



2019-2020 Annual Report



The Canadian Wheat Research Coalition (CWRC), is a collaboration between the Saskatchewan Wheat Development Commission (Sask Wheat), the Alberta Wheat Commission (AWC), and the Manitoba Wheat and Barley Growers Association (MWBGA).

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





Message from the Chair

Jason Lenz, Chair

The Canadian Wheat Research Coalition (CWRC) had another strong year in 2019-2020. The CWRC, a collaboration of the Alberta Wheat Commission (AWC), Saskatchewan Wheat Development Commission (Sask Wheat) and Manitoba Wheat and Barley Growers Association (MWBGA), continued the momentum of the previous year, establishing new relationships and research initiatives that will benefit wheat producers across Canada.

Following the establishment of the Canadian National Wheat Cluster (Wheat Cluster), a \$25 million research initiative funded by Agriculture and Agri-Food

Canada (AAFC) and producer and private organizations from across the country, the CWRC began work on assuming the financial responsibility from the Western Grains Research Foundation (WGRF), for the Core Breeding Agreements (CBAs) with the Universities of Saskatchewan, Alberta, and Manitoba, as well as AAFC.

Between 2015 and 2020, producers provided approximately \$28 million through the WGRF CBAs to maintain plant breeders, technicians and specialists involved in all efforts to develop new wheat varieties. Now that the three Prairie wheat commissions have taken up the mandate for the varietal development of wheat, we will collectively carry on the investment of the CBAs through the CWRC on behalf of producers.

Similar to the research being conducted through the Wheat Cluster, the CBAs will address common biotic and abiotic issues that wheat producers face and will lead to improved field-ready varieties for producers. We announced our first CBA with the University of Saskatchewan in January 2020 and assumed funding of the AAFC CBA in April 2020. We anticipate that all of the CBAs will be announced in this fiscal year. The CBAs are a huge funding effort by producers, providing over \$36 million over five years to varietal development efforts.

The activities being conducted by Canadian researchers and wheat breeders have led to major innovations over the past few decades, including the development of new varieties that have improved yields and resistance to leaf disease, pests, and environmental stressors. We are building upon the work of farmer funded organizations such as the WGRF and the publicly funded research of AAFC and universities to provide Canadian wheat producers with the technology and information they need to improve their farming operations while maintaining Canada's reputation for providing quality wheat for markets around the globe.

Collaboration within agriculture, including direct funding from farmer organizations and public funding from the federal and provincial governments, is not only crucial to wheat producers but also to provincial and national economies. Canada is a major exporter of wheat to markets across the globe and we will need cooperative efforts from producers, the public, and private organizations to improve our relationships with international markets as well as grow the domestic consumption of Canadian wheat.

The success of the CWRC is in part due to the hard work of the directors from AWC, MWBGA and Sask Wheat, which includes Jake Leguee, Fred Greig, Drew Baker, Janine Paly, Ken Rosaasen, Jason Saunders, and Jocelyn Velestuk. The time they dedicate to the CWRC makes this initiative successful and one to be emulated for future agriculture research in Canada. I would also like to thank former CWRC directors Laura Reiter from Sask Wheat, Cale Jefferies from MWBGA, and Terry Young and Gary Stanford from AWC for their service to the organization over the past few years.

I would also like to thank the staff of the three organizations under the leadership of CWRC President Harvey Brooks, who work very hard to ensure this important initiative and research activities we support are successful and will allow researchers to deliver innovations that benefit Canadian wheat producers. I look forward to the next year for CWRC. We have new opportunities ahead of us and are well positioned to take these on and deliver results to producers.



Message from the President

Harvey Brooks, President

In the three years since the Canadian Wheat Research Coalition (CWRC) was formed, it has established itself as a model organization for collaboration in Canadian agriculture.

The three founding members of the CWRC, the Saskatchewan Wheat Development Commission (Sask Wheat), Manitoba Wheat and Barley Growers Association (MWBGA), and Alberta Wheat Commission (AWC), have worked diligently to provide funding for wheat research and build relationships with universities, governments, private companies, and producer organizations. These efforts have laid the foundation for activities that will lead to innovations that improve the profitability of growing wheat for western Canadian producers.

