

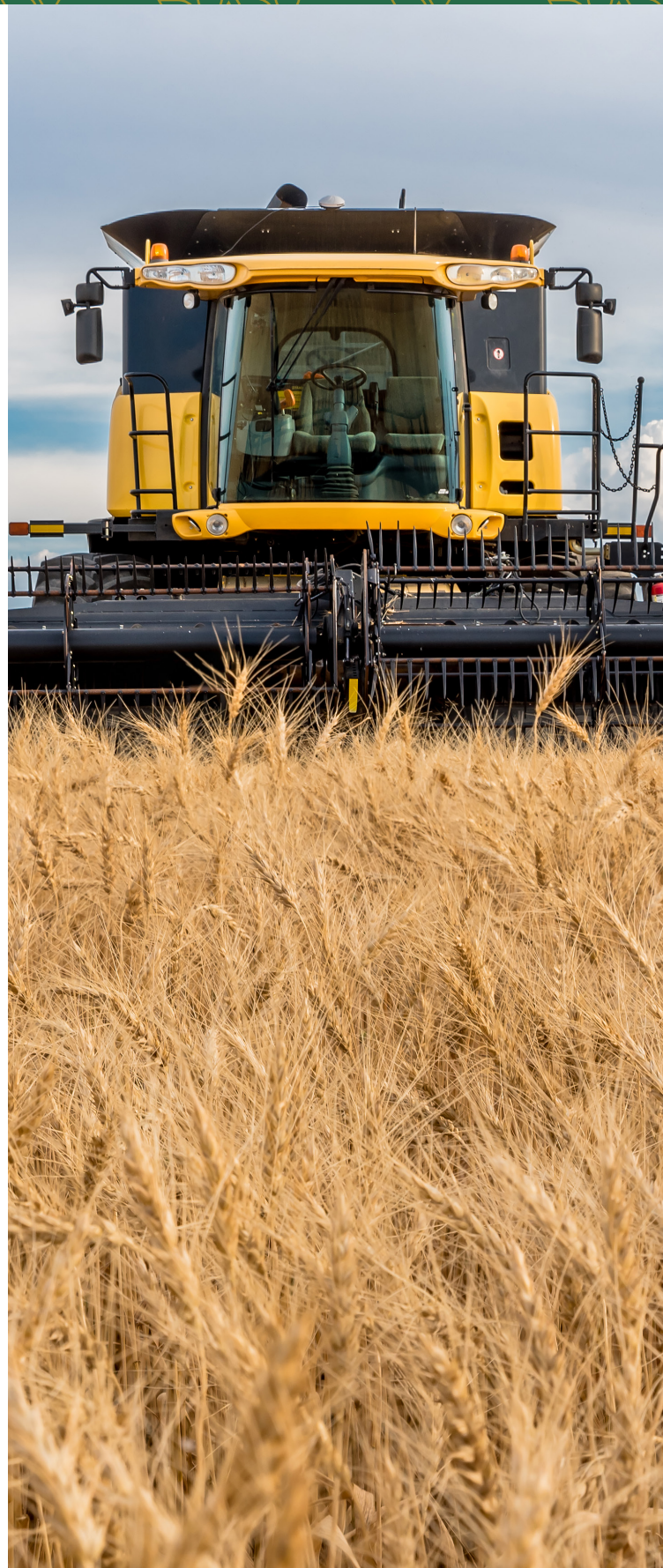


ANNUAL REPORT 2022-23



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Introduction

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

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 three western universities. Additional regional projects that align with wheat variety development and agronomic priorities are also considered for funding through the CWRC.

The CWRC is administered by a host commission, which rotates every three years. Hosting duties resided with Alberta Grains for the 2022-23 fiscal year. MCA assumed hosting duties for the CWRC from Alberta Grains in May 2023.



Alberta Grains



MANITOBA
CROP
ALLIANCE



JAKE LEGUEE

Chair of the board

Chair's Message

Agriculture is changing constantly, as new strategies and technologies allow us to improve what we do. As a third-generation farmer, I have long been fascinated with, and passionate about, the science and business of agriculture. Throughout this year, I have been able to tour some of our Canadian Wheat Research Coalition (CWRC) research sites, see the scientific process in action and speak with researchers about our goals and their vision. I can report that researchers are continuing to focus on the advancement of wheat, and great work is getting done.

