

Growing Strong

Annual Report
2013/14

About **Sask Wheat**

The Saskatchewan Wheat Development Commission (Sask Wheat) was established by the Saskatchewan Ministry of Agriculture on June 20, 2013, to build a platform for growth in the province's wheat industry. Sask Wheat, which is producer-elected and directed, will ensure that the proper resources, leadership and representation are in place to ensure producers' interests are protected and to strengthen the province's competitive advantage. Check-off dollars administered by Sask Wheat will go toward research, market development, communications and promotion initiatives that will lead to improved wheat varieties, improved marketability, and higher value for producers.

Our mission

To provide leadership in identifying and supporting research and market development that contributes to profitable and sustainable wheat production for Saskatchewan producers.



Our vision

That wheat is a stable, sustainable, profitable and internationally competitive crop, capturing the benefits for Saskatchewan producers and the community.

About the **Check-Off**

The Saskatchewan Wheat Development Commission (Sask Wheat) was established by the Saskatchewan government in June of 2013 and collects a check-off of \$0.52 per tonne, which became effective on August 1, 2013. This check-off is mandatory but refundable upon request, and will ensure there is funding in place for research, market development and promotion related to Saskatchewan-grown wheat as the industry transitions into a post single-desk environment. Through Sask Wheat's elected Board of Directors, Saskatchewan producers will have a direct say in how these funds are invested.



Strategic **Priorities**

Research

Goal: To maximize direct financial benefit to Saskatchewan producers through yield gains, improved quality characteristics and agronomic efficiencies

Market development

Goal: To promote Canadian wheat in a way that increases value and marketability, and provides a greater net return to producers

Consumer/producer relations

Goal: To communicate regularly with producers and the public

Advocacy/advisory

Goal: To represent the interests of Saskatchewan wheat producers to governments, their respective agencies or representatives, corporations and non-governmental organizations



State of the Industry/Chair's Report



Bill Gehl, Chair

The Saskatchewan Wheat Development Commission has been busy this past year laying a strong foundation to meet our mandate of identifying and supporting research and market development opportunities that ensure the highest return on investment for producers' check-off dollars.

A recent Western Grains Research Foundation (WGRF) report showed that, on average, every producer check-off dollar invested into wheat varietal research has returned \$20.40 in value to the producer and even larger returns to the Canadian economy in general. The 2014 harvest experience clearly demonstrated that wheat producers in Saskatchewan face a number of production challenges that we believe only research can address. These include crop stresses such as fusarium head blight, mildew, wheat midge, and sprouting. In addition, we all recognize the need for higher-yielding wheat varieties and the need to focus on specific quality requirements of various customer market segments. With all of this in mind, Sask Wheat has become involved with a number of partner organizations such as the Alberta Wheat Commission, the Manitoba Wheat and Barley Growers Association, the Agriculture Council of Saskatchewan, the Canadian International Grains Institute, Farm and Food Care Saskatchewan, WGRF, the Western Grain Standards Committee, the Grains Roundtable Crop Research Working Group, and more. These partnerships will help us leverage research investments. We are also currently looking at co-funding opportunities on a number of Agriculture Development Fund proposals and co-funding agreements with Agriculture and Agri-Food Canada, the Crop Development Centre at the University of Saskatchewan, the University of Manitoba and the University of Alberta. We should have outcomes of these opportunities to report in the new year.

Transportation and handling issues have been top of mind for producers over the past two seasons, and Sask Wheat has established itself as a producer advocate in this area. Along with Saskatchewan Pulse Growers, Agricultural Producers Association of Saskatchewan and the Saskatchewan Barley Development Commission, we provided a submission to the Canadian Transportation Act (CTA) review panel in December 2014 outlining issues for Saskatchewan producers and recommending major changes that need to be made in order to ensure producers' voices are heard at a national level. Although there is still much to do in this area, we feel we are well positioned to communicate producer issues to the CTA review panel as they continue their work through 2015.

