

ANNUAL REPORT 2023-2024



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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 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 MCA for the 2023-24 fiscal year.



Alberta Grains



MANITOBA
CROP
ALLIANCE



CHAIR'S MESSAGE



JAKE LEGUEE
Chair of the board

The activities funded under the wheat cluster will help enhance (minimum tillage and nutrient stewardship), allowing farmers to further contribute to our own fertility and soil management goals . . .

The Canadian Wheat Research Coalition (CWRC) continues to lead the way, funding research that addresses the issues that matter most to wheat producers across the country. There is a proven track record of strong return on investment for farmers investing in publicly funded wheat research in Canada. At the same time, wheat research delivers the most value to farmers and the public when the entire value chain works together.

Wheat is a vital crop in the rotations of grain farms across the country. Without intentional effort, it may not remain so. It is crucial that we continue to improve economic and environmental sustainability for wheat to ensure it retains its importance for producers. Investment in research through the 2023-28 Canadian National Wheat Cluster and our core breeding agreements will keep wheat profitable and sustainable for Canadian farmers — increasing quality and yields, while finding new solutions for environmental stressors like drought and diseases like Fusarium head blight.

Farmers have been practicing minimum tillage and nutrient stewardship for decades. The activities funded under the wheat cluster will help enhance those practices, allowing farmers to further contribute to our own fertility

and soil management goals, as well as the Government of Canada's climate targets. Investment choices made during the development of the cluster kept these precepts top of mind — and, fortunately, there were scientists eager to engage with us in this endeavour.

The paradox of change lies in the fact that although you can sense its arrival, you cannot prepare for it, as its final form is always unpredictable. In my life as a farmer, agriculture has both evolved slowly through incremental improvements and taken remarkable leaps forward through innovation. Through CWRC investments, we are working toward both.



MESSAGE FROM THE PRESIDENT



**LORI-ANN
KAMINSKI**

President

Canada's global reputation for world-class wheat depends on a strong research network.

The 2023-24 fiscal year was another great year of collaborating with the Canadian Wheat Research Coalition (CWRC) board of directors, farmers from across Western Canada and all my colleagues at Manitoba Crop Alliance, the Saskatchewan Wheat Development Commission (Sask Wheat) and Alberta Grains.

On March 6, 2024, in Winnipeg, the CWRC made a joint announcement with the Government of Canada of funding for “A Climate-Smart Canadian Wheat Cluster for a Productive and Profitable Canadian Wheat Sector,” or the 2023-28 Canadian National Wheat Cluster (CNWC) for short. Some of our members and funding partners were at the announcement, including myself, Grain Farmers of Ontario manager of research and innovation Josh Cowan, Sask Wheat director Brett Halstead and Winnipeg North MP Kevin Lamoureux.

This is a large investment by producers and the Government of Canada to drive innovation in Canadian wheat production, while ensuring the profitability and sustainability of the crop for farmers across the country. Read on for more information about the research activities that have been funded through the 2023-28 CNWC.

On July 27, 2023, we had a great day of networking and wheat research discussions when the CWRC Wheat Committee was hosted by staff and scientists at the Agriculture and Agri-Food Canada Morden Research and Development Centre in

Morden, MB. After a morning tour of the breeding plots and disease screening nurseries, plus a demonstration of the Phenocart (a device that reads the vital signs of plants) and some of the labs in action, the work of the day was to review annual reports from each of our core breeding agreements (CBAs). It was a great opportunity to speak with the breeders and other scientists and discuss how things are progressing. Summaries of the CBAs and the new, field-ready varieties that have been commercialized from these wheat breeding programs are included on [page 7](#).

Canada's global reputation for world-class wheat depends on a strong research network.

Canadian wheat is world-renowned for its quality, versatility and high performance in a variety of end uses. That reputation is underpinned by cutting-edge research that keeps Canadian farmers competitive on the international stage. The new wheat cluster and our CBAs will ensure Canadian wheat farmers have the varieties and agronomic information they need to continue producing the high-quality wheat international markets depend on.



