

REPRESENTING RESILIENCY
AND OPTIMISM

saskcanola.com



ANNUAL REPORT
2021/22



 **SaskCanola**

TABLE OF CONTENTS

| | |
|--|-----------|
| VISION & MISSION | 2 |
| BOARD OF DIRECTORS | 3 |
| CHAIR'S MESSAGE | 3 |
| EXECUTIVE DIRECTOR'S REPORT | 4 |
| SASKCANOLA BY THE NUMBERS | 4 |
| RESEARCH | 5 |
| EVENTS & COMMUNITY OUTREACH | 8 |
| POLICY & ADVOCACY | 10 |
| MARKET DEVELOPMENT & CANOLA PROMOTION | 12 |
| CANOLA COUNCIL OF CANADA REPORT | 14 |
| FINANCIAL STATEMENTS | 15 |

VISION
GROWING PRODUCER PROSPERITY.

MISSION
TO PROVIDE VALUE TO CANOLA PRODUCERS THROUGH
RESEARCH, ADVOCACY, AND MARKET DEVELOPMENT.

BOARD OF DIRECTORS



Charlene Bradley, Chair
Stranraer SK



Keith Fournier, Vice-Chair
Lone Rock SK



David Altrogge, Director
St Benedict SK



Katelyn Duncan, Director
Regina SK



Bernie McClean, Director
Glaslyn SK



Codie Nagy, Director
Ogema SK



Dean Roberts, Director
Coleville SK



Lane Stockbrugger, Director
Englefeld SK

STATE OF THE INDUSTRY REPORT

Global food security is at the forefront

The Prairie-wide drought of 2021 impacted us all on different levels. Crop production and on-farm profitability declined with the extreme hot and dry conditions. SaskCanola was faced with developing a revised spending plan and the result was carefully reviewing all our programming, while putting a laser focus on our spending.

The 2022 crop year brought a late spring with some regions facing significant flea beetle issues. It was a better year in most parts of the province but with some areas still experiencing drought. It is difficult coming off a year like 2021.

As we move forward working on behalf of Saskatchewan's canola growers, the importance of partnerships has never been more clear. Collaboration with canola grower groups in Alberta and Manitoba, the Canola Council of Canada and the Canadian Canola Growers Association, allow SaskCanola to represent growers' interests cohesively on national and international issues.

We are happy to see the expanded canola crush capacity being built in the province. In spring 2021, several companies announced plans to substantially increase Saskatchewan's crush capacity with completion dates in 2024. Producing more canola oil allows us to focus on more stable domestic markets and less on the whims of seed-focused export markets.

As well, Clean Fuel Regulations are driving domestic demand and helping to reduce future risks related to export markets. These regulations are part of Canada's climate plan to reduce emissions, and accelerate the use of clean technologies and fuels.

There continues to be strong demand for canola as food and feed around the world, especially as a result of instability caused by the ongoing war in Ukraine. More than ever, the importance of Saskatchewan's place in global food production – and global food security – is at the forefront.

Charlene Bradley, SaskCanola Chair



EXECUTIVE DIRECTOR'S REPORT

Representing resiliency and optimism

After the drought of 2021, we faced the challenge of making significant budget reductions. We did not want to compromise existing research commitments or decline participation in new initiatives that provide long-term value for canola growers. In all areas, we prioritized and cut spending as much as possible, while still providing essential resources and information to growers. In the end it was a great opportunity to really focus ourselves on the initiatives that matter the most.

After two years of postponement due to the COVID-19 pandemic, we were able to have a very successful Learn to Lead event in March 2022. Learn to Lead is a personal and professional development program intended to create future leaders in Saskatchewan's agriculture industry. Over the summer, SaskCanola also participated in several field days and crop walks. We were thrilled to interact face-to-face with our growers and agronomists once again.

On a federal level, we were very pleased with the science-based decisions made at the Pest Management Regulatory Agency (PMRA) with respect to neonicotinoids and gene editing.

Speaking of partnerships, we are working more closely than ever with other provincial crop commissions. As a group, we are advocating on behalf of Saskatchewan growers to raise awareness about the unique position of our provincial landscape. Due to our dryland climate and our efficient fertilizer use, Saskatchewan is in a class of its own with respect to carbon sequestration and lower emissions compared to other parts of Canada.

We believe the answer to many of the federal government's environmental goals will come out of an investment in research – some of these investments we are already making and some where we would like to see more public commitment.

The SaskCanola team is looking forward to the opportunities ahead and to supporting growers in their efforts to improve canola productivity.

Tracy Broughton, Executive Director

2021/22: SASKCANOLA BY THE NUMBERS

20,000 Saskatchewan canola growers represented by SaskCanola

463 research projects funded since 1991 to improve crop production

\$2.3M invested towards new and ongoing projects

1,128,000+ Twitter impressions generated through @SaskCanola

6,000+ subscribers received 38 timely email updates

490 Registered Dietitians participated in *Eat Well, Spend Less* webinar

65 canola research projects added to the national Canola Hub library

110+ graduates of SaskCanola's Learn to Lead program since 2016

RESEARCH



SaskCanola initiates and collaborates on grower-funded research and extension activities to foster greater innovation, improve farming practices and sustainability, decrease production risk, generate agronomic solutions to future production issues, and enhance policy alignment and market access.

Since 1991, SaskCanola has funded 463 research projects to support Saskatchewan canola growers.

In 2021-2022, we committed \$2.287 million total funding towards 22 new research projects and initiatives. SaskCanola made total payments of \$2.290 million supporting 77 new and existing projects during 2021-2022. This includes a new Insect Research Facility and a new Pollinator Health Research Chair at the University of Saskatchewan.

This year alone, SaskCanola worked with partners to provide additional funding of \$5.29 million for a total budget from all funders of \$7.5 million invested in new research. This means that for every dollar invested in research, SaskCanola leverages another \$2.30.

Today's research drives the prosperity of tomorrow's farm operations.

