



FIFTH ANNUAL GENERAL MEETING

JANUARY 9, 2012

SASKATOON, SASKATCHEWAN

Meeting Agenda

Monday, January 9, 2012

8:30 a.m. Registration, Coffee, Meet & Greet

SWCDC AGM

- Introduction of Commission
- Executive Director's Report
- Election Announcement
- Financial Reports
- Discussion. Once a Year Levy Refund
- Appointment of Auditor
- New Business from the Floor

Ducks Unlimited Canada – Win a Bin Presentation

Chairman's Comments: Tough Years Behind, Good Years Ahead. Dale Hicks

Changing Markets: The New Future

- Brenda Tjaden Lepp, FarmLink Marketing Solutions

Canadian Grain Commission

Gino Castonguay, Inspection Specialist, CGC "Grading of Red Winter Wheat"

Elwin Hermanson, Chief Commissioner, CGC "Delivering on our mandate in changing times".

DIAP: The Results are Flowing In

What We Learned in Year 1

- Dr. Brian Beres, AAFC

Open Discussion: Grades, Varieties and Opportunities

Adjourn

DIRECTORS

Dale Hicks, Box 884, Outlook, Saskatchewan S0L 2N0, Chairman
Rod Fedoruk, Box 334, Kamsack Saskatchewan S0A 1S0, Director
Mark Weatherald, Box 465, Wawota, Saskatchewan S0G 5A0, Director
D. Kirk Elliott, 35 Moxon Cres. Saskatoon Saskatchewan, S7H 3B8, Director
Mark Akins, Box 2-4, Hearne, Saskatchewan, S0H 1Z0

Business Office

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Executive Director, J. A. (Jake) Davidson, P.Ag., PAS

**Minutes of the Fourth Annual General Meeting of the Saskatchewan Winter Cereals Development Commission
January 10, 2011**

Saskatoon Inn, Saskatoon Saskatchewan

Rod Fedoruk, Dale Hicks, Mark Weatherald, Kirk Elliott, Mark Akins, Jake Davidson, Exec. Director in attendance for the Commission.

9:05 am. The meeting was called to order by Chairman Hicks with about 25 in the audience.

Directors for 2011 were introduced to the meeting.

Kirk Elliot and Rod Fedoruk are reappointed for a 2 years term. Mark Akins for a 1 year term.

Rod Fedoruk was recognized for his work as founding Chairman and efforts before and after the formation of the commission with the presentation of a recognition award.

Mr. J. Davidson, gave the Executive Directors report.

Financial reports as accepted and approved by the commission along with the 2010/2011 Budget as approved were presented by J. Davidson, Executive Director.

Motion AGM 2010-1 Be it Moved that Mr. Merv Culham CA of Regina Saskatchewan be appointed as Auditor for the 2010 - 2011 fiscal year. Moved by Rod Fedoruk, seconded by Edgar Hammermeister. Carried

The participants were advised that due to the illness of Brian Beres there would be a change in the order or presentations,

Larry Durand from Ducks Unlimited reviewed the DIAP research program presentation provided by Brian Beres.

Ducks Unlimited Canada formally announced a significant funding announcement in co-operation with Bayer Crop Science to fund Dr. Brian Fowler's genome research for 3 years at the University of Saskatchewan

Dr. Brian Fowler was presented a special award from the Alberta Winter Wheat Producers Commission, Winter Cereals Manitoba Inc and Saskatchewan Winter Cereals Development Commission in recognition of his contributions to all areas of winter wheat research.

Jim Smolik from the Canadian Grains Commissions reviewed current issues of concern to producers and the CGC.

Dr. R. Graf presented information on the Pan Prairie wheat breeding project and the current status of several up and coming new varieties.

Jake Davidson introduced the participants to the state of farming in the Yukon Territories.

Dale Hicks invited new business from the floor. There being no issues raised Mark Weatherald moved adjournment of the business meeting at 12:20 pm with approximately 40 in attendance.



Information on the Saskatchewan Winter Cereals Development Commission can be found on our website located at www.swcdc.info. Recent issues of the Winter Cereals Grower, our official newsletter plus links to SWCDC Board Orders, legislation and other interesting winter cereal related information.

All members of the SWCDC receive a print copy of the Winter Cereals Grower three times a year. The Grower is our official means of contacting members with news, notice of meetings and openings on our volunteer board of directors. If you have a topic you feel would make interesting reading for members of the SWCDC and also Winter Cereals Manitoba Inc. please contact out office.

Chairman's Report

Dale Hicks, CCA. Outlook, Saskatchewan

Another difficult year has past with lots of flooding and unseeded acres in the southeast. It is safe to say that region has dried up to normal conditions, with many of those acres seeded to winter wheat! Estimates are over 500 000 acres of winter wheat seeded in Saskatchewan alone, many in the southeast region. It was a tough way to get acreage up, and hopefully producers will realize the agronomic and economic advantages of winter cereals and we can continue this growth. These are exciting times to represent winter cereals growers as we are now seeing the fruits from past research into new varieties being released, plus better agronomy practices are being found which contributes to yield and winter hardiness, and now a wide range of marketing options.

