



# 2020-2021 ANNUAL REPORT







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# INTRODUCTION

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

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

CWRC is administered by a host commission, which rotates every three years. For fiscal year 2020-21, hosting duties resided with Sask Wheat for the first half of the fiscal, and transitioned to AWC for the remaining half.







# CHAIR'S MESSAGE



It has been another eventful year for the farmer-led, Canadian Wheat Research Coalition (CWRC) — a working collaboration between the Alberta Wheat Commission (AWC), Saskatchewan Wheat Development Commission (Sask Wheat) and Manitoba Crop Alliance (MCA). Continuing from the previous year's momentum, CWRC remained focused on executing various agreements in wheat research, solidifying our network partnerships in support of wheat breeding activities across Canada. The goal of our efforts continues to be ensuring farmers have access to competitive wheat varieties well into the future.

This past year included the execution of two major core breeding agreements (CBAs) by CWRC in support of Canadian wheat research programs at Agriculture and Agri-Food Canada (AAFC) and the University of Alberta (U of A), complimenting our existing agreement with the University of Saskatchewan's Crop Development Centre, which was signed in the 2019 fiscal year. CBAs provide variety development capacity to enable institutions to address common issues that Canadian wheat farmers face, with the overall goal to deliver field-ready varieties. The CBAs represent a significant funding effort by farmers, together providing over \$36 million over five years to varietal development efforts.

The first significant agreement from this past year is CWRC's largest CBA to date: a \$22.6 million commitment over five-years to AAFC. This agreement will contribute to the development of wheat cultivars that provide farmers with greater 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 focuses on developing wheat varieties in the Canadian Western Red Spring, Canadian Western Amber Durum, Canadian Prairie Spring Red, Canada Western Soft White Spring, and Canada Western Red Winter classes.

The second CBA signed this year was a \$2 million commitment over five-years to the U of A. A top objective of this agreement is for the U of A's wheat breeding program to develop registered wheat varieties focusing on the traits of early maturity, shorter straw, and resistance to stripe rust and Fusarium head blight, all of which are key priorities of northern Alberta's Parkland region where the program is located. The program is led by principal investigator and

well-known wheat breeder, Dr. Dean Spaner.

This past year also saw the transition of CWRC's hosting duties from Sask Wheat to AWC, along with the appointment of myself, Fred Greig, as the chair. I would like to thank my predecessor and as the past chair of CWRC, Jason Lenz, on a job well done helping establish CWRC in its initial years. Further, I would like to thank my fellow CWRC board members on their endorsement and trust in me as chair for the

next three years. With the CWRC administration transition, the role of President also transitioned from Harvey Brooks with Sask Wheat, to Lauren Comin with AWC. I would like to thank Harvey and the Sask Wheat team for an excellent job administering CWRC in our start-up years.

CWRC is a prime example of an impactful collaboration that aims to make wheat farmers' dollars go further. By working together, we leverage common challenges and eliminate duplication. Through CWRC, farmers have a seat at the table to deter-

mine meaningful wheat research priorities. It all comes back to our bottom-line and ensuring we have a full pipeline of strong wheat varieties. Farmers require access to competitive varieties that not only perform in the field, but also offer strong end-use quality. Canadian wheat is a reputable product around the world so our in-the-field needs must also translate to a high-quality, end-use product that meets the needs of our international customers. CWRC helps facilitate this value-chain alignment and build a strong network of wheat breeding efforts across Canada.

Agricultural research is often seen as a long game, and I'm proud to say that the CWRC is beginning to establish itself as a key player in this arena who will stay the course. We look forward to what lies ahead for next year and many years to come!

**CWRC is a prime example of an impactful collaboration that aims to make wheat farmers' dollars go further.**





# MESSAGE FROM THE PRESIDENT



Since its formation in 2017, the Canadian Wheat Research Coalition (CWRC) has firmly established itself as the leader of producer-led wheat research in Western Canada. The founding members, the Alberta Wheat Commission (AWC), the Saskatchewan Wheat Development Commission (Sask Wheat) and the Manitoba Crop Alliance (MCA, formerly, the Manitoba Wheat and Barley Growers Association), had a vision for an efficient collaboration amongst the Prairie provinces, utilizing commonalities across the west to maximize synergies, while recognizing the regional differences that come with such a vast landscape. The initiatives we have undertaken in 2020 are evidence that this vision has been realized.

