



# PUTTING GROWERS FIRST

2018/19 ANNUAL REPORT

REPRESENTING RESILIENCY  
AND OPTIMISM

 **SaskCanola**



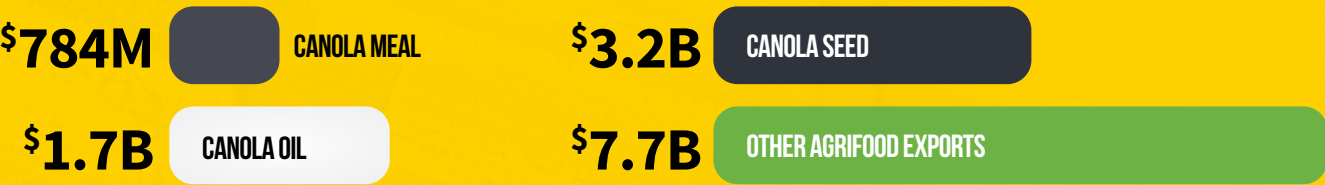
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## 2018-19 CROP YEAR

	SASKATCHEWAN	CANADA
Seeded acres:	12.4 million acres	22.8 million acres
Harvested acres:	12.2 million acres	22.5 million acres
Average yield:	39.3 bushels/acre	39.8 bushels/acre
Total production:	10.9 million tonnes	20.3 million tonnes

## SASKATCHEWAN AGRI FOOD EXPORTS



## SASKATCHEWAN CANOLA EXPORT DESTINATIONS





# STATE OF THE INDUSTRY



Agriculture and farming runs through my blood, as with all farmers. There is an inherent love for the land, the warmth of an early morning sun during seeding, and the next generation engaging in the business. I have often said I better enjoy this, because I will only get another 30 or so spring seedings, harvests, and the like.

I can sum up the 2019 crop year in one word: tumultuous. From China revoking the export licenses of two major canola exporters and ultimately shutting the door to all Canadian canola in the spring, to variable weather throughout the growing season for many parts of the province. Many farmers found themselves turning their sights to 2020 with a “lets just get through 2019” attitude. Throughout this volatility, we are fortunate to have strong Saskatchewan leadership at the national canola tables with Charlene Bradley as Board Chair of the Canola Council of Canada (CCC) and Bernie McClean as President of the Canadian Canola Growers Association (CCGA).

The challenges related to China have not been taken lightly. Early on, we decided to focus attention on how to help farmers locally and nationally. Among our actions included the launch of a market commentary on our website to provide farmers with ideas on when and how to market their canola. We continue to work closely with our partners at CCC and CCGA, as well as the provincial and federal governments. While it never seems like change happens fast enough when we are facing such uncertainty, there have been some positive advancements to government policy this year. SaskCanola and the whole canola industry continues to pressure government for changes to the business risk management programming and promote the exciting opportunities the biofuel market as new technologies grow the potential for this fuel.

The weather uncertainty provided unique situations for farmers across the province. Some were wet and others were dry. Our industry is fortunate to have seed technology with companies dedicated to innovation and advancement, which helped us grow the crop we did in such a harsh weather.

Our team welcomed a new Executive Director to SaskCanola this year, providing us the opportunity to review how we can best serve farmers as an organization. Throughout the past year we have worked to strike a balance of face to face learning events with online connections through our website, Twitter, and other social tools. Working with and for Saskatchewan canola farmers remains our number one priority. With the 2020 growing season on the horizon, please know this board is focused on helping grow farmer’s prosperity through the research and market development activities we engage in.

  
Lane Stockbrugger  
Chair

# STATE OF THE OFFICE



At SaskCanola, we recognize how important canola is to Saskatchewan growers. We are continuously looking for ways to support canola growers. Our key focus is investment in research with a goal to continue to advance agronomy, germplasm development, and utilization

improvements. There is a significant focus on collaboration with partners which allows grower invested dollars to fund more projects.

We continue to advocate for science-based decision making, particularly the preservation of the use of neonicotinoids on canola in Canada. Clubroot is also an important focus of SaskCanola through research and by partnering with the Ministry of Agriculture to fund and promote the Clubroot Survey. The more we can learn about clubroot, the better we can manage and minimize its impact. SaskCanola is in communication with government on many other issues as well, to ensure the understanding of policies and regulations impacts on growers and to promote the great contribution growers make to the environment.

At SaskCanola we believe in the importance of connecting with growers through events that provide updates in production and market information. Through events, communication, and sponsorship of key partners our goal is to get relevant information to as many growers as we can.

SaskCanola also has strategic partnerships to help grow the understanding of the health benefits and versatility of affordable canola oil. We strive to support dietitians, pharmacists, and other health care professionals to have the information they need to encourage consumers that canola oil is the best choice for them.

Every year seems to have its challenges, but with the support of strong genetics and solid agronomic practices, we are always so impressed with the results achieved by canola growers in Saskatchewan!