We have also launched a communications program to ensure we are communicating regularly and transparently with wheat producers. Our newly launched newsletter, *The WheatField*, was sent out to all wheat producers in Saskatchewan in June and November and will be published again in March. Our new website is also designed to provide producers with information related to production, marketing, and industry news and events. We welcome all feedback to improve our communications efforts.

This past year represented a partial business year for the elected Board of Directors and the very first year for Sask Wheat operations. Next year will be our first full year of operations as an elected Board and we have dedicated resources to address our strategic priorities. We are all wheat producers ourselves, which means we think about the same things you do for our own farms – soil moisture conditions, pests and diseases, potential varieties for each crop in our rotation – and we envision the improved tools, both in agronomics and in varieties, that we would like to have at our disposal. We will work hard to ensure that we listen to your concerns and are a positive force for providing these tools through applied research efforts.

I look forward to our continued industry progress over the next year.

A handwritten signature in blue ink, appearing to read "Bill Gehl", with a horizontal line underneath it.

General Manager's Report



*Harvey Brooks,
General Manager*

Firstly, I want to say I appreciate the opportunity to address the challenge of getting the Saskatchewan Wheat Development Commission (Sask Wheat) up and running, from an operational and strategic perspective. Since 2013/14 was the inaugural year for Sask Wheat, a lot of the ABCs of operations needed to be addressed over the past year. When I joined Sask Wheat in July, I was aware that much work had been accomplished but that there was still a lot to do. I would like to thank the previous General Manager, Tom Steve, for initiating many of the necessary steps for Sask Wheat to become operational. I would also like to thank the other producer-funded development commissions for their advice and exemplary collateral materials, which have helped us thoughtfully and efficiently develop our own policies and procedures.

The initial phase of Sask Wheat operations have focused on the fulfillment of the strategic direction provided by the Board. Fulfilling this direction has been a challenge given the timelines we had to work with, but we have managed to engage with the research community, establish a process to evaluate incoming proposals, and hire a Research Program Manager, Blair Goldade. Blair joined us in October 2014, and will manage the research portfolio going forward. Under the structures we have set in place this past year, we are confident in our ability to grow this program and its value for producers.

We have also hired a Communications and Marketing Manager, Delaney Seiferling, to coordinate producer relations, media inquiries, and marketing efforts. Delaney joined us in November 2014 and has provided a necessary boost to our capacity.

The strategic direction for Sask Wheat is very clear (you can find it on our website), but the annual business plan and approved budgets to support these strategic goals have also become more defined over the past year. The key issue facing Sask Wheat's strategic direction in the coming year will be understanding the potential strategic partnerships in varietal development and how these will enhance producer access to improved varieties at reasonable cost. We will be exploring all potential options for joint initiatives with our counterparts in Alberta and Manitoba over the coming year, with a view to enhancing wheat as a strong economic and rotational option for prairies producers. As the development of new varieties takes an average 10 to 12 years, support for ongoing research efforts will continue to be important to the success of wheat for prairie producers.

In addition to the work on varietal development, Sask Wheat understands the necessity to support agronomic advancements, as well as pre-production and post-production research, as these have been equally important to enhancing producers' net profitability in recent decades. The past year's significant crop stressors, such as flooding, fusarium head blight, wheat midge, mildew, lodging, and sprouting have emphasized even more the need for improved varietal resistance, as well as improved management practices to minimize the economic impact on wheat production.

Another part of our mandate is to act as an advocate on behalf of producers, whether it is by partnering with Farm and Food Care Saskatchewan, addressing concerns raised about wheat consumption or production practices, or providing a producer voice into the Canadian Transportation Act review panel process. Advocacy, or "Agvocacy" as it is now called, will most certainly be a feature of the future and the producer voice will take on increasing importance in providing information and representation for producer interests.

At the close of the 2013/14 year, I am happy to report that we have a good team in place and a clear strategic direction from the Board. I look forward to seeing last year's hard work feed into a successful and productive 2014/15.