When the CWRC was established, the members felt it was important that the host duties and responsibilities be shared amongst the three prairie producer groups. Although unconventional, a three-year, rotating model was developed with the host province being responsible for finances, communication, and general operations. The host province would also provide a President. Sask Wheat did much of the heavy lifting in CWRC's first three years and under President Dr. Harvey Brooks, set up CWRC for a successful future. In the first three years, CWRC was successful in securing funding for national wheat research under the five-year Canadian Agricultural Partnership (CAP) Science Cluster program and initiated the transfer of responsibility for public variety development capacity support from Western Grains Research Foundation (WGRF) to CWRC, by establishing five-year core breeding agreements with University of Saskatchewan's Crop Development Centre (2019) and Agriculture and Agri-Food Canada (2020). In addition, a Memorandum of Understanding was signed with SeCan to enable future funding partnerships in key variety development initiatives.

In September 2020, at the Annual General Meeting, the host baton was passed to AWC, so Alberta could continue facilitating the advancement of wheat innovation. With the support of partner commissions, AWC's leadership has enabled CWRC to increase support to public variety development, including the execution of an agreement worth \$2 million

over five years to support the University of Alberta's park-land-focused breeding program. In addition, CWRC initiated planning for the next federal agriculture policy framework; the next iteration of the Canadian National Wheat Cluster, running from 2023 to 2028. While submission will not occur until the fall of 2022, early planning allows for national producer priorities to be fully fleshed out and better aligned with program requirements.

**Providing value and return on investment is key for the wheat commissions and therefore paramount for CWRC.**

Providing value and return on investment is key for the wheat commissions and therefore paramount for CWRC. With several large initiatives under our belt, CWRC will shift some of its efforts into measuring and quantifying the impacts our portfolio and investments are making at the farm level and beyond. This work will not only help guide our future investments to maximize impact but also provide us with data to compliment our advocacy efforts for the importance of sustained public research funding.

There is little doubt that investment in research and innovation can have large returns. CWRC is dedicated to maximizing those returns for our farmer members. This includes working together, across provincial borders to co-invest in research that has wide adaptability and determining in which specific research areas investment will have the most impact.

Together, our voice is louder, our reach is farther, and our impact is greater.

# BOARD OF DIRECTORS



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



**FRED GREIG**

*Chair*

Manitoba Crop Alliance



**JAKE LEGUEE**

*Vice-Chair*

Saskatchewan Wheat  
Development Commission



**JASON LENZ**

*Secretary/Treasurer*

Alberta Wheat Commission



**RYAN HUEGING**

Manitoba Crop Alliance



**JANINE PALY**

Alberta Wheat Commission



**KEN ROSAASEN**

Saskatchewan Wheat  
Development Commission



**JASON SAUNDERS**

Alberta Wheat Commission



**JOCELYN VELESTUK**

Saskatchewan Wheat  
Development Commission



**LAUREN COMIN**

*President*

Alberta Wheat Commission



# CWRC ACTIVITIES



## Core breeding agreements

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

The past year saw the execution of two significant CBAs, further establishing CWRC's position as a leader in wheat research:

### AGRICULTURE AND AGRI-FOOD CANADA

## \$22.6 MILLION

Marking CWRC's largest CBA investment to date, this five-year agreement with Agriculture and Agri-Food Canada (AAFC) continues to build on the programing from former agreements with the Western Grains Research Foundation (WGRF). The investment provides core support to a longstanding and successful wheat breeding program. This agreement will contribute to the development of wheat cultivars with enhanced yield potential, resistance to priority diseases such as Fusarium head blight, rusts, and resistance to pests such as the orange wheat blossom midge and wheat stem sawfly.

The AAFC program concentrates on developing wheat varieties in the Canadian Western Red Spring, Canadian Western Amber Durum, Canadian Prairie Spring Red, Canada Western Soft White Spring, and Canada Western Red Winter classes.

### UNIVERSITY OF ALBERTA

## \$2 MILLION

The execution of the University of Alberta (U of A) CBA marks the second prairie education institute to solidify core breeding support with CWRC, the first being the Crop Development Centre at the University of Saskatchewan's CBA in 2019. The U of A's five-year agreement aims to develop three to five registered wheat varieties focusing on the traits of early maturity, shorter straw stalk, and resistance to stripe rust and Fusarium head blight, all of which are key priorities of northern Alberta's Parkland region where the program is located. The program is led by principal investigator and well-known wheat breeder, Dr. Dean Spaner.

The final CBA agreement to solidify CWRC's core breeding network is with the University of Manitoba. Farmers and stakeholders can anticipate to hear of this announcement once the agreement is formally executed in fiscal year 2021-22.