After establishing the Canadian National Wheat Cluster (CNWC) in the previous crop year, the CWRC shifted focus to the successor Core Wheat Breeding Agreements (CBAs) with Agriculture and Agri-Food Canada (AAFC) and western Canadian universities. The funding for the nearly \$9.7 million, five-year, core breeding agreement with the University of Saskatchewan's Crop Development Centre was announced at CropSphere in January 2020. In April 2020, the CWRC assumed funding for the AAFC CBA, which is worth \$22.6 million over five years. We anticipate having the other CBAs announced within the 2020-2021 crop year. The total CBA investments will be in excess of \$36 million over five years and represent a huge funding effort by producers.

The three founding members of the CWRC have positioned the organization to host additional regional projects that align with variety development and agronomic priorities. Thanks to this ability, the CWRC was able to assume the management and funding of the communications program for the Midge Tolerant Wheat Stewardship Program (MTWSP). The MTWSP was established by the Western Grains Research Foundation (WGRF) and seed industry partners in 2009 to ensure producers of Midge Tolerant Wheat sign stewardship agreements that limit the use of farm-saved seed to one generation past certified seed. Limiting the reuse of midge tolerant varieties will extend the viability of the Sm1 gene responsible for midge resistance, preventing the development of a resistant midge population and potential loss of this invaluable technology.

The finishing of new wheat varieties with improved genetics and desirable characteristics, as well as the agronomic innovations being developed by Canadian researchers, will build on and complement the tremendous technology and research tools that have been developed over the past three decades. These activities would not have been possible without the commitment of producer funding through organizations such as WGRF and public funding through AAFC and provincial agriculture departments. It is important that producer, private, and public organizations continue to collaborate through organizations such as the CWRC to ensure Canadian wheat producers have leading-edge technology and agronomic information. This will help keep Canada at the forefront of global agriculture and trade.

The CWRC has been administered by Sask Wheat for the past three years. The administration will transfer to the AWC this year for a three-year term. I would like to thank the directors and staff of all three of the founding organizations for their commitment and hard work on behalf of Canadian wheat farmers. The CWRC and the three Prairie wheat commissions are strong because of its people and we look forward to continuing to serve on behalf of western Canadian wheat producers.

Board of Directors



Jason Lenz
Chair

Alberta Wheat Commission



Jake Leguee
Vice-Chair

Saskatchewan Wheat
Development Commission



Fred Greig
Secretary/Treasurer

Manitoba Wheat and Barley
Growers Association



Drew Baker

Manitoba Wheat and Barley
Growers Association



Janine Paly

Alberta Wheat Commission



Ken Rosaasen

Saskatchewan Wheat
Development Commission



Jason Saunders

Alberta Wheat Commission



Jocelyn Velestuk

Saskatchewan Wheat
Development Commission



PRESIDENT: Harvey Brooks

Saskatchewan Wheat
Development Commission

CWRC Activities

Core Breeding Agreements

Over the past year, the Canadian Wheat Research Coalition (CWRC) has assumed responsibility for the Core Wheat Breeding Agreements (CBAs) previously funded and administered by the Western Grains Research Foundation (WGRF).

In January 2020, the CWRC announced the commitment of more than \$9.6 million over five years to the CBA with the University of Saskatchewan's Crop Development Centre (CDC) for the development of spring wheat cultivars. The new agreement represents a significant increase over the previous five-year agreement of \$5.4 million.

The CWRC funding will provide expanded "core" support for the CDC's wheat breeding programs, including a significant increase in contributions to field-based breeding activities, disease nursery and screening, molecular marker assisted breeding, winter nursery capacity, and end-use quality evaluation.

The CWRC also assumed funding for the CBA with Agriculture and Agri-Food Canada (AAFC) in April 2020. This CBA represents a significant investment of producer funds into varietal development. The CBA is worth \$22.6 million over five years, an increase of \$2.6 million over the previous AAFC CBA. This funding will provide support for plant breeders,

technicians, and specialists to deliver field-ready varieties to western Canadian farmers.