  
Lisa Horn  
Executive Director

# DIRECTORS



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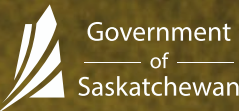
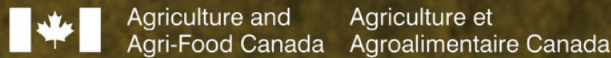


# RESEARCH

68% PARTNERS

32% SASKCANOLA \$3.9M INVESTED 22 PROJECTS TOTALING \$12.1M

By leveraging, SaskCanola can invest more dollars and have greater benefits to Saskatchewan canola growers, now and into the future.



## 2018/2019 INVESTMENTS

### AGRONOMY

Understanding grain pneumatic conveying in seeding development

**Researcher:** Landry

On-farm survey to benchmark combine processing (threshing, separating, cleaning) losses across the Prairie provinces

**Researcher:** Grieger

Optimizing plant resilience to abiotic and biotic stresses through improved silicon absorption

**Researcher:** Belanger

Balancing agronomic and environmental outcomes using enhanced efficiency nitrogen fertilizers

**Researcher:** Farrell

Advancing nitrogen management for canola and soybean: evaluation of a new biological for N-fixation in non-legumes

**Researcher:** Knight

Understanding canola root morphology and microbiomes in response to soil phosphorous fertility

**Researcher:** Helgason

Assessing surface wax chemical diversity as a tool to defend against abiotic and biotic stress in canola

**Researcher:** Smith

### POLICY

Water monitoring for neonicotinoid insecticides

**Researcher:** Sheedy

### DISEASE

Exploring novel seed treatment options to mitigate the impact of blackleg on canola

**Researcher:** Peng

Toward better understanding of genetics in Leptosphaeria-Brassica interactions via international collaborations to standardize the nomenclature of blackleg resistance genes

**Researcher:** Borhan

Maintaining canola supply and trade: blackleg and Verticillium management  
Canola Science Cluster, Theme 7: **Various Researchers**

Establishing transgene-free CRISPR/Cas9 based genome editing platform to improve canola resistance against clubroot disease

**Researcher:** Xiao

Influence of pH on the clubroot pathogen: are there pH-insensitive strains

**Researcher:** Strelkov

Managing small patches of clubroot infestation in canola fields

**Researcher:** Gossen

From field to the genome – Application of third generation sequencing to direct genotyping of canola pathogens

**Researcher:** Borhan

Sclerotinia resistant canola and HEAR lines for western Canada and understanding the molecular basis of resistance

**Researcher:** Buchwaldt

Verticillium Stripe – disease management

**Researcher:** Hwang

### GERMPLASM DEVELOPMENT

Preserving hybrid vigour through a novel apomixis breeding strategy in Brassica crops

**Researcher:** Sharbel

### UTILIZATION

Utilization of canola meal in the diets of early lactation dairy cows

**Researcher:** Kalscheur

Practical oilseed protein products

**Researcher:** Reaney

Process adaptation and assessment of market development constraints for protein products from cold press, GM emulsions in healthy meat products

**Researcher:** Wanasundara

Utilizing pulse protein and canola oil based emulsions in healthy meat products

**Researcher:** Ghosh



SaskCanola has continued important research collaborations on neonicotinoid insecticides in the environment. The Pest Management Regulatory Agency will be communicating the final decision of these chemistries and were able to accept data from the 2019 crop year from Western Canadian sites. The canola industry supported growers through these projects:

- 1

**Saskatchewan water monitoring program for neonicotinoid pesticides:** a partnership with the Saskatchewan Ministry of Agriculture, Agriculture and Agri-Food Canada, Saskatchewan Pulse Growers, and SaskWheat to measure levels of thiamethoxam and clothianidin in waterways during the growing season;
- 2

**Neonicotinoid Risk Mitigation Protocol:** led by Canadian Canola Growers Association and Canola Council of Canada, this initiative studied the use of vegetative buffer strips around standing water bodies to determine the ability to reduce the amount of neonics entering water bodies and reaching the concentrations which could affect aquatic invertebrates.



MORRIS SEBULSKY FUNDING

SaskCanola received a gift from the Morris Sebulsky Estate and matched those dollars to honour the canola grower’s memory by investing in the eight Saskatchewan AgriARM locations to purchase capital equipment and initiate demonstration trials.

COMPLETED PROJECTS IN 2019

For more details on these projects and others, please visit [www.saskcanola.com](http://www.saskcanola.com) or contact the SaskCanola office.