A handwritten signature in blue ink that reads "Harvey Brooks".

Meet our **Board & Staff**

Board



Bill Gehl
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Rod Flaman
Vice-Chair
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Bill Rosher
Director
PO Box 81
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Laura Reiter
Director
PO Box 411
Radisson, SK S0K 3L0

Staff



Harvey Brooks
General Manager



Pat Tremaine
Office Manager



Blair Goldade
Research Program
Manager



Delaney Seiferling
Communications/
Marketing Manager

2013/14 in Review **Research**



Objectives & Priorities

In 2013/14 the Saskatchewan Wheat Development Commission (Sask Wheat) established a strong foundation for its research program. The main goal of the program is to ensure competitiveness, profitability and growth for the Saskatchewan wheat industry, and to ensure producers' best interests are represented in research funding decisions.

Going forward, these goals will be achieved by ensuring that all funded research falls within priority areas, which include plant breeding for varietal development, best agronomic management practices, and extension activities that convey important and meaningful knowledge for the benefit of producers in Saskatchewan. All potential research projects will be carefully screened by staff and Board members to ensure they deliver on these objectives.

Staff

In 2014, Sask Wheat has also put a team in place to execute these goals and objectives, hiring Blair Goldade as the Research Program Manager. Blair will be responsible for managing and administering research funding activities and developing an extensive research portfolio that maximizes direct financial benefit to Saskatchewan producers through improved yield gains, improved quality characteristics and agronomic efficiencies.

Partnerships

Over the past year, Sask Wheat Directors toured several research facilities, including the Crop Development Centre at the University of Saskatchewan, the Kernan Crop Research Farm, the Semiarid Prairie Agricultural Research Centre, and more, to become familiar with existing research operations. Sask Wheat has also begun the process of developing strong relationships with potential investment partners, such as government, other producer groups, and private organizations. These partnerships will be critical in leveraging research funding in order to maximize return on producer investment in research.

2013/14 Research Commitments

In 2013/14 Sask Wheat committed funding to the Saskatchewan Variety Performance Trials, which provide valuable information for producers and seed growers who are looking for unbiased comparisons of variety data. The trials are coordinated by an informal group of stakeholders called the Saskatchewan Variety Performance Group, which has coordinated post-registration regional performance testing of spring wheat, durum and other major field crops since 2006. The data collected from these trials is entered into the annual publications *Varieties of Grain Crops* and *SaskSeed Guide*.

In 2013/14 Sask Wheat also co-funded a project facilitated through the University of Manitoba (U of M) which aims to solidify and enhance the value of the Canadian Western Red Spring (CWRS) wheat class in world markets by developing an understanding of genotype and environment influences on gluten strength for bread making. This project is titled "Influence of Genotype, Weather and the Growing Environment, and Crop Management on Gluten Strength and the Sustainability of CWRS as a Premium Wheat Class in the Prairie Region" and is led by Dr. Harry Sapirsetin and Dr. Paul Bullock (U of M) and numerous collaborators from Agriculture and Agri-Food Canada, the University of Saskatchewan, the University of Alberta, Indian Head Agricultural Research Foundation, and Richardson International. The results of the project will be communicated across the value chain.

Next year

Going forward, the Sask Wheat research program will continue to build competitiveness, profitability and growth for the Saskatchewan wheat industry by investing in research and development. Sask Wheat will also continue to build research partnerships that help us achieve these goals.

A list of all Sask Wheat-supported research projects and programs will be available on the website in 2015.

2013/14 in Review **Communications**

In 2013/14 the Saskatchewan Wheat Development Commission (Sask Wheat) launched a communications program that aims to communicate regularly and transparently with producers and the public. Sask Wheat also hired a Communications and Marketing Manager, Delaney Seiferling, to oversee the program.

