



ANNUAL REPORT **2021-2022**



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INTRODUCTION

Formed in 2017, the Canadian Wheat Research Coalition (CWRC), is a collaboration between the three prairie wheat producer groups — **the Alberta Wheat Commission, the Saskatchewan Wheat Development Commission (Sask Wheat), and the Manitoba Crop Alliance.**

The CWRC facilitates 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 breeding agreements with Agriculture and Agri-Food Canada and the western universities. Additional regional projects that align with wheat variety development and agronomic priorities are also considered for funding through the CWRC.

CWRC is administered by a host commission, which rotates every three years. Hosting duties resided with the Alberta Wheat Commission for fiscal year 2021-22.





CHAIR'S MESSAGE

As the final year of my tenure as chair is concluding, I'd like to take a moment to reflect both on 2022's achievements and the past five notable years since the infancy of the Canadian Wheat Research Coalition (CWRC).

This organization started as a collaboration between the Alberta Wheat Commission (AWC), Saskatchewan Wheat Development Commission (Sask Wheat) and Manitoba Crop Alliance (MCA) with the aim of improving the net relative profitability of wheat for western Canadian producers. Today, I believe we have made great strides in the wheat research community to-date and have established ourselves as a key leader in this arena.

Since CWRC's launch, the organization has made a fingerprint on the agriculture research network within a brief period. Just a couple of highlights to showcase CWRC's impact — investment in three major core breeding agreements (CBAs), including the addition of the University of Manitoba as of this year, investment and publication of the wheat return on investment study, conducted by Dr. Richard Gray and sustaining our collaborative and farmer-led approach.

A large portion of CWRC's scope is the execution of CBAs to continue investment in wheat cultivars that provide farmers increased yield potential, resistance to priority diseases and pests.

In August 2021, the CWRC committed funding to a CBA with the University of Manitoba (UM). Valued at over \$3.5 million over five years, this agreement will ensure the continuation of the successful Fusarium head blight (FHB) nursery program, along with the winter wheat breeding program.

Since 2017, CWRC has invested more than \$41 million over five years on three core breeding agreements (CBAs). The UM agreement represents the fourth and final core funding agreement with the public wheat breeding programs in Western Canada. Previously announced agreements included \$22.6 million to Agriculture and Agri-Food Canada (AAFC), \$9.6 million to the University of Saskatchewan's Crop Development Centre, and \$2 million to the University of Alberta. CBAs provide variety development capacity to deliver field-ready varieties farmers can rely on to address common challenges they face at the farmgate.

As many are aware agricultural research is a long game, filled with many unknowns and shifting priorities, CWRC is proud to be a major supporter of our researchers to increase capacity while providing sound, long-term funding to their programs. With these

longstanding investments, it's paramount for CWRC to provide value and return on investment for our farmers.

Well, to quantify the investment efforts CWRC, Western Grains Research Foundation (WGRF) and Saskatchewan Winter Cereals Development Commission (SWCDC) have made in western Canadian wheat breeding over the past 27 years, a study was conducted during 2021. The study was completed by Dr. Richard Gray and Dr. Katarzyna Bolek-Callbeck to update the previous studies that examined wheat farmers' return on investment (ROI) for wheat varietal development.

According to this new study, western Canadian farmers have received nearly \$33 in return through varietal improvement for every dollar they invested in wheat breeding. The study solidifies CWRC's drive and persistence while validating our investments on wheat breeding for the benefit of our collaborating commissions' membership.

In the past five years, the CWRC has not been immune to transitions. CWRC's first President, was Harvey Brooks of Sask Wheat and the position moved to Lauren Comin of AWC last year. Lauren has since moved to a different role in the industry and her position has been filled on an interim basis by Tom Steve of AWC. We thank Lauren for her commitment and passion for wheat research while being an integral part during CWRC's start-up years.

Finally, I'd like to thank the board of directors who have guided this process for the past five years. All of you have played an integral part of the success of CWRC and its leadership status in the agricultural research community.

CWRC is a prime example of how impactful collaboration can provide synergies, address challenges, and facilitate a conducive research environment to make farmers' dollars go further. I am proud of this coalition and all of its efforts to have farmers at the research table to articulate their research needs in developing high quality wheat cultivars for Western Canada and funding critical agronomic research. We know we have a lot more work to do, but we are making strides in the right direction and building momentum. I look forward to seeing how CWRC can grow stronger and more influential in the years to come!

**Since 2017,
CWRC has
invested more
than \$41 million
over five years on
three core breeding
agreements (CBAs).**



MESSAGE FROM THE PRESIDENT



When I look back on the groundwork that led to the formation of the Canadian Wheat Research Coalition (CWRC) in 2017 I'm amazed at how far we've come since then.