AGRONOMY

- Identifying the mechanisms responsible for greater than expected residue induced N2O emissions from canola and flax  
**Researcher:** Farrell

Crop Response to foliar applied phosphorus fertilizers  
**Researcher:** Schoenau

Impact of source and placement of nitrogen and sulfur fertilizers on canola  
**Researcher:** Mohr

SaskCanola seeding rate trial  
**Researcher:** Catellier
- Enhancing canola production with improved phosphorus fertilizer  
**Researcher:** Brandt

Improving weed management for Saskatchewan growers  
**Researcher:** Willenborg

Coordinated surveillance, forecasting, and risk warning systems for field crop insect pests of the Prairie ecosystem  
**Researcher:** Olfert

Clubroot surveillance  
**Researcher:** Strelkov

*\*NOTE: this project is working to secure funding for future project years*

GERMPLASM DEVELOPMENT TO ADVANCE CLUBROOT RESISTANCE

- Identification and genetic mapping of Brassica napus for resistance to pathotype 5x of Plasmodiophora brassicae  
**Researcher:** Yu
- Enhancing the durability of clubroot resistance with multiple resistance genes  
**Researcher:** Peng

UTILIZATION

- Determining the optimal and maximal inclusion rates for canola meal into start mixture for Holstein calves  
**Researcher:** Penner
- Effect of yeast fermentation and extrusion of canola meal on digestibility and growth performance of rainbow trout and Nile tilapia  
**Researcher:** Drew



# GROWER RELATIONS

Events are held across the province to share agronomic and farm management information to growers, build leadership capacity, and present latest research results. The goal is to build knowledge and capacity of Saskatchewan canola growers to apply to their farms, their communities, and the agriculture economy.

## TOP NOTCH FARMING

More than 400 growers and agronomists attended six meetings across the province in February 2019 to learn about the latest research and agronomy tools. Event locations and dates are available on [www.saskcanola.com](http://www.saskcanola.com) and shared on Twitter @saskcanola.



## CROSPHERE

A partnership with other commodity groups each January featuring keynote speakers, agronomic, and market information as well as the SaskCanola Annual General Meeting. More details at [www.cropsphere.com](http://www.cropsphere.com).



## CANOLAPALOOZA FIELD DAY

The third annual outdoor field day was a successful event with the help of partners, sponsors, and most importantly the guests. An opportunity for more in field diagnostic learning on July 14, 2020 in Saskatoon.



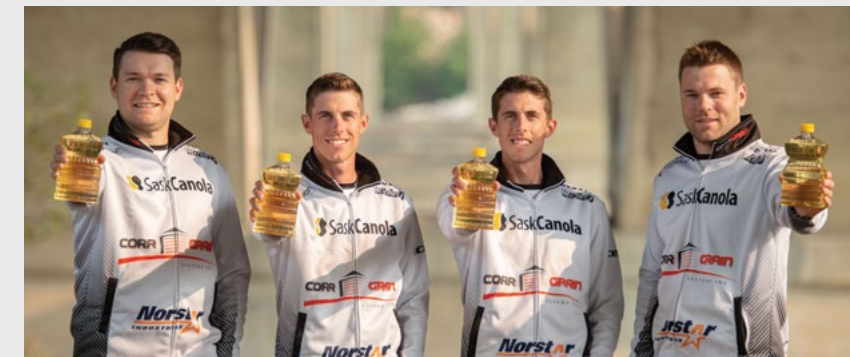
is about building capacity in Saskatchewan growers for the next generation of industry leaders. This program was designed to help growers foster their communication and decision-making skills so they are prepared for sitting around a board table. It is led by SaskCanola with funding support from other crop commissions in the province.

**AG IN MOTION:** SaskCanola hosted a booth at the outdoor trade show featuring a 3 year crop rotation of canola, peas, and wheat. Information available to farmers included the opportunities and challenges of expanding the rotation, the clubroot distribution map of Saskatchewan, and Keep It Clean details. Growers could also increase their own pest monitoring efforts by signing up for a soil sample kit as part of the clubroot survey.

**SPONSORSHIPS** are a great way for SaskCanola to invest in initiatives that are important to farmers and carried out by other organizations. Farm safety has been a priority with investments in the BeGrainSafe Program to train rural volunteer firefighters to rescue people entrapped in grain and Farm Safety Discovery Days to raise awareness with schoolchildren.

Other important sponsorships include AgriArm Field Days, Grade School, Canola School presented by Real Agriculture, and Saskatchewan Young Agricultural Entrepreneurs.

As a proud sponsor of Team Muyres mens curling team, SaskCanola has invested in raising the profile of canola oil across Canada. The team members have a strong connection to agriculture and are ambassadors of the brand locally, nationally, and globally.



SaskCanola partners with Alberta Canola, Manitoba Canola Growers Association, and Canola Council of Canada to bring Canola Digest to farmers mailbox four times a year and Science Digest annually. This publication is a valuable tool to share the newest recommendations resulting from research investments and communicate the initiatives the canola industry is involved in on behalf of farmers.

**CANOLA WATCH** is also a collaborative effort which the provinces contribute timely content through a weekly electronic newsletter which farmers can subscribe to.

**WWW.SASKCANOLA.COM** is a source for agronomy, research, marketing, and management resources, along with information about the priorities of the Commission.

**SOCIAL MEDIA** is a primary source of timely information with active @SaskCanola accounts on both Twitter and Facebook. Content features timely production and event information for farmers.





PUBLIC AFFAIRS

SaskCanola advocates on behalf of farmers at both the provincial and federal levels on issues that impact canola profitability. We are dedicated to developing policy solutions to address the issues that farmers face, resulting in a prosperous and sustainable farming industry.



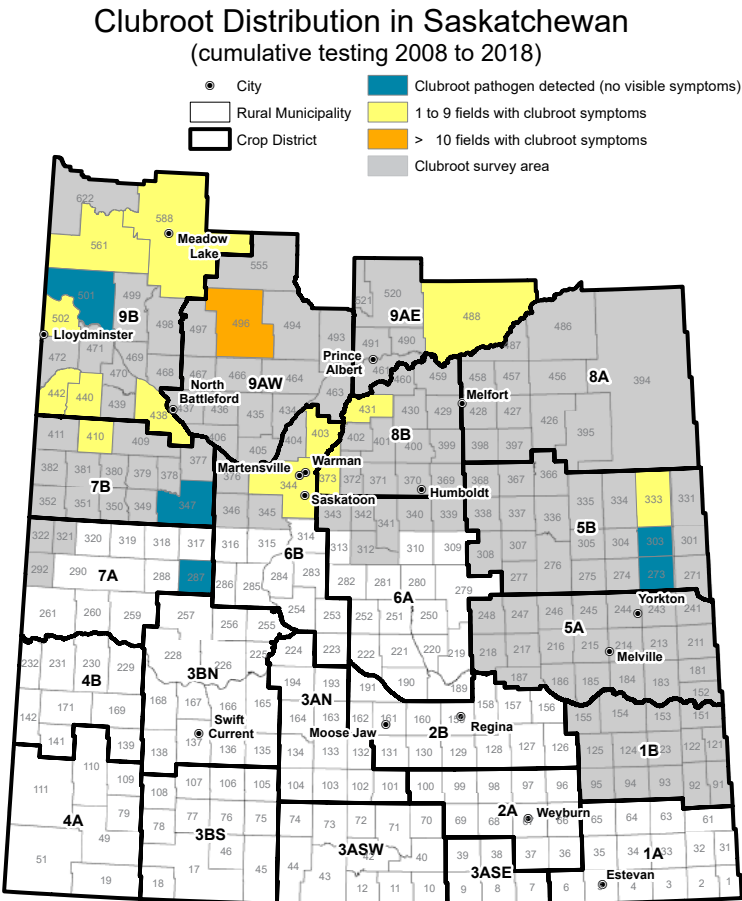
**IN MARCH 2019**, China suspended the export licenses of two major Canadian grain companies. This has resulted in a lot of instability and uncertainty in the canola market for Saskatchewan canola growers. SaskCanola director Bernie McClean is currently President of Canadian Canola Growers Association and a member of the Canola Working Group. He has been able to share the difficulties that farmers are facing to the highest levels of government. Farm-level support through Business Risk Management programs and increases to the Cash Advance Program and increasing domestic demand through enhanced biofuel policies are the main priorities of the canola growers at this national working group.



A new Minister of Agriculture was announced in the spring of 2019 and SaskCanola had the privilege of hosting the Honourable Marie Claude-Bibeau on a canola farm. The afternoon included a quick tour of the Cargill Crushing Plant, followed by a farm visit where the Minister was able to learn more about Saskatchewan farming practices.

CLUBROOT

Clubroot is a major priority of SaskCanola. As a regulated pest without any currently registered fungicides, prevention through crop rotation and responsible stewardship resistance are the tools farmers have available for disease management. To better understand the spread of this soil-borne pathogen, SaskCanola has invested \$170,000 in a province-wide sample program. This is a long-term partnership through Saskatchewan Association of Rural Municipalities Plant Health Network and the Saskatchewan Ministry of Agriculture. This year, a voluntary option was added to the program, whereby a registered canola producer could have one soil sample included in the testing, to increase their knowledge of the risk on their farm and contribute to the map. The earlier clubroot is found, the easier it is to manage, so the message has been to scout early and soil test!



FEDERAL ISSUES

The canola industry has two influential voices at the national level: Canadian Canola Growers Association (CCGA) and Canola Council of Canada (CCC). Both organizations have offices in Ottawa, so they can maintain strong relationships with government at both a political and staff level.

- 1

**CANADIAN CANOLA GROWERS ASSOCIATION (CCGA)**

SaskCanola appoints three farmers to the CCGA board of directors and is involved in policy development and advocacy activities at both a board and staff level. The main priorities of CCGA are:

  - Regain access to China and grow global markets
  - Increase renewable fuel content from canola
  - Support canola growers through uncertainty and falling revenues
  - Improve the Pest Management Regulatory Agency
- 2

**CANOLA COUNCIL OF CANADA (CCC)**

SaskCanola is a core funder of the Canola Council of Canada and appoints one farmer to the CCC board of directors. CCC focuses issues that impact the entire canola industry (farmers, life science, exporters, and crushers) such as trade and market access.



# CANOLA PROMOTION:

Investments in canola promotion happen through strategic partnerships with major influencers in the food and health sector. SaskCanola can make few resources go far by educating health care professionals about the heart healthy attributes of canola oil.

By reaching dietitians and chefs, the canola story is brought to a group of individuals who can share with their broad networks, ultimately increasing market share and growing the domestic demand for canola oil.



## CANOLA EAT WELL

Canola Eat Well is the brand used to connect with consumers. It is designed to inspire people in the kitchen to use heart healthy, versatile, affordable canola oil which is grown in Canada. This is an ongoing partnership with Manitoba Canola Growers Association and Alberta Canola.

## DIETITIANS OF CANADA

The health benefits of canola oil are communicated to registered dietitians through multiple avenues, including their weekly electronic newsletter and professional development events.



## DIABETES CANADA

The partnership of Diabetes Canada provides several opportunities to share the importance of incorporating canola oil into a healthy diet, both directly to consumers young and old, and through influencers. Pictured here is workshop teaching children with Type 1 diabetes how to make salad dressing using canola oil.



## AG IN THE CITY

SaskCanola and other agricultural and biotechnology organizations connect with the general public at Lawson Heights Mall in Saskatoon on an annual basis.



## BREAKFAST ON THE FARM

SaskCanola participates in many Farm and Food Care initiatives, including Breakfast on the Farm, where there are opportunities to connect directly with urban consumers who have an interest in learning where their food comes from by visiting an active farming operation.

## MAXIMIZING THE INVESTMENT IN CANOLA PROMOTION

is a result of strategically leveraging existing credible brands, events, and partnerships. Other initiatives SaskCanola is involved in:

- Heart and Stroke Association *National Recipe Partner*
- Ag In the Classroom Saskatchewan
- Restaurant Canada National Trade Show
- Royal Winter Fair Health Professionals Day
- Ontario Public Health Food Literacy Project
- Loblaws Pharmacy Wellness Event
- Manulife Heart and Stroke Ride for the Heart



# INVESTING IN THE FUTURE



Left to right:  
Zayda Morales  
YanRan Tang  
Kimberly MacKay  
Musharaf Hossain  
Blend Frangu

## GRADUATE STUDENT SCHOLARSHIPS

Each year, SaskCanola awards students enrolled in graduate studies who are working on canola-related projects. The goal of this scholarship is to invest in the next generation of canola researchers and the students. The students are awarded based on a combination of their academic merit, the value of their research to the canola industry, and the positive impact it will have for the future of farming.

## UNDERGRADUATE STUDENT SCHOLARSHIPS

SaskCanola invests in a number of undergraduate scholarships for students enrolled the College of Agriculture. The goal of this program is to invest in the next generation of canola leaders throughout the canola industry, including farm leaders, agronomists, market analysts, and business people.

## CANOLA INFLUENCER AWARD

SaskCanola recognizes past leaders of the industry through the Influencer Award. Annually, the SaskCanola team identifies an individual who has made a significant impact to canola farming and the canola industry in Saskatchewan.

**2019 RECIPIENT: ZENNETH FAYE** who farms at Foam Lake and was one of the visionary canola growers who led the establishment of many programs which benefit canola growers in Saskatchewan today.



The vision of Canadian Canola Growers Association (CCGA) very clearly articulates their dedication to canola growers across the country. “Helping farmers succeed” places their farmer customers at the forefront of all the decisions they make with respect to running the Cash Advance program for 45 commodities and advocating on policy issues at a federal level to help make farmers more competitive.

SaskCanola is one of five organizational members of CCGA and has three seats on the ten-person board of directors. Currently Bernie McClean, Doyle Wiebe, and Gerry Hertz represent SaskCanola at the national grower organization, with Bernie McClean serving as President. Membership with CCGA provides one single national voice for canola farmers to the federal government. It also provides the opportunity to be involved as a sector in some of the general farm organizations from a national perspective, such as Grain Growers of Canada, Western Grains Research Foundation, and Canadian Agri-Food Trade Alliance.

The Cash Advance program is a major priority of the CCGA, providing cash advances to over 10,000 farmer customers for many commodities across the country. This year, CCGA was successful in advocating for the program enhancement of an increase to \$1,000,000 on all commodities in support of growers considering the market challenges that have been caused by trade disruptions with China.

CCGA works closely with the Canola Council and Canada as well as the SaskCanola and the other provincial grower groups to ensure that one policy voice is strongly heard in Ottawa on issues impacting canola. Free and open trade is always a main concern, and this year the top priority is to regain access to the Chinese market. Increasing renewable fuel content from Canadian canola is both a market opportunity and recognizes the contribution farmers make to greenhouse gas reductions. In a time of market instability, higher biofuel mandates would help to increase demand, both domestically and globally. Aside from the issues that are more directly related to trade with China, CCGA is also very engaged in discussions to improve Business Risk Management and improvements to the Pest Management Regulatory Agency. Supporting canola producers through market uncertainty and falling revenues and advocating for a science-based regulatory system are both ongoing priorities at a provincial and national level to ensure that canola farmers remain competitive.



SaskCanola appoints one farmer to represent Saskatchewan canola growers at the Canola Council of Canada (CCC) table. Charlene Bradley, SaskCanola director from Stranraer, is the SaskCanola representative and currently the Chair of Council’s board of directors. Core funding is provided to the Canola Council of Canada by the three Prairie canola grower associations, processors, exporters and life science companies.

This has been a particularly challenging year for the canola industry, with China suspending the export permits for two major Canadian grain companies. In recent years, China has been the largest customer of Canadian canola products, representing 40% of all exports (including \$2.7 billion in seed exports in 2018). The primary goal of Council is for full trade with China to resume, while also exploring opportunities to expand markets.

Domestically, the strategy is to encourage the increase of biofuel mandates across Canada. The CCC is also pursuing improved access and higher value for canola as a biofuel feedstock in the US and EU. Working closely with the federal government, efforts have been made to expand exports to new and existing customers, including engaging with prominent feed companies in Thailand and exploring opportunities for canola meal in Vietnam. Dialogue with both the federal and provincial governments keeps this trade issue at the forefront of all conversations on the canola industry.

In addition to market access and diversification, CCC provides an opportunity to centralize many research investments made on behalf of the provincial grower groups. Successfully managing programs like the Canola Agronomy Research Program (CARP) and the Canola AgriScience Cluster ensures that farmer dollars are invested wisely and reduces the risk of overlap and duplication. The CCC’s agronomy specialists, located across the Prairies, continue to communicate the results of the research investments to farmers and agronomists.

In 2018 there was a review of the priorities of the Canola Council of Canada, which was an important effort to strengthen the focus of the organization and the initiatives it leads and is involved in. CCC continues to work alongside the grower groups at both national and provincial levels towards the success and sustainability of the canola industry in Canada.



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To the Board of Directors of Saskatchewan Canola Development Commission

Qualified Opinion

We have audited the financial statements of Saskatchewan Canola Development Commission, which comprise the statement of financial position as at July 31, 2019, 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, 2019, and its financial performance and its 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, 2019, current assets as at July 31, 2019 and July 31, 2018, and net assets at both the beginning and end of the July 31, 2019 and July 31, 2018 years. The audit opinion on the financial statements for the year ended July 31, 2018 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.

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

Auditors’ 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 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 the 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 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.



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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.

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.

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 period 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 29, 2019

  
Chartered Professional Accountants

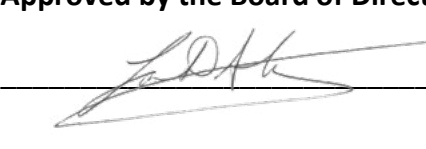
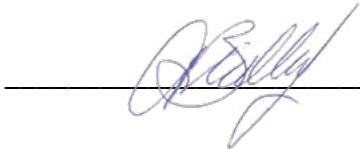
**Saskatchewan Canola Development Commission**  
Statement of Financial Position  
**As at July 31, 2019**

	July 31, 2019	July 31, 2018
<b>Assets</b>		
<b>Current assets</b>		
Cash	110,855	24,601
Short-term investments (note 5)	1,933,327	1,551,709
Accounts receivable (note 3)	844,514	784,404
Deposits and prepaid expenses	5,334	22,067
Current portion of loans receivable (note 4)	6,882	6,714
	<u>2,900,912</u>	<u>2,389,495</u>
<b>Loans receivable (note 4)</b>	37,078	43,961
<b>Investments (note 5)</b>	3,560,601	4,371,424
<b>Capital assets (note 6)</b>	<u>106,626</u>	<u>143,493</u>
	<u>6,605,217</u>	<u>6,948,373</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	<u>717,255</u>	<u>702,523</u>
<b>Net Assets</b>		
<b>Invested in capital assets</b>	106,626	143,493
<b>Internally restricted (note 8)</b>	2,100,000	2,100,000
<b>Unrestricted</b>	<u>3,681,336</u>	<u>4,002,357</u>
	<u>5,887,962</u>	<u>6,245,850</u>
	<u>6,605,217</u>	<u>6,948,373</u>

Commitments (note 9)

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, 2019

	2019			2018	
	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$	Total \$
Balance – Beginning of year	143,493	2,100,000	4,002,357	6,245,850	6,555,496
Increase to internally restricted reserves (note 8)	-	-	-	-	-
Deficiency of revenue over expenses for the year (see note below)	(52,763)	-	(305,125)	(357,888)	(309,646)
Purchase of equipment	15,896	-	(15,896)	-	-
Balance – End of year	106,626	2,100,000	3,681,336	5,887,962	6,245,850

Note: Consists of:

Depreciation 52,763

See accompanying notes to the financial statements

Saskatchewan Canola Development Commission

Statement of Operations

For the year ended July 31, 2019

	Budget 2019 \$ (note 10)	Actual 2019 \$	Actual 2018 \$
Revenue			
Producer levy (note 11)			
Levy	7,500,000	7,557,643	7,460,193
Refunds	(525,000)	(569,320)	(580,212)
Net	6,975,000	6,988,323	6,879,981
Interest income	130,900	163,690	121,147
Project contributions	124,000	125,284	501,494
Other income	-	-	-
	7,229,900	7,277,297	7,502,622
Expenses			
Research and development (note 12)	3,540,823	3,396,344	3,411,663
Canola Council of Canada core funding (note 13)	1,350,000	1,287,759	1,453,087
Market development	435,000	397,669	413,410
Communications	1,360,140	1,016,650	1,042,737
Policy	65,000	33,824	31,856
Governance	209,500	206,634	196,019
Salaries and benefits	742,564	743,551	822,647
General and administration	518,120	499,991	388,214
Depreciation	52,500	52,763	52,635
	8,273,647	7,635,185	7,812,268
Deficiency of revenue over expenses for the year	(1,043,747)	(357,888)	(309,646)

See accompanying notes to the financial statements.



Saskatchewan Canola Development Commission  
Statement of Cash Flows  
For the year ended July 31, 2019

	2019	2018
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Receipts from producers	7,517,139	7,706,540
Receipts of interest and other income	298,791	924,209
Payments of research and development projects, and scholarships	(3,409,287)	(3,538,594)
Payments to board of directors	(191,306)	(208,506)
Payments to producers	(565,320)	(533,924)
Payments to suppliers and employees	(3,972,516)	(4,171,797)
	(322,499)	177,928
<b>Investing activities</b>		
Purchase of capital assets	(15,896)	-
Proceeds from disposal of capital assets	-	99
Purchase of investments	(1,532,196)	(2,917,361)
Proceeds from disposals of investments	1,956,845	2,673,745
	408,753	(243,517)
<b>Increase (decrease) in cash</b>	86,254	(65,589)
<b>Cash – Beginning of year</b>	24,601	90,190
<b>Cash – End of year</b>	110,855	24,601

See accompanying notes to the financial statements

Saskatchewan Canola Development Commission  
Notes to Financial Statements  
July 31, 2019

- 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 (“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 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.

Interest and investment revenue is recognized when earned.

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.



**2 Significant Accounting policies (continued)**

## 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.

## d) Capital assets

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

## 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 property, plant and equipment.

**3 Accounts receivable**

The accounts receivable balance consists of the following:

	2019	2018
Levy receivables	\$ 809,325	\$ 768,822
Grants receivable	-	10,467
Other receivables	35,189	5,115
	<b>\$ 844,514</b>	<b>\$ 784,404</b>

**4 Loans receivable****Elevance loan receivable**

SaskCanola entered into a research agreement with Elevance Renewable Sciences, Inc. ("Elevance") in 2009. Total funding of \$239,420 was provided to Elevance with the final payment of \$39,420 on June 23, 2011. Per the agreement, 50% of that funding is to be considered a loan. The \$119,710 loan portion of the \$239,420 funding advance is provided on an interest free basis. Repayment of the loan portion began June 2011 at \$7,981 per year over 15 years. The loan is measured at amortized cost consistent with section 3856 *Financial Instruments* of the CPA handbook using effective interest rate of 2.5%. The activity in the Elevance loan receivable in the current year is as follows:

	July 31, 2019	July 31, 2018
Balance, beginning of year	50,675	57,225
Payments during year	(7,981)	(7,981)
Effective interest	1,266	1,431
	43,960	50,675
Less: current portion	6,882	6,714
<b>Balance, end of year</b>	<b>37,078</b>	<b>43,961</b>

The estimated principal loan repayments due within each of the next five years are as follows:

2020	6,882
2021	7,054
2022	7,230
2023	7,411
2024	7,597
Thereafter	7,786
	<b>43,960</b>



5 Investments

		2019	2018	
	Years to maturity	Market value	Yield to maturity	Market value
<b>Short-term</b>				
Guaranteed investment certificates	1	\$ 1,826,745	1.71 – 2.7%	\$ 1,778,347
Cash and cash equivalents	-	106,582	-	(226,638)
		<b>\$ 1,933,327</b>		<b>\$ 1,551,709</b>
<b>Long-term</b>				
Guaranteed investment certificates	1-2	\$ 2,593,154	2.03% - 2.86%	\$ 3,185,745
Bonds and notes	2-5	967,447	2.10% - 4.50%	1,185,679
		<b>\$ 3,560,601</b>		<b>\$ 4,371,424</b>

6 Capital assets

		July 31, 2019	July 31, 2018
	Cost \$	Accumulated amortization \$	Net \$
Equipment and furniture	225,938	196,739	29,199
Leasehold improvements	165,508	88,081	77,427
	391,446	284,820	106,626

7 Accounts payable and accrued liabilities

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

	2019	2018
Trade payables	\$ 92,660	\$ 104,697
Research payables	-	19,658
Levy refunds payable	568,000	564,000
Wages payable	56,595	14,168
	<b>\$ 717,255</b>	<b>\$ 702,523</b>

8 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, 2019	July 31, 2018
Revenue stabilization reserve	\$	\$
Balance – beginning and end of year	1,200,000	1,200,000
Balance- end of year	1,200,000	1,200,000
Organizational closure reserve		
Balance – beginning and end of year	900,000	900,000
	900,000	900,000
Internally restricted net assets	2,100,000	2,100,000



9 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:	
2020	2,771,650
2021	1,986,688
2022	1,020,341
2023	70,981
2024 and thereafter	-

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:	
2020	238,000
2021	47,000
2022	32,000
2023	-
2024 and thereafter	-

SaskCanola is committed under a lease agreement for its premises at 212 – 111 Research Drive. The agreement expires on August 31, 2021. The required minimum annual lease payments are as follows:

Year ending July 31:	
2020	97,505
2021	98,992
2022	8,260

10 Budget

The budget presented is unaudited. The SaskCanola board of directors approved the 2019 fiscal year budget on August 10, 2018.

11 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 #22/09, effective March 9, 2010, 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.

12 Research and development projects

	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
New projects			
Agronomic research	750,000	619,874	1,204,494
Germplasm development	-	165,558	188,563
Usage research	-	42,283	92,844
Continuing projects			
Agronomic research	1,760,310	1,649,266	807,091
Germplasm development	644,014	519,014	1,002,068
Usage research	221,499	267,379	66,624
Other research	165,000	132,970	49,979
	3,540,823	3,396,344	3,411,663



13 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 and allows them to develop programs that benefit the canola industry. Under this program, SaskCanola pays CCC \$0.14 (2018 - \$0.15) per tonne of net levy collected in the prior year. SaskCanola’s current year payment is based on 9,173,308 tonnes (2018 – 9,687,247).

14 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 50% (2018 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 expires June 30, 2020.

SaskCanola’s interest in the program assets, liabilities, net assets, revenues, expenses, net income, and cash flows are shown below. Net income (loss) is not recorded as a part of communications for 2019 as was the case in 2018. All parties agreed to leave the surplus and carry it forward for the 2019/20 operating year.

	2019	2018
	\$	\$
Current assets	-	-
Current liabilities	-	-
Net assets	-	-
Revenues	237,471	209,511
Expenses	216,177	195,068
Net income (loss)	21,294	14,443

15 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, 2019, three customers accounted for 58.24% (60.35% - 2018) of accounts receivable, representing the Organization’s maximum credit risk exposure. The Organization believes that there is no unusual exposure associated with the collection of these receivables. The Organization 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 not exposed to significant interest rate risk on its investments.



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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, 2018 to July 31, 2019, 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. 17/09 to 23/10

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.

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.

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INDEPENDENT PRACTITIONER’S REASONABLE ASSURANCE REPORT ON COMPLIANCE

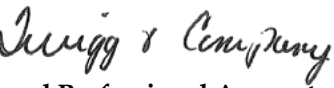
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The firm applies the Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, 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, 2018 to July 31, 2019, in all significant respects. We do not provide a legal opinion on Saskatchewan Canola Development Commission’s compliance with the specified requirements.

October 29, 2019  
Saskatoon, Saskatchewan

  
Chartered Professional Accountants



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INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of Saskatchewan Canola Development Commission:

We have audited SaskCanola’s control as of July 31, 2019 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 it 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 Organization’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 it 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.

(continued on next page)

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INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of Saskatchewan Canola Development Commission:

(continued from previous page)

We used the control framework developed by The Canadian Institute of Chartered Professional Accountants (“CPA”) 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.

The CPA 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 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, 2019 based on the CPA criteria of control framework.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Saskatchewan Canola Development Commission:

(continued from previous page)

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, 2019, 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 29, 2019, which is the same date as the date of the report on the effectiveness of internal controls.

Saskatoon, Saskatchewan
October 29, 2019

*Twigg & Company*
Chartered Professional Accountants

OUR VISION Growing producer prosperity
OUR MISSION To provide value to canola producers through research, advocacy, and market development

STRATEGIC PRIORITIES

- RESEARCH
Focus research expenditures on fostering innovation, decreasing production risk, and increasing sustainability, resulting in enhanced producer profitability
- GROWER RELATIONS
Engage in dialogue with Saskatchewan canola producers to strengthen relationships and gain understanding so that we can best address their challenges
- PUBLIC AFFAIRS
Provide a positive influence on legislation and policy to improve the landscape for producers
- CANOLA PROMOTION
Promote the value of canola and its products, leading to increased demand and enhanced customer awareness





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