Over the past year, the CWRC remained focused on various wheat research investments in progress and solidifying our network of partnerships supporting wheat breeding activities across Canada. Our goal is to ensure farmers have access to competitive wheat varieties, now and well into the future. This year marks the end of one successful Canadian National Wheat Cluster and the beginning of a new one. This new five-year cluster will build off the completed one to continue growing the profitability and sustainability of wheat for Canadian farmers.

I highly recommend reading the Wheat Cluster project performance stories at wheatresearch.ca. These stories highlight the results of the projects conducted through the 2018-23 cluster, including improved plant breeding technologies, new varieties with traits that perform well under differing growing conditions, and novel insights into common pests and diseases.

A new variety developed through a

This new five-year cluster will build off the completed one to continue growing the profitability and sustainability of wheat for Canadian farmers.

wheat cluster-funded project, AAC Schrader, sets a new standard of intermediate resistance to Fusarium head blight for durum. Meanwhile, Richard Cuthbert, a wheat breeder with Agriculture and Agri-Food Canada's Swift Current Research and Development Centre, stated that eight out of the top 10 Canadian Western Red Spring (CWRS) wheat varieties were developed by his group with support from the CWRC. He has also been working toward a new

solid-stem CWRS variety (BW5104), which should have enough data from summer 2023 to move to registration. This demonstrates a strong return on investment for producers from publicly funded wheat research in Canada. The CWRC continues to lead the way in funding research that addresses the issues that matter most to Canadian wheat producers.

In closing, I'd like to thank my fellow directors from Alberta Grains, Manitoba Crop Alliance and the Saskatchewan Wheat Development Commission, who continue to work together to guide the CWRC and its research investments. All of you have played an integral part in the success of CWRC and have made unique contributions to its status as a leader in the agricultural research community. The CWRC's collaborative approach to wheat research yields significant benefits for farmers. I look forward to collaborating with the other board members and our research community partners in the coming year.



LORI-ANN KAMINSKI

President

Message from the President

It's an exciting time for Canadian wheat research.

I am humbled to take over as president of the Canadian Wheat Research Coalition (CWRC) and extremely proud of the collaborative research funding model that we have built. I am especially appreciative of the significant contributions Alberta Grains (formerly, Alberta Wheat Commission) and the Saskatchewan Wheat Development Commission (Sask Wheat) have made to build CWRC's success during their time as host organizations. Manitoba Crop Alliance (MCA) has been working with these organizations throughout CWRC's development to build our common ground and this business will continue as usual now that MCA has assumed host duties.

As I reflect on what happened in the 2022-23 fiscal year, there are many successes to celebrate, as well as things that still need our attention.

The CWRC took the lead in the development and administration of the Canadian Agricultural Partnership (CAP) Canadian National Wheat Cluster (CNWC) for 2018-23, which concluded this year. Ten producer and private organizations from across Canada developed a group of industry-led research projects submitted by various research institutions, including universities and Agriculture and Agri-Food Canada (AAFC) research centres, aimed at ensuring profitability for producers and long-term sustainability of wheat in the cropping rotation. The CAP wheat cluster concluded this year — read on for more details of what we learned.

The CWRC also led the development of another cluster submission, this time for the Sustainable Agricultural Partnership 2023-28 CNWC. This CNWC application was submitted within our fiscal year and an

approval notice was recently received. We are engaged in communication with AAFC to understand implications for activities that were approved and those that were declined.

The CWRC Wheat Committee reviews the annual reports from each of the four breeding programs funded through our core breeding agreements. During this fiscal year, there has been significant commercialization of new varieties, with seed companies taking on further development toward seed availability, and royalties have been received from AAFC varieties.

**There are many
successes to
celebrate, as well as
things that still need
our attention.**

Staff and board members from each of the CWRC's founding members have advocated strongly for agriculture research within our home provinces and worked together toward harmonization of annual provincial research calls. We now participate in all western Canadian research calls and have brought attention to wheat research needs in national projects funded through the National Sciences and Engineering Research Council of Canada, Genome Prairie and Genome Canada. Each of our organizations have taken the lead on joint producer agreements for projects that will benefit western Canadian producers, which has become a signal for Western Grains Research Foundation involvement as well.