NEW PROJECTS

With new funding commitments, canola producers continue to see the direct benefits of their investment in research. This includes both ongoing improvement of best management practices for growing canola, as well as protecting and increasing yields through improved varieties with disease and drought tolerance traits.

The following new research projects were added to SaskCanola's portfolio in 2021-2022:

- SaskCanola committed to co-funding 11 projects through the Saskatchewan Agriculture Development Fund (ADF) to invest in research in the areas of drought resistance, disease resistance against blackleg and clubroot, soil carbon sequestration and greenhouse gas (GHG) mitigation, variable rate enhanced efficiency fertilizers, improving 4R fertility, comprehensive analysis of pesticides and pollinators, and quantifying combine auto-adjust capabilities for harvesting canola.
- SaskCanola funded nine Canola Agronomic Research Program (CARP) projects administered through the Canola Council of Canada in the areas of heat and drought tolerance, genetics of blackleg and clubroot resistance, updating the critical weed-free period in canola, data analysis of crop development versus environmental conditions, glyphosate-resistant kochia, and resolving soil- versus fertilizer-derived sources of GHG emissions.

COMPLETED PROJECTS

SaskCanola funded 12 research projects that were completed in 2021-22, all of which made significant contributions towards grower productivity and profitability. The topic areas and some of the results include:

Supporting Soil Health

Soil health and nutrient uptake in different lines of canola (Arcand) – This study demonstrated that soil inorganic nitrogen and extractable sulphur were most affected by different *Brassica napus* genotypes, while available phosphorus and soil pH were unaffected. This is believed to be due to differences in diversity of the soil microbial communities that associate with each *B. napus* genotype.

Insect Pest Insights

Role of plant hosts in outbreaks of aster leafhopper (Prager) – The research showed that aster leafhoppers preferred crops over weedy plants, which likely drives their movement into crops from field margins once crops have emerged. Leafhoppers preferred barley over wheat, and cereals over canola. However, canola was found to have higher aster yellows phytoplasma levels, suggesting canola is more susceptible to infection.

Control strategies for pollen beetles (Noronha) – Pollen beetles were not detected in the Prairie provinces, but monitoring should continue as climate models show a high potential for migration from Eastern to Western Canada. This insect was found to have one generation per year, and yield reduction was detected at 7-9 beetles per plant but not at 4 beetles per 10 sweeps.

Development of a monitoring and detection system for diamondback moth (Evenden) – In addition to using insecticide, management should focus on pest monitoring and forecasts, estimates of pest density, commodity value, and the role of natural enemies in cropping systems. Yield reductions at current nominal thresholds (of 1-2 diamondback moth larvae/plant in canola) may not be as significant in years with low-to-moderate diamondback moth infestation.

Accumulation of silicon (Belanger) – Researchers evaluated gene sequences to determine why some crop species accumulate silicon and others do not. They successfully transformed *Arabidopsis* (a close relative of canola) and improved its nutrient absorbency. Silicon can give stress resilience to plants that can readily absorb the nutrient.

Disease Resistance

Clubroot resistance (Yu) – Researchers developed canola lines with a broad spectrum of clubroot resistance derived from three sources of turnip germplasm. Canola breeders are now better equipped to identify emerging races of the pathogen. Several breeding lines have been distributed for developing future clubroot resistant canola cultivars.

Genomics of clubroot disease development in canola (Bonham-Smith) – This study characterized clubroot pathogen effector proteins which alter plant host cell defenses so the pathogen can infect the host plant. Effectors and host target proteins characterized in this study provide a valuable resource for the identification of new resistance genes.

Machinery Management Best Practices

Spray patterns from self-propelled sprayers (Wolf) – Researchers assessed the spray deposit distribution of a high clearance spray boom to try to improve deposition uniformity. The impact of lower boom heights and slower speeds was not as significant as hoped, but it remains the single best tool for growers and applicators.

canola

PERFORMANCE TRIALS

2021-22 marked the last year of the Prairie-wide CPT program in its current format. Work will continue through the Western Canada Canola/Rapeseed Recommending Committee, the industry body that recommends to the Canadian Food Inspection Agency which canola cultivars get registered. The past 11 years of data will remain accessible through the CPT website at canolaperformancetrials.ca.

DISEASE TESTING PROGRAM

In collaboration with the Saskatchewan Ministry of Agriculture, SaskCanola again offered a free disease testing program for growers for early detection of clubroot and blackleg races. Results help maintain the effectiveness of clubroot and blackleg resistance genetics. This program supports enhanced on-farm disease management and is changing the ability of Prairie growers to combat these critical yield-robbing diseases.



EVENTS & COMMUNITY OUTREACH



SaskCanola is committed to improving Saskatchewan agriculture by directly investing in initiatives that support our growers and strengthen our agricultural community.

INVESTING IN THE FUTURE

In 2022, SaskCanola awarded the prestigious Dr. Roger Rimmer Award for Excellence in Graduate Research scholarships to four students at the University of Saskatchewan. These scholarships are an investment in the canola industry and ensure continued research capacity. The scholarship recipients and their projects included:



Mostafa Hojati,
Soil Science

Mostafa is studying soil carbon cycling and sequestration, and how this is affected by interactions between soil and the roots of canola, wheat and lentils.



Nazifa Khan,
Computer Science

Nazifa is studying automated image analysis algorithms to measure the onset of canola flowering, plant development, and the effects of drought stress.



Menying Liu,
Plant Science

Comparing root microbiomes present under different phosphorus availabilities and root system architectures, with the goal of improving the phosphorus uptake efficiency of canola.



Berenice Romero,
Entomology

Berenice is studying aster yellows disease, behaviour of aster leafhoppers which infect crops with this disease, and host plants that might overwinter the pathogen.



POLLINATOR HEALTH RESEARCH

In recognition of the importance of pollinators to the long-term sustainability of agriculture and food security, a new University of Saskatchewan (USask) research chair position was established at the Western College of Veterinary Medicine (WCVN) in June 2022. Dr. Sarah Wood, who has researched pollinator health since 2015, was appointed chair.