Prior to the scheduled end to the Western Canadian Deduction (WCD) on July 31, 2017, the three prairie wheat commissions came together to develop a go forward plan to ensure farmer-funded wheat research would make a seamless transition. At the time, funding for public variety development of wheat was the responsibility of the Western Grains Research Coalition (WGRF).

This transition was no small endeavor, especially when you consider that all three commissions, the Alberta Wheat Commission (AWC), Manitoba Crop Alliance (MCA, formerly the Manitoba Wheat and Barley Growers Association) and Saskatchewan Wheat Development Commission (Sask Wheat) had been in operation for less than five years at the time.

I think it's fair to say that we have met or even exceeded our goals for CWRC. We collaborated with WGRF on finalizing the 2018-2023 Canadian National Wheat Cluster and currently administer the cluster. We have also concluded four core breeding agreements with Canada's major wheat research institutions:

- \$22.6 million to Agriculture and Agri-Food Canada (AAFC);
- \$9.6 million to the University of Saskatchewan's Crop Development Centre;
- \$2 million to the University of Alberta; and
- \$3.5 million to the University of Manitoba (UM).

The University of Manitoba CBA was concluded in 2021 and is the final piece of the puzzle among the four core agreements. It will ensure the continuation of Canada Western Red Winter (CWRW) germplasm development and breeding. In addition, it secures capacity for evaluating lines for their genetic resistance to Fusarium head blight (FHB), which is utilized by all spring wheat breeding programs in Western Canada and winter wheat programs at AAFC Lethbridge and UM.

Other highlights of the 2021-22 fiscal year included the release

of a study by Dr. Richard Gray and Dr. Katarzyna Bolek-Callbeck of the University of Saskatchewan highlighting the return on investment (ROI) of producer check-off dollars in wheat variety development. Their findings are outlined in more detail in this annual report.

Following the signing of the new five-year agricultural policy framework by Federal-Provincial-Territorial ministers of agriculture in Saskatoon on July 2022 in Saskatoon, the countdown is on for programming that will fall under the new

Sustainable Canadian Agricultural Partnership (SCAP) that will come into force on April 1, 2023. The \$3.5 billion program replaces the existing Canadian Agricultural Partnership (CAP).

Foremost among the priorities of CWRC is the development of a new 2023-2028 Canadian National Wheat Cluster. A tremendous amount of work goes into the planning, development and ultimate submission of a cluster proposal by CWRC which is expected by the end of calendar 2022. This project is being spearheaded by cluster lead Sask Wheat

in collaboration with staff of the Alberta Wheat Commission (AWC), Manitoba Crop Alliance (MCA) and the Canadian Field Crop Research Alliance (CFCRA).

We are hopeful that the new cluster with its three pillars of Climate Change & Environment, Economic Growth & Development and Sector Resilience & Societal Challenges will produce research that builds on the success of past clusters in contributing to farmers' growth, prosperity and competitiveness.

Finally, I would like to thank Dr. Lauren Comin for her service as President and all of her contributions to CWRC from the initial planning stages. I would also like to thank Fred Greig of the Manitoba Crop Alliance, our outgoing Chair. Finally, I thank you to Sask Wheat for their leadership and administration of the cluster as well as providing financial and administrative services to CWRC on an ongoing basis. AWC is proud to serve as host commission.

**I think it's
fair to say
that we have
met or even
exceeded our
goals for CWRC.**

BOARD OF DIRECTORS



CWRC is governed by a board of directors comprised of eight wheat farmers who represent three western Canadian wheat producer organizations – Alberta Wheat Commission, Saskatchewan Wheat Development Commission, and the Manitoba Crop Alliance. Additionally, the board includes an operational President from the host commission. The board guides the strategic course of CWRC and provides meaningful input to research directives that will enhance farmers’ long-term competitiveness.



FRED GREIG

Chair

Manitoba Crop Alliance



JAKE LEGUEE

Vice-Chair

Saskatchewan Wheat
Development Commission



JASON LENZ

Secretary/Treasurer

Alberta Wheat Commission



RYAN HUEGING

Manitoba Crop Alliance



DEAN HUBBARD

Alberta Wheat Commission



ROB STONE

Saskatchewan Wheat
Development Commission



JASON SAUNDERS

Alberta Wheat Commission



JOCELYN VELESTUK

Saskatchewan Wheat
Development Commission



TOM STEVE

Interim -President
Alberta Wheat Commission



CWRC ACTIVITIES



Core breeding agreements

Core breeding agreements (CBAs) are an integral piece of the Canadian wheat variety development system. CBAs provide stability and long-term assurance that major wheat breeding institutes across Canada will have the support needed to advance wheat genetics. CWRC invests in CBAs to enable a cohesive network of institutions across Western Canada that have prairie farmers' needs as their primary focus.