Both the CDC and the AAFC CBAs will provide wheat cultivars to farmers with improved yield potentials and greater resistance to diseases such as fusarium head blight (FHB), rusts, and common bunt, as well as pests such as the orange wheat blossom midge and wheat stem sawfly.

The CDC will be concentrating on the development of three classes: Canada Western Red Spring (CWRS), Canada Western Amber Durum (CWAD) and Canada Prairie Spring Red (CPSR). AAFC will focus on five classes: CWRS, CWAD, CPSR, Canada Western Soft White Spring (CWSWS), and Canada Western Red Winter (CWRW).

The CWRC has also assumed the funding and administration of CBAs with the Universities of Alberta and Manitoba. These are expected to be announced in early 2021.

CBAs are funded based on the provincial share of the total tonnes of wheat sales on which levy is collected and adjusted annually based on the previous year's production. Fifty-three per cent of the funding for the CBAs will come from Saskatchewan, 32 per cent from Alberta, and 15 per cent from Manitoba for the 2018-2019 production year.

Midge Tolerant Wheat Stewardship Communications Program

The CWRC has assumed the communications activities for the Midge Tolerant Wheat Stewardship (MTWS) program. The communications activities include reaching out to producers through commission newsletters, social media, and email newsletters, along with maintaining a website and conducting direct communications with producers and seed retailers through the MTWS program communications vehicles.

The MTWS Communications Committee was established in 2009 alongside the MTWS Committee. The MTWS program is an industry coalition representing government, producer commissions, and private companies including plant breeders and seed growers. The MTWS program and communications initiative ensures producers understand the need to protect the midge tolerant (Sm1) gene by signing a



stewardship agreement in which they agree to only use their midge tolerant varietal blend one year past certified seed.

Midge Tolerant Wheat varieties protect growers from damage caused by the orange wheat blossom midge, which can result in significant grade and yield losses. Seed is sold as a varietal blend, with 90 per cent made up of a midge tolerant variety and the remaining 10 per cent from a midge susceptible variety. Midge Tolerant Wheat growers report significant yield and grade benefits — approximately \$36 per acre (based on wheat priced at \$6 bu/ac).

Canadian National Wheat Cluster

Officially announced in January 2019, the Canadian National Wheat Cluster (Wheat Cluster) is worth nearly \$25 million over five years. Activities funded through the Wheat Cluster will 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 10 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

Canadian National Wheat Cluster Funders



Canadian Wheat Research Coalition

Financial Statements
March 31, 2020



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, 2020 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, 2020;
- 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 a summary of significant accounting policies.

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 comprises the information, other than the financial statements and our auditor's report thereon, included in the annual report.

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

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



In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, 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.

(to be signed - PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.)

Chartered Professional Accountants

Saskatoon, Saskatchewan
September 22, 2020

Canadian Wheat Research Coalition

Statement of Financial Position

As at March 31, 2020

	2020 \$	2019 \$
Assets		
Current assets		
Cash and cash equivalents	807,809	898,856
Accounts receivable	86,071	130,872
	<u>893,880</u>	<u>1,029,728</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	664,855	851,825
Deferred revenue	40,490	22,347
	<u>705,345</u>	<u>874,172</u>
Net assets		
Unrestricted net assets	188,535	155,556
Internally restricted net assets	-	-
	<u>188,535</u>	<u>155,556</u>
	<u>893,880</u>	<u>1,029,728</u>

Commitments (notes 6, 7, 8, and 9)