Through support from SaskCanola, the WCVN is the first North American veterinary college to establish a pollinator research and teaching program. The chair is funded through a five-year commitment from SaskCanola and other sponsoring organizations.



NEW INSECT RESEARCH FACILITY

In September 2021, a new insect research facility was announced by USask. Led by entomologist Dr. Sean Prager, the Insect Research Facility (USIRF) will allow specialized research on insect pests of Western Canadian crops, as well as beneficial insects that target these pests.

This facility will expand the research capacity for entomological research as there are only a few such facilities across Canada. Due to the pest containment level the facility's knowledge and management solutions can emerge before new pest species expand into the Prairies.



LEARN TO LEAD

The Learn to Lead program is hosted by SaskCanola and co-sponsored by other Saskatchewan grain commissions. The program benefits the industry at large by empowering future leaders throughout our province, resulting in more prosperous farm communities and a successful agriculture sector. An indirect benefit of the program is having growers who are prepared to take on leadership roles within Saskatchewan's various agricultural commissions and associations. An in-person event was held on March 18 and 19, 2022 in Saskatoon with 23 delegates in attendance.



CASA | ACSA
CANADIAN AGRICULTURAL SAFETY ASSOCIATION
ASSOCIATION CANADIENNE DE SÉCURITÉ AGRICOLE

SaskCanola contributed to improving the health and safety of growers by sponsoring the CASA's BeGrainSafe program and its BeGrainSafe trailer (used for mobile training and demonstrations). The program provides knowledge and resources for safe, efficient, and effective grain farm operations.

CLUBROOT MITIGATION Sponsorship

In July 2022, SaskCanola was the exclusive clubroot mitigation sponsor of Ag in Motion. Aiming to raise awareness of clubroot disease across Saskatchewan, SaskCanola's support funded tire bath and boot sanitization stations at event entrances. Ag in Motion had more than 9,000 attendees on its first day.

POLICY & ADVOCACY

SaskCanola ensures growers' needs and perspectives are considered at both provincial and national levels.

SaskCanola shares research and grower opinions with policymakers and regulatory bodies so that policies and regulations are data driven and backed by sound science. These actions protect market access and help canola expand into new markets.

Collaboration With Commodity Groups

SaskCanola continues to advocate on behalf of Saskatchewan's canola growers. In a provincial context, many of the issues canola growers grapple with are areas of concern to all farmers. As we face these issues, we draw on the strength of other commodity groups to make sure we speak with a united voice. We have come together with other organizations to create an informal group called SaskCrops to work collaboratively and influence policy in the strongest way possible.

Greenhouse Gas (GHG) Emissions

We continue to advocate on behalf of canola growers to make sure action on climate change is science-based, that research into solutions continues, and that global food security is not threatened. For this reason, SaskCrops made a submission to Finance Canada to keep federal support of agriculture front and centre.

Food Security

When the war in Ukraine broke out in February 2022, Prime Minister Trudeau raised concerns about food security around the world. SaskCrops wrote a letter commending the Prime Minister for his words, asking that he make sure food production is not imperiled in Canada as we continue to do our part to lower GHG gas emissions and ensure global food security. Food security, along with keeping Saskatchewan growers productive and prosperous while being good environmental stewards, remain top priorities for SaskCanola.

Delivery Contracts

In accordance with common AGM resolutions, SaskCrops pushed grain companies to have more transparent and fair contracts with growers. A study was commissioned that pointed out the uncertain and ever-changing relationship between grain companies and growers. These findings were then used to advocate our position with both federal and provincial governments, as well as with the Western Grain Elevator Association.

National & Provincial Partners

We continue to collaborate with our canola industry partners, including the Canola Council of Canada, Canadian Canola Growers Association, and provincial canola associations. On issues specific to Saskatchewan growers, we work closely with other organizations that represent provincial stakeholders in agriculture.

Over the past year, we had significant breakthroughs in a relatively short period of time on some important files:

- China removed its restrictions on Canadian canola exports in May.
- Clean Fuel Regulations are reaching the final stages and have opened the door for major investments.
- Health Canada made some significant decisions on new plant breeding guidance and provided a predictable risk-based approach for new techniques.

Government Relations

SaskCanola continues to engage with government representatives from multiple political parties. In December, at Canadian Western Agribition in Regina, SaskCanola representatives met with members of the Conservative Party's shadow cabinet to discuss the devastating drought, resuming open and free canola trade with China, and the 30 per cent emissions reduction target.

MARKET DEVELOPMENT & CANOLA PROMOTION

SaskCanola shares the message of the advantages of canola oil and meal in Canada to increase domestic consumption.



PROVINCIAL ACTIVITIES

Agriculture in the Classroom

SaskCanola, along with Manitoba Canola Growers and Alberta Canola, promotes canola nationally to consumers through Canola Eat Well (CEW). CEW connects and fosters conversations between those who grow canola and those who choose it for their kitchens.

The CEW program is committed to increasing consumer demand for canola oil. Spokespeople include chefs, Registered Dietitians, food communicators, educators, and health professionals. These CEW ambassadors convey a consistent message – choose canola oil for your Canadian kitchen because it works, it's affordable, and it's healthy. As supported by market research, CEW efforts are focused on the Ontario market.

During 2021-2022, the *How to Eat More Meals Together* program launched its sixth branded recipe booklet. With SaskCanola's support, 30,000 recipe booklets were made available to Prairie families through the non-profit Farm to School fundraising program.

SaskCanola is a Superhero sponsor of Agriculture in the Classroom Saskatchewan (AIRC-SK), whose goal is to connect school age kids and agriculture through innovative, experiential, curriculum-based programs and resources. AIRC-SK provided more than 227,000 student learning experiences in 627 schools and 229 communities in 2021.



SaskCanola is a Principal Member of Farm & Food Care Saskatchewan, an organization that connects consumers with fact-based, modern farming information and resources through its CanadianFoodFocus.org initiatives and in-person events. Farm & Food Care believes that getting to know farmers and ranchers is getting to know food.