In this way, we have:

- Identified and pursued opportunities for cross-provincial and nationally co-ordinated wheat research;
- Expanded western Canadian research capacity;
- Leveraged producer dollars; and
- Increased overall industry/government investment.

On the communications front, the CWRC website is a vital resource for producers, researchers and stakeholders. Make sure to read the project performance stories from the CAP CNWC, and keep checking back, as our communications team is constantly refreshing the website with new stories about CWRC research. You can also follow us on social media for the latest information on CWRC research activities.

Each time we pass the torch of hosting duties between the founding members, we have taken the opportunity to review and streamline our processes. I would like to thank MCA's COO Darcelle Graham for seizing that challenge during this most recent transition. Sask Wheat, through our service agreement, continues to support the financial and administrative integrity of the CWRC. Constance Chiremba, science co-ordinator for the AgriScience clusters, and Deb Rousson, our financial officer, have gone above and beyond for the CWRC this year as we wrap up one cluster and embark on the next.

Finally, I would like to thank the CWRC board members who step forward and take time from their dynamic and demanding farm operations to lead our organization toward continuous improvement of wheat. Your skills, experience and vision continue to inspire and move us forward.

Board of Directors

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



JAKE LEGUEE

Chair

Saskatchewan Wheat
Development Commission



DEAN HUBBARD

Vice-Chair

Alberta Grains



JOCELYN VELESTUK

Secretary/Treasurer

Saskatchewan Wheat
Development Commission



DAVE BISHOP

Alberta Grains



RYAN HUEGING

Manitoba Crop Alliance



JASON LENZ

Alberta Grains



ROBERT MISKO

Manitoba Crop Alliance



ROB STONE

Saskatchewan Wheat
Development Commission



LORI-ANN KAMINSKI

President

Manitoba Crop Alliance

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 will have the support needed to advance wheat genetics. The CWRC invests in CBAs to enable a cohesive network of institutions across Western Canada that have Prairie farmers' needs as their primary focus.

UNIVERSITY OF MANITOBA

\$3.5 million
(2021-2026)

The CWRC's CBA with the University of Manitoba (UM) features two distinct areas of work. The first focuses on Canada Western Red Winter germplasm development and breeding. This breeding program is being led by Dr. Curt McCartney. The second area of work is co-ordination 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 UM and Agriculture and Agri-Food Canada's Lethbridge Research and Development Centre.

Commercialized varieties:

- None yet, as Dr. McCartney is currently transitioning the germplasm from industrial (ethanol) focus to food-quality types.

AGRICULTURE AND AGRI-FOOD CANADA

\$22.6 million
(2020/21-2024/25)

The CWRC's CBA with Agriculture and Agri-Food Canada (AAFC) 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 and 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 (CWRS), Canadian Western Amber Durum (CWAD), Canadian Prairie Spring Red (CPSR), Canada Western Soft White Spring (CWSWS) and Canada Western Red Winter (CWRW) classes.

Commercialized varieties:

- | | | |
|-----------------------|------------------------|------------------------|
| • AAC Dutton (CWRS) | • AAC Antler (CWAD) | • AAC Overdrive (CWRW) |
| • AAC Darby (CWRS) | • DT2010 (CWAD) | • PT4002 (CWRS) |
| • AAC Hassler (CWRS) | • AAC Westlock (CPSR) | • SWS496 (CWSWS) |
| • BW1116 (CWRS) | • AAC Rimbey (CPSR) | |
| • BW5089 (CWRS) | • AAC Perform (CPSR) | |
| • BW5090 (CWRS) | • HY2129 (CPSR) | |
| • BW5095 (CWRS) | • AAC Coldfront (CWRW) | |
| • AAC Schrader (CWAD) | | |

Core breeding agreements (cont.)

UNIVERSITY OF ALBERTA

\$2 million

(2021 - 2026)

The University of Alberta's (U of A) CBA with the 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. Until recently, this program was led by principal investigator and wheat breeder Dr. Dean Spaner. Dr. Spaner retired in July 2023 and the CWRC looks forward to working with his successor.

