



**SEVENTH ANNUAL GENERAL MEETING**

**JANUARY 13, 2014**

**SASKATOON, SASKATCHEWAN**

# Meeting Agenda



**Monday, January 13, 2014**

8:30 a.m. Registration, Coffee

## SWCDC AGM

- Introduction of Commission
- Executive Director's Report
- Election Announcement
- Financial Reports
- Appointment of Auditor
- New Business from the Floor

Chairman's Comments: SWCDC ,Targeted Spending of Levy Dollars- Dale Hicks

Cold Hardiness Research. The Current Approach. Dr. Ravi Chibbar, Dr. Monica Baga, University of Saskatchewan.

Grain Markets. Chris Ferris Senior Grains Analyst, Canada, Informa Economics Inc.

The World of Fertilizer. Current News. Ray Dowbenko, Agrium

Adjourn

## DIRECTORS

Dale Hicks, Box 884, Outlook, Saskatchewan S0L 2N0, Chairman  
Mark Akins, Box 2-4, Hearne, Saskatchewan, S0H 1Z0, Vice Chair  
Graham DeRoose, ,115 Borlase Cove., Saskatoon, S7T 0B7, Director  
D. Kirk Elliott, 35 Moxon Cres. Saskatoon Saskatchewan, S7H 3B8, Director  
John A. Burns, P.O. Box 669., Wynyard Saskatchewan, S0A 4T0, Director

## Business Office

c/o Winter Cereals Canada Inc, P.O. Box 689, Minnedosa, Manitoba R0J 1E0  
Phone 1-866-472-4611, 204-874-2330. Fax 204-874-2135  
Executive Director, J. A. (Jake) Davidson, P.Ag., PAS  
jake@swcdc.info  
Website: www.swcdc.info

## **MINUTES OF THE 6<sup>TH</sup> ANNUAL GENERAL MEETING**

### **SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION SASKATOON INN, SASKATOON, SK. JANUARY 7, 2013**

The meeting was called to order at 9:00 am by Chairman Dale Hicks

The board of directors was introduced to the meeting. It was announced that Graham DeRoose had been nominated and declared elected to the board to replace Rod Fedoruk. All other directors remained as in 2012.

**Motion AGM 2013 - 1** Moved by Mark Akins, Seconded by Tom Hewson.  
Be it moved that the agenda be accepted as presented. Carried

**Motion AGM 2013 – 2** Moved by Kirk Elliott, Seconded by Mark Weatherald  
Be it moved that the minutes of the AGM meeting held January 7, 2012 be accepted as distributed. Carried

D. Hicks presented the Chairman's report.

J. Davidson reviewed the financial results for the 2011/2012 year.

**Motion AGM 2013 – 3** Moved by Mark Weatherald, Seconded by G. Gust  
Whereas the Members of the SWCDC are in receipt of the 2011 – 2012 financial statements as prepared by Merv Culham CA and, Whereas these financial statements have been approved by the Board of Directors:

Therefore be it moved that the 2011 – 2012 financial statement be received as submitted. Carried

**Motion 2013 - 4.** Moved by Mark Akin, Seconded by Erin Gray  
Whereas the SWCDC is required by regulation to appoint a Chartered Accountant to review and provide financial reports on the activities of the SWCDC and, Whereas Sensus Accounting Partnership of Yorkton, Saskatchewan has agreed to accept this responsibility

Therefore be it moved that Sensus Accounting Partnership of Yorkton, Saskatchewan be appointed as auditor for the SWCDC. Carried

**Motion 2013 -5** Adjournment . Moved by Kirk Elliott at 9:30 AM

Presentations were presented by: Dr. Stefan Bruins, KWS Lochnow, Dr. Rob Graf, AAFC, Elwin Hermanson, CGC, Dr. Rex Newkirk, CIGI.

Jake Davidson introduced Dr. Jamie Larsen, AAFC. The SWCDC announced a new 3 year agreement in principle to fund varietal research with Dr. Larsen, Dr. Larsen later presented an outline of his experience and program.

A short Q & A ended the program.

**Information on the Saskatchewan Winter Cereals Development Commission can be found on our website located at [www.swcdc.info](http://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 as published. 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 our office.**



## Chairman's Report

### Dale Hicks, CCA. Outlook, Saskatchewan - Research Funding During Government Cutbacks

In this past year, SWCDC has had many challenges obtaining government funding. Funding in general has been cutback, and in some instances not available at all. This has been challenging, to say the least, and caused much soul searching on placing priorities on certain projects, and digging to deeper to fund them.

