

2022-2023 Annual Report



Canary Seed
Development
Commission of
Saskatchewan



Annual General Meeting

Thursday
December 14, 2023



Mandate

The Canary Seed Development Commission of Saskatchewan was established in 2006 under the Agri-Food Act, 2004 to represent Saskatchewan's Canary seed growers.

THE CSDCS VISION

Improved Canary seed profitability through increased market diversity and crop innovation.

THE CSDCS MISSION

To coordinate research and market use expansion for the advancement of the Canary seed industry for the benefit of growers and other stakeholders.

2023 Board & Staff

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Agenda

CSDCS Annual General Meeting & Information Session

Thursday, December 14, 2023

9:00 a.m. Doors open. Coffee and snacks provided.

9:30 a.m. Opening Comments

Darren Yungmann, Chair

9:45 a.m. Canary Seed Breeding Priorities

Adam Carter, Crop Development Centre

10:30 a.m. Annual Business Meeting

Call to Order

Approve/Amend Agenda

Approval of December, 14, 2022 Annual Meeting Minutes

Election Results

CSDCS Activity Report

Financial Review

Budget for 2023-2024 Crop Year

Resolutions

New Business

Adjourn Annual Business Meeting

11:00 a.m. Fungicides and Canary Seed

Bill May, Agriculture and Agri-Food Canada, Indian Head

11:30 a.m. Market Outlook for Canary Seed & Competing Crops

Chuck Penner, LeftField Commodity Research

12:30 p.m. Lunch featuring various alpiste foods prepared by the

Atlas Hotel chef and a sampling of alpiste beer

created by 9 Mile Legacy Brewing

Motions to be Presented

CSDCS Annual Business Meeting

Thursday, December 14, 2023

- That the agenda of the December 14, 2023 CSDCS Annual Business Meeting be approved as presented.
- That the minutes of the December 14, 2022 CSDCS Annual Business Meeting be approved as presented.
- To appoint an Audit Chair.
- That the CSDCS audited financial statements for the year ending July 31, 2023 be approved as presented.
- That the CSDCS appoint Lingard + Dreger as auditor for the year ending July 31, 2024.
- That the State of the Industry report be approved as presented.





Canary Seed Development Commission of Saskatchewan
Annual Business Meeting - December 2022
MINUTES

Wednesday, December 14, 2022
Ramada Plaza, Regina as well as via Zoom

1. Approval of Agenda

Motion #1: To approve the agenda as presented.

Justin Korte/David Nobbs/Carried

2. Approval of Minutes

Motion #2: That the minutes of the January 10, 2022 annual general meeting be approved as presented.

Rick Lindsay/Chad Haskey/Carried

3. Election Results

The Returning Officer's Report for the director election process was presented in full in the most recent *Canary Seed News* newsletter and posted on the canaryseed.ca website.

There were two positions vacant. No nomination packages were submitted to the returning officer. In addition, both Chad Haskey and Stewart Lawrence will not be seeking re-election again which results in four board positions available.

The current board members include Justin Korte, Rick Lindsay, David Nobbs, Jim Hale and Darren Yungmann.

Yungmann welcomed producers to consider being on the board, thanked Haskey and Lawrence for their years of service and concluded by introducing the staff.

4. CSDCS Activity Review

Hursh provided an overview of the CSDCS's activities:

- Bill May of AAFC's agronomy work
- ADOPT projects funded by Saskatchewan Agriculture
- Work on crop protection registrations by Ron Pidskalny of Strategic Vision Consulting
- New variety development by Pierre Hucl at Crop Development Centre
- Herbicide screening research through ADF by Pierre Hucl
- Food research work through Diverse Field Crop Cluster is nearly complete
- Promising discussions on getting alpiste into retail stores



Canary Seed Development Commission of Saskatchewan
Annual Business Meeting - December 2022
MINUTES

Wednesday, December 14, 2022
Ramada Plaza, Regina as well as via Zoom

Darren Yungmann covered the broad objectives of the commission:

- Higher yielding glabrous varieties
- Improved weed control options
- More registered fungicides
- Better agronomic insights
- Encouraging human food consumption
- Communication with growers

Motion #3: To approve the State of the Industry report as presented.
Stuart Lawrence/David Nobbs/Carried

5. Financial Review

Motion #4: That Rick Lindsay is appointed Audit Chair for 2022-2023.
Justin Korte/Chad Haskey/Carried

Kevin Hursh presented the audited financials for the year ending July 31, 2022.