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



SCOTT MOWBRAY
Manitoba Crop Alliance



TASHA ALEXANDER
Alberta Grains



ROBERT MISKO
Manitoba Crop Alliance



ROB STONE
Saskatchewan Wheat
Development Commission



LORI-ANN KAMINSKI
President
Manitoba Crop Alliance



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. 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 (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 where breeding lines are evaluated 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.

**\$3.5
MILLION**

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 (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.

**\$24.9
MILLION**

Commercialized varieties:

- AAC Dutton (CWRS)
- AAC Darby (CWRS)
- AAC Hassler (CWRS)
- AAC Walker (CWRS)
- BW5089 (CWRS)
- AAC WestKing (CWRS)
- AAC Stoughton (CWRS)
- BW1127 (CWRS)
- AAC Oakman (CWRS)
- AAC Spike (CWRS)
- AAC Schrader (CWAD)
- AAC Antler (CWAD)
- AAC Brigham (CWAD)
- DT2033 (CWAD)
- AAC Westlock (CPSR)
- AAC Rimbeby (CPSR)
- AAC Perform (CPSR)
- AAC Camrose (CPSR)
- AAC Coldfront (CWRW)
- AAC Overdrive (CWRW)
- AAC Galore (CWSWS)



UNIVERSITY OF ALBERTA (2021-2026)

**\$2
MILLION**

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. This program was led by Dr. Dean Spaner until his retirement in July 2023 and is now led by principal investigator and wheat breeder Dr. Gurcharn Brar.

Commercialized varieties:

- CBL Berri (CWRS)
- CBL Abba (CWRS)
- CBL Eema (CWRS)
- Donalda (CWRS)
- Redcliff (CWRS)
- Alotta (CWSP}

CROP DEVELOPMENT CENTRE (2021-2026)

**\$9.2
MILLION**

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 the critical aspect of priority-one disease resistance in wheat breeding and variety development.

Commercialized varieties:

- CDC Silas (CWRS)
- CDC SKRush (CWRS)
- CDC Ortona (CWRS)
- CDC Envy (CWRS)
- BW5098 (CWRS)
- CDC Evident (CWAD)
- CDC Wiseton (CWAD)
- DT1028 (CWAD)

CANADIAN NATIONAL WHEAT CLUSTER (2023-2028)

The CWRC administers the current Canadian National Wheat Cluster (CNWC), which is worth more than \$20 million over five years. This is the second wheat cluster that has been led by the CWRC. Funding for the 2023-28 CNWC comes from Agriculture and Agri-Food Canada (AAFC) through the Sustainable Canadian Agricultural Partnership (SCAP) AgriScience program, as well as several producer and private organizations across Canada. The overall cost share ratio is 55 per cent from AAFC and 45 per cent from industry.



CWRC ACTIVITIES

There were 18 activities approved under the 2023-28 CNWC: 15 science activities and three mandatory activities (science co-ordination, knowledge and technology transfer, and impact assessment). There are three priority areas that guide the research activities funded through the cluster:

Climate Change and Environment (25 per cent of \$)

The research activities in this area form a basis to study the genetic control of nutrient use efficiency, the management of fertilizer and soil, and the interaction between plant and soil affecting nitrogen (N) uptake and greenhouse gas emissions.

Economic Growth and Development (53 per cent of \$)

Without new research investment, wheat will face increasing challenges to maintain its current productivity. The research activities in this area aim to develop high-quality germplasm that is tolerant to the relevant major biotic and abiotic stresses affected by climate change, which will support ongoing economic growth in Canada.

Sector Resilience and Societal Challenge (16 per cent of \$)

The research activities in this area endeavour to anticipate, mitigate and respond to risks and build public trust. This includes undertaking research aimed at improving sector resilience in response to market and societal pressure. Biovigilance and breeding are key to the effective control of wheat diseases, insects and weeds, and are the first line of defense to improve resiliency against climate change pressures.

For more information about the 2023-28 CNWC, including a full list of funded projects and their descriptions/objectives, visit wheatresearch.ca.



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.

