarship Recipient

The first PhD student to receive a Sask Wheat graduate scholarship was Gurcharn Brar. In March 2019, he successfully defended his thesis, Characterization of Resistance to Fusarium Head Blight in Bread and Durum Wheat, and received his PhD from the U of S. Gurcharn originally came from Punjab, India where he received a BSc from the Punjab Agricultural University.



Above: Dr. Gurcharn Brar, recent graduate of the University of Saskatchewan's Agriculture and Bioresources and Sask Wheat graduate scholarship recipient.

"I saw stripe rust for the first time in our wheat crop when I was a high-school student," he said. "I didn't know what it was, but it intrigued me for sure. I was lucky to get admission at the University of Saskatchewan to start my grad school and start research on stripe rust for my master's."

Part of Gurcharn's PhD project was to study characteristics of CDC hard red spring wheat varieties that had been cross-bred with the Chinese variety Sumai 3, the best-known source for FHB resistance.

"(CDC wheat breeder) Pierre Hucl developed the material in two varieties' backgrounds, CDC Go and CDC Alsask, where he brought in three genes from Sumai 3, Fhb1, Fhb2, and Fhb5, for fusarium resistance," said Gurcharn. "My goal was to focus on how these genes, in Canadian Hard Red Spring Wheat, affect disease suppression, mycotoxin (DON) accumulation, as well as linkage drag (bringing along unwanted genes which have a detrimental effect on agronomy & end-use quality)."

Gurcharn's PhD also had him work with CDC durum wheat breeder Curtis Pozniak on building some FHB resistance in elite durum wheat. Gurcharn crossed emmer wheat, a relative of durum that has a moderate level of FHB resistance, with susceptible elite durum wheat to map genes showing FHB resistance that have the potential to be used in future durum breeding programs.

Gurcharn's aptitude and hard work in studying FHB and stripe rust in wheat, not to mention his training under the renowned breeders and pathologists at the CDC, earned him several honors and allowed him to publish several academic papers. As a result, he is well known and is now sought after by several institutions.

The next step in Gurcharn's career will be as an assistant professor at the University of British Columbia. While he is leaving Saskatchewan, it is clear the province has had a major impact on him.

"I love Saskatchewan more than any other province," he says. "And I like to say that I am in a long-term relationship with wheat and stripe rust." ♦

Fusarium Head Blight Risk Maps
Fusarium head blight (FHB) remains a major problem for wheat producers in Saskatchewan. FHB can strike quickly and can have a major impact

Communications: Producer Resources

on yield and grade while potentially leading to the development of the mycotoxin deoxynivalenol, or DON, which can impact the export prospects for Canadian wheat.

To help wheat producers manage FHB, Sask Wheat continues to provide FHB risk maps. The risk maps are compiled by Weather Innovations, which has hundreds of weather stations throughout the province used to collect data. The Sask Wheat website hosts the maps, which are updated daily during June and July.

The Sask Wheat website has a number of resources in addition to the risk maps to assist producers with FHB management. Sask Wheat works closely with cereals and crop disease

specialists from the Saskatchewan Ministry of Agriculture and the University of Saskatchewan to provide producers with the latest information to help them manage FHB outbreaks, such as growing varieties of wheat with improved FHB resistance and scouting fields daily when wheat is at the heading stage.

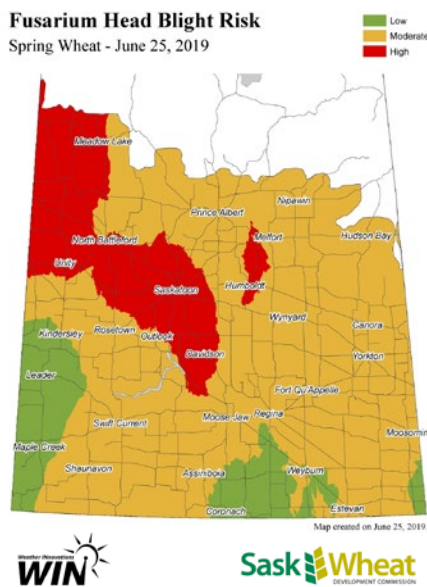
Wheat Midge Maps

Sask Wheat partners with the Saskatchewan Ministry of Agriculture, the Saskatchewan Crop Insurance Corporation, and Agriculture and Agri-Food Canada to produce the annual wheat midge forecast maps. The maps are based on data collected from the Sask Wheat-funded wheat midge survey, which consists of soil sampling approximately 450 sites in September and October, followed by processing and analysis.