In the past our focus has been directed towards plant breeding to increase yields, quality, cold tolerance and disease resistance. On the agronomy side, we have funded projects which gave us insight into nitrogen management. I am happy to say this research will continue, and now we may have to consider new projects on the marketing side. At a meeting this past spring organized by the Saskatchewan Agri Food Council, the SWCDC was the only grower commission that spent zero dollars on market development. There is no doubt wheat is a world commodity, but now not only can we choose to who and how we want to sell our wheat, we have to find new uses for our crops in food products and grow that list of people who want our winter cereals! There is much work to be done and the Saskatchewan Winter Cereals Development Commission is anxious to help winter cereals growers be the most profitable grain growers in Saskatchewan.

A Message from the Executive Director

J.A. Davidson, P.Ag., PAS

Welcome to the fifth Annual General meeting of the Saskatchewan Winter Cereals Development Commission. The SWCDC did not take on any significant projects over the last year. Significantly reduced levy income due to limited seeding required that we act with fiscal restraint. By ensuring the SWCDC continues to manage our income and reserves in a conservative and prudent manner, we can ensure we have the funds necessary to meet our current research obligations. We have continued to represent you with a strong voice to the research community in western Canada. The SWCDC continues to support 2 exceptional research projects. We are part of a \$1.5 million DIAP research study and we are funding the Pan Prairie Winter Wheat Project. You as producers now have a financially stable organization that has an influence in the future of winter cereals. We are active in discussions with the CWB and CGC on changes to the grading system.

The SWCDC has pledged support for a new project." Financial Impacts of Innovating Prairie Crop Rotations: Practice, Whole Farm and Industry Level Considerations of the Financial Implications of Increasing Winter Wheat Production" This project will build off the data coming from the DIAP program and help with the assessment of the data's financial impact on Western Canada

The SWCDC board works to ensure that by investing in research and the careful management of your money we can bring the greatest returns to Saskatchewan farmers.

Statistics Canada has reported that with the exceptional fall conditions in 2011 the seeded acreage of winter wheat (other commodities not tracked) increased to 580,000 acres in fall 2011. The SWCDC is confident that acres will continue to rebound and that weather permitting, the acreage of winter cereals will continue to grow in Saskatchewan.

With five years behind us the SWCDC is now actively ensuring that winter cereals research moves forward. Our goal remains to encourage the development of new varieties and management practices that will enhance the efficiency and profitability of grain farming in Saskatchewan. Our financial commitment to the Pan Prairie Winter Wheat Breeding program and the DIAP agronomy research program will take us to that goal. We appreciate and welcome your participation in your commission.

SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION

Financial Statements
For the year ended
July 31, 2011

INDEX

	Page
Auditor's report	1
Balance Sheet	2
Statement of Revenue and Cumulative Surplus	3
Statement of Cash Flows	4
Notes	5
Supplementary Information	6

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Merv Culham, Chartered Accountant

INDEPENDENT AUDITOR'S REPORT

To Directors of
Saskatchewan Winter Cereals Development Commission

I have audited the accompanying financial statements of Saskatchewan Winter Cereals Development Commission, which comprise the statement of financial position as at July 31, 2011, and the accompanying statements of operations, change in net financial assets and cash flow for the year then ended, and 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 generally accepted accounting principles, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Winter Cereals Development Commission as at July 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



November 4, 2011
Regina, Saskatchewan

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Saskatchewan Winter Cereals Development Commission

BALANCE SHEET

As at July 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	9,767	62,965
Gic term investments	225,000	0
Ing Bank investment savings	101,481	334,365
	<u>336,248</u>	<u>397,330</u>
Accounts receivable	0	601
Levy receivable	12,165	6,567
	<u>348,413</u>	<u>404,498</u>
LIABILITIES		
CURRENT		
Accounts payable	0	684
SURPLUS		
SURPLUS		
Unappropriated	348,413	403,814
	<u>348,413</u>	<u>404,498</u>

Approved on behalf of the Board

 Director

 Director

See accompanying notes to the financial statements.

Saskatchewan Winter Cereals Development Commission
STATEMENT OF REVENUE AND CUMULATIVE SURPLUS
For the year ended July 31, 2011

	2011 Budget	2011 Actual	2010 Actual
REVENUE			
Levy funds collected	100,365	109,862	151,863
Less levy refund requests	(2,007)	(2,777)	(2,457)
	<u>98,358</u>	<u>107,085</u>	<u>149,406</u>
Investment income	2,436	2,117	3,152
	<u>100,794</u>	<u>109,202</u>	<u>152,558</u>
EXPENDITURE			
Administrative contract	30,000	30,000	30,000
Advertising and promotion	965	2,701	968
Annual general meeting	1,750	1,192	2,519
Bank charges	236	101	287
Directors' expense	3,500	1,250	1,250
Levy collection fees	9,250	7,164	12,238
Newsletter	10,200	10,824	10,422
Office services	475	0	0
Office supplies	210	303	86
Postage	220	79	142
Professional fees	2,600	2,560	1,210
Research	101,500	101,500	0
Telephone	1,320	1,853	1,503
Travel	3,745	5,076	5,102
	<u>165,971</u>	<u>164,603</u>	<u>65,727</u>
SURPLUS FOR THE YEAR	<u>(65,177)</u>	(55,401)	86,831
UNAPPROPRIATED SURPLUS BEGINNING OF YEAR		403,814	316,983
UNAPPROPRIATED SURPLUS END OF YEAR		<u>348,413</u>	<u>403,814</u>

See accompanying notes to the financial statements.