Approved by the Board of Directors



Jason Lenz

Director



Fred Greig

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, 2020

	2020 \$	2019 \$
Revenue (note 10)		
Project contributions – CRDA (note 4)	1,507,127	1,429,034
Project contributions – AAFC (note 3)	860,710	817,419
Project contributions – Industry (note 4)	670,970	650,403
Project contributions – CDC (note 5)	919,116	-
Project contribution adjustments	1,620	(1,620)
Seed funding	-	135,000
Interest income	858	1,999
	<u>3,960,401</u>	<u>3,032,235</u>
Expenses		
Research		
Research projects – CRDA (note 6)	1,507,127	1,429,034
Research projects – CA (note 7)	1,261,494	1,197,845
Research projects – CDC (note 8)	919,116	-
Other research costs	6,000	6,714
Science coordination (note 9)	108,783	108,008
Operations and administration		
Service contracts (note 9)	82,317	107,870
Professional fees	33,542	15,947
Communications	4,789	5,615
General and administrative	3,265	2,092
Board meetings	989	3,367
	<u>3,927,422</u>	<u>2,876,492</u>
Excess (deficiency) of revenue over expenses	32,979	155,743
Unrestricted net assets – Beginning of year	<u>155,556</u>	<u>(187)</u>
Unrestricted net assets – End of year	<u>188,535</u>	<u>155,556</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, 2020

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	32,979	155,743
Changes in non-cash working capital items		
Accounts receivable	44,801	(132,259)
Accounts payable and accrued liabilities	(186,970)	851,637
Deferred revenue	18,143	23,734
	<hr/>	<hr/>
Net change in cash and cash equivalents	(91,047)	898,855
Cash and cash equivalents – Beginning of year	<hr/> 898,856	<hr/> 1
Cash and cash equivalents – End of year	<hr/> 807,809	<hr/> 898,856

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

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2020

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 amount 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. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

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, 2020

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 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.

4 Contribution agreement – Funding Agencies

The Coalition signed a funding agreement with the Alberta Wheat Commission, Canadian Field Crop Research Alliance, Manitoba Wheat and Barley Growers Association, 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.

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.

5 Funding shares agreement – Wheat Breeding Research

The Coalition signed a funding shares agreement with the Saskatchewan Wheat Development Commission, Alberta Wheat Commission, and Manitoba Wheat and Barley Growers Association in order to fulfil the budget and payment schedule requirements of the collaborative agreement on wheat breeding research between the Coalition and the University of Saskatchewan Crop Development Centre (CDC) (note 8). The agreement is effective January 1, 2020 and will expire on February 1, 2025.

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2020

6 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 \$2,936,161 (2019 - \$1,429,034) have been incurred related to these commitments through March 31, 2020. The remaining commitments of the Coalition over the remaining the term of the CRDA are anticipated to be as follows:

	\$
2021	1,539,172
2022	1,566,060
2023	1,539,950
	<hr/>
	4,645,182
	<hr/>

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

Under the terms of the contribution agreement for the Canadian National Wheat Cluster (Project ASC-o8) 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 \$2,459,339 (2019 – \$1,197,845) have been incurred related to these commitments through March 31, 2020. The remaining commitments of the Coalition over the remaining the term of the agreement are anticipated to be as follows:

	\$
2021	1,683,294
2022	1,568,526
2023	1,580,799
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	4,832,619
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Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2020

8 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 \$919,116 (2019 - \$nil) have been incurred related to these commitments through March 31, 2020. The remaining commitments of the Coalition over the remaining the term of the agreement are anticipated to be as follows:

	\$
2021	919,116
2022	1,884,188
2023	1,931,292
2024	1,979,574
2025	2,029,064
	<hr/>
	8,743,234
	<hr/>

9 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 \$310,011 (2019 - \$118,911) have been incurred related to these commitments through March 31, 2020. The remaining commitments of the Coalition over the remaining the term of the agreement are anticipated to be as follows:

	\$
2021	162,436
2022	182,072
2023	209,056
	<hr/>
	553,564
	<hr/>

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2020

10 Revenue by source

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

	2020 \$	2019 \$
Saskatchewan Wheat Development Commission	1,098,549	654,858
Agriculture and Agri-Food Canada	860,710	817,419
Alberta Wheat Commission	815,148	544,824
Manitoba Wheat and Barley Growers Association	324,435	192,147
Other industry funding agencies	861,559	812,986
	<u>3,960,401</u>	<u>3,032,235</u>

11 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 at March 31, 2020, 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, 2020.

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, 2020.



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