NATIONAL ACTIVITIES

Educating the Educators

Education Week at the Royal Agricultural Winter Fair in Toronto attracted 2,000 registered attendees. CEW sponsored *Exploring the Complexities of Sustainability from Farm to Fork*, a presentation about creating a resilient food system. Approximately 260 registered attendees engaged in the presentation, including 37 teachers/educators who teach more than 970 students.

In addition, CEW continues to support:

- The Chinese Restaurant Awards – a program dedicated to increasing awareness of Chinese and Taiwanese cuisine in Metro Vancouver.
- Taste Canada's student culinary school program *Cook the Books*. This cooking competition invites students from across the country to compete for the title of Canada's Best New Student Chefs.
- CEW and CropLife Canada co-hosted an event at the Grow Canada Conference in December 2021 that brought together Registered Dietitians and food influencers.

HEALTH AND NUTRITION PARTNERS

SaskCanola strategically aligns with influential health partners that provide lifestyle recommendations to consumers and offer health policy advice to government and regulatory bodies. Sharing fact-based messaging and promoting canola's health benefits ensures our canola story is heard at the national level and, as such, has a persuasive influence over the buying habits of Canadians.

Diabetes Canada

One in three Canadians has diabetes or prediabetes, making diabetes an epidemic in Canada. Food is the key to managing diabetes and reducing the risk of heart attacks, stroke, and other complications. With SaskCanola's financial support, Diabetes Canada delivers programs that improve the lives of those Canadians with diabetes by making healthier food choices.

Spark Nutrition & Health

CEW sponsored a webinar titled *Eat Well, Spend Less: How to Help Canadians Save Money While Boosting Nutrition*. Canola messaging was shared with 490 Registered Dietitians who, in turn, will share their knowledge of canola with their clients.

CANOLA COUNCIL OF CANADA REPORT

In 2021-2022 we saw many examples of what teamwork can achieve.

To help growers stay one step ahead of agronomic challenges, the CCC continued to build on its Canola Watch e-newsletter, webinars, online tools and digital information campaigns.

The need to increase canola productivity and help protect the crop from pests and other threats was highlighted in the updated Canola Innovation Strategy, released in March. The strategy, developed with participation from SaskCanola and the two other provincial commissions, provides an aligned value chain vision behind research and development priorities.

Earlier this year, the CCC secured funding from AAFC's On-Farm Climate Action Fund for Canola 4R Advantage, an incentive program to support growers in the adoption of 4R Nutrient Stewardship practices. Launched in August 2022, canola growers can apply for funding to help pay for best management practices to make the most efficient use of fertilizers in canola production.

In the area of trade and market access, the market disruption with China took a positive step forward with China's removal of restrictions for canola exporters in May. Throughout three long years of market barriers, the CCC worked closely with government officials on this issue and maintained strong relationships with buyers in China to increase understanding of canola's advantages.

The canola sector was also pleased to see canola's GHG-reducing advantages were properly recognized in Canada's new Clean Fuel Regulations and the US Renewal Fuel Standard. These achievements support strong demand for canola in the years ahead.

Working jointly with Cereals Canada and Pulse Canada, the CCC called for the establishment of a Canadian Indo-Pacific Diversification Office to secure agricultural export growth, and market diversification and competitiveness in this key export region.

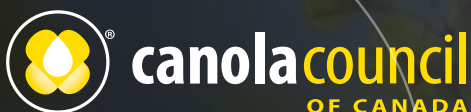
The CCC is also currently engaged in the fertilizer emissions reduction consultation, Pest Control Products Act Review, the Pest Management Regulatory Agency's Transformation Agenda, and many other issues affecting canola production, global competitiveness, and innovation.



Charlene Bradley, CCC Director

STRATEGIC NETWORK

SaskCanola is an integral part of a strategic network of canola grower and industry organizations that work together to advance the canola industry.



The CCC mission is to advance the growth and profitability of the canola industry based on innovation, sustainability, resilience, and the creation of superior value. The shared goal is the industry's continued expansion, product demand, market stability, and success – achieving an average yield of 52 bu/acre to meet global market demand of 26 million tonnes by the year 2025.



The CCGA enhances competitiveness by conducting in-depth policy analysis and advocating for policy, regulatory, and legislative changes that impact farm profitability. As a member of CCGA, SaskCanola's three Board representatives bring strategic governance to the work that CCGA undertakes for Canada's 43,000 canola growers.



Financial Statements
July 31, 2022

Independent Auditors' Report

To the Board of Directors of Saskatchewan Canola Development Commission

Max Lingard

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Qualified Opinion

We have audited the financial statements of Saskatchewan Canola Development Commission, which comprise the statement of financial position as at July 31, 2022, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Saskatchewan Canola Development Commission as at July 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Commission collects a levy from Saskatchewan producers through buyers of canola, the completeness of which is not susceptible of satisfactory audit verification. It was not practical for us to verify whether all buyers of canola 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. Therefore, 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 year ended July 31, 2022, current assets as at July 31, 2022 and July 31, 2021, and net assets at both the beginning and end of the July 31, 2022 and July 31, 2021 years. The audit opinion on the financial statements for the year ended July 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Saskatchewan Canola Development Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance to these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 financial statements, management is responsible for assessing Saskatchewan Canola Development Commission's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate Saskatchewan Canola Development Commission or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (continued)

Those charged with governance are responsible for overseeing Saskatchewan Canola Development Commission's financial reporting process.

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Auditors' Responsibilities for the Audit of 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 misstatements 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 Saskatchewan Canola Development 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 Saskatchewan Canola Development 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 auditors' 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 auditors' report. However, future events or conditions may cause Saskatchewan Canola Development 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.