A timely forecast map provides producers with information they can use to make cropping decisions to reduce the risks associated with a midge outbreak. These decisions include having a good crop rotation, growing a variety of midge tolerant wheat, and considering the use of an insecticide.

Durum Production Manual

Sask Wheat partnered with several organizations to create a comprehensive guide to durum production in Canada. The Durum Production Manual, which Sask Wheat hosts on our website, promotes the sustainable production of durum wheat on the Canadian Prairies and enables Canadian producers to provide a consistent supply of high quality durum wheat to international and domestic markets. ◆



Above: An example of the Sask Wheat fusarium head blight risk maps, which are published in June and July.

Right: Fusarium infected wheat in a field near Davidson, Saskatchewan.



Saskatchewan Wheat Development Commission

Audited Financial Statements for the year ended July 31, 2019

Independent Auditors' Report

To the Board of Directors of Saskatchewan Wheat Development Commission

Qualified Opinion

We have audited the financial statements of Saskatchewan Wheat Development Commission, which comprise the statement of financial position as at July 31, 2019, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Saskatchewan Wheat Development Commission as at July 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The commission collects a levy from Saskatchewan producers through buyers of wheat, the completeness of which is not susceptible of satisfactory audit verification. It was not practical for us to verify whether all buyers of wheat produced in Saskatchewan have collected and remitted the required levy to the commission. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the commission. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses and cash flows from operations for year ended July 31, 2019, current assets as at July 31, 2019 and July 31, 2018, and net assets at both the beginning and end of the July 31, 2019 and July 31, 2018 years. The audit opinion on the financial statements for the year ended July 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements*

section of our report. We are independent of Saskatchewan Wheat Development Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance to these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The financial statements as at July 31, 2018 and for the year then ended were audited by other auditors who expressed a qualified opinion on those statements in their report dated November 7, 2018.

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

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

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

Those charged with governance are responsible for overseeing Saskatchewan Wheat Development Commission's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is

not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Saskatchewan Wheat Development Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Saskatchewan Wheat Development Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Saskatchewan Wheat Development Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

November 25, 2019
Saskatoon, Saskatchewan



Chartered Professional Accountants

Saskatchewan Wheat Development Commission

Statement Of Financial Position as at July 31, 2019

With comparative information for 2018

ASSETS

	2019	2018
CURRENT:		
Cash and cash equivalents	\$ 1,966,674	\$ 2,085,604
Short-term investments (Note 3)	5,133,119	4,606,158
Accounts receivable (Note 4)	1,545,744	1,387,907
Prepaid expenses	108,552	38,265
	8,754,089	8,117,934
LONG-TERM INVESTMENTS (Note 3)	20,743,286	14,802,568
CAPITAL ASSETS (Note 5)	22,961	20,651
	\$ 29,520,336	\$ 22,941,153

LIABILITIES


CURRENT:		
Accounts payable and accrued liabilities (Note 6)	\$ 2,009,280	\$ 1,263,289

NET ASSETS

INTERNALLY RESTRICTED (Note 2)	1,875,300	1,875,300
UNRESTRICTED	25,635,756	19,802,564
	27,511,056	21,677,864
	\$ 29,520,336	\$ 22,941,153

COMMITMENTS (Notes 8, 9)

APPROVED BY THE BOARD:





Saskatchewan Wheat Development Commission

Statement Of Operations for the year ended July 31, 2019

With comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
REVENUE:			
	<i>(unaudited)</i> <i>(Note 13)</i>		
Producer check-off fees <i>(Note 7)</i>			
Fees	\$ 11,000,000	\$ 14,086,976	\$ 11,511,720
Refunds	(770,000)	(1,019,187)	(757,375)
Net	10,230,000	13,067,789	10,754,345
Interest and investment income	-	503,548	304,813
Other <i>(Note 10)</i>	-	191,521	30,400
	10,230,000	13,762,858	11,089,558
EXPENSES:			
Research			
Research projects <i>(Note 10)</i>	5,160,000	4,684,341	2,855,988
Research management and consulting	95,000	96,731	18,926
Market development <i>(Note 10)</i>	1,516,500	1,282,808	1,223,219
Communications and advocacy			
Producer engagement	708,000	508,954	414,065
Policy, advisory, and advocacy	375,930	54,295	43,930
Governance			
Directors	153,500	128,347	105,416
Election	-	5,393	100,099
Meetings	25,000	13,149	15,956
Other governance <i>(Note 10)</i>	10,000	6,901	15,762
Operations and administration			
Service contracts	127,830	121,055	119,554
Wages and benefits <i>(Note 10)</i>	760,000	841,450	678,486
Rent	75,000	74,659	70,662
General and administrative	89,000	68,610	62,778
Staff travel	45,000	30,777	23,483
Amortization of equipment	-	12,196	13,405
	9,140,760	7,929,666	5,761,729
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 1,089,240	\$ 5,833,192	\$ 5,327,829