CropSphere 2014

In January Sask Wheat was a host member of CropSphere 2014, an agricultural conference that took place during Crop Production Week in Saskatoon. CropSphere 2014 featured two full days of educational and networking opportunities, as well as evening events and entertainment. The program also featured big name keynote speakers, as well as breakout sessions focusing on agronomy, marketing, agricultural research, consumer food trends, and more. More than 800 producers were in attendance.

Sask Wheat also hosted its first Annual General Meeting during this time.

Semi-annual meeting

In June 2014, Sask Wheat hosted its first semi-annual meeting, during the Farm Progress Show in Regina. The meeting gave wheat producers an opportunity to meet the Sask Wheat Board of Directors and General Manager, as well as to learn more about the organization's strategic plan, goals, objectives and activities.

Newsletter

In June, Sask Wheat published its first issue of *The WheatField*, a producer-focused newsletter that aims to keep wheat producers informed of Sask Wheat news and events, as well as on growing and selling wheat crops. *The WheatField* is published every June, December, and March and available in hard copy or electronically.

To read previous issues, visit www.saskwheatcommission.com.



Extension

In January 2014, Sask Wheat participated in the Crop Production Show, Western Canada's premier grain industry showcase, partnering with the Saskatchewan Barley Development Commission to host a booth throughout the four-day event in Saskatoon.

In March 2014, Sask Wheat hosted a booth at the North Battleford Agri-Mex tradeshow, which brings in approximately 5000 attendees each year from North Battleford and surrounding areas, to learn more about the latest news and innovation in Saskatchewan agriculture.

In the summer of 2014, Sask Wheat supported and attended a number of Field Days across Saskatchewan, which provided producers and industry members with the latest information on research and agronomic practices in their

region of the province. Throughout July and August, these Field Days were hosted by the Indian Head Agricultural Research Foundation (IHARF), the South East Research Farm (SERF) in Redvers, the Canada Saskatchewan Irrigation Diversification Centre (CSIDC) in Outlook, the East Central Research Foundation (ECRF) in Canora, the Western Applied Research Corporation (WARC) in Scott, and the Northeast Agriculture Research Foundation (NARF) in Melfort.



2013/14 in Review **Market Development**

In 2013/14 Sask Wheat set strategic priorities for its market development program. Going forward the program will aim to promote Canadian wheat in a way that increases value and marketability, and provides a greater net return to producers.



2013/14 in Review **Advocacy**

In 2013/14 Sask Wheat set strategic priorities for its advocacy program. The goal is to represent the interests of Saskatchewan wheat producers to governments, their respective agencies or representatives, corporations and non-governmental organizations.

In 2013/14 Sask Wheat began important work on representing Saskatchewan wheat producers' interests in a national-level discussion about the current state of the transportation and grain handling system in Canada. This work involved investigating the financial impact transportation and handling issues have had on Saskatchewan wheat producers, and partnering with other affected organizations to submit recommendations to the Canadian Transportation Act review panel. Sask Wheat has established itself as a strong voice for Saskatchewan producers within this conversation and this important work will continue in the new year.

Watch for Sask Wheat's new website, which will be launched in January 2015. The new website will be a hub for wheat producers for information on production, marketing, industry news and events, and more.

www.saskwheatcommission

Saskatchewan Wheat Development Commission

Financial Statements
July 31, 2014



November 13, 2014

Independent Auditor's Report

To the Board of Directors of the Saskatchewan Wheat Development Commission

We have audited the accompanying financial statements of Saskatchewan Wheat Development Commission, which comprise the statement of financial position as at July 31, 2014 and July 31, 2013 and the statements of operations and unrestricted net assets and cash flows for the periods then ended, and the related notes which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Basis for qualified opinion

In common with many similar not-for-profit organizations, Saskatchewan Wheat Development Commission derives revenue from producer check-off fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Saskatchewan Wheat Development Commission. Therefore, we were not able to determine whether any adjustments might be necessary to producer check-off fees, excess of revenues over expenditures and cash flows from operations for the period ended July 31, 2014, current assets as at July 31, 2014 and unrestricted net assets as at July 31, 2014.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Wheat Development Commission as at July 31, 2014 and July 31, 2013 and the results of its operations and its cash flows for the periods then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Accountants