One objective is continuing on with the last DIAP with Dr. Brian Beres, to do agronomy work. All our partners in this project have had to dig deeper to make it happen. The outcome is unknown but it is a high priority as one part of the project is expanding the seeding window, and what the results are by doing so. This project is of importance thanks to the feedback of growers who call in with questions on early or late seeding, and what the outcome would be.

Another project that was started last year was to revive rye breeding and agronomy with Dr. Jamie Larson at AAFC in Lethbridge. The federal government wants to cut back on these minor crop programs, but again, our growers have indicated that there is indeed interest in rye and we should continue on with the work. We now have the opportunity to test and grow hybrid rye, and some of the agronomy work that is to be done is to learn the management of intensive cropped high yielding hybrid rye.

The last project of note is cooperating with the U of S, via Dr. Ravi Chibbar doing gene marker work. As provincial funding disappeared, the SWCDC and our friends in Manitoba with the Winter Cereals Manitoba Inc., had to quickly come up with more funding to keep the project alive. This marker work will assist Dr. Rob Graf and Dr. Jamie Larson in selecting material with best cold tolerance and other novel traits. This work is very important, as we have the knowledge and excellent breeding programs running. The only thing that separates our public breeders from the big commercial breeders is the ability to access marker work. Our winter cereal program can be world class calibre.

I would again thank producers for their input, and the contributions from our research partners, such as Winter Cereals Manitoba Inc., AAFC, Ducks Unlimited, Alberta Wheat Growers Commission and other smaller contributions from fertilizer and crop protection companies too many to mention.

To all our producers, thanks for your support, and may the 2014 season go well, and hope for good crops with some price recovery.

Dale Hicks

### A Message from the Executive Director

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

Welcome to the Seventh Annual General meeting of the Saskatchewan Winter Cereals Development Commission. It seems like only yesterday we were planning our first. Unlike the previous year the SWCDC did take on a new project in that we entered into our 3 year Rye program announced here last year. Our reduced levy income requires that we act with fiscal restraint. The SWCDC manages our income and reserves in a very conservative and prudent manner in order that we can ensure we have the funds necessary to meet our current and proposed future research obligations. In the last fiscal year our 2 exceptional research projects, The \$1.5 million DIAP research study and the Pan Prairie Winter Wheat Project both reached an end. We participated in a group application with our sister organizations in Alberta and Manitoba and Ducks Unlimited Canada for research money from the federal Growing Forward II program however we were not successful with our application. We have reapplied with a modified proposal and once we learn the fate of this application we will be able to focus our funding on other new and different projects. Early in our current fiscal year your directors made a significant commitment in principle to the U of S. Project details are being presented at this meeting.

Statistics Canada had reported the seeded acreage of winter wheat dropped to 390,000 acres in fall 2012. With winter kill the harvested acres were 340,000 (average yield 45.7 bu/a). This drop in acreage has significantly affected our Levy revenues and the 2013 – 2014 fiscal year is a good example of why the SWCDC practices such fiscal restraint. At the same time Rye acreage dropped from 160,000 to 100,000 acres (90,000 harvested at 32.9 bu/a) which further reduces our income. However there is a bright light at the end of the tunnel. This fall wheat acreage rebounded to 525,000 acres and fall rye to 110,000.

Now with seven years behind us the SWCDC continues to ensure that winter cereals research moves forward. Our goal continues to be the development of new varieties and management practices. Our ability to make significant financial commitments to breeding and agronomy research will take us to that goal. We appreciate and welcome your participation in your commission.

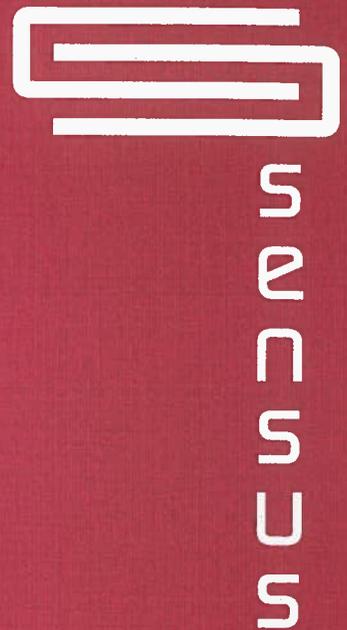


**Saskatchewan Winter Cereals  
Development Commission**

**Audited Financial Statements**

**For the Year ended July 31, 2013**

**Partnership of Chartered Accountants  
Understanding your Business**



**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**

**FINANCIAL STATEMENTS**

**For the year ended July 31, 2013**

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
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 For the year ended July 31, 2013

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## STATEMENT OF RESPONSIBILITY

The accompanying financial statements are the responsibility of the Board Members of the Saskatchewan Winter Cereals Development Commission and have been prepared in compliance with legislation, and in accordance with Canadian accounting standards for not-for-profit organizations.