Saskatchewan Wheat Development Commission

Statement Of Changes In Net Assets for the year ended July 31, 2019

With comparative information for 2018

	Internally Restricted	Unrestricted	2019 Total	2018 Actual
BALANCE – BEGINNING OF YEAR	\$ 1,875,300	\$ 19,802,564	\$ 21,677,864	\$ 16,350,035
Excess of revenue over expenses for the year	-	5,833,192	5,833,192	5,327,829
BALANCE – END OF YEAR	\$ 1,875,300	\$ 25,635,756	\$ 27,511,056	\$ 21,677,864



	2019	2018
OPERATING ACTIVITIES:		
Excess of revenue over expenses for the year	\$ 5,833,192	\$ 5,327,829
Changes to income not involving cash:		
Amortization of equipment	12,196	13,405
	5,845,388	5,341,234
Changes in non-cash working capital items:		
Accounts receivable	(157,837)	(485,187)
Prepaid expenses	(70,287)	(32,877)
Accounts payable and accrued liabilities	745,991	218,729
	517,867	(299,335)
Total from operating activities	6,363,255	5,041,899
INVESTING ACTIVITIES:		
Purchases of equipment	(14,506)	(9,303)
Net purchases of investments	(6,467,679)	(6,308,651)
Total used by investing activities	(6,482,185)	(6,317,954)
DECREASE IN CASH AND EQUIVALENTS FOR THE YEAR	(118,930)	(1,276,055)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	2,085,604	3,361,659
CASH AND EQUIVALENTS, END OF YEAR	\$ 1,966,674	\$ 2,085,604
CASH AND EQUIVALENTS CONSISTS OF:		
Cash	1,964,116	1,085,589
Investment savings account	2,558	1,000,015
	\$ 1,966,674	\$ 2,085,604

1. AUTHORITY:

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. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

a) Revenue recognition:

Producer check-off fees are recognized upon receipt of the Buyer's report. Refunds are recognized when refund applications are received from producers and the requested refund has been agreed to check-off records.

The Commission follows the deferral method of accounting for contributions, which include government funding and grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in

deferred contributions. 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.

Interest and investment income are recognized as they are earned.

b) Cash and cash equivalents:

Cash and cash equivalents consist of balances with banks and short-term investments with maturities of three months or less.

c) Capital assets:

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%.

d) Income taxes:

The Commission qualifies as a tax exempt organization under section 149 of the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES:

continued from previous page

e) Internally restricted net assets:

The Commission has internally restricted net assets totalling \$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).

f) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates include, but are not limited to, the valuation of accounts payable, the useful lives of capital assets, and accruals for certain revenues and expenses.

g) Contributions in-kind:

Contributions in-kind are recorded at fair value for goods or services only when a fair value can be reasonably estimated and when the goods or

services are used in the normal course of operations and would otherwise have been purchased.

h) Administration contract expense:

Administration contract expense is a fee charged by the Agriculture Council of Saskatchewan Inc. ("ACS"), to the Commission for administering the check-off fee program. The fee includes a charge for time spent by ACS staff and a share of ACS's overhead costs. The expense is recognized as the service is received.

i) Financial instruments:

The Commission initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in debt and equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash, and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. The fair value of the cash, accounts receivable, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

3. INVESTMENTS:

		2019		2018	
	Years to Maturity	Market Value (\$)	Yield to Maturity (%)	Market Value (\$)	
Short-term:					
Guaranteed investment certificates (cost 2019 - \$5,106,675; 2018 - \$4,574,381)	1	\$ 5,133,119	1.40 - 2.30	\$ 4,606,158	
		\$ 5,133,119		\$ 4,606,158	
Long-term:					
Guaranteed investment certificates (cost 2019 - \$20,591,563; 2018 - \$14,704,863)	2 - 5	\$ 20,743,286	1.60 - 3.23	\$ 14,802,568	
		\$ 20,743,286		\$ 14,802,568	

4. ACCOUNTS RECEIVABLE:

The accounts receivable balance consists of the following:

	2019		2018	
Levies receivable	\$	1,479,435	\$	1,387,907
Canadian Wheat Research Coalition service contract		66,309		-
	\$	1,545,744	\$	1,387,907

5. CAPITAL ASSETS:

The capital assets balance consists of the following:

	2019			2018		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value		
Computer equipment	\$ 44,449	\$ 29,848	\$ 14,601	\$ 7,826		
Office furniture	51,057	42,697	8,360	12,825		
	\$ 95,506	\$ 72,545	\$ 22,961	\$ 20,651		

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

The accounts payable and accrued liabilities balance consists of the following:

	2019	2018
Levy refunds payable	\$ 1,019,242	\$ 758,558
Trade payables	690,921	454,288
Vacation payable	62,882	29,820
GST payable	3,033	-
Accrued payables	233,202	20,623
	\$ 2,009,280	\$ 1,263,289

7. PRODUCER CHECK-OFF FEES:

Under the Regulations, each buyer of wheat is required to remit to the Commission a check-off fee of \$1.00/tonne (2018 - \$1.00/tonne) of wheat marketed upon final settlement to producers. Producers can request a refund of check-off fees paid from August 1 to July 31 by submitting a refund application by August 31 of the following fiscal year.

8. LEASE COMMITMENTS:

The Commission is committed under a lease agreement for its premises at 310 – 111 Research Drive. The agreement expires on November 30, 2020. The required minimum annual lease payments are as follows:

Year ending July 31:	
2020	74,822
2021	24,941

9. RESEARCH COMMITMENTS:

The Commission is committed to funding research and development projects over several years to benefit the wheat industry. Annual payments due in each of the next four years are as follows:

Year ending July 31:	
2020	3,506,077
2021	2,012,066
2022	1,194,559
2023	264,471

10. EXPENSE RECOVERIES:

Included in other revenue are cost recoveries for expenses that the Commission incurred on behalf of other organizations as follows:

Organization	Recovery amount	Expense category
Canadian Wheat Research Coalition	\$ 173,915	Wages and benefits
Cereals Canada	9,649	Market development
Government of Saskatchewan	7,600	Research projects
Canadian Grains Commission	357	Other governance
	\$ 191,521	

11. RELATED PARTY TRANSACTIONS:

During the year ended July 31, 2019 members of the Commission's elected Board of Directors received payments for per diems and expenses of \$128,347 (2018 - \$105,416). All related party transactions are measured at carrying amounts.

12. FINANCIAL INSTRUMENTS:

The Commission as part of its operations carries a number of financial instruments. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

The Commission is exposed to credit risk from potential non-payment of accounts receivable. Most of the accounts receivable were collected shortly after year-end.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Commission is exposed to interest rate risk on its fixed income investments.

13. BUDGET:

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

14. COMPARATIVE FIGURES:

Certain July 31, 2018 comparative figures have been reclassified to conform to the presentation adopted for the current year.

PAYEE LIST

The Agri-Food Council requires Saskatchewan Wheat Development Commission to disclose in their annual report significant payments made over the course of the year. Payments made to a single organization in excess of specified thresholds for certain classifications are as follows:

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

Board of Directors (all amounts included)

	Honorariums	Expenses	Communication Allowance	Total
Bill Gehl	\$ 5,950	\$ 3,149	\$ 500	\$ 9,599
Brett Halstead	11,250	7,342	500	19,092
Dan R. Danielson	13,775	2,973	500	17,248
Jake Leguee	7,050	3,445	500	10,995
Ken Rosaasen	10,000	3,464	500	13,964
Laura Reiter	24,150	11,376	500	36,026
Scott Hepworth	12,650	8,273	500	21,423
	\$ 84,825	\$ 40,022	\$ 3,500	\$ 128,347

Extension (threshold \$5,000)

Canadian Agricultural Safety Association	\$ 10,000
Canadian Centre for Food Integrity	\$ 5,000
Canadian Centre for Health & Safety in Ag	\$ 10,000
CropSphere	\$ 21,000
Farm & Food Care Saskatchewan	\$ 7,500
Harvard Broadcasting Inc.	\$ 9,020
Mercantile Consulting Venture Inc.	\$ 11,040
Pulse Canada	\$ 66,667
SeCan	\$ 11,500
Sprayers101.com	\$ 10,000
University of Saskatchewan	\$ 137,750
Weather Innovations Consulting LP	\$ 22,700

Policy/Advisory/Advocacy (threshold \$5,000)

Agriculture in the Classroom	\$ 27,500
Canada Grains Council	\$ 9,000
Farm & Food Care Saskatchewan	\$ 21,000

PAYEE LIST CONTINUED

Research & Development (threshold \$5,000)