Saskatchewan Wheat Development Commission

Statement of Financial Position

As at July 31, 2014

	2014 \$	2013 \$
Assets		
Current assets		
Cash and cash equivalents	4,788,621	380,112
Investments	20,000	-
Accounts receivable	950,895	83
Loans receivable (note 5)	-	50,000
	<hr/> 5,759,516	<hr/> 430,195
Tangible capital assets (note 3)	11,963	-
	<hr/> 5,771,479	<hr/> 430,195
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	413,821	9,810
Loans payable (note 4)	-	450,000
	<hr/> 413,821	<hr/> 459,810
Unrestricted net assets	5,357,658	(29,615)
	<hr/> 5,771,479	<hr/> 430,195
Operating lease (note 6)		

Approved by the Board of Directors



Director



Director

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

Saskatchewan Wheat Development Commission

Statement of Operations and Unrestricted Net Assets

	Year ended July 31, 2014 \$	Period ended June 7, 2013 to July 31, 2013 \$
Revenue		
Producer check-off fees	6,396,649	-
Refunds	(382,280)	-
	<hr/>	<hr/>
	6,014,369	-
Management fees (note 5)	26,279	-
Grants	8,900	-
Interest income (note 5)	6,913	110
	<hr/>	<hr/>
	6,056,461	110
Expenditures		
Research	28,500	-
Market development	1,500	-
Communication and advocacy	80,341	26
Governance (note 5)		
Election	82,756	-
Directors	79,817	4,217
Meetings	37,216	1,369
Strategic planning	17,465	-
General and administrative		
Wages and benefits	156,178	-
Service contracts	116,504	15,310
Other general and administrative	65,392	8,803
Amortization of tangible capital assets	3,519	-
	<hr/>	<hr/>
	669,188	29,725
Excess (deficiency) of revenue over expenditures	5,387,273	(29,615)
Unrestricted net assets – Beginning of year	(29,615)	-
	<hr/>	<hr/>
Unrestricted net assets – End of year	5,357,658	(29,615)

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

Saskatchewan Wheat Development Commission

Statement of Cash Flows

	Year ended July 31, 2014 \$	Period ended June 7, 2013 to July 31, 2013 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures for the year	5,387,273	(29,615)
Amortization of tangible capital assets	3,519	-
	<u>5,390,792</u>	<u>(29,615)</u>
Changes in non-cash working capital items		
Accounts receivable	(950,812)	(83)
Accounts payable and accrued liabilities	404,011	9,810
	<u>(546,801)</u>	<u>9,727</u>
	<u>4,843,991</u>	<u>(19,888)</u>
Investing activities		
Purchase of tangible capital assets	(15,482)	-
Purchase of investments	(20,000)	-
	<u>(35,482)</u>	<u>-</u>
Financing activities		
Proceeds from (repayment of) loans payable	(450,000)	450,000
Loan receivable repayments (advances)	50,000	(50,000)
	<u>(400,000)</u>	<u>400,000</u>
Net change in cash and cash equivalents	4,408,509	380,112
Cash and cash equivalents – Beginning of year	380,112	-
Cash and cash equivalents – End of year	<u>4,788,621</u>	<u>380,112</u>
Cash and cash equivalents consist of the following		
Cash balances with banks	1,788,624	380,112
Cashable guaranteed investment certificates	2,999,997	-
	<u>4,788,621</u>	<u>380,112</u>

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

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2014

1 Nature of business

The Saskatchewan Wheat Development Commission (the "commission" or "SWDC") was established by provincial legislation on June 7, 2013. The activities of the commission are funded primarily by a levy on Saskatchewan produced spring wheat, which is collected by buyers at the time of sale.