No matter which way you look at it, Midge Tolerant Wheat has been an unimagined success:

- 30 million acres of Midge Tolerant Wheat have been grown since its first planting in 2010
- More than \$1 billion in yield and quality benefits to producers
- 30 varieties in eight classes are now available

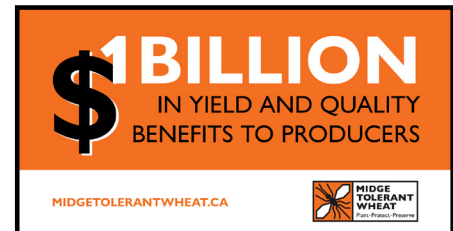
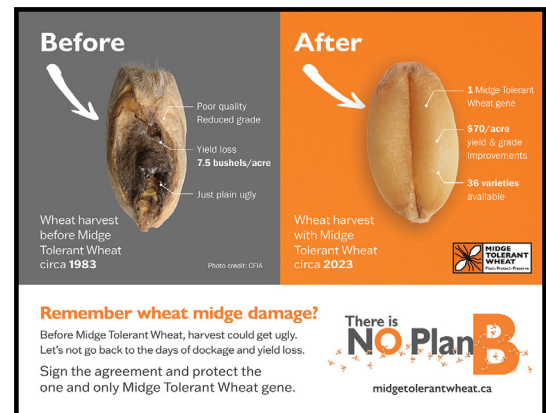
The reason for the success of Midge Tolerant Wheat can be summarized in one word: stewardship. The developers of the Sm1 gene predicted that without a strong commitment to following stewardship principles, Midge Tolerant Wheat would become unviable within 10 years. It isn't an exaggeration to say that if it weren't for every single person in the crop production chain supporting the ongoing stewardship of Midge Tolerant Wheat, this critical product in western Canadian agriculture would not exist.

The tactics in the 2023-24 Midge Tolerant Wheat campaign looked very similar to previous years, but creative messaging had to change to address a rising challenge. It became clear that Midge Tolerant Wheat had become such a success for so long that people were losing sight of the impact it has had on farms and cropping decisions. Creative elements of the campaign were meant to remind seed dealers, farmers and their advisors that Midge Tolerant Wheat is worth caring about.

Recently our focus has been on connecting with young people who will be involved in production decisions as farmers, agronomists or salespeople, reaching them when they're still in post-secondary training or on social media channels that they use frequently (e.g., YouTube). Additionally, we've expanded our email campaign to include not just farmers but seed retailers and anyone who has taken the Midge Tolerant Wheat Stewardship online training course. These messages are specifically crafted and timed to remind people of their role in stewardship at critical decision points in the crop year.

Our 2024 research indicated a lack of understanding that everyone involved in the production of a wheat crop makes decisions that affect Midge Tolerant Wheat stewardship. From agronomists to delivery drivers, from input buyers to crop sellers - every person involved in crop production has a role to play in practicing good stewardship. In fall 2024, you'll see creative that promotes the team approach to Midge Tolerant Wheat stewardship, driving home the message that everyone plays a role.

Thanks to crop commissions, agronomy organizations, wheat grower groups, seed companies, researchers and governments, the stewardship message is being amplified across Western Canada.



FINANCIAL STATEMENTS

AS OF MARCH 31, 2024





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Saskatoon, Saskatchewan
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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, 2024, 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, 2024, 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.

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 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.

BDO Canada LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
September 18, 2024



Canadian Wheat Research Coalition

Statement of Financial Position

As at March 31, 2024

	2024 \$	2023 \$
Assets		
Current assets		
Cash and cash equivalents	1,481,827	1,370,553
Accounts receivable	1,370,816	174,843
Prepaid expenses	31,538	-
	<u>2,884,181</u>	<u>1,545,396</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 5 and 8)	1,874,364	559,401
Deferred revenue (note 3)	86,074	-
	<u>1,960,438</u>	<u>559,401</u>
Net assets		
Unrestricted net assets (note 15)	<u>923,743</u>	<u>985,995</u>
	<u>2,884,181</u>	<u>1,545,396</u>
Commitments (notes 5, 8, 9, 10, 11, 12 and 13)		