Motion #5: That the Canary Seed Development Commission of Saskatchewan's audited financial statements for the year ending July 31, 2022 be approved as presented.
David Nobbs/Stuart Lawrence/Carried

Kevin Hursh presented the 2023-2024 budget.

Motion #6: That the Canary Seed Development Commission of Saskatchewan appoints Lingard + Dreger as auditor for the year ending July 31, 2023.
Chad Haskey/Rick Lindsay/Carried

6. Resolutions

Both Stuart Lawrence and David Nobbs spoke to the rationale of increasing the levy, citing cost increases and static production as reasons. Levy has not changed since the inception of the Commission in 2006. Lawrence first spoke to the resolution, stating if the resolution is accepted, CSDCS would be more than wheat and canola on a per-acre basis but less than pulse crops and mustard. He noted the levy increase would generate approximately \$80-\$90K in revenue for CSDCS which would eliminate the deficit and potentially support additional research efforts and/or



Canary Seed Development Commission of Saskatchewan
Annual Business Meeting - December 2022
MINUTES

Wednesday, December 14, 2022
Ramada Plaza, Regina as well as via Zoom

the advancement of alpiste for food use. Nobbs supported the comments provided by Lawrence and added that we need to support alpiste getting into the market as it is a healthy seed and holds potential for the crop and producers in Saskatchewan. There was a suggestion from the floor that the levy should increase beyond the proposed \$2.50 per tonne, but, ultimately, the resolution was not amended and a vote was called.

Motion #7: Be it resolved that the Canary Seed Development Commission of Saskatchewan (CSDCS) request a levy increase from the Saskatchewan Agri-Food Council. Whereas Saskatchewan Canary seed producers currently pay a levy of \$1.75 per tonne, the new levy would be \$2.50 a tonne effective August 1, 2023.

Stewart Lawrence/David Nobbs/Carried (In favour: 19 present and 2 on Zoom. Opposed: none.)

7. New Business

No new business.

8. Adjourn Meeting at 11:15 a.m.

Motion #8: To adjourn the December 14, 2022 CSDCS Annual Business Meeting.
Lane Stockbrugger

Note:

Prior to the annual business meeting, Chuck Penner of LeftField Commodity Research provided a market outlook for Canary seed and competing crops. Following the annual business meeting, Pierre Hucl reviewed new Canary seed varieties and herbicide options and Kevin Hursh moderated an agronomy panel featuring Darren Yungmann, Brett Sinclair, Chris Brown and Bill May.

**CANARYSEED DEVELOPMENT COMMISSION OF
SASKATCHEWAN**

Financial Statements

For the Year Ended July 31, 2023

Draft for discussion purposes only

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Canaryseed Development Commission of Saskatchewan have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Canaryseed Development Commission of Saskatchewan's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the directors' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the directors, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the directors by Lingard + Dreger LLP, in accordance with Canadian accounting standards for not-for-profit organizations

Management

Management

November 28, 2023

INDEPENDENT AUDITOR'S REPORT

To the Directors of Canaryseed Development Commission of Saskatchewan

Qualified Opinion

We have audited the financial statements of Canaryseed Development Commission of Saskatchewan (the Commission), which comprise the statement of financial position as at July 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Commission collects a levy from Saskatchewan producers through buyers of Canaryseed, the completeness of which is not susceptible to satisfactory audit verification. It was not practical for us to verify whether all buyers of Canaryseed produced in Saskatchewan have collected and remitted the required levy to the Commission. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Commission and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the year ended July 31, 2023, current assets as at July 31, 2023 and July 31, 2022, and net assets at both the beginning and end of the July 31, 2023 and July 31, 2022 years.