Independent Auditor's Report (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

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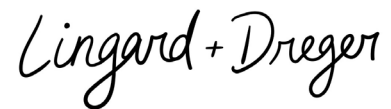
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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Saskatoon, Saskatchewan
October 27, 2022**



Chartered Professional Accountants

Saskatchewan Canola Development Commission

Statement of Financial Position

As at July 31, 2022

July 31,
2022
\$

July 31,
2021
\$

ASSETS

Current assets

| | | |
|--|-----------|-----------|
| Cash | 670,157 | 945,463 |
| Short-term investments <i>(note 4)</i> | 2,753,867 | 2,234,154 |
| Accounts receivable <i>(note 3)</i> | 532,569 | 698,289 |
| Deposits and prepaid expenses | 6,493 | 10,974 |

3,963,086 3,888,880

Investments *(note 4)*

3,715,933 5,477,140

Tangible capital assets *(note 5)*

12,125 30,236

7,691,144 9,396,256

LIABILITIES

Current liabilities

| | | |
|--|---------|-----------|
| Accounts payable and accrued liabilities <i>(note 6)</i> | 600,263 | 1,043,429 |
|--|---------|-----------|

600,263 1,043,429

NET ASSETS

| | | |
|-------------------------------------|--------|--------|
| Invested in tangible capital assets | 12,125 | 30,236 |
|-------------------------------------|--------|--------|

| | | |
|---------------------------------------|-----------|-----------|
| Internally restricted <i>(note 7)</i> | 4,640,000 | 4,640,000 |
|---------------------------------------|-----------|-----------|

| | | |
|--------------|-----------|-----------|
| Unrestricted | 2,438,756 | 3,682,591 |
|--------------|-----------|-----------|

7,090,881 8,352,827

7,691,144 9,396,256

Commitments *(note 8)*

See accompanying notes to the financial statements

Approved by the Board of Directors

 Director

 Director

Saskatchewan Canola Development Commission

Statement of Changes in Net Assets

For the year ended July 31, 2022

| | | | | 2022 | 2021 |
|--|--|--------------------------|------------------|------------------|------------------|
| | Invested in tangible capital assets | Internally restricted | Unrestricted | Total | Total |
| | \$ | \$ | \$ | \$ | \$ |
| Balance – Beginning of year | 30,236 | 4,640,000 | 3,682,591 | 8,352,827 | 7,244,247 |
| Transfers to internally restricted reserves (note 7) | - | - | - | - | - |
| Excess (deficiency) of revenue over expenses for the year (see note below) | (24,960) | - | (1,236,986) | (1,261,946) | 1,108,580 |
| Purchase of tangible capital assets | 6,849 | - | (6,849) | - | - |
| Balance – End of year | 12,125 | 4,640,000 | 2,438,756 | 7,090,881 | 8,352,827 |

Note: Consists of:

Depreciation 24,960

See accompanying notes to the financial statements

Saskatchewan Canola Development Commission

Statement of Operations

For the year ended July 31, 2022

| | Budget 2022 \$ (note 9) | Actual 2022 \$ | Actual 2021 \$ |
|--|----------------------------------|----------------------|----------------------|
| Revenue | | | |
| Producer levy (note 10) | | | |
| Levy | 8,420,000 | 4,865,035 | 8,386,343 |
| Refunds | (790,000) | (425,026) | (837,781) |
| | <hr/> | <hr/> | <hr/> |
| Net | 7,630,000 | 4,440,009 | 7,548,562 |
| Investment income | 154,000 | 120,202 | 121,606 |
| Project contributions | 150,000 | 407,366 | 408,053 |
| | <hr/> | <hr/> | <hr/> |
| | 7,934,000 | 4,967,577 | 8,078,221 |
| Expenses | | | |
| Research and development (note 11) | 3,723,495 | 2,724,657 | 3,311,853 |
| Canola Council of Canada (note 12) | 1,703,976 | 1,246,336 | 1,710,807 |
| Market development | 546,000 | 261,760 | 267,650 |
| Grower relations | 635,000 | 418,295 | 257,821 |
| Policy | 165,000 | 83,545 | 9,780 |
| Governance | 209,500 | 149,667 | 114,991 |
| Salaries and benefits | 817,400 | 859,245 | 808,755 |
| General and administration | 425,600 | 461,058 | 439,261 |
| Depreciation | 40,000 | 24,960 | 48,723 |
| | <hr/> | <hr/> | <hr/> |
| | 8,265,971 | 6,229,523 | 6,969,641 |
| | <hr/> | <hr/> | <hr/> |
| Excess (deficiency) of revenue over expenses for the year | (331,971) | (1,261,946) | 1,108,580 |

See accompanying notes to the financial statements

Saskatchewan Canola Development Commission

Statement of Cash Flows

For the year ended July 31, 2022

| | 2022 | 2021 |
|---|-------------|-------------|
| | \$ | \$ |
| Cash provided by (used in) | | |
| Operating activities | | |
| Receipts from producers | 5,000,784 | 9,018,921 |
| Receipts of other income | 438,571 | 46,128 |
| Payments of research and development projects, and grants | (2,772,430) | (3,276,400) |
| Payments to Board of Directors | (147,558) | (117,119) |
| Payments to producers | (831,590) | (794,110) |
| Payments to suppliers and employees | (3,317,930) | (3,531,215) |
| | <hr/> | <hr/> |
| Total provided (used) by operating activities | (1,630,153) | 1,346,205 |
| Investing activities | | |
| Purchase of tangible capital assets | (6,849) | (8,753) |
| Receipts of investment income | 152,335 | 176,547 |
| Purchase of investments | (1,500,639) | (5,716,392) |
| Proceeds from disposals of investments | 2,710,000 | 3,893,290 |
| | <hr/> | <hr/> |
| Total provided (used) in investing activities | 1,354,847 | (1,655,308) |
| Decrease in cash and equivalents | (275,306) | (309,103) |
| Cash and equivalents – Beginning of year | 945,463 | 1,254,566 |
| | <hr/> | <hr/> |
| Cash and equivalents – End of year | 670,157 | 945,463 |
| | <hr/> | <hr/> |
| Cash and equivalents consists of: | | |
| Cash (bank overdraft) | 114,599 | (549,337) |
| RBC Investment Savings Account | 555,558 | 1,494,800 |
| | <hr/> | <hr/> |
| Cash and equivalents – End of year | 670,157 | 945,463 |
| | <hr/> | <hr/> |