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, 2024

	2024 \$	2023 \$
Revenue (note 14)		
Canadian Wheat Research Coalition		
Project contributions - CRDA (note 5)	1,179,754	1,539,949
Royalties - AAFC	486,372	87,750
Project contributions - Other	111,150	99,000
Interest income	65,188	16,153
Deferred revenue recognized in the current year (note 3)	-	166,198
Core Breeding		
Project contributions - AAFC-CBA (note 6)	5,820,172	4,520,000
Project contributions - CDC-CBA (note 6)	1,979,574	1,931,292
Project contributions - U of M CBA (note 6)	531,370	518,891
Project contributions - U of A CBA (note 6)	199,882	394,887
Canadian National Wheat Cluster		
Project contributions - AAFC (note 4)	674,015	800,611
Project contributions - Industry (note 7)	349,861	707,917
Deferred revenue recognized in the current year (note 3)	-	225,218
	11,397,338	11,007,866
Expenses		
Research		
Research projects - AAFC-CBA (note 11)	5,820,172	4,520,000
Research projects - CDC-CBA (note 9)	1,979,574	1,931,292
Research projects - CRDA (note 5)	1,179,753	1,706,147
Research projects - CA (notes 8 and 10)	930,796	1,599,863
Research projects - U of A CBA (note 12)	799,648	-
Research projects - U of M CBA (note 13)	531,373	518,891
Other research costs	8,612	-
Operations and administration		
Communications	101,581	90,230
Service contracts (note 10)	91,421	178,065
Professional fees	13,577	28,636
General and administration	3,083	3,330
	11,459,590	10,576,454
Excess (deficiency) of revenue over expenses for the year	(62,252)	431,412
Unrestricted net assets - Beginning of year (note 15)	985,995	554,583
Unrestricted net assets - End of year (note 15)	923,743	985,995

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, 2024

	2024 \$	2023 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	(62,252)	431,412
Changes in non-cash working capital items		
Accounts receivable	(1,195,973)	164,782
Accounts payable and accrued liabilities	1,314,963	(28,689)
Deferred revenue	86,074	(391,416)
Prepaid expenses	(31,538)	500
Change in cash and cash equivalents during the year	111,274	176,589
Cash and cash equivalents - Beginning of year	1,370,553	1,193,964
Cash and cash equivalents - End of year	1,481,827	1,370,553

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



Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2024

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 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, 2024

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, 2023 \$	Revenue deferred \$	Revenue realized \$	March 31, 2024 \$
Canadian Wheat Research Coalition	-	-	-	-
Canadian National Wheat Cluster	-	86,074	-	86,074
	-	86,074	-	86,074
	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	-

4 Contribution agreement - Agriculture and Agri-Food Canada

The Coalition signed a contribution agreement with Agriculture and Agri-Food Canada effective April 1, 2023 and ending March 31, 2028, with a maximum total contribution of \$4,293,461 to the Coalition, ranging from \$674,015 to \$1,020,323 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, 2024

5 Collaborative research and development agreement - Agriculture and Agri-Food Canada

The coalition signed a new collaborative research and development agreement (CRDA) with Agriculture and Agri Food Canada effective April 1, 2023 and expiring March 31, 2028. 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 \$6,495,332. Cumulative research project expenditures of \$1,179,754 have been incurred related to these commitments up to March 31, 2024. The remaining commitment of the Coalition over the remaining term of the CRDA is anticipated as follows:

	\$
2025	1,334,706
2026	1,351,340
2027	1,342,879
2028	1,286,653
	<u>5,315,578</u>

6 Funding shares agreement - Wheat Breeding Research

The Coalition signed a funding shares agreement with the Saskatchewan Wheat Development Commission, Alberta Grains 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, the University of Saskatchewan Crop Development Centre (CDC) (note 9 - effective January 1, 2020 and expiring February 1, 2025), Agriculture and Agri-Food Canada (note 11 - effective April 1, 2020 and expiring March 31, 2025), University of Alberta (note 12 - effective May 1, 2021 and expiring December 31, 2026) and University of Manitoba (note 13 - effective January 1, 2021 and expiring March 31, 2026).