In carrying out its responsibilities, the Board Members maintain appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board Members of the organization met the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

Sensus Partnership of Chartered Accountants, as the organization's appointed external auditors, have audited the financial statements. The Auditors' Report is addressed to the Board Members and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the organization in accordance with Canadian accounting standards for not-for-profit organizations.

  
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Board Member

# INDEPENDENT AUDITORS' REPORT

**To the Board Members of:  
Saskatchewan Winter Cereals Development Commission**

## Report on the Financial Statements

We have audited the accompanying financial statements of Saskatchewan Winter Cereals Development Commission, which are comprised of the statement of financial position as at July 31, 2013, and the statement of operations, change in net assets, and cash flows 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 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Winter Cereals Development Commission as at July 31, 2013, 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.

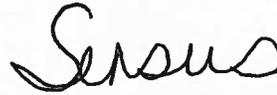
## Comparative Information

Without modifying our opinion, we draw attention to Note 2 in the financial statements, which describes that Saskatchewan Winter Cereals Development Commission adopted Canadian accounting standards for not-for-profit organizations on August 1, 2012 with a transition date of August 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at July 31, 2012 and August 1, 2011, and the statements of operations and cash flows for the years then ended and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Other Matters

The financial statements of Saskatchewan Winter Cereals Development Commission for the year ended July 31, 2012 were audited by another public accounting firm who expressed an unqualified opinion on these financial statements as of November 18, 2012.

Yorkton, Saskatchewan  
December 4, 2013



**PARTNERSHIP OF  
CHARTERED ACCOUNTANTS**

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**STATEMENT OF FINANCIAL POSITION**  
**As at July 31, 2013**

	July 31, 2013	July 31, 2012 unaudited	August 1, 2012 unaudited
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 173,253	\$ 106,280	\$ 111,248
Short-term investments (Notes 3 and 5)	288,384	225,832	225,000
Accounts receivable (Note 4)	<u>9,371</u>	<u>18,861</u>	<u>12,165</u>
	<u>\$ 471,008</u>	<u>\$ 350,973</u>	<u>\$ 348,413</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable (Note 6)	\$ <u>1,430</u>	\$ _____	\$ _____
<b>NET ASSETS</b>			
<b>UNRESTRICTED NET ASSETS</b>	<u>469,578</u>	<u>350,973</u>	<u>348,413</u>
	<u>\$ 471,008</u>	<u>\$ 350,973</u>	<u>\$ 348,413</u>

Approved on Behalf of the Board:

  
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 Board Member

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**STATEMENT OF OPERATIONS**  
 For the year ended July 31, 2013

	2013	2012 unaudited
<b>REVENUE</b>		
Levy funds	\$ 234,467	\$ 90,375
Levy refund requests	(709)	(841)
Investment income	<u>4,882</u>	<u>5,380</u>
	<u>238,640</u>	<u>94,914</u>
<b>OPERATING EXPENSES</b>		
Advertising	3,144	1,059
Annual general meeting	1,366	1,442
Bank charges	222	55
Directors' expense	1,500	3,250
Levy central fees	10,153	12,074
Miscellaneous	550	
Newsletter	13,937	8,048
Office	31,050	30,000
Postage	99	85
Professional fees	3,510	2,800
Research	49,000	25,000
Supplies		80
Telephone	1,435	1,112
Travel	<u>4,069</u>	<u>7,349</u>
	<u>120,035</u>	<u>92,354</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 118,605</u>	<u>\$ 2,560</u>

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**STATEMENT OF CHANGE IN NET ASSETS**  
 For the year ended July 31, 2013

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	2013	2012 unaudited
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<b>\$ 350,973</b>	<b>\$ 348,413</b>
Excess of revenue over expenses for the year	<u>118,605</u>	<u>2,560</u>
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<b><u>\$ 469,578</u></b>	<b><u>\$ 350,973</u></b>

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**STATEMENT OF CASH FLOWS**  
 For the year ended July 31, 2013

	2013	2012 unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 245,017	\$ 83,681
Cash paid to suppliers and employees	(119,092)	(93,140)
Interest received	(1,062)	
Investment income	4,882	5,380
Interest paid	(222)	(55)
Short term investments matured	225,834	225,000
Short term investments purchased	<u>(288,384)</u>	<u>(225,834)</u>
<b>CHANGE IN CASH</b>	<b>66,973</b>	<b>(4,968)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b><u>106,280</u></b>	<b><u>111,248</u></b>
<b>CASH, END OF YEAR</b>	<b><u>\$ 173,253</u></b>	<b><u>\$ 106,280</u></b>

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
 For the year ended July 31, 2013

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**1. DESCRIPTION OF ORGANIZATION**

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

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.