The past year saw the execution of a final CBA, solidifying CWRC's position as a leader in western Canadian wheat breeding:

UNIVERSITY OF MANITOBA
\$3.5 MILLION
(2021-2026)

In CWRC's final CBA with the University of Manitoba (UM), there are two distinct areas of work to round out the breeding and breeding collaborations in western Canada. The first area of work focuses on Canada Western Red Winter (CWRW) germplasm development and breeding. This breeding program is now being led by Dr. Curt McCartney, the successor to recently retired, Dr. Anita Brûlé-Babel. The second major area of work covered under the UM CBA is coordination of a *Fusarium graminearum* testing nursery to evaluate breeding lines for their genetic resistance to *Fusarium* head blight (FHB). This FHB testing nursery screens lines from all spring wheat breeding programs in western Canada along with winter wheat lines from the University of Manitoba and AAFC-Lethbridge.

The University of Manitoba's CBA complements CWRC's existing CBAs with Agriculture and Crop Development Centre (2020 - 2024), Agriculture and Agri-Food Canada (2020/2021 - 2024/2025), University of Alberta (2021 - 2026):

AGRICULTURE AND AGRI-FOOD CANADA
\$22.6 MILLION
(2020/2021 - 2024/2025)

CWRC's CBA with Agriculture and Agri-Food Canada (AAFC) continues to show value to growers. The investment provides core support to a longstanding and successful wheat breeding program. This agreement contributes to the development of wheat cultivars with enhanced yield potential, resistance to priority diseases such as *Fusarium* head blight, rusts, and resistance to pests such as the orange wheat blossom midge and wheat stem sawfly. The AAFC program concentrates on developing wheat varieties in the Canadian Western Red Spring, Canadian Western Amber Durum, Canadian Prairie Spring Red, Canada Western Soft White Spring, and Canada Western Red Winter classes.

UNIVERSITY OF ALBERTA
\$2 MILLION
(2021 - 2026)

The University of Alberta's (U of A) CBA with CWRC aims to develop three to five registered wheat varieties focusing on the traits of early maturity, shorter straw stalk, and resistance to stripe rust and *Fusarium* head blight, all of which are key priorities of northern Alberta's Parkland region where the program is located. The program is led by principal investigator and well-known wheat breeder, Dr. Dean Spaner. Dr. Spaner recently announced his retirement, effective July 2023. CWRC wishes Dr. Spaner all the best in his next stage of life and we look forward to working with Dean's successor in the 2023 growing season.

CROP DEVELOPMENT CENTRE
\$9 MILLION
(2020 - 2024)

As CWRC's first CBA, the Crop Development Centre (CDC) at the University of Saskatchewan was signed in 2019. The CDC program is developing wheat varieties in the following classes: Canadian Western Red Spring, Canadian Northern Hard Red, Canadian Western Amber Durum, and Canadian Prairie Spring Red. To support variety development, the CDC's CBA also provides funding for marker assisted selection to help breeders "stack" resistance genes for rusts, FHB, seed dormancy, orange wheat blossom midge, wheat stem sawfly and end-use quality. Finally the CDC CBA provides financial support for the critical aspect of priority one disease resistance in wheat breeding and variety development.

Canadian National Wheat Cluster (2018-2023)

The CWRC administers the current Canadian National Wheat Cluster (Wheat Cluster) which is worth nearly \$25 million over five years. Activities funded through the Wheat Cluster address common issues that farmers face and will lead to improved wheat varieties and agronomic practices.

Funding for the Wheat Cluster comes from Agriculture and Agri-Food Canada through the Canadian Agricultural Partnership's AgriScience program and ten producer and private organizations from across Canada.

The Wheat Cluster program runs from 2018 to 2023. It has four theme areas, which guide the research funded through it:

- **Cultivar development to enhance competitiveness and sustainability**
- **Pre-breeding for future resistance to disease and insects**
- **Insect resistance to protect grain yield and quality**
- **Crop management to capture the genetic potential and minimize environmental footprint**

Activities within the current cluster are ongoing although unfortunately, progress was significantly affected by the COVID-19 global pandemic. The level of interruption varied significantly depending on the nature of the research (lab or field based) and the institution at which the bulk of the work is being carried out. Regardless, the research community, like the agriculture industry, is resilient and we are confident that progress will be made up over the coming years to achieve the original goals set out in the cluster.