Agriculture & Agri-Food Canada	\$	709,391
Agriculture Food and Rural Development	\$	73,155
Canadian Wheat Research Coalition	\$	1,221,700
East Central Research Foundation	\$	188,460
IHARF	\$	56,703
National Research Council of Canada	\$	268,881
NE Agricultural Research Foundation	\$	51,405
Organic Federation of Canada	\$	6,210
Prairie Agricultural Machinery Institute	\$	156,281
Sask. Soil Conservation Association Inc.	\$	7,249
Saskatchewan Variety Performance Group	\$	69,844
SeCan	\$	53,919
Sharon Nowlan	\$	18,565
The Governors of University of Alberta	\$	93,088
The University of Lethbridge	\$	13,644
University of Saskatchewan	\$	1,416,121
University of Alberta	\$	19,350
University of Manitoba	\$	147,213
Western Grains Research Foundation	\$	149,970

Media & Communications (threshold \$5,000)

Big Fish Media Inc.	\$	9,368
Canada Post	\$	44,203
Jeff's Crestwear	\$	11,333
Saskatoon Fastprint	\$	42,683
The Western Producer	\$	19,664

Market Development (threshold \$20,000)

Cereals Canada	\$	235,544
CIGI	\$	954,527
Mercantile Consulting Venture Inc.	\$	77,175

Supplier Payments (threshold \$20,000)

Agriculture Council of Saskatchewan Inc.	\$	109,756
Innovation Place	\$	82,041

Other Payments (threshold \$20,000)

VDC Virtual Data Corp.	\$	18,431
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Independent Practitioner's Reasonable Assurance Report On Compliance

To the Board of Directors of Saskatchewan Wheat Development Commission:

We have undertaken a reasonable assurance engagement of Saskatchewan Wheat Development Commission's compliance during the period August 1, 2018 to July 31, 2019, with the provisions of the following legislative and related authorities ("the Agreements") pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities.

- The Agri-Food Act, 2004
- The Wheat Development Plan Regulations
- Commission Orders No. 01/13 to 08/17

Management's Responsibility

Management is responsible for Saskatchewan Wheat Development Commission's compliance with the specified requirements of the Agreements. Management is also responsible for such internal control as management determines necessary to enable Saskatchewan Wheat Development Commission's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Saskatchewan Wheat Development Commission's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Canadian Standard on Assurance Engagements 3531, *Direct Engagements to Report on Compliance*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves

performing procedures to obtain evidence about the entity's compliance with the specified requirements.

The nature, timing and extent of procedures selected depends on our professional judgement, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

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

Our Independence and Quality Control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

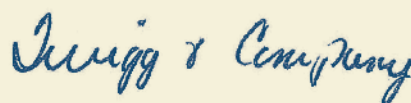
The firm applies the Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, Saskatchewan Wheat Development Commission has complied with the specified requirements established in the Agreements during the period of August 1, 2018 to July 31, 2019, in all significant respects. We do not provide a legal opinion on Saskatchewan Wheat Development Commission's compliance with the specified requirements.

November 25, 2019

Saskatoon, Saskatchewan



Chartered Professional Accountants

Independent Auditors' Report

To the Board of Directors of Saskatchewan Wheat Development Commission:

We have audited Saskatchewan Wheat Development Commission's control as of July 31, 2019 to express an opinion as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

Management's Responsibility

The Organization's management is responsible for maintaining effective control over the objectives stated above.

Auditors' Responsibility

Our responsibility is to express an opinion based on our audit as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

We used the control framework developed by the Chartered Professional Accountants of Canada ("CPA Canada") to make our judgments about the effectiveness of Saskatchewan Wheat Development Commission's control. We did not audit certain aspects of control concerning the effectiveness, economy and efficiency of certain management decision-making processes.



Independent Auditors' Report

CPA Canada defines controls 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 conducted our audit in accordance with the standard for audits of internal control over financial reporting set out in the CPA Canada Handbook – Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance as to the effectiveness of Saskatchewan Wheat Development Commission's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

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

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement 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 become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

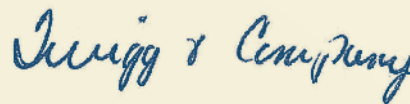
Opinion

In our opinion, based on the limitations noted above, Saskatchewan Wheat Development Commission's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2019 based on the CPA Canada criteria of control framework.

We have also audited, in accordance with Canadian generally accepted auditing standards, the financial statements of Saskatchewan Wheat Development Commission, which comprise the statement of financial position as at July 31, 2019, and the statements of operations, change in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have issued our report dated November 25, 2019 which is the same date as the date of the report on the effectiveness of internal controls.

November 25, 2019
Saskatoon, Saskatchewan



Chartered Professional Accountants





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Sask  Wheat
DEVELOPMENT COMMISSION