Commercialized varieties:

- Donalda (CWRS)
- Redcliff (CWRS)

CROP DEVELOPMENT CENTRE

\$9.2 million

(2020 - 2024)

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

Commercialized varieties:

• CDC Silas (CWRS)	• CDC Ortona (CWRS)	• CDC Evident
• CDC SKRush	• PT5003 (CWRS)	(CWAD)
(CWRS)	• BW5098 (CWRS)	• DT1028 (CWAD)

Canadian National Wheat Cluster (2018-2023)

The CWRC administered the 2018-23 Canadian National Wheat Cluster (CNWC), which was worth nearly \$25 million and concluded earlier this year. Funding for the 2018-23 CNWC came from Agriculture and Agri-Food Canada through the Canadian Agricultural Partnership's AgriScience program and 10 producer and private organizations from across Canada.

This collaborative approach to wheat research was a true industry-led triumph, encompassing members of the Canadian wheat value chain from coast to coast. The 2018-23 cluster represented a passing of the torch from the Western Grains Research Foundation (WGRF) to the newly formed CWRC. WGRF administered the previous cluster and has invested almost five million dollars annually into wheat breeding research on behalf of producers in Western Canada since 1995.

The Wheat Cluster had four themes that guided the research funded through the program:

- **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**

After five years of rigorous scientific work, this research investment has resulted in many important advances that will provide tangible benefits to Canadian wheat farmers, now and into the future. Activities funded through the 2018-23 CNWC addressed common issues that farmers face and led to improved wheat varieties and agronomic practices.

This return on investment is illustrated in 30 project performance stories that share results from research conducted through the cluster. These successes include:

- **Breeding Improved Canada Prairie Spring Red (CPSR) Cultivars**
- **A New Variety of Durum Wheat with Intermediate Resistance to Fusarium Head Blight**
- **Development of Improved Winter Wheat Cultivars for Western Canada**
- **Pre-Breeding and Development of Breeding Tools to Diversify Disease Resistance in Bread Wheat**
- **Improving Profitability of Hard Red Spring Wheat for Eastern Canada Through Superior Grain Yields, Fusarium Head Blight Resistance and Improved End-Use Quality**

To view the full collection of performance stories, visit wheatresearch.ca.

Canadian National Wheat Cluster (2023-2028)

A new Canadian National Wheat Cluster (CNWC) will be administered by the CWRC and begin later this year, with funding from Agriculture and Agri-Food Canada (AAFC) through the Sustainable Canadian Agricultural Partnership (SCAP) AgriScience program.

We have received decisions from AAFC on our cluster submission and are currently in negotiation towards contracts.

There are three priority areas that guide research funded through the SCAP AgriScience program:

- **Climate Change and Environment**
- **Economic Growth and Development**
- **Sector Resilience and Societal Challenge**

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

Additional details about projects funded through the 2023-28 CNWC will be shared as they become available. Visit wheatresearch.ca for the latest news and updates.



Midge Tolerant Wheat

The Canadian Wheat Research Coalition (CWRC) and our founder organizations across the Prairies spearhead an ongoing communications campaign to remind farmers of their contractual obligations when using Midge Tolerant Wheat. The campaign targets not only farmers, but also their trusted advisors and seed retailers, keeping the responsibility for Midge Tolerant Wheat's viability top of mind for everyone involved.

In 2022-23, the campaign continued to utilize several communications mediums to reach a broad audience, including:

- **Print advertising**
- **Social media advertising**
- **Seed distributor communications**
- **Communications with wheat growers through CWRC members and the Western Canadian Wheat Growers Association**
- **Digital advertising**
- **Social media engagement and monitoring**

The campaign also connects directly through email with every seed dealer or retailer registered to sell Midge Tolerant Wheat and every farmer who has ever signed a Stewardship Agreement to plant Midge Tolerant Wheat. This direct communication is timed specifically to hit when farmers are deciding whether to plant their wheat in the coming season and dealers are considering who to contact about new seed options.

Current estimates tell us that about 90 per cent of farmers believe in and actively support the stewardship measures that will keep Midge Tolerant Wheat a viable option for control of one of Western Canada's most devastating pests. But how much non-compliance is too much?