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 are independent of the Commission in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission'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 Commission'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 Commission'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 Commission 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.

**Saskatoon, Saskatchewan
December 1, 2023**

Chartered Professional Accountants

CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN

Statement of Financial Position

As at July 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 97,975	\$ 132,183
Cash - internally restricted (Note 3)	252,849	244,152
Short-term internally restricted investments (Note 3)	127,296	119,403
Accounts receivable (Note 4)	20,600	24,261
Prepaid expenses	2,003	-
	\$ 500,723	\$ 519,999
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 65,373	\$ 72,743
NET ASSETS		
UNRESTRICTED	55,205	83,701
INTERNALLY RESTRICTED (Note 7)	380,145	363,555
	435,350	447,256
	\$ 500,723	\$ 519,999

COMMITMENTS (Note 11)

APPROVED ON BEHALF OF THE BOARD

Director

Director

See notes to the financial statements

CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN

Statement of Operations

For the Year Ended July 31, 2023

	Budget (Note 6) 2023	2023	2022
REVENUE			
Producer check-off fees (Note 8)			
Fees	\$ 200,000	\$ 225,686	\$ 208,296
Refunds	(16,000)	(4,020)	(15,275)
	184,000	221,666	193,021
Interest	3,000	17,592	2,702
Canadian Agriculture Adaptation Program (CAAP)	-	-	8,153
Agriculture Demonstration of Practices and Technologies (ADOPT)	-	23,966	23,580
Miscellaneous	-	-	1,025
	187,000	263,224	228,481
EXPENSES			
Administration contracts (Note 9)	7,800	7,791	9,530
Annual meeting	3,000	7,728	789
Board of directors (Note 10)	14,000	18,090	8,111
Communications	11,500	8,833	15,937
Election	1,000	60	85
General and administration	30,600	37,675	32,735
Management fees	55,000	53,955	55,220
Research and development projects (Note 12)	120,000	140,998	169,910
	242,900	275,130	292,317
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (55,900)	\$ (11,906)	\$ (63,836)

See notes to the financial statements

CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN

Statement of Changes in Net Assets

For the Year Ended July 31, 2023

	Unrestricted	Internally Restricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 83,701	\$ 363,555	\$ 447,256	\$ 511,092
Deficiency of revenue over expenses	(11,906)	-	(11,906)	(63,836)
Transfers (<i>Note 7</i>)	(16,590)	16,590	-	-
NET ASSETS - END OF YEAR	\$ 55,205	\$ 380,145	\$ 435,350	\$ 447,256

Draft for discussion purposes only

CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN

Statement of Cash Flows

For the Year Ended July 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	\$ (11,906)	\$ (63,836)
Changes in non-cash working capital:		
Accounts receivable	3,661	(2,201)
Prepaid expenses	(2,003)	1,672
Accounts payable and accrued liabilities	(7,369)	42,515
	(5,711)	41,986
Cash flow used by operating activities	(17,617)	(21,850)
INVESTING ACTIVITIES		
Proceeds on disposal of investments	123,210	242,653
Purchase of investments	(123,210)	(242,653)
Reinvested interest	(16,591)	(2,492)
Cash flow used by investing activities	(16,591)	(2,492)
DECREASE IN CASH	(34,208)	(24,342)
CASH - BEGINNING OF YEAR	132,183	156,525
CASH - END OF YEAR	\$ 97,975	\$ 132,183
CASH CONSISTS OF:		
Cash	\$ 97,975	\$ 132,183

See notes to the financial statements

1. AUTHORITY

The Canaryseed Development Commission of Saskatchewan (“CDCS”) was established on February 23, 2006, pursuant to The Canaryseed Development Plan Regulations (“Regulations”), under the authority of *The Agri-Food Act, 2004*. The purpose of CDCS is to assist in growing the canaryseed industry through research, communications and market development programs. The activities of CDCS are funded primarily by a check-off fee charged on canaryseed sales from canaryseed production in Saskatchewan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments with maturities of three months or less.