## 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 ten producer and private organizations from across Canada.

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

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

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

Despite the ongoing work of the CAP cluster, preparations are being made for the next iteration of the Wheat Cluster under the next agricultural policy framework, expected to run from 2023 to 2028. Applications will be submitted in the fall of 2022, and CWRC alongside our partners are developing producer priorities to ensure the greatest chance for another successful cluster.







## Midge Tolerant Wheat

CWRC runs the communications activities for the Midge Tolerant Wheat (MTW) stewardship program. The communications activities include reaching out to producers through commission newsletters, social media, and e-newsletters, along with maintaining a website and conducting direct communications with producers and seed retailers through the MTW program communications vehicles.



2021 marks the 12th year that growers in Western Canada have seeded MTW. Milestones include:

- **More than 30 million acres** of MTW since its first planting in 2009
- **\$1 billion dollars** in yield and quality benefits to producers
- **37 varieties** of MTW available in seven classes



With areas of Manitoba seeding MTW for the first time, stewardship awareness is very important. To bring awareness to the stewardship principles, the communications team maximizes value through social media advertising (Twitter and YouTube) and e-newsletter ads. Seed companies and producer organizations generously offer space in their digital and print publications for ads and articles. The communications team also maintains a Twitter feed to connect with producers, share news and build relationships with experts and trusted information sources.

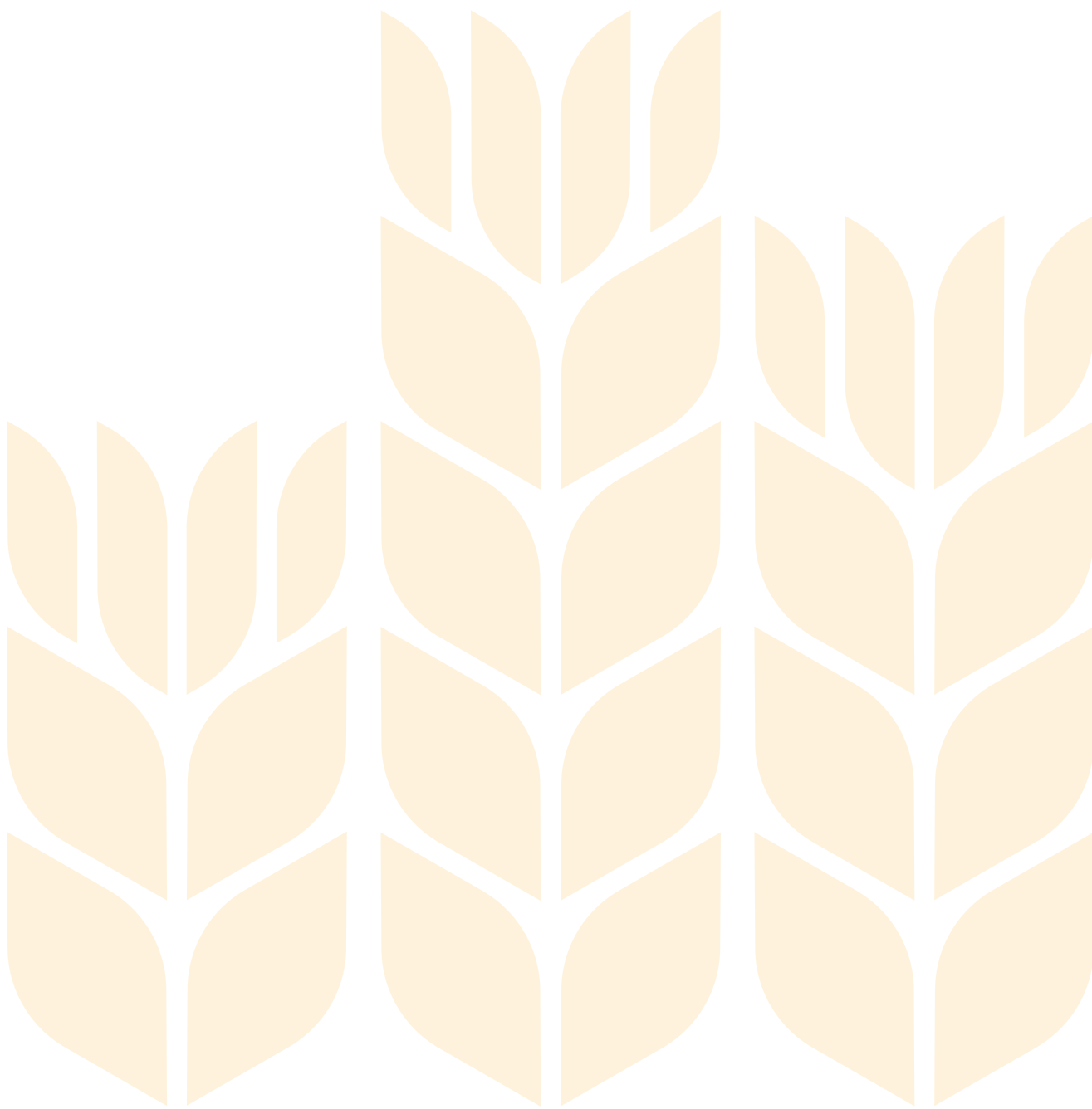
2022 will be an interesting year for wheat midge. A perfect storm was possible in 2021 with wheat midge population forecasts higher in Alberta and Saskatchewan than in recent years. However, the drought conditions in 2021 could result in a 2022 emergence of the wheat midge population that remained dormant because of imperfect spring moisture conditions. We look forward to the wheat midge forecast map coming this winter to confirm or deny this possibility. Dr. Tyler Wist, an Agriculture and Agri-Food Canada (AAFC) entomologist studying wheat midge, observed significant adult populations recorded on pheromone traps in areas that received enough spring rain (approximately 179mm in the spring, where 25mm was sufficient) that led to one larvae per spike (approximately two per cent yield loss) that all successfully entered the soil to overwinter for 2022.