See accompanying notes to the financial statements

Saskatchewan Canola Development Commission

Notes to Financial Statements

July 31, 2022

1. Authority

The Saskatchewan Canola Development Commission (“SaskCanola”) is a non-profit organization which was established on February 6, 1991, pursuant to *The Saskatchewan Canola Development Plan Regulations* (the “Regulations”), under the authority of *The Agri-Food Act, 2004*. The mission of SaskCanola is to enhance canola producers’ competitiveness and profitability through research, market development and communication programs. The activities of SaskCanola are funded primarily by a levy on Saskatchewan-produced canola, which is collected by buyers at the time of sale.

2. 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:

a) Revenue recognition

Levy and refunds

Producer levy is recognized when canola is sold. Refunds are recognized based on management’s best estimate of expected refunds.

Restricted contributions

The deferral method of accounting is used for any externally restricted contributions. 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.

Project contributions

Project contributions are reimbursements of eligible costs incurred by SaskCanola for a research project. Project contributions are recognized as revenue when they are authorized and any eligibility criteria are met.

Investment income

Investment income includes interest income on guaranteed investment certificates, notes and bonds measured at amortized cost. Interest income is recognized on a time proportion basis, and purchase premiums and discounts are amortized over the term of the investment.

b) Basis of accounting for co-sponsored program interests

SaskCanola uses the equity method of accounting for its interest in the *Canola Digest* co-sponsored program, where SaskCanola is obligated to fund its share of a deficit in any one year or where SaskCanola has a right to a credit for its share of net earnings of the program in any one year.

c) Cash and cash equivalents

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

Saskatchewan Canola Development Commission

Notes to Financial Statements

July 31, 2022

2. Significant Accounting policies (continued)

d) Tangible capital assets

Tangible capital assets are carried at cost less accumulated amortization. Amortization is calculated on the straight-line basis in amounts sufficient to amortize the cost of tangible capital assets over their estimated useful lives as follows:

Equipment, furniture and leasehold improvements 3 – 5 years

e) Grants, and research and development projects

Expenses are recognized when grants and/or projects are approved and the recipient has met eligibility criteria. Funds advanced to recipients prior to meeting eligibility criteria are recorded as advances.

f) Financial instruments

SaskCanola 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 and equivalents, and investments. 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. When investments are purchased at a premium or a discount, the premium or discount is amortized until the investment's maturity date using the straight-line method.

g) 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.

h) 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 the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

Significant estimates include, but are not limited to, the valuation of accounts payable and accrued liabilities and the useful lives of tangible capital assets.

Saskatchewan Canola Development Commission

Notes to Financial Statements

July 31, 2022

3. Accounts receivable

The accounts receivable balance consists of the following:

| | 2022 | 2021 |
|-------------------|-------------------|-------------------|
| Levy receivables | \$ 357,110 | \$ 492,859 |
| Grants receivable | 173,001 | 204,204 |
| Other receivables | 2,458 | 1,226 |
| | \$ 532,569 | \$ 698,289 |

4. Investments

| | 2022 | | 2021 | |
|------------------------------------|-------------------|---------------------|-------------------|---------------------|
| | Years to maturity | Market value | Yield to maturity | Market value |
| Short-term | | | | |
| Guaranteed investment certificates | 1 | \$ 2,592,980 | 1.05% - 2.86% | \$ 2,234,154 |
| Bonds and notes | 1 | 160,887 | 2.60% | - |
| | | \$ 2,753,867 | | \$ 2,234,154 |
| Long-term | | | | |
| Guaranteed investment certificates | 2-4 | \$ 3,215,156 | 1.23% - 3.30% | \$ 5,312,555 |
| Bonds and notes | 5 | 500,777 | 2.07% | 164,585 |
| | | \$ 3,715,933 | | \$ 5,477,140 |

5. Tangible capital assets

| | | | July 31, 2022 | July 31, 2021 |
|-------------------------|-------------------|-----------------------------|------------------|------------------|
| | Cost | Accumulated amortization | Net | Net |
| Equipment and furniture | \$ 73,005 | \$ 60,880 | \$ 12,125 | \$ 17,764 |
| Leasehold improvements | 165,508 | 165,508 | - | 12,472 |
| | \$ 238,513 | \$ 226,388 | \$ 12,125 | \$ 30,236 |

Saskatchewan Canola Development Commission

Notes to Financial Statements

July 31, 2022

6. Accounts payable and accrued liabilities

The accounts payable and accrued liabilities balance consists of the following:

| | 2022 | 2021 |
|----------------------|-------------------|---------------------|
| Trade payables | \$ 125,885 | \$ 174,102 |
| Levy refunds payable | 421,436 | 828,000 |
| Wages payable | 52,942 | 41,327 |
| | \$ 600,263 | \$ 1,043,429 |

7. Internally restricted net assets

SaskCanola has internally restricted net assets to maintain operations and meet commitments in the event of crop failure, and to pay any amounts due in the event of disestablishment of SaskCanola. Approval by the Board of Directors is required before any funds can be accessed.

| | July 31, 2022 | July 31, 2021 |
|---|------------------|------------------|
| | \$ | \$ |
| Revenue stabilization reserve | | |
| Balance – beginning of year | 1,600,000 | 1,200,000 |
| Addition in the year | - | 400,000 |
| Balance – end of year | 1,600,000 | 1,600,000 |
| Organizational closure reserve | | |
| Balance – beginning of year | 3,040,000 | 900,000 |
| Addition in the year | - | 2,140,000 |
| Balance – end of year | 3,040,000 | 3,040,000 |
| Internally restricted net assets | 4,640,000 | 4,640,000 |