Revenue recognition

Producer check-off fees are recognized upon receipt of the Buyer’s report. Refunds are recognized when refund applications are received from producers and the requested refund has been agreed to check-off fee records.

The Commission follows the deferral method of accounting for contributions, which include government funding and grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred contributions. 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.

Interest revenue is recognized as earned on a time proportion basis.

Dividends and other revenue are recognized as earned.

Research and development projects

Expenses are recognized when projects are approved, and the recipient has met eligibility criteria. Funds advanced to recipients prior to eligibility criteria being met are recorded as advances. CDCS receives reimbursement from Agriculture and Agri-food Canada for eligible costs incurred for certain projects.

Income taxes

The Commission qualifies as a tax exempt organization under section 149 of the *Income Tax Act*.

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CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN

Notes to the Financial Statements

For the Year Ended July 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates include, but are not limited to, the valuation of deferred contributions, and accruals for certain revenues and expenses.

Administration contract expense

Administration contract expense is a fee charged by the Agriculture Council of Saskatchewan ("ACS"), to CDCS for administering the check-off fee program. The fee includes a charge for time spent by ACS staff and a share of ACS's overhead costs. The expense is recognized as the service is received.

Financial instruments

The Commission initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash, term deposits, and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. The fair value of the cash, accounts receivable, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

Contributions in-kind

Contributions in-kind are recorded at fair value for goods or services used in the normal course of operations that would otherwise have been purchased.

3. INTERNALLY RESTRICTED INVESTMENTS

	Years to maturity	2023	Yield to maturity	2022
Short-term				
Cash		\$ 252,849		\$ 244,152
Term deposit	4 months	127,296	4.55%	119,403
		380,145		363,555
		\$ 380,145		\$ 363,555

CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN

Notes to the Financial Statements

For the Year Ended July 31, 2023

4. ACCOUNTS RECEIVABLE

	2023	2022
Levies receivable	\$ 18,344	\$ 21,365
Grants receivable	2,256	2,896
	\$ 20,600	\$ 24,261

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables	\$ 11,361	\$ 10,438
Levy refunds payable	4,020	13,145
Accrued liabilities	7,492	6,660
Research payables	42,500	42,500
	\$ 65,373	\$ 72,743

6. BUDGET

The Board approved the modified 2022/2023 fiscal year budget at the meeting on July 19, 2022. The budget figures included in the accompanying financial statements are unaudited.

7. INTERNALLY RESTRICTED NET ASSETS

The Commission has internally restricted net assets for completion of certain projects and to refund the check-off fees to producers in the event of disestablishment of the Commission. Management requires the Board of Directors approval to use the money from these restricted assets. The Commission increased the internally restricted net assets by \$16,590 (2022 - \$2,494) as a result of interest earned on the internally restricted investments.

8. PRODUCER CHECK-OFF FEES

Under the Regulations, each buyer of canaryseed is required to remit to the Commission a check-off fee of \$1.75 per net tonne of canaryseed marketed upon final settlement to producers. Producers can request a refund of check-off fees paid from August 1 to July 31 by submitting a refund application by August 31.

9. ADMINISTRATION CONTRACTS

The Agriculture Council of Saskatchewan Inc. charged the Commission \$7,791 (2022 - \$9,530) for administering the check-off fee program and the business activities of the Commission of which \$1,255 (2022 - \$1,030) is included in accounts payable.

10. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2023 members of the Commission's elected Board of Directors received payments for per diems and expenses of \$18,090 (2022 - \$8,111). All related party transactions are measured at at carrying amounts.

11. COMMITMENTS**(a) Research**

The Commission is committed to funding research and development projects over several years to benefit the Canaryseed industry. Annual payments due in each of the next two years are as follows:

	2023
Year ending July 31:	
2024	\$ 105,000
2025	20,000
	125,000

12. RESEARCH AND DEVELOPMENT

	2023	2022
University of Saskatchewan (Breeding and germplasm development)	\$ 85,000	\$ 85,000
University of Saskatchewan (Fusarium Head Blight)	10,000	10,000
Diverse Field Crop Cluster (DFCC)	-	31,167
Agriculture and Agri-Food Canada (The effects of chloride, PGR's and aphids in canary seed)	20,000	20,000
Ministry of Agriculture - ADOPT (Controlling flax volunteers in canary seed)	24,320	23,743
Other research and development expenses	1,678	-
	\$ 140,998	\$ 169,910

13. FINANCIAL INSTRUMENTS

The Commission is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Commission's risk exposure and concentration as of July 31, 2023.

Credit risk

The Commission is exposed to credit risk from potential non-payment of accounts receivable. Most of the accounts receivable were collected shortly after year-end. As at July 31, 2023 the largest three customers accounted for 87.30% (2022 - 55.09%) of accounts receivable.

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13. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Commission manages exposure through its normal operating and financing activities. The Commission is exposed to interest rate risk on its investments.

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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To the Board of Directors of Canaryseed Development Commission of Saskatchewan:

We have undertaken a reasonable assurance engagement of Canaryseed Development Commission of Saskatchewan's compliance during the period August 1, 2022 to July 31, 2023, with the provisions of the following legislative and related authorities ("the Agreements") pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities.

- The Agri-Food Act, 2004
- The Canaryseed Development Plan Regulations
- Commission Orders #07/16 to #12/16

Management's Responsibility

Management is responsible for Canaryseed Development Commission of Saskatchewan's compliance with the specified requirements of the Agreements. Management is also responsible for such internal control as management determines necessary to enable Canaryseed Development Commission of Saskatchewan's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Canaryseed Development Commission of Saskatchewan's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Canadian Standard on Assurance Engagements 3531, *Direct Engagements to Report on Compliance*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements.

The nature, timing and extent of procedures selected depends on our professional judgement, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

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**INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON
COMPLIANCE**

To the Board of Directors of Canaryseed Development Commission of
Saskatchewan:

(continued from previous page)

Our Independence and Quality Control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentially and professional behavior.

The firm applies the Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, Canaryseed Development Commission of Saskatchewan has complied with the specified requirements established in the Agreements during the period of August 1, 2022 to July 31, 2023, in all significant respects. We do not provide a legal opinion on Canaryseed Development Commission of Saskatchewan's compliance with the specified requirements.

Saskatoon, Saskatchewan
December 4, 2023

Lingard + Dreger

Chartered Professional Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Canaryseed Development Commission of Saskatchewan:

We have audited Canaryseed Development Commission of Saskatchewan's (the Commission) control as of July 31, 2023 to express an opinion as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

Management's Responsibility

The Commission's management is responsible for maintaining effective control over the objectives stated above.

Auditors' Responsibility

Our responsibility is to express an opinion based on our audit as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

We used the control framework developed by The Chartered Professional Accountants of Canada ("CPA Canada") to make our judgments about the effectiveness of the Commission's controls. We did not audit certain aspects of control concerning the effectiveness, economy and efficiency of certain management decision-making processes.

(continued on next page)

INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of Canaryseed Development Commission of Saskatchewan:

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The CPA Canada defines controls as comprising those elements of an organization 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.

We conducted our audit in accordance with the standard for audits of internal control over financial reporting set out in the CPA Canada Handbook - Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance as to effectiveness of the Commission's controls related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

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

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance, and not absolute assurance, the objectives referred to above may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

Basis for Qualified Opinion

During the current year there were several payments encountered that lacked sufficient appropriate audit evidence to verify that these payments were properly authorized. Therefore, there was not sufficient audit evidence to determine that the first objective (to safeguard agency resources) was met for these payments.

Qualified Opinion

In our opinion, based on the limitations noted above and apart from the matter described in the Basis for Qualified Opinion paragraph, the Commission's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2023 based on the CPA Canada criteria of control framework.

We have also audited, in accordance with Canadian generally accepted auditing standards, the financial statements of the Commission, which comprise the statement of financial position as at July 31, 2023, and the statements of operations, change in net assets, cash flows, and a summary of significant accounting policies and other explanatory information. We have issued our report dated December 4, 2023, which is the same date as the date of the report on the effectiveness of internal controls.

Saskatoon, Saskatchewan
December 4, 2023

Lingard + Dreger

Chartered Professional Accountants

Budget

2023-2024 DRAFT BUDGET

Projected Revenues

Producer Check-off	
Fees	350,000
Refunds	(24,000)
Interest and Other Income	10,000
Total Projected Income	\$ 336,000

Projected Expenditures

Research Projects	
Agronomy (May) - Macro & Micro Nutrients	20,000
CDC Breeding (Hucl)	85,000
CDC ADF (Hucl)	10,000
New Uses Research	2,000
Total Research Expenses	\$ 117,000

Communications

Annual Meeting	8,000
Newsletter	8,000
Websites	1,500
Total Communication Expenses	\$ 17,500

Director Per Diem and Expenses

Director Expenses	4,000
Director Per Diems	10,000
Total Director Expenses	\$ 14,000

Administration

Bank Charges	700
Board Meeting Expenses	4,500
Bookkeeping	10,000
Election	1,000
Insurance	2,000
Legal and Audit Fees	7,000
Management	55,000
Management Expenses	1,000
Memberships/Subscriptions	300
Office Expense	3,500
Office Rent	4,000
Service Contract - Levy Central	7,800
Total Administration Expenses	\$ 96,800

Total Expenditures	\$ 245,300
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Surplus (Deficit) for the Year	\$ 90,700
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Payee List

August 1, 2022 - July 31, 2023

Personal Services (Threshold \$2,500)

Sinclair, B. - Per Diem	1,000
Korte, J - Per Diem	1,200
Lindsay, R. - Per Diem	1,800
Nobbs, David - Per Diem	1,800
Hale, J. - Per Diem	1,400
Yungmann, D. - Per Diem	2,400
Kress, M. -Per Diem	400
Haskey, C - Per Diem	1,800
Lawrence, S. - Per Diem	800

Total Honorariums **\$ 12,600**

Sinclair, B. - Reimbursement for Expenses	517
Korte, J. - Reimbursement for Expenses	373
Lindsay, R - Reimbursement for Expenses	1,839
Nobbs, D. - Reimbursement for Expenses	599
Hale, J - Reimbursement for Expenses	1,336
Yungmann, D. - Reimbursement for Expenses	538
Kress, M. - Reimbursement for Expenses	325
Haskey, C. - Reimbursement for Expenses	427
Lawrence, S. - Reimbursement for Expenses	537

Total Reimbursements **\$ 6,490**

Total Personal Services **\$ 19,090**

Research and Development (Threshold \$5,000)

Agriculture and Agri-Food Canada	20,000
N.E. Research Farm	24,320
University of Saskatchewan	95,000
DFCC Diverse Field Crops Cluster	1,678

Total Research and Development **\$ 140,998**

Extension (Threshold \$5,000)

Saskatoon FastPrint	4,240
Strategic Vision Consulting	3,178
Misc. payments under \$5,000	9,143

Total Extension **\$ 16,561**

Supplier Payments (Threshold \$20,000)

AgriBiz Communications	26,436
Hursh Consulting & Communications	27,519
Misc. payments under \$20,000	36,902

Total Supplier Payments **\$ 90,857**

Other Payments (Threshold \$20,000)

Refunds	4,020
Other - Levy Central Contract	7,791

Total Other Payments 25,090 **\$ 11,811**

Total **\$ 279,317**



Message from the Chair

Darren Yungmann

As we wrap up another fall, we look forward to next year and reflect on the year that was.

The Canary Seed Development Commission of Saskatchewan members around our board table had varying crop results. I feel for those who were shy of moisture and those who had to battle extreme grasshopper infestations. There are some whose yields were remarkable, considering the amount of rain we did receive. This season's smoky conditions must have played a part in better-than-expected outcomes.

We welcome two new board members to our group. Marvin Kress from Odessa brings representation from the Southeast and Brett Sinclair joins us from Rosetown. Both bring a passion for growing Canary seed and we look forward to working with them.

Our seed breeder from the University of Saskatchewan, Pierre Hucl, will be passing the torch to Adam Carter. The CSDCS thanks Pierre for his many years of service in the advancements we have seen in improved Canary seed varieties. Adam's strong background will ensure the breeding program moves forward without a hitch.

Bill May, our agronomy researcher from the Agriculture and Agri-Food Canada research facility in Indian Head, continues to work on a variety of projects. Going forward, we will be turning our focus to the use of fungicides. Hopefully, we can identify the benefits of different chemistries.

I'd like to thank the growers at last year's AGM for unanimously supporting our proposal to raise the levy on Canary seed to \$2.50/tonne. Our board is confident the extra revenue will enable us to further improve the prospect of our crop in the future.

Best of luck to all next year!

Management Report

Kevin Hursh, Executive Director
Adele Buettner, General Manager

Going forward, the financial outlook for the CSDCS is much improved with the levy increasing from \$1.75 per tonne to \$2.50 per tonne as of August 1, 2023. In recent years, commission reserves have been steadily reduced as levy income was insufficient to cover breeding and agronomy work along with administration and communication costs.

The levy increase was approved unanimously by producers attending the December 2022 AGM and was subsequently approved by Agri-Food Council. The levy remains mandatory, but refundable. At \$2.50 per tonne, the levy is 0.113 cents per pound.

The biggest single expenditure helps support Canary seed breeding at the University of Saskatchewan's Crop Development Centre in Saskatoon. Long-time wheat and Canary seed breeder Pierre Hucl is easing into retirement and we're pleased to welcome a new breeder, Adam Carter, to the role. The CSDCS was pleased to be included in the process for evaluating candidates for the position.

In this report a year ago, we noted a significant discrepancy in the Canary seed exports reported by Statistics Canada versus the levy collected on Canary seed sales. Statistics Canada was consistently reporting larger exports than what levy collection indicated. The problem was with Statistics Canada's methodology and appears to be resolved. The numbers are now lining up.

Unfortunately, seeded acreage estimates issued by Statistics Canada still seem to be problematic. The agency reported an acreage drop for 2023 while Saskatchewan Crop Insurance noted a small acreage increase. Not all Canary seed is insured, but insured acres act as a proxy for total acres.

The next focus for agronomy work will be fungicides. Bill May of Agriculture and Agri-Food Canada at Indian Head notes that a fungicide application to Canary seed is often beneficial, but only one chemistry is actually registered. We need to know what products are effective and work to get registrations. Our consultant on the complicated world of registrations is Ron Pidskalny.



Regrettably, there have been no big breakthroughs in getting de-hulled glabrous Canary seed (alpiste) into the human food market. Brennan Wiens and his partners at Herschel are de-hulling Canary seed and making some limited sales. Mark Picard of InfraReady Foods in Saskatoon is promoting alpiste as a sesame seed replacement to domestic and international companies but hasn't landed any major sales. Upon request of CSDCS, 9 Mile Legacy Brewing of Saskatoon is experimenting with alpiste beer that will be sampled at the December AGM in Regina.

The Saskatchewan Ministry of Agriculture's final crop report for 2023 pegged the province-wide yield of Canary seed at 982 pounds per acre with a low of 507 pounds in the southwest region to a high of 1231 pounds in northeast Saskatchewan. The 10-year average yield for the province is 1138 pounds.

Year over year, most crop prices have dropped, but that isn't the case with Canary seed. Last October, Canary seed prices were in the 40 cents a pound range. This October, the price is in the 45 cents a pound range, making Canary seed a competitive cropping option as we head towards the 2024 growing season.

Check out www.canaryseed.ca and www.alpistecanada.ca for ongoing developments.



Canary Seed
Development
Commission of
Saskatchewan