No one knows how quickly the effectiveness of Midge Tolerant Wheat can break down. We know that if farmers don't follow the stewardship principles, Midge Tolerant Wheat could be lost as a tool to control wheat midge in less than 10 years. When we consider that farmers have benefited from over \$1 billion in yield and grade benefits since Midge Tolerant Wheat was introduced, this is not a tool that wheat growers are willing to give up. However, there is a generation of farmers who are beginning to make production decisions who have never experienced the devastation of a wheat midge infestation.

This coming year's campaign will remind farmers of what the "good old days" were really like before Midge Tolerant Wheat — poor quality, dockage and lost yield due to wheat midge damage. We don't want to go back to the days before Midge Tolerant Wheat, so let's do our part to preserve the technology.





FINANCIAL STATEMENTS

AS OF MARCH 31, 2023





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BDO Canada LLP
128 4th Avenue South, Suite 600
Saskatoon, Saskatchewan
S7K 1M8

Independent Auditor's Report

To the Board of Directors of Canadian Wheat Research Coalition

Opinion

We have audited the financial statements of Canadian Wheat Research Coalition (the Coalition), which comprise the statement of financial position as at March 31, 2023, the statement of operations and changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Coalition as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 are independent of the Coalition 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 with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Canadian Wheat Research Coalition for the year ended March 31, 2022 were audited by another practitioner who expressed an unmodified opinion on those financial statements on September 9, 2022.

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 Canadian Accounting Standards for non-for-profit organisations, 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 Coalitions'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.

BDO Canada LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
September 15, 2023

Canadian Wheat Research Coalition

Statement of Financial Position

As at March 31, 2023

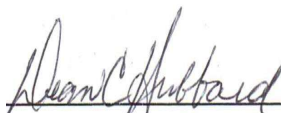
	2023 \$	2022 \$
Assets		
Current assets		
Cash and cash equivalents	1,370,553	1,193,964
Accounts receivable	174,843	339,625
Prepaid expenses	-	500
	<u>1,545,396</u>	<u>1,534,089</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 5 and 8)	559,401	588,090
Deferred revenue (note 4)	-	391,416
	<u>559,401</u>	<u>979,506</u>
Net assets		
Unrestricted net assets (note 13)	985,995	554,583
Internally restricted net assets	-	-
	<u>985,995</u>	<u>554,583</u>
	<u>1,545,396</u>	<u>1,534,089</u>
Commitments (notes 9 and 11)		

Approved by the Board of Directors



Jake Leguee, Chair

Director



Dean Hubbard, Vice Chair

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, 2023

	2023 \$	2022 \$
Revenue (note 12)		
Canadian Wheat Research Coalition		
Project contributions – CRDA (note 5)	1,539,949	1,528,060
Deferred revenue recognized in the current year (note 3)	166,198	187,969
Project contributions – Other	99,000	92,100
Royalties – AAFC	87,750	252,900
Interest income	16,153	2,252
Core Breeding		
Project contributions – AAFC-CBA (note 6)	4,520,000	4,410,000
Project contributions – CDC-CBA (note 6)	1,931,292	1,884,188
Project contributions – U of M CBA (note 6)	518,891	425,089
Project contributions – U of A CBA (note 6)	394,887	575,507
Canadian National Wheat Cluster		
Project contributions – AAFC (note 4)	800,611	867,251
Project contributions – Industry (note 7)	707,917	638,760
Deferred revenue recognized in the current year (note 3)	225,218	-
	<u>11,007,866</u>	<u>10,864,076</u>
Expenses		
Research		
Research projects – AAFC-CBA (note 11)	4,520,000	4,410,000
Research projects – CDC-CBA (note 9)	1,931,292	1,884,188
Research projects – CRDA (note 5)	1,706,147	1,716,029
Research projects – CA (note 8)	1,461,408	1,227,874
Research projects – U of M CBA (note 11)	518,891	425,089
Research projects – U of A CBA (note 11)	-	575,507
Science coordination (note 10)	138,455	135,225
Operations and administration		
Service contracts (note 10)	178,065	93,122
Communications	90,230	85,934
Professional fees	28,636	31,316
General and administrative	3,330	3,049
	<u>10,576,454</u>	<u>10,587,333</u>
Excess of revenue over expenses for the year	431,412	276,743
Unrestricted net assets – Beginning of year (note 13)	<u>554,583</u>	<u>277,840</u>
Unrestricted net assets – End of year (note 13)	<u>985,995</u>	<u>554,583</u>

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, 2023

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	431,412	276,743
Changes in non-cash working capital items		
Accounts receivable	164,782	(251,374)
Accounts payable and accrued liabilities	(28,689)	(831,626)
Deferred revenue	(391,416)	(87,454)
Prepaid expenses	500	(500)
Change in cash and cash equivalents during the year	176,589	(894,211)
Cash and cash equivalents – Beginning of year	1,193,964	2,088,175
Cash and cash equivalents – End of year	1,370,553	1,193,964

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

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2023

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, 2023

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, 2022 \$	Revenue deferred \$	Revenue realized \$	March 31, 2023 \$
Canadian Wheat Research Coalition	166,198	-	166,198	-
Canadian National Wheat Cluster	225,218	-	225,218	-
	391,416	-	391,416	-

	March 31, 2021 \$	Revenue deferred \$	Revenue realized \$	March 31, 2022 \$
Canadian Wheat Research Coalition	316,167	38,000	187,969	166,198
Canadian National Wheat Cluster	162,703	62,515	-	225,218
	478,870	100,515	187,969	391,416

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.

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2023

5 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 \$7,543,341 (2022 – \$5,875,194) have been incurred related to these commitments through March 31, 2023. Upon completion of the agreement, it was determined \$38,000 was repayable to the funder and has been accrued for as of March 31, 2023.

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 9) and Agriculture and Agri-Food Canada. The funding agreement for University of Saskatchewan Crop Development Centre (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.

7 Contribution agreement – Funding Agencies

The Coalition signed a Core Breeding Agreement with the University of Manitoba. Funding partners are the Alberta Wheat Commission, Manitoba Crop Alliance, Saskatchewan Wheat Development Commission, Saskatchewan Winter Cereals Development Commission, and Western Grains Research Foundation (the Funding Agencies). The agreement is effective January 1, 2021 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 \$3,527,815, ranging from \$683,852 to \$736,409 per year.

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 any reason, upon 90 days' written notice.

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. Total funding awarded under the cluster agreement was \$6,352,452. Cumulative research project expenditures of \$6,276,507 (2022 – \$4,880,720) have been incurred related to these commitments through March 31, 2023.

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Upon completion of the agreement, it was determined \$75,945 was repayable to the funder and has been accrued for as of March 31, 2023. 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, 2023 are in the amount of \$707,917 (2022 - \$701,275).

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 any reason, upon 90 days' written notice.

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 \$5,653,711 (2022 – \$3,722,418) have been incurred related to these commitments through March 31, 2023. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2024	1,979,574
2025	<u>2,029,064</u>
	<u>4,008,638</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 \$832,580 (2022 – \$654,515) have been incurred related to these commitments through March 31, 2023. There are no remaining commitments of the Coalition related to the agreement.

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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 \$13,230,000 (2022 – \$8,710,000) have been incurred related to these commitments through March 31, 2023. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2024	4,635,000
2025	4,750,000
	<u>9,385,000</u>

12 Revenue by source

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

	2023 \$	2022 \$
Saskatchewan Wheat Development Commission	4,434,648	4,426,304
Alberta Wheat Commission	2,910,500	2,786,732
Manitoba Crop Alliance	1,485,391	1,517,026
Agriculture and Agri-Food Canada	800,611	867,251
Western Grains Research Foundation	477,046	527,784
Other industry funding agencies	404,351	295,858
Deferred revenue recognized in current year	391,416	187,969
Agriculture and Agri-Food Canada – royalties	87,750	252,900
Interest income	16,153	2,252
	<u>11,007,866</u>	<u>10,864,076</u>

13 Unrestricted net assets

Unrestricted net assets at March 31, 2023 of \$898,244 (2022 – \$301,685) relate to industry contributions for the Core Breeding Agreement with the University of Alberta with payments held pending a contract amendment; the 10% contracted administration fee for the Canadian National Wheat Cluster project; and royalties of \$87,750 (2022 – \$252,900) from Agriculture and Agri-Food Canada. The Coalition intends to use these funds for research related expenses determined by the Coalition's Board of Directors.