Saskatchewan Canola Development Commission

Notes to Financial Statements

July 31, 2022

8. Commitments

SaskCanola is committed to funding research and development projects over several years to benefit the canola industry. Amounts committed to these projects in each of the next five years, assuming the terms of the contracts are fulfilled, are as follows:

| Year ending July 31: | |
|-----------------------------|--------------|
| 2023 | \$ 1,962,184 |
| 2024 | 634,011 |
| 2025 | 320,716 |
| 2026 | 69,532 |
| 2027 and thereafter | 20,860 |

Other commitments include commitments for communication, market development expenses, and administration expenses. Amounts committed to these activities in each of the next five years are as follows:

| Year ending July 31: | |
|-----------------------------|------------|
| 2023 | \$ 122,000 |
| 2024 | 10,000 |
| 2025 | - |
| 2026 | - |
| 2027 and thereafter | - |

SaskCanola is committed under a lease agreement for its premises at 212 – 111 Research Drive. The agreement expires on August 31, 2025. The required minimum annual lease payments are as follows:

| Year ending July 31: | |
|-----------------------------|------------|
| 2023 | \$ 107,007 |
| 2024 | 107,090 |
| 2025 | 107,090 |
| 2026 | 8,924 |
| 2027 and thereafter | - |

Saskatchewan Canola Development Commission

Notes to Financial Statements

July 31, 2022

9. Budget

The budget presented is unaudited. The SaskCanola Board of Directors approved the 2022 fiscal year budget on June 16, 2021.

10. Producer levy

Under the Regulations, each buyer of canola is required to remit to SaskCanola a levy deducted from any payments made to producers. Pursuant to board order #29/20, effective April 27, 2020, the levy was set at \$0.75 per tonne. Producers can request a refund for any levy paid from August 1 to July 31 by submitting a refund application by August 31.

11. Research and development projects

| | 2022 | 2022 | 2021 |
|--------------------------|------------------|------------------|------------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| New projects and delayed | 1,275,000 | | |
| Agronomic research | | 386,421 | 491,184 |
| Germplasm development | | 168,750 | 91,125 |
| Usage research | | 15,750 | 8,333 |
| Continuing projects | | | |
| Agronomic research | 1,151,684 | 1,466,664 | 1,477,743 |
| Germplasm development | 485,689 | 223,484 | 229,263 |
| Usage research | 143,122 | 76,505 | 319,610 |
| Other research | 668,000 | 387,083 | 694,595 |
| | 3,723,495 | 2,724,657 | 3,311,853 |

12. Canola Council of Canada core funding

SaskCanola participates in a voluntary industry levy program with the Canola Council of Canada ("CCC"). This levy provides CCC with its core funding to develop programs that benefit the canola industry.

| | 2022 | 2021 |
|------------------|------------------|------------------|
| | \$ | \$ |
| CCC Core funding | 993,283 | 1,418,976 |
| CCC Initiatives | 253,053 | 291,831 |
| | 1,246,336 | 1,710,807 |

Saskatchewan Canola Development Commission

Notes to Financial Statements

July 31, 2022

13. Co-sponsored program

SaskCanola has equal representation with the Alberta Canola Producers Commission, the Manitoba Canola Growers Association and the Canola Council of Canada to publish a magazine entitled *Canola Digest*. Revenues and expenses are distributed based on each organization's proportionate qualified grower circulation. SaskCanola's qualified grower circulation is on average for the year 46% (2021 - 48%). Upon establishment of the *Canola Digest* program, the co-sponsors did not contribute any funding or other assets to the program. The current agreement between the co-sponsors expired July 31, 2022.

SaskCanola's interest in the program assets, liabilities, net assets, revenues, expenses, net income, and cash flows are shown below. SaskCanola's proportionate share of the 2022 loss is included in CCC initiatives.

| | 2022 | 2021 |
|---------------------|----------|----------|
| | \$ | \$ |
| Current assets | - | - |
| Current liabilities | - | - |
| Net assets | - | - |
| Revenues | 177,547 | 180,814 |
| Expenses | 199,948 | 194,139 |
| Net income (loss) | (22,401) | (13,325) |

14. Financial instruments

SaskCanola is exposed to various risks through its financial instruments.

Credit risk and credit concentration

SaskCanola is exposed to credit risk from potential non-payment of accounts receivable. As at July 31, 2022, three customers accounted for 59.01% (2021 – 65.37%) of accounts receivable, representing SaskCanola's maximum credit risk exposure. SaskCanola believes that there is no unusual exposure associated with the collection of these receivables. SaskCanola manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable. Most of the accounts receivable were collected shortly after year-end.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. SaskCanola is exposed to interest rate risk on its investments.

Liquidity risk

Liquidity risk is the risk that SaskCanola will encounter difficulty in meeting the obligations associated with its financial liabilities. SaskCanola is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and future commitments. SaskCanola manages its liquidity risk by investing in liquid assets such as cash and short-term investments.

15. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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Independent Practitioner’s Reasonable Assurance Report On Compliance**To the Board of Directors of Saskatchewan Canola Development Commission:**

We have undertaken a reasonable assurance engagement of Saskatchewan Canola Development Commission's compliance during the period August 1, 2021 to July 31, 2022, 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 Saskatchewan Canola Development Plan Regulations
- Commission Orders No. 24/20 to 30/20

Management’s Responsibility

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

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Saskatchewan Canola Development Commission’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.

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Independent Practitioner’s Reasonable Assurance Report on Compliance (continued)

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

Our Independence and Quality Control

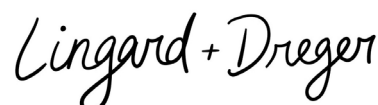
We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence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

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, Saskatchewan Canola Development Commission has complied with the specified requirements established in the Agreements during the period of August 1, 2021 to July 31, 2022, in all significant respects. We do not provide a legal opinion on Saskatchewan Canola Development Commission’s compliance with the specified requirements.

**Saskatoon, Saskatchewan
October 27, 2022**

A handwritten signature in black ink that reads 'Lingard + Dreger'.