Despite the unpredictability of wheat midge populations, many farmers have fully embraced MTW varieties in all areas of Western Canada. With benefits that are evident even under low wheat midge pressure and strong yielding varieties, MTW offers an agronomic package that offers great value to farmers.

CWRC will continue to keep MTW stewardship principles in front of growers. To keep things interesting, the communications team is putting a new spin on an old message that is still impactful today.



# FINANCIALS







## Independent auditor's report

To the Board of Directors of Canadian Wheat Research Coalition

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### 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, 2021 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, 2021;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### 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.

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### 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.

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

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



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.

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### **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.

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### **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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Saskatoon, Saskatchewan  
September 24, 2021

# Canadian Wheat Research Coalition

## Statement of Financial Position

As at March 31, 2021

	2021 \$	2020 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,088,175	807,809
Accounts receivable	88,251	86,071
	<u>2,176,426</u>	<u>893,880</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	1,419,716	664,855
Deferred revenue (note 3)	478,870	40,490
	<u>1,898,586</u>	<u>705,345</u>
<b>Net assets</b>		
Unrestricted net assets (note 13)	277,840	188,535
Internally restricted net assets	-	-
	<u>277,840</u>	<u>188,535</u>
	<u>2,176,426</u>	<u>893,880</u>
<b>Commitments</b> (notes 7, 8, 9, 10 and 11)		

Approved by the Board of Directors



Director



Director

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



**Canadian Wheat Research Coalition**  
**Statement of Operations and Changes in Net Assets**  
**For the year ended March 31, 2021**

	2021 \$	2020 \$
<b>Revenue</b> (note 12)		
Canadian Wheat Research Coalition		
Project contributions – CRDA (note 5)	1,223,004	1,507,127
Project contribution adjustments	-	1,620
Project contributions – Others	110,897	-
Interest income	8,928	858
Core Breeding		
Project contributions – CDC-CBA (note 6)	919,116	919,116
Project contributions – AAFC-CBA (note 6)	4,300,000	-
Canadian National Wheat Cluster		
Project contributions – AAFC (note 4)	882,508	860,710
Project contributions – Industry (note 5)	581,732	670,970
	<u>8,026,185</u>	<u>3,960,401</u>
<b>Expenses</b>		
Research		
Research projects – CRDA (note 7)	1,223,004	1,507,127
Research projects – CA (note 8)	1,193,533	1,261,494
Research projects – CDC-CBA (note 9)	919,116	919,116
Research projects – AAFC-CBA (note 11)	4,300,000	-
Other research costs	6,000	6,000
Science coordination (note 10)	126,075	108,783
Operations and administration		
Consulting fees	53,570	-
Service contracts (note 10)	36,360	82,317
Professional fees	26,186	33,542
Communications	48,856	4,789
General and administrative	4,180	3,265
Board meetings	-	989
	<u>7,936,880</u>	<u>3,927,422</u>
<b>Excess of revenue over expenses for the year</b>	89,305	32,979
<b>Unrestricted net assets – Beginning of year</b>	<u>188,535</u>	<u>155,556</u>
<b>Unrestricted net assets – End of year (note 13)</b>	<u>277,840</u>	<u>188,535</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, 2021