Saskatchewan Winter Cereals Development Commission
STATEMENT OF CASH FLOWS
For the year ended July 31, 2011

	2011	2010
CASH PROVIDED BY (USED BY) THE FOLLOWING ACTIVITIES		
OPERATIONS		
Surplus (deficit) for the year	(55,401)	86,831
Net change in non-cash working capital balances		
Accounts receivable	601	(601)
Levy receivable	(5,598)	11,476
Accounts payable	(684)	0
Increase (decrease) in cash during the year	(61,082)	97,706
CASH BEGINNING OF THE YEAR	397,330	299,624
CASH END OF THE YEAR	336,248	397,330

During the year, the organization had cash flows arising from interest and income taxes paid as follows:

Bank charges paid	101	287
Income taxes paid	0	0

See accompanying notes to the financial statements.

Saskatchewan Winter Cereals Development Commission

NOTES

For the year ended July 31, 2011

1. Accounting policies

Saskatchewan Winter Cereals Development Commission operates to promote and enhance the winter cereals industry in Saskatchewan for maximum return to producers through research, leadership and communication in the industry.

The carrying amount of cash and term deposits - approximates their fair market value due to the short term maturities of these items.

The company does not have a significant credit exposure to any individual customer or counterpart.

Levy funds are recorded as revenue when received or receivable, if the amount to be received can be reasonably estimated. Other revenues are recorded as earned.

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

The budgeted figures are presented for comparison purposes as prepared and approved by the Board, reclassified to conform to the current financial statement presentation. They have not been audited or reviewed.

2. Commitments

The Board approved future funding of projects with costs approved as follows:

	Cost
Year ended July 31, 2012	25,000
Year ended July 31, 2013	12,500
	<hr/>
	37,500

3. Incorporation statute

Saskatchewan Winter Cereals Development Commission is a non-profit organization incorporated under the Agri-Foods Act, 2004 of Saskatchewan. Under present legislation, no income taxes are paid on the reported income of such operations.

Saskatchewan Winter Cereals Development Commission
EXPENDITURE BY OBJECT
For the year ended July 31, 2011

	2011	2010
Personal		
Rod Fedoruk	535	1,055
Mark Weatherald	1,343	536
Kirk Elliott	0	250
Dale Hicks	291	0
Wayne Barsby	0	697
Payees under \$250	0	0
	<u>2,169</u>	<u>2,538</u>
Suppliers		
Levy Central	8,969	12,238
Winter Cereals Canada	32,515	32,480
Allied Printers	3,782	3,731
Prairie Advertising	6,275	5,851
Saskatoon Inn	1,780	1,817
Levy refunds	2,777	2,457
Payees under \$1,500	7,613	7,072
	<u>63,711</u>	<u>65,646</u>
Research		
AAFC Research	50,000	0
Ducks Unlimited Canada	51,500	0
Payees under \$1,500	0	0
	<u>101,500</u>	<u>0</u>
	<u>167,380</u>	<u>68,184</u>

SWCDC BUDGET FISCAL YEAR 2011- 2012

ITEM	YEAR
EXPENSES	
WCC CONTRACT	\$ 30,000.00
WCC EXTRA	\$ 375.00
LEVY CENTRAL	\$ 19,925.00
TELEPHONE TOLL FREE & REGULAR LINE	\$ 1,440.00
SUPPLIES	\$ 100.00
BANK CHARGES	\$ 120.00
MEMBERSHIPS	\$ 450.00
RESEARCH FUNDING	\$ 75,000.00
LEGAL ACCOUNTING ETC.	\$ 2,000.00
NEWSLETTER CHARGES	\$ 12,000.00
TRAVEL/ACCOMODATION	\$ 7,100.00
POSTAGE	\$ 215.00
BOARD PER DIEM	\$ 5,000.00
REFUNDS @2.0%	\$ 2,013.10
AGM EXPENSES	\$ 1,750.00
ADVERTISING/PROMO	\$ 1,000.00
TOTAL EXPENSE	\$ 158,488.10
INCOME	
LEVY INCOME	\$ 100,655.00
INTEREST (GIC)	\$ 3,400.00
MISC SPONSORSHIP ETC	\$ 430.00
TRANSFER FROM RESERVE FOR RESEARCH	-\$ 50,000.00
TOTAL INCOME	\$ 154,485.00