7 Contribution agreement - Funding Agencies

The Coalition signed a new funding agreement with Alberta Grains, Canadian Field Crop Research Alliance, Manitoba Crop Alliance, Saskatchewan Wheat Development Commission, and Western Grains Research Foundation (the Funding Agencies). The agreement is effective April 1, 2023 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 \$9,259,268, ranging from \$1,607,079 to \$2,028,197 per year. Industry contributions received during the year ended March 31, 2024 are in the amount of \$435,936 (2023 - \$707,917). During the year ended March 31, 2024, \$86,075 (2023 - nil) of the industry contributions were deferred, for an amount recognized of \$349,861 (2023 amount recognized - \$707,917).



Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2024

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 agreements for the Canadian National Wheat Cluster (Project SCAP-ASC-08) between the Coalition and Agriculture and Agri-Food Canada, which commenced during fiscal 2024 and expires March 31, 2028, the total maximum commitment to projects awarded funding is \$7,118,551.

Cumulative expenditures, including research projects and science coordination, of \$1,023,876 have been incurred related to these commitments up to March 31, 2024. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2025	1,660,557
2026	1,712,690
2027	1,449,242
2028	<u>1,272,186</u>
	<u>6,094,675</u>

Agriculture and Agri-Food Canada has 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 expiring 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 notice of termination.

The total maximum commitment to projects awarded funding is \$9,662,348. Cumulative research project expenditures of \$7,633,285 (2023 - \$5,653,711) have been incurred related to these commitments up to March 31, 2024. The remaining commitments of the Coalition over the remaining term of the agreement are:

	\$
2025	2,029,063



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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 April 1, 2023 and expiring December 31, 2028. The total maximum contract value is \$1,030,567.

Service contract and science coordination expenditures of \$207,421, of which \$122,000 relates to science coordination and is included in research contract expenditures and \$85,421 is included in service contract expenditures, have been incurred related to these commitments up to March 31, 2024. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2025	200,420
2026	202,920
2027	205,520
2028	<u>214,286</u>
	<u>823,146</u>

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 expiring 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 \$24,994,693. Cumulative research project expenditures of \$19,050,172 (2023 - \$13,230,000) have been incurred related to these commitments up to March 31, 2024. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2025	5,944,521



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12 Collaborative research agreement - University of Alberta

The Coalition signed a collaborative agreement on wheat breeding research with University of Alberta effective May 1, 2021 and expiring December 31, 2026. 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 \$2,000,003. Cumulative research project expenditures of \$1,375,155 (2023 - \$575,507) have been incurred related to these commitments up to March 31, 2024. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2025	414,848
2026	105,000
2027	105,000

13 Collaborative research agreement - University of Manitoba

The Coalition signed a collaborative agreement on wheat breeding research with University of Manitoba effective January 1, 2021 and expiring March 31, 2026. 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 \$2,592,425. Cumulative research project expenditures of \$1,475,353 (2023 - \$943,980) have been incurred related to these commitments up to March 31, 2024. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2025	549,331
2026	567,741



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14 Revenue by source

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

	2024	2023
	\$	\$
Saskatchewan Wheat Development Commission	4,655,899	4,434,648
Alberta Grains	3,120,503	2,910,500
Manitoba Crop Alliance	1,785,291	1,485,391
Agriculture and Agri-Food Canada	674,015	800,611
Agriculture and Agri-Food Canada - royalties	486,372	87,750
Western Grains Research Foundation	426,716	477,046
Canadian Field Crop Research Alliance	176,442	-
Interest income	65,188	16,153
Other industry funding agencies	6,912	404,351
Deferred revenue recognized in current year	-	391,416
	11,397,338	11,007,866

15 Unrestricted net assets

Unrestricted net assets at March 31, 2024 of \$298,478 (2023 - \$898,245) 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 interest income and royalties from Agriculture and Agri-Food Canada of \$625,265 (2023 - \$87,750). The Coalition intends to use these funds for research related expenses determined by the Coalition's Board of Directors.