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	2021 \$	2020 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	89,305	32,979
Changes in non-cash working capital items		
Accounts receivable	(2,180)	44,801
Accounts payable and accrued liabilities	754,861	(186,970)
Deferred revenue	438,380	18,143
<b>Change in cash and cash equivalents during the year</b>	1,280,366	(91,047)
<b>Cash and cash equivalents – Beginning of year</b>	807,809	898,856
<b>Cash and cash equivalents – End of year</b>	2,088,175	807,809

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

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2021

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### 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, 2021

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### 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, 2020 \$	Revenue deferred \$	Revenue realized \$	March 31, 2021 \$
Canadian Research Wheat Coalition	-	316,167	-	316,167
Canadian National Wheat Cluster	40,490	122,213	-	162,703
	40,490	438,380	-	478,870

	March 31, 2019 \$	Revenue deferred \$	Revenue realized \$	March 31, 2020 \$
Canadian Research Wheat Coalition	-	-	-	-
Canadian National Wheat Cluster	22,347	18,143	-	40,490
	22,347	18,143	-	40,490

### 4 Contribution agreement – Agriculture and Agri-Food Canada

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

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2021

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### 5 Contribution agreement – Funding Agencies

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

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.

### 6 Funding shares agreement – Wheat Breeding Research

The Coalition signed a funding shares agreement with the Saskatchewan Wheat Development Commission, Alberta Wheat Commission and Manitoba Crop Alliance in order to fulfill the budget and payment schedule requirements of the collaborative agreements on wheat breeding research between the Coalition and both the University of Saskatchewan Crop Development Centre (CDC) (note 8) and Agriculture and Agri-Food Canada. The funding agreement for University of Saskatchewan 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 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 \$4,159,165 (2020 – \$2,936,161) have been incurred related to these commitments through March 31, 2021. The remaining commitments of the Coalition over the remaining term of the CRDA are anticipated to be as follows:

	\$
2022	1,754,029
2023	1,668,148
	<u>3,422,177</u>

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2021

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The remaining commitments of the Coalition have been updated from previously reported amount of \$3,106,010 to \$3,422,177 to reflect the amended project agreement that transfers \$316,167 of 2021 funding to 2022 and 2023.

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

Under the terms of the contribution agreement for the Canadian National Wheat Cluster (Project ASC-08) between the Coalition and Agriculture and Agri-Food Canada, which commenced during fiscal 2019 and extends through March 31, 2023, the total maximum commitment to projects awarded funding is \$7,786,047. Cumulative research project expenditures of \$3,652,872 (2020 – \$2,459,339) have been incurred related to these commitments through March 31, 2021. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2022	2,552,402
2023	1,580,799
	<u>4,133,201</u>

The remaining commitments of the Coalition have been updated from previously reported amount of \$3,149,325 to \$4,133,201 to reflect the excess of \$983,876 of cumulative funding from prior years that can be used for research project expenditures in the future years until the agreement ends.

### 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 \$1,838,232 (2020 – \$919,116) have been incurred related to these commitments through March 31, 2021. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2022	1,884,188
2023	1,931,292
2024	1,979,574
2025	2,029,064
	<u>7,824,118</u>



# Canadian Wheat Research Coalition

## Notes to Financial Statements

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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 September 1, 2018 extending through December 31, 2023. The total maximum commitment awarded funding is \$863,570. Cumulative service contract expenditures of \$472,446 (2020 – \$310,011) have been incurred related to these commitments through March 31, 2021. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2022	182,073
2023	<u>209,056</u>
	<u>391,129</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 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 \$4,300,000 (2020 – \$nil) have been incurred related to these commitments through March 31, 2021. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2022	4,410,000
2023	4,520,000
2024	4,635,000
2025	<u>4,750,000</u>
	<u>18,315,000</u>

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### 12 Revenue by source

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

	2021 \$	2020 \$
Saskatchewan Wheat Development Commission	3,421,892	1,098,549
Agriculture and Agri-Food Canada	882,508	860,710
Alberta Wheat Commission	2,227,921	815,148
Manitoba Crop Alliance	1,025,016	324,435
Other industry funding agencies	459,920	860,701
Interest income	8,928	858
	<u>8,026,185</u>	<u>3,960,401</u>

### 13 Unrestricted net assets

Unrestricted net assets as at March 31, 2021 of \$277,840 (2020 – \$188,535) relate to the industry contribution and the 10% contracted administration fee for the Canadian National Wheat Cluster project. The Coalition intends to use these funds for Cluster related expenses and/or the development of the next National Wheat Cluster application.

### 14 COVID-19 pandemic

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

Management has assessed the financial impact of COVID-19 as at March 31, 2021, 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, 2021.

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, 2021.