Chartered Professional Accountants

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Independent Auditors' Report**To the Board of Directors of Saskatchewan Canola Development Commission:**

We have audited Saskatchewan Canola Development Commission's control as of July 31, 2022 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 SaskCanola'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 SaskCanola's control. We did not audit certain aspects of control concerning the effectiveness, economy and efficiency of certain management decision-making processes.

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Independent Auditors' Report (continued)

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 SaskCanola's control 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.

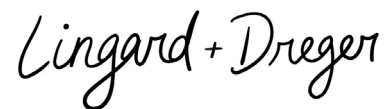
Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit 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.

Opinion

In our opinion, based on the limitations noted above, SaskCanola's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2022 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 SaskCanola, which comprise the statement of financial position as at July 31, 2022, 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 October 27, 2022, which is the same date as the date of the report on the effectiveness of internal controls.

Saskatoon, Saskatchewan
October 27, 2022

A handwritten signature in black ink that reads 'Lingard + Dreger'.

Chartered Professional Accountants

SaskCanola
2021-2022 Payee List
(cash basis)

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

Board of Directors (all amounts included)

| | <u>Per Diem</u> | <u>Expenses</u> | <u>Total \$</u> |
|--------------------|-----------------|-----------------|-----------------|
| ALTROGGE, DAVID | 4,300 | 3,443 | 7,743 |
| BRADLEY, CHARLENE | 13,918 | 5,380 | 19,298 |
| DUNCAN, KATELYN | 5,760 | 3,632 | 9,392 |
| FOURNIER, KEITH | 8,150 | 3,471 | 11,621 |
| MCCLEAN, BERNIE | 8,905 | 4,673 | 13,578 |
| NAGY, CODIE | 7,995 | 4,440 | 12,435 |
| ROBERTS, DEAN | 2,250 | 1,488 | 3,738 |
| STOCKBRUGGER, LANE | 7,965 | 3,364 | 11,329 |
| | <u>59,243</u> | <u>29,891</u> | <u>89,134</u> |

Research and Development (threshold \$5,000)

| | |
|--|---------|
| UNIVERSITY OF SASKATCHEWAN | 593,925 |
| AGRICULTURE & AGRI-FOOD CANADA | 240,144 |
| PRAIRIE AGRICULTURAL MACHINERY INSTITUTE | 48,212 |
| UNIVERSITY OF MANITOBA | 32,000 |
| DISCOVERY SEED LABS LTD | 29,290 |
| WESTERN GRAINS RESEARCH FOUNDATION | 28,900 |
| MITACS | 23,625 |
| UNIVERSITY OF ALBERTA | 22,492 |
| EDU TRANSFER | 5,460 |

Extension (threshold \$5,000)

| | |
|---|--------|
| EARNSLIFFE STRATEGIES | 97,872 |
| MURPHY ET AL INC | 94,490 |
| BASF CANADA INC | 71,001 |
| AG QUEST HOLDINGS LTD | 47,694 |
| DL SEEDS | 42,777 |
| TEAM DUNSTONE | 25,000 |
| IRRIGATION CROP DIVERSIFICATION | 15,520 |
| NEW ERA AG TECH | 15,435 |
| WHEATLAND CONSERVATION AREA INC | 13,671 |
| AJB HOLDINGS (DISCOVERY AG RESEARCH) | 13,020 |
| FARMING SMARTER | 13,020 |
| CROP SPHERE | 11,578 |
| GLACIER FARM MEDIA | 10,491 |
| CANADIAN AGRICULTURAL SAFETY ASSOC. | 10,000 |
| WESTERN APPLIED RESEARCH CORP | 9,622 |
| PRAIRIE CROP DIVERSIFICATION FOUNDATION | 7,980 |
| ICMS INC | 7,453 |
| SOUTH EAST RESEARCH FARM | 7,285 |
| SASK WHEAT | 5,685 |

Media and Communications

| | |
|--------------------------------------|--------|
| MAGPIE MARKETING | 46,292 |
| MERCANTILE CONSULTING VENTURE | 28,350 |
| PRAXIS CONSULTING LTD | 24,833 |
| HALMYRE SPARK GROWTH | 18,010 |
| BIG FISH MEDIA | 16,991 |
| JBECK | 16,471 |
| IMPACT MARKETING | 11,453 |
| COLES AG COMMUNICATIONS | 9,972 |
| THE WESTERN PRODUCER | 9,436 |
| GOLDEN WEST BROADCASTING | 9,082 |
| TERRA COMMUNICATIONS | 8,523 |
| PRAIRIE CERTIFIED CROP ADVISOR BOARD | 5,000 |

Market Development (threshold \$5,000)

| | |
|---|-----------|
| CANOLA COUNCIL OF CANADA | 2,622,168 |
| HEART AND STROKE FOUNDATION | 65,000 |
| AGRICULTURE IN THE CLASSROOM (SASK) INC | 53,500 |
| DIABETES CANADA | 45,000 |
| FARM AND FOOD CARE SASK | 44,625 |
| BOURKE MARRISON | 30,454 |
| KYNETEC CANADA | 22,050 |
| MANITOBA CANOLA GROWERS ASSOCIATION | 9,392 |
| FARM AND FOOD CARE ONTARIO | 5,000 |

Supplier Payments (threshold \$20,000)

| | |
|--|---------|
| INNOVATION PLACE | 120,534 |
| AGRICULTURE COUNCIL FOR SASKATCHEWAN INC | 101,028 |
| BH TECH | 39,604 |
| CHAMBER OF COMMERCE GROUP INSURANCE | 43,555 |
| BRENT PEDERSON HOLDINGS | 30,986 |

Other Payments (threshold \$20,000)

| | |
|--|--------|
| SASKATCHEWAN PUBLIC EMPLOYEES PENSION PLAN | 81,560 |
|--|--------|

** Payees with multiple categories are listed once under the most relevant category.*

Prepared by: David Marsh
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GROWING PRODUCER PROSPERITY



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