The mandate of the commission is to provide leadership in identifying and supporting research and market development that contributes to profitable and sustainable wheat production for Saskatchewan farmers.

2 Summary of significant accounting policies

a) Basis of presentation

These financial statements include the accounts of the commission and are presented in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

b) 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 expenditures during the reporting period. Actual results could differ from these estimates.

c) 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 to known amounts of cash and that are subject to an insignificant risk of changes in value.

d) Tangible capital assets

Tangible capital assets are recorded at cost and amortized over their expected useful lives. Computer equipment is amortized using the declining balance method at a rate of 33%. Office furniture is amortized using the straight-line method at a rate of 20%.

e) Revenue recognition

Producer check-off fees are recognized as product is sold from the producer to the buyer. Refunds are recognized using the accrual method based on actual requests submitted by producers for the crop year and are paid out subsequent to year-end by the commission.

The commission follows the deferral method of accounting for 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

(1)

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2014

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 as the related expenses are recognized.

Investment income is recognized as it is earned. Contributions of materials and services are recognized only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the commission's operations and would otherwise have been purchased.

f) Financial instruments

Financial assets and financial liabilities, consisting of cash and cash equivalents, investments, accounts receivable, loans receivable, accounts payable and accrued liabilities, and loans payable are initially recognized at fair value and subsequent measurement is at amortized cost. The commission 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 Tangible capital assets

	July 31, 2014		
	Cost \$	Accumulated amortization \$	Net book value \$
Computer equipment	3,248	1,072	2,176
Office furniture	12,234	2,447	9,787
	15,482	3,519	11,963

4 Loans payable

During the period ended July 31, 2013 the commission entered into loan agreements with the Saskatchewan Canola Development Commission and the Saskatchewan Pulse Crop Development Board for \$250,000 and \$250,000 respectively. The loans bore interest at 2% compounded semi-annually and were repaid in full during the year ended July 31, 2014.

5 Related party transactions

For the majority of the year ended July 31, 2014 the commission was under common management with the Saskatchewan Barley Development Commission. During that time, the loan made to the Saskatchewan Barley Development Commission for \$50,000 was settled in addition to \$1,000 of interest earned on the loan. Also during the year ended July 31, 2014 the commission recovered a total of \$40,977 from the Saskatchewan Barley Development Commission for shared costs, including \$26,279 in management fees.

Saskatchewan Wheat Development Commission

Notes to Financial Statements

July 31, 2014

During the year ended July 31, 2014 members of the commission's first elected Board of Directors received payments for per diems, expenses and communications allowances of \$66,629. During the year ended July 31, 2014 members of the commission's interim appointed Board of Directors received payments for per diems and expenses of \$13,188 (period ended July 31, 2013 - \$4,217). All of these amounts are included in "Governance" expenditures on the Statement of Operations and Unrestricted Net Assets.

All related party transactions described above are measured at carrying amounts.

6 Operating lease

On December 1, 2013 the commission entered into a lease agreement with Saskatchewan Opportunities Corporation, otherwise known as Innovation Place, for office space. The term of the lease agreement is 2 years and future minimum monthly lease payments are \$2,026 from commencement to November 30, 2014 and \$2,413 from December 1, 2014 to November 30, 2015.



November 13, 2014

**To the Board of Directors of
Saskatchewan Wheat Development Commission**

We have audited Saskatchewan Wheat Development Commission's compliance as at July 31, 2014 with the provisions of the Agri-Food Act, 2004 and the Saskatchewan Wheat Development Plan Regulations which pertain to its financial reporting, safeguarding of public resources, spending, revenue raising, borrowing and investing activities. Compliance with the aforementioned legislative and related authorities is the responsibility of the management of Saskatchewan Wheat Development Commission. Our responsibility is to express an opinion on this compliance based on our audit.

Scope

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether Saskatchewan Wheat Development Commission complied with the provisions of the legislative and related authorities referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the provisions, and where applicable, assessing the accounting principles used and significant estimates made by management.

Opinion

In our opinion, as at July 31, 2014, Saskatchewan Wheat Development Commission is in compliance, in all significant respects, with the provisions of the legislative and related authorities referred to above which pertain to its financial reporting, safeguarding of public resources, spending, revenue raising, borrowing and investing activities.

PricewaterhouseCoopers LLP

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November 13, 2014

**To the Board of Directors of
Saskatchewan Wheat Development Commission**

We have audited Saskatchewan Wheat Development Commission's control as of July 31, 2014 to express an opinion as to the effectiveness of its control related to the adequacy of management systems, controls and practices intended to control and safeguard assets.

We used the guidance developed by The Criteria of Control Board of The Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of Saskatchewan Wheat Development Commission's control. We did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

The Criteria of Control Board of the CICA defines control as comprising those elements of an organization (including its resources, systems, processes, culture, structure and tasks) that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives. Or, stated another way, control is effective to the extent that the remaining risks of the organization failing to meet its objectives are deemed acceptable.

Saskatchewan Wheat Development Commission's management is responsible for effective control related to the objective described above. Our responsibility is to express an opinion on the effectiveness of control based on our audit.

Scope

We conducted our audit in accordance with standards for assurance engagements published in the CPA Canada Handbook – Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance as to effectiveness of Saskatchewan Wheat Development Commission's control related to the objective stated above. An audit includes obtaining an understanding of the significant risks related to this objective, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

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Limitations

Controls can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control, including the possibility of faulty judgment in decision-making, of breakdowns because of human error, of control activities being circumvented by collusion of two or more people and of management overriding control. Second, cost/benefit considerations can and should be taken into account when designing control in organizations. Because control can be expected to provide only reasonable assurance and not absolute assurance, the objective referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or the degree of compliance with control activities may deteriorate.

Opinion

In our opinion, based on the limitations noted above, Saskatchewan Wheat Development Commission's control was effective, in all significant respects, to meet the objective stated above as of July 31, 2014 based on the guidance developed by The Criteria of Control Board of the CICA.

PricewaterhouseCoopers LLP

Chartered Accountants

Sask Wheat Development Commission 2013-2014 Payee List (cash basis)

Personal Services (threshold \$2,500 except Board of Directors)

Board of Directors (all amounts included)

	Honorariums	Expenses	Total
Bill Gehl	7,200.00	4,287.35	11,487.35
Bill Rosher	650.00	3,146.69	3,796.69
Cherilyn Nagel	7,683.34	1,453.15	9,136.49
Dan R. Danielson	8,350.00	1,454.85	9,804.85
David Marit	600.00	487.79	1,087.79
Gerrid Gust	1,200.00	518.10	1,718.10
Glenn Tait	6,550.00	6,668.50	13,218.50
Joan Heath	450.00	82.01	532.01
Ken Rosaasen	8,300.00	2,787.09	11,087.09
Laura Reiter	6,675.00	3,817.51	10,492.51
Norm Hall	300.00	413.69	713.69
Rod Flaman	4,050.00	2,691.77	6,741.77
K Imhoff		7226.57	7,226.57
	<hr/>	<hr/>	<hr/>
	52,008.34	35,035.07	87,043.41

Research & Development (threshold \$5,000)

Saskatchewan Variety Performance Group 28,500.00

Extension (threshold \$5,000)

Farm & Food Care SK 5,250.00
University of Saskatchewan 12,000.00

Media & Communication (threshold \$5,000)

Prairie Marketing 76,882.74
Canada Post 29,597.32
Saskatoon Fastprint 14,185.00
Reach Communications 11,647.36
Jeff's Crestwear 6,417.62

Market Development (threshold \$20,000)

Supplier Payments (threshold \$20,000)

AgriBiz Communications 88,015.45
Agriculture Council of Saskatchewan Inc. 64,799.00

Other Payments (threshold \$20,000)

Board of Directors Approval Dec. 15, 2014





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