**2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

These financial statements were prepared in accordance with Part III of the CICA Handbook-Accounting ("Part III").

The CICA's first reporting period using Part III is for the year ended July 31, 2013. As a result, the date of transition to Part III is August 1, 2011. Saskatchewan Winter Cereals Development Commission presented financial statements under its previous Canadian generally accepted accounting principles ("CGAAP") annually to July 31 of each fiscal year up to, and including, July 31, 2012.

As these financial statements are the first financial statements for which Saskatchewan Winter Cereals Development Commission has applied Part III, the financial statements have been prepared in accordance with the provisions set out in section 1501 of Part III, First-time Adoption by Not-for-Profit Organizations.

The Saskatchewan Winter Cereals Development Commission is required to apply Part III effective for periods ending on July 31, 2013 in:

- (a) preparing and presenting its opening statement of financial position at August 1, 2011; and
- (b) preparing and presenting its statement of financial position for July 31, 2013 (including comparative amounts for 2012), statement of operations, statement of changes in net assets, and statement of cash flow for the year ended July 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2012).

The adoption of ASPNPO (Part III) had no impact on the previously reported assets, liabilities, and net assets of the organization.

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended July 31, 2013**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following accounting policies.

**Revenue recognition**

Saskatchewan Winter Cereals Development Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions such as levy funds are recognized as revenue when received or receivable. Interest revenue is recorded when received.

**Short-term investment**

Short-term investments represent GICs held at RBC maturing within one year. The short-term investments have maturity dates of November 25, 2013 and August 21, 2013 with interest rates of 0.90% and 1.00% (2012 - 0.75% and 1.05%).

**Use of estimates**

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

**Risk management policies and hedging activities**

Consistent with other small entities, management's risk management policies are typically performed as a part of the overall management of the entity's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. Management's close involvement in operations identifies risks and variations from expectations leading to changes in risk management activities and requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations management considers avoidance of undue concentration of risk, and may require collateral to mitigate credit risk.

**Capital management**

The Saskatchewan Winter Cereals Development Commission considers its capital to be the balance maintained in its unrestricted net assets balance. The primary objective of the Saskatchewan Winter Cereals Development Commission is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board Members of the Saskatchewan Winter Cereals Development Commission with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. Saskatchewan Winter Cereals Development Commission is not subject to any externally imposed requirements of its capital.

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
 For the year ended July 31, 2013

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial instruments

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**4. ACCOUNTS RECEIVABLE**

	2013	2012
Levy receivable	\$ 8,309	\$ 18,861
Accrued interest	<u>1,062</u>	<u>          </u>
	<u>\$ 9,371</u>	<u>\$ 18,861</u>

**5. SHORT-TERM INVESTMENTS**

	2013	2012
RBC GIC bearing interest at 1.0% maturing Nov 25, 2013	\$ 212,297	\$
RBC GIC bearing interest at 0.9% maturing Aug 21, 2013	76,087	
RBC GIC bearing interest at 1.05% matured Aug 20, 2012		150,462
RBC GIC bearing interest at 0.75% matured Aug 20, 2012		<u>75,370</u>
	<u>\$ 288,384</u>	<u>\$ 225,832</u>

**6. ACCOUNTS PAYABLE**

	2013	2012
Accrued audit fees	<u>\$ 1,430</u>	<u>          </u>

**SASKATCHEWAN WINTER CEREALS DEVELOPMENT COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended July 31, 2013**

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**7. FINANCIAL INSTRUMENTS**

The organization has the following financial instrument risks.

(a) Price risk management

The organization is exposed to currency risk, interest rate risk, and market risk. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The organization does not currently conduct transactions in or hold any foreign currency. Interest rate risk is the risk that the value of a financial instrument will change due to changes in market interest rates. The organization does not currently have any outstanding loans due or any liabilities bearing interest. Finally, market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market. The organization does not currently hold any financial instruments that are effected by changes in market risk.

(b) Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. At this time, the organization has more than adequate current assets to cover its current liabilities, therefore liquidity risk is minimal.

(c) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. Given the organization's financial instruments are primarily short term in nature, cash flow risk is low.

**8. COMPARATIVE FIGURES**

The prior year's figures were audited by another public accounting firm.

Certain comparative figures have been reclassified to conform with current year presentation.