As the final 2022 field season for the current Wheat Cluster wraps up, look for information in early 2023 about the advances which have been made as a result of these research investments.

Canadian National Wheat Cluster (2023-2028)

In anticipation of a successor program to Agriculture and Agri-Food Canada's - Canadian Agricultural Partnership's AgriScience program, CWRC has been actively preparing a new Canadian National Wheat Cluster (Wheat Cluster) which will begin in April 2023.

Officially announced on August 29, 2022, the CWRC will apply to the Sustainable Canadian Agricultural Partnership (SCAP) AgriScience Program - Cluster Component. Work on this application has been underway since 2021 when CWRC: i) called for Letters of Intent (LOIs), ii) narrowed down LOIs and requested full proposals from researchers, iii) evaluated full proposals by a through peer review process, further evaluation by a Science Advisory Body, and iv) further scrutinized proposals by funding organizations. CWRC is planning for a final Wheat Cluster application to be submitted in late 2022.

The Sustainable Canadian Agricultural Partnership's AgriScience Program runs from 2023 to 2028. It has three pillars, which guide the research funded through it:

- **Climate Change and Environment (making up at least 30% of the application budget)**
- **Economic Growth & Development**
- **Sector Resilience & Societal Challenges**

CWRC is working within these pillars to fund research that will advance producer priorities and ensure the greatest chance for another successful cluster.



Wheat Varietal Development Return on Investment Report

In 2021, The Canadian Wheat Research Coalition (CWRC), Western Grains Research Foundation (WGRF) and the Saskatchewan Winter Cereals Development Commission (SWCDC) worked with Dr. Richard Gray and Dr. Katarzyna Bolek-Callbeck at the University of Saskatchewan to update the previous return on investment (ROI) studies for wheat varietal development that were completed in 2005 and 2012 for WGRF.

According to the new study, western Canadian farmers have received nearly \$33 in return through varietal improvements for every dollar they invested in wheat breeding. This is a significant increase from the last study completed in 2012, which found a benefit-cost ratio of 20 to 1. With Western Canada now having 27 years of experience with producer investments in varietal development, we can get a clearer picture of the ROI as the benefits are spread over a few decades.



DR. RICHARD GRAY
University of Saskatchewan

The three farmer-led crop commissions comprising CWRC contribute a large portion of their budgets towards innovative research on farmers' behalf. Genetic and agronomic advancements to achieve maximum yields, and achieving a consistent end-use quality are properties on which the Prairie commissions base their research programming.

The completed study clearly indicates that farmer investment in public breeding programs is working and is providing substantive returns to farmers. The current information will allow CWRC and wheat commissions the ability to monitor and track the benefits of their investment strategy and adjust it to better utilize farmers' hard-earned dollars.

Only yield improvements were considered when calculating the benefits to farmers to keep the estimate as conservative as possible. Including other traits such as improved insect and disease resistance would have further increased ROI but are dependent on specific environmental conditions and are difficult to assess. Improvements in agronomic practices over the same period were also not included in the final ROI estimates.

The report also outlines that varietal development investments have a trickle-down benefit to all of society, with taxpayers reaping the returns, as well. Enhancing breeding capacity and maintaining funding relationships and budgets will be key to ensuring the continued success of farmer investments in varietal development moving forward.



Midge Tolerant Wheat

This year's campaign used some fun, engaging graphics to catch the attention of producers, retailers and agronomists. While the message remains the same, "There is No Plan B", this light approach allowed for a more serious conversation about the value of preserving the SM1 gene in Midge Tolerant Wheat varieties.

The entire campaign consisted of a social media advertising and engagement campaign, mass digital industry advertising, public relations articles, and emails sent directly to producers and retailers at key decision times in the crop production cycle. The variety of approaches continues to expose farmers to the message of urgency around Stewardship. Alberta Wheat & Barley and the provincial counterparts help amplify these campaigns with similar ads in their regular digital & print publications and sharing social posts with their audiences.

- **Social media (Twitter & YouTube) continues to prove it's worth by increasing the reach of the Stewardship messages at a very reasonable cost.**
- **Emails direct to farmers and retailers are opened at very high rates reassuring that this is an effective, efficient way to directly communicate with people responsible for Stewardship decisions. Emails are specifically timed to present information relevant for the stage in the crop production or marketing cycle.**

The coming year's campaign includes similar elements with an additional allocation for grower, retailer and training participant surveys. What started as an annual investment has recently become less frequent. The survey will provide insights into the acceptance and support of Stewardship principles. Anecdotal reports from the industry indicate that production may be moving to a new generation of decision makers who have less experience with or limited memory of the devastation of Wheat Midge on crops. This lack of awareness of the value of Midge Tolerant Wheat may cause producers and retailers, alike, to relax their adherence to the Stewardship requirements.

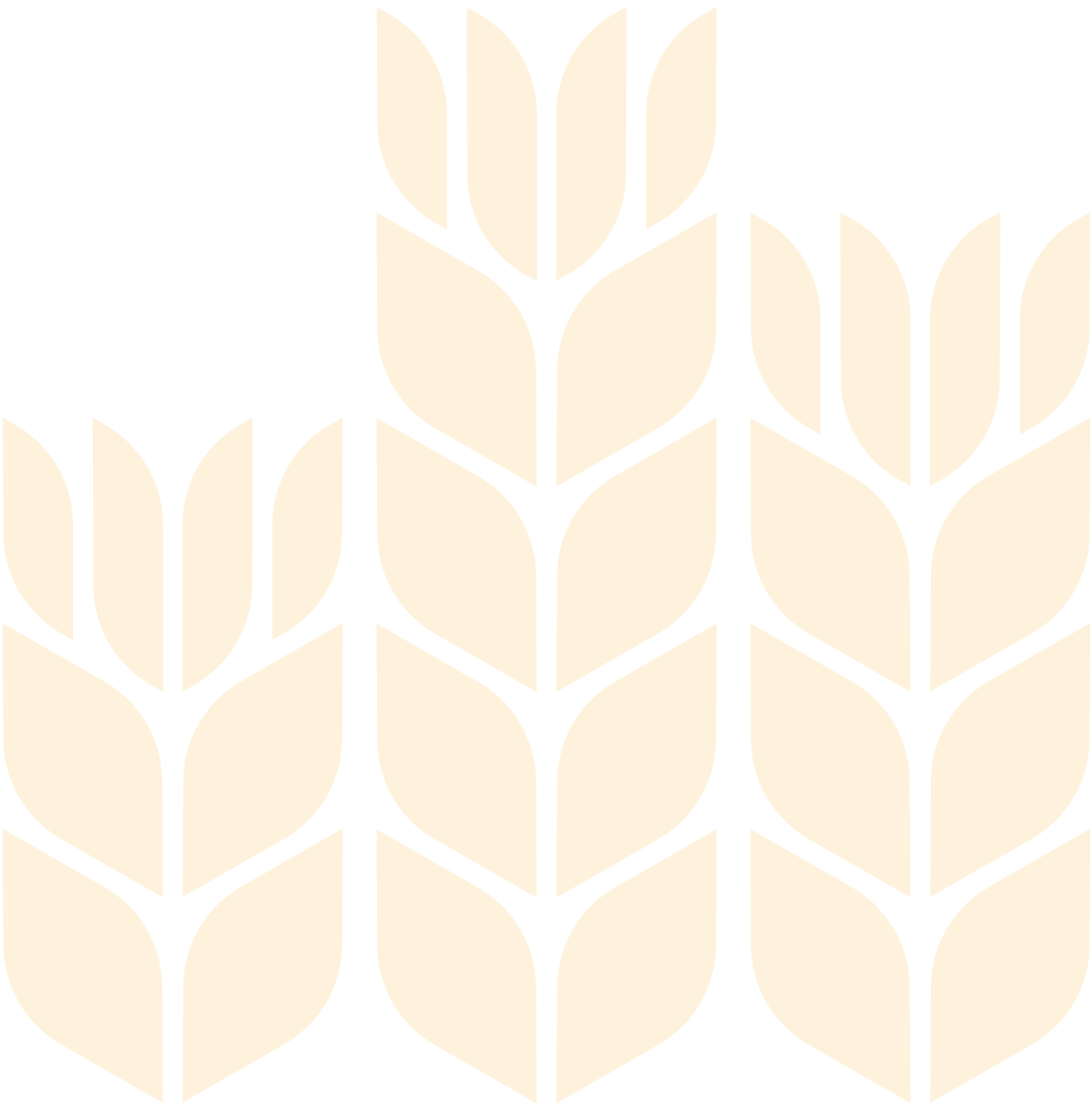
When everyone respects their responsibilities, the Midge Tolerant Wheat system is strong. We need everyone in the value chain to be committed to practicing good Stewardship.



Playful example of this year's campaign.

FINANCIALS

as of March 31, 2022





Independent auditor's report

To the Board of Directors of Canadian Wheat Research Coalition

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Wheat Research Coalition (the Coalition) as at March 31, 2022 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.

What we have audited

The Coalition's financial statements comprise:

- the statement of financial position as at March 31, 2022;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Coalition in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information obtained prior to the date of this auditor's report comprises the Other Information.

PricewaterhouseCoopers LLP
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T: +1 306 668 5900, F: +1 306 652 1315

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



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

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

Those charged with governance are responsible for overseeing the Coalition's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 misstatement 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 the Coalition'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 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 the Coalition's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Coalition 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.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
September 9, 2022

Canadian Wheat Research Coalition

Statement of Financial Position

As at March 31, 2022

	2022 \$	2021 \$
Assets		
Current assets		
Cash and cash equivalents	1,193,964	2,088,175
Accounts receivable	339,625	88,251
Prepaid expenses	500	-
	<hr/> 1,534,089	<hr/> 2,176,426
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	588,090	1,419,716
Deferred revenue (note 3)	391,416	478,870
	<hr/> 979,506	<hr/> 1,898,586
Net assets		
Unrestricted net assets (note 13)	<hr/> 554,583	<hr/> 277,840
	<hr/> 1,534,089	<hr/> 2,176,426
Commitments (notes 7, 8, 9, 10 and 11)		

Approved by the Board of Directors



Director



Director

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

Canadian Wheat Research Coalition
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2022

	2022	2021
	\$	\$
Revenue (note 12)		
Canadian Wheat Research Coalition		
Project contributions – CRDA (note 5)	1,716,029	1,223,004
Royalties – AAFC	252,900	-
Project contributions – Others	92,100	110,897
Interest income	2,252	8,928
Core Breeding		
Project contributions – AAFC-CBA (note 6)	4,410,000	4,300,000
Project contributions – CDC-CBA (note 6)	1,884,188	919,116
Project contributions – U of A CBA (note 6)	575,507	-
Project contributions – U of M CBA (note 6)	425,089	-
Canadian National Wheat Cluster		
Project contributions – AAFC (note 4)	867,251	882,508
Project contributions – Industry (note 5)	638,760	581,732
	<hr/>	<hr/>
	10,864,076	8,026,185
Expenses		
Research		
Research projects – AAFC-CBA (note 11)	4,410,000	4,300,000
Research projects – CDC-CBA (note 9)	1,884,187	919,116
Research projects – CRDA (note 7)	1,716,029	1,223,004
Research projects – CA (note 8)	1,227,874	1,193,533
Research projects – U of A CBA -CBA (note 11)	575,507	-
Research projects – U of M CBA (note 11)	425,089	-
Other research costs	-	6,000
Science coordination (note 10)	135,225	126,075
Operations and administration		
Service contracts (note 10)	93,122	36,360
Communications	85,934	48,856
Professional fees	31,317	26,186
General and administrative	3,049	4,180
Consulting fees	-	53,570
	<hr/>	<hr/>
	10,587,333	7,936,880
Excess of revenue over expenses for the year	276,743	89,305
Unrestricted net assets – Beginning of year	<hr/>	<hr/>
	277,840	188,535
Unrestricted net assets – End of year (note 13)	<hr/>	<hr/>
	554,583	277,840

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

Canadian Wheat Research Coalition

Statement of Cash Flows

For the year ended March 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	276,743	89,305
Changes in non-cash working capital items		
Accounts receivable	(251,374)	(2,180)
Accounts payable and accrued liabilities	(831,626)	754,861
Deferred revenue	(87,454)	438,380
Prepaid expenses	(500)	-
	<hr/>	<hr/>
Change in cash and cash equivalents during the year	(894,211)	1,280,366
Cash and cash equivalents – Beginning of year	<hr/> 2,088,175	<hr/> 807,809
Cash and cash equivalents – End of year	<hr/> 1,193,964	<hr/> 2,088,175

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

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2022

1 Nature of business

The Canadian Wheat Research Coalition (the Coalition or CWRC) was incorporated under the Canada Not-for-profit Corporations Act on August 9, 2017.

The purpose of the Coalition is to coordinate key research proposals aimed at improving the relative profitability and competitiveness of wheat for Western Canadian producers and to pursue research-led breakthroughs in science and agronomics that expand the relative competitiveness of wheat.

2 Summary of significant accounting policies

Basis of presentation

These financial statements include only the accounts of the Coalition's Canadian National Wheat Cluster Project and are presented in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents

Cash consists of cash balances with banks and demand deposits.

Revenue recognition

The Coalition follows the deferral method of accounting for project 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 in which the related expenses are recognized.

Interest income is recognized in the period in which it is earned.

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2022

Research project expenditures

Research project expenditures are recognized when the current year commitment to the research project is due under the terms of the research agreement.

Financial instruments

Financial assets and financial liabilities, consisting of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities, are initially recognized at fair value and subsequent measurement is at amortized cost. The Coalition 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 Deferred revenue

	March 31, 2021 \$	Revenue deferred \$	Revenue realized \$	March 31, 2022 \$
Canadian Research Wheat Coalition	316,167	38,000	187,969	166,198
Canadian National Wheat Cluster	162,703	62,515	-	225,218
	<u>478,870</u>	<u>100,515</u>	<u>187,969</u>	<u>391,416</u>
	March 31, 2020 \$	Revenue deferred \$	Revenue realized \$	March 31, 2021 \$
Canadian Research Wheat Coalition	-	316,167	-	316,167
Canadian National Wheat Cluster	40,490	122,213	-	162,703
	<u>40,490</u>	<u>438,380</u>	<u>-</u>	<u>478,870</u>

4 Contribution agreement – Agriculture and Agri-Food Canada

The Coalition signed a contribution agreement with Agriculture and Agri-Food Canada effective April 1, 2018 and ending March 31, 2023, with a maximum total contribution of \$4,311,047 to the Coalition, ranging from \$827,696 to \$882,508 per year. Any portion of the contribution not expended in each fiscal year will not be available in a subsequent fiscal year and will thereby reduce the amount of the total contribution. The contribution may be reduced or cancelled in the event that federal funding levels are changed by parliament during the term of the agreement. At any time before completion of the project, the agreement may be terminated with 60 days' written notice.

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5 Contribution agreement – Funding Agencies

The Coalition signed a funding agreement with the Alberta Wheat Commission, Canadian Field Crop Research Alliance, Manitoba Crop Alliance, Saskatchewan Wheat Development Commission, Saskatchewan Winter Cereals Development Commission, Western Grain Research Foundation and Winter Cereals Manitoba Inc. (the Funding Agencies). The agreement is effective April 1, 2018 and, unless terminated early, will expire upon satisfactory completion of all research reporting and payment obligations outlined in the agreement. The maximum total contributions to the Coalition will be \$11,056,341, ranging from \$2,101,784 to \$2,267,335 per year. Industry contributions received during the year ended March 31, 2022 are in the amount of \$701,275 (2021 - \$703,945).

The Funding Agencies have the right to withhold any payment of funds in the event that the research activity performance does not proceed in accordance with or conform to the agreement, or in the event that any report is not submitted to the Funding Agencies as outlined in the agreement, or the Coalition materially breaches the agreement and does not remedy the breach within 30 days. Either the Coalition or any funding agency may terminate the agreement, at any time and for any reason, upon 90 days' written notice.

6 Funding shares agreement – Wheat Breeding Research

The Coalition signed a funding shares agreement with the Saskatchewan Wheat Development Commission, Alberta Wheat Commission and Manitoba Crop Alliance in order to fulfill the budget and payment schedule requirements of the collaborative agreements on wheat breeding research between the Coalition and both the University of Saskatchewan Crop Development Centre (CDC) (note 8) and Agriculture and Agri-Food Canada. The funding agreement for University of Saskatchewan CDC is effective January 1, 2020 and will expire on February 1, 2025. The agreement in relation to Agriculture and Agri-Food Canada is effective April 1, 2020 and ends on March 31, 2025.

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7 Collaborative research and development agreement – Agriculture and Agri-Food Canada

The Coalition signed a collaborative research and development agreement (CRDA) with Agriculture and Agri-Food Canada effective April 1, 2018 and extending through March 31, 2023. The CRDA may be terminated by either party at any time upon 60 days' written notice. If terminated, the Coalition would pay any funds owing under the CRDA during the 60-day notice period plus any funds necessary to meet any commitments made prior to or during the notice period but not owing until after the notice period. The total maximum commitment to projects awarded funding is \$7,581,341. Cumulative research project expenditures of \$5,875,194 (2021 – \$4,159,165) have been incurred related to these commitments through March 31, 2022. The remaining commitment of the Coalition over the remaining term of the CRDA is anticipated to be as follows:

	\$
2023	<u>1,668,147</u>

The remaining commitments of the Coalition have been updated from the previously reported amount of \$1,668,148 to \$1,706,148 to reflect the amended project agreement that transfers \$38,000 of 2022 funding to 2023.

8 Agriscience program cluster agreement – Agriculture and Agri-Food Canada

Under the terms of the contribution agreement for the Canadian National Wheat Cluster (Project ASC-08) between the Coalition and Agriculture and Agri-Food Canada, which commenced during fiscal 2019 and extends through March 31, 2023, the total maximum commitment to projects awarded funding is \$7,786,047. Cumulative research project expenditures of \$4,880,720 (2021 – \$3,652,872) have been incurred related to these commitments through March 31, 2022. The remaining commitment of the Coalition over the remaining term of the agreement is anticipated to be as follows:

	\$
2023	<u>2,905,327</u>

The remaining commitments of the Coalition have been updated from the previously reported amount of \$1,580,799 to \$2,905,327 to reflect the excess of \$1,324,528 of cumulative funding from prior years that can be used for research project expenditures in the future years until the agreement ends.

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9 Collaborative research agreement – University of Saskatchewan Crop Development Centre

The Coalition signed a collaborative agreement on wheat breeding research with the University of Saskatchewan Crop Development Centre (CDC) effective January 1, 2020 and extending through December 31, 2024. The agreement may be terminated by either party at any time upon nine months advance written notice. If terminated, the Coalition would pay any funds necessary to meet demonstrable cash commitments made by the CDC attributable to the eligible research that has been completed prior to the delivery of notice of termination. The total maximum commitment to projects awarded funding is \$9,662,348. Cumulative research project expenditures of \$3,722,418 (2021 – \$1,838,232) have been incurred related to these commitments through March 31, 2022. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2023	1,931,292
2024	1,979,574
2025	<u>2,029,064</u>
	<u>5,939,930</u>

10 Service contract including science coordination – Saskatchewan Wheat Development Commission

The Coalition signed a service contract with the Saskatchewan Wheat Development Commission for science coordination and administration services effective September 1, 2018 extending through December 31, 2023. The total maximum commitment awarded funding is \$863,570. Cumulative service contract expenditures of \$654,515 (2021 – \$472,446) have been incurred related to these commitments through March 31, 2022. The remaining commitment of the Coalition over the remaining term of the agreement is anticipated to be as follows:

	\$
2023	<u>209,056</u>

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11 Collaborative research agreement – Agriculture and Agri-Food Canada

The Coalition signed a collaborative agreement on wheat breeding research with Agriculture and Agri-Food Canada effective April 1, 2020 and extending through March 31, 2025. The agreement may be terminated by either party at any time upon six months advance written notice. If terminated, the Coalition would pay any funds owing during the termination notice period plus any funds necessary to meet any commitments made prior to or during the notice period. The total maximum commitment to projects awarded funding is \$22,615,000. Cumulative research project expenditures of \$8,710,000 (2021 – \$4,300,000) have been incurred related to these commitments through March 31, 2022. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2023	4,520,000
2024	4,635,000
2025	4,750,000
	<u>13,905,000</u>

12 Revenue by source

The Coalition's revenue is derived from the following sources:

	2022 \$	2021 \$
Saskatchewan Wheat Development Commission	4,426,304	3,421,892
Agriculture and Agri-Food Canada	867,251	882,508
Agriculture and Agri-Food Canada – royalties	252,900	
Alberta Wheat Commission	2,786,732	2,227,921
Manitoba Crop Alliance	1,517,026	1,025,016
Western Grains Research Foundation	527,784	-
Other industry funding agencies	483,827	459,920
Interest income	2,252	8,928
	<u>10,864,076</u>	<u>8,026,185</u>

13 Unrestricted net assets

Unrestricted net assets as at March 31, 2022 of \$301,683 (2021 – \$277,840) relate to industry contributions and the 10% contracted administration fee for the Canadian National Wheat Cluster project and include royalties of \$252,900 (2021 – \$nil) from Agriculture and Agri-Food Canada. The Coalition intends to use these funds for Cluster related expenses and/or the development of the next National Wheat Cluster application.

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14 COVID-19 pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, resulting in significant public health measures and restrictions being put in place. Restrictions such as travel bans, closure of non-essential businesses and physical distancing have caused disruption to businesses and a significant decline in global capital markets, resulting in an economic slowdown.

Management has assessed the financial impact of COVID-19 as at March 31, 2022, including the collectibility of receivables, assessment of provisions and contingent liabilities, timing of revenue recognition and changes to operations. Management did not identify any impact to its financial statements as at March 31, 2022.

Although public health restrictions and related guidelines have resulted in the Coalition having to transition to remote working arrangements, there is no significant impact anticipated with respect to the Coalition's ability to continue to deliver on its core initiatives.

The long-term impact of the pandemic on the Coalition and the economy is not yet known and information surrounding the global economic impact of COVID-19 and the estimated length of the pandemic continues to evolve. Future impacts of the pandemic may have a financial effect on the Coalition's future revenue and operating results. It is not possible to estimate any results of future financial impacts of COVID-19 on the Coalition subsequent to March 31, 2022.