



**Alberta
Barley**

ANNUAL REPORT 2019-20



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Mission

To advance the interests of Alberta barley farmers through leadership and investment in innovation and development.

Vision

A vibrant and innovative industry that unlocks the entire potential of barley.

Value Proposition

- ✓ Your farm, your voice
- ✓ Farmer-focused research
- ✓ New markets, new opportunities
- ✓ Raising barley's profile
- ✓ Prudent money management



Objectives

- 1. Drive development of a sector-wide barley strategy to create a vision for the next five years**
 - Value chain alignment is critical to establish sector-wide targets for the next five years and further into the future
- 2. Instigate development of a national research plan for barley**
 - Focus research and maximize positive outcomes from research investments
- 3. Facilitate the adoption of new malt barley varieties**
 - Improve net returns to farmers
 - Maintain the Alberta malt quality advantage through breeding and adoption
- 4. Develop a barley value proposition for the livestock sector**
 - Improve demand for barley, leverage opportunities as improved market access internationally grows demand for Alberta beef and pork
- 5. Improve feedback mechanisms for stakeholders**
 - Demonstrate value added by Alberta Barley
 - Improve feedback mechanisms for stakeholders
- 6. Support strengthening the barley value chain**
 - Stronger message and more efficient use of resources on national initiatives
- 7. Support agricultural policy development initiatives**
 - Engage with provincial and federal governments on policy topics that affect Alberta barley growers

Board of Directors

Back (left to right): Tara Sawyer, Jeff Nielsen, Terry James, Brent Konstapel, Neil Gorda, Dick Wymenga

Front (left to right): Wade McAllister (vice-chair), Dave Bishop (chair), Shane DeBock





Chair's Message

David Bishop

This past year will be one to remember. Alberta farmers faced the “harvest from hell” in the fall of 2019, numerous railway disruptions and additionally, COVID-19. Despite these challenging events, I am pleased that Alberta Barley had another year of growth and progress advancing farmers’ issues on key priorities. Further, I am delighted to say we did not slow down or lose momentum during these times of adversity, but instead we have seen significant growth in numerous areas. This is a testament to Alberta Barley’s dedicated and motivated staff, alongside our joint operating model with the Alberta Wheat Commission.

If the “harvest from hell” wasn’t challenging enough, shortly after we saw significant railway issues arise that impacted our supply chain and the ability to market our crop. The Alberta Wheat and Barley Commissions were at the forefront of these issues by immediately responding with a strong mainstream media presence, advocating for timely resolutions as farmers were bearing the unintended consequences of the disruptions. This approach also allowed the commissions to shed light on other unintentional impacts such as Canada’s reputation as a reliable exporter.

The commissions were also fast to react to COVID-19. The staff instantly transitioned to working remotely and continued operations as usual, while department managers investigated the effects on their program areas. This was when the idea to do a weekly e-newsletter called *COVID-19 Impact Analysis for Farmers* was conceptualized. This e-newsletter was sent every Monday to inform farmers about the ongoing situation, implications on the supply chain, and how the pandemic could be impacting their farm.

While some program areas have been more impacted by the pandemic than others, we still saw numerous wins worth celebrating this year. In July of 2020, we saw the formation of the Canadian Barley Research Coalition (CBRC), a collaboration between Alberta Barley, Saskatchewan Barley Development Commission and the Manitoba Crop Alliance. Since forming, the CBRC has signed two core

breeding agreements with the Crop Development Centre and Agriculture and Agri-Food Canada, worth \$2.7 million and \$1.5 million, respectively. These investments will secure western Canadian farmers’ future access to competitive barley varieties.

Another area of significant growth and progress was our agronomy and extension portfolio. We are incredibly proud to be leaders in this space as Jeremy Boychyn, the Alberta Wheat and Barley Commissions’ agronomy research extension specialist, has found a niche in extending timely agronomic information to Alberta wheat and barley farmers. The Growing Point e-newsletter has been a great vehicle for this. Additionally, the commissions launched an on-farm research program where farmers can implement large-scale research trials on their farm to test certain agronomic or management topics on their farm. This year we had two farmers participate in the pilot program. One farmer tested seeding rates on a feed barley variety, while the other compared two wheat varieties to analyze yield and overall performance. We see a lot of potential with Plot2Farm and we look forward to what’s in store for our growing agronomy program.

Not only have we witnessed growth within our organization, but our commodity continues to be in a state of growth. I am extremely proud of all we have accomplished this year despite the trying times. This message is my attempt to scratch the surface of all the successes from this past year. You will find many more updates and wins included in this year’s annual report. I am proud of all we have accomplished together and this truly is a testament to our dedicated staff under the leadership of Tom Steve. During my time with Alberta Barley, I have witnessed this organization morph into a leader and go-to organization in Canadian agriculture. It’s been a pleasure. Thank you and cheers to growth!

Dave Bishop



I am delighted to say we did not slow down or lose momentum during these times of adversity, but instead we have seen significant growth in numerous areas.”





General Manager's Message

Tom Steve

Resiliency is the one word that sums up the past year for Alberta's barley producers.

In 2019-20 we experienced a perfect storm, starting with the "harvest from hell" that saw well over one million acres of Alberta crops left in the field until spring. Most of what farmers did manage to get in the bin first had to go through a dryer and then there was a CN Rail strike, followed by snow slides and heavy rains that disrupted rail movement. Blockades of key rail lines in Canada ground the grain transportation system to a virtual halt in February.

Then in mid-March COVID-19 hit us, resulting in a virtual shutdown of the economy. We held our last in-person staff meeting on Monday, March 16 and within days all staff were set up to work from home.

I'm proud to say that Alberta Barley was able to maintain normal operations without skipping a beat and we took a leadership role in keeping our farmers up to date on the impact of the pandemic.

On March 19 we issued our first edition of the *COVID-19 Impact Analysis for Farmers*, a weekly update on the effects of the pandemic. The lead article in that update focused on the importance of agriculture being declared an essential service with seeding just weeks away.

Ironically, COVID-19 played a role in helping grain movement return to normal because the railways saw their other business lines decline sharply. That allowed grain to move at a record pace throughout the spring and summer of 2020.

A few highlights when I look back on 2019-20 include finalizing two core breeding agreements with Agriculture and Agri-Food Canada (AAFC) and the University of Saskatchewan's Crop Development Centre (CDC) that will ensure a continuous flow of new barley varieties for prairie farmers. The AAFC agreement is an investment of \$1.5 million in farmer check-offs from Alberta Barley, Sask Barley and the

Manitoba Crop Alliance over five years, while the breeding program at the CDC is getting \$2.7 million from the three commissions over the same timeframe. These two programs have produced barley varieties used by Alberta farmers including CDC Copeland, AC Metcalfe, AAC Synergy, CDC Bow and AAC Connect.

Our involvement in the development of a farmer-led research model in Alberta was a watershed for Alberta Barley. I was privileged to be appointed to the interim board of directors of Results Driven Agriculture Research (RDAR), a new arm's length company that will administer \$37 million in annual research funding previously under the purview of the ag ministry. The RDAR model is largely based on a white paper written by our director of research Dr. Lauren Comin. Alberta Barley administered a \$2 million grant under the Canadian Agriculture Program (CAP) to enable RDAR to get up and running and special thanks to our chief financial officer Syeda Khurram for her leadership in administering the grant.

Other highlights included our hosting of live and virtual events. These included a virtual malt academy in May and hosting of the annual Lacombe Field Day at the end of July. We also ramped up our information to farmers through The Growing Point newsletter through a series of webinars held through the growing season.

In the coming year we will continue to explore the merits of a formal amalgamation of the boards of Alberta Barley and the Alberta Wheat Commission. Where will it lead us? That remains to be seen but look for recommendations from the amalgamation sub-committee of the two commissions – most likely in the spring/summer of 2021.

Tom Steve



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Research



Formation of the Canadian Barley Research Coalition

While negotiating the Crop Development Centre [CDC] and Agriculture and Agri-Food Canada [AAFC] core breeding agreements, it was decided that the most effective course would be entering into the agreements as a unified body representing prairie barley growers. In July 2020, the Canadian Barley Research Coalition [CBRC] was formed between Alberta Barley, Saskatchewan Barley Development Commission and the Manitoba Crop Alliance. Not only is CBRC the signatory for the core breeding agreements with the CDC and AAFC, it also provides a vehicle for further collaboration in farmer-focused barley research.

These five-year agreements, supporting variety development capacity and human resources, represent the assumption of responsibility for this core support from the Western Grains Research Foundation. The core agreements are worth \$2.73 million and \$1.53 million for CDC and AAFC, respectively. The board of CBRC is made up of directors from each commission board, with Shane DeBock and Terry James serving for Alberta Barley.

As the barley industry is small and has limited resources, we are committed to working collaboratively with the other Prairie provinces to ensure priorities align and avoid overlapping efforts. The CBRC was created to be a lean organization and a vehicle for collaborating our research efforts beyond the core agreements. We envision working together in the future on research policy, funding research projects and other aspects of barley variety development. This coalition represents a sustained presence that will promote producer interests across the Prairies. Also, as a not-for-profit organization, it allows us to apply for large government matching grants and could support the funding of cluster research in the future.

The White Paper and Results Driven Agriculture Research

In response to the announcement by Alberta Agriculture and Forestry Minister Devin Dreesen that the province will be moving towards a “farmer-led research” model, Alberta Barley collaborated with other producer groups to develop a white paper in early 2020. The white paper, intended as a roadmap to guide the government in developing their model, detailed our desired models for provincial research policy development, research and extension programming and governance for research project funding. Most importantly, the white paper stressed the importance of maintaining extension capacity and having a strong transition plan with a sustainable and stable funding source.

Following the submission of the white paper and several public consultations, Results Driven Agriculture Research [RDAR] was formed. RDAR was set up to be an arms-length funder and was promised a budget of \$37 million. The inaugural board included both producers and private industry, including Tom Steve, general manager of the Alberta Wheat and Barley Commissions.

To help create RDAR, Alberta Barley applied for a \$2 million Canadian Agriculture Partnership [CAP] grant. Alberta Barley provided administration services while RDAR established itself as a not-for-profit and hired staff. With RDAR established, the grant transitioned to the not-for-profit funder.

Current priorities of RDAR include enhanced productivity, profitability and competitiveness; sustainable and responsible agriculture; market demands; and extension and knowledge transfer.



Alberta Barley-funded research projects

1. *Integration of molecular markers to develop pre-harvest sprouting tolerant cereals*

Pre-harvest sprouting (PHS) is a result of low grain dormancy and favourable environmental conditions, especially wet harvest weather, that enhance seed germination before harvest. PHS causes significant economic losses to both growers and end-users. This proposed research project is led by Dr. Jaswinder Singh, McGill University, with \$21,000 in funding from Alberta Barley. The project is aimed at generating and deploying novel genomic tools for breeding of future generations of Canadian wheat and barley cultivars that are tolerant to PHS. This will enhance grain quality and quantity, as well as the Canadian farm economy. For wheat, the average yearly estimated losses in Canada are about \$100 million. Barley damaged by PHS will not attract premium malting prices and the feed market will discount sprouted barley. PHS damaged barley will also have low germination energy in the malt house.

2. *Managing malt genetics for feed end-use: increasing barley profitability by challenging traditional end-use boundaries*

Alberta Barley invested \$12,000 in a project led by Laurel Thompson of Lakeland College, in collaboration with Battle River Research Group, to help determine if managing malt genetics for feed end-use can increase barley profitability. The study compared the response of malt and feed cultivars grown under low and high nitrogen management.

Initially a one-year study, we have extended funding for a second year. This project hopes to inform future research to help barley producers extract the maximum profit from their crops. The project will also generate preliminary economic data to determine the most profitable barley cultivars to grow for feed end-use in Alberta.

Alberta Barley Scholarship

Alberta Barley administers \$6,000 worth of graduate scholarships annually. In the last few years, these have been given to three different students. The applicants must be working on a research project that benefits Alberta barley farmers, and must submit all relevant information on the project including the impact on growers. Three winners were each awarded \$2,000 this year.

Scholarship Recipients: Dilini Deshanee Adihetty, Carmen Cecilia Roman Perez and Ehsan Feizollahi. All three completed their graduate programs at the University of Alberta.

COVID-19's Impact on Research

COVID-19 affected the research world as well. One project that we targeted for funding will be moved to the 2021 fiscal year due to its dates aligning with the beginning of the pandemic shutdown in Alberta. Two other projects were delayed as researchers were unable to access their labs or hire student assistants. Alberta Barley recently approved two additional projects but chose to delay their start due to the pandemic.

Spotlight on Research

In an effort to extend information on Alberta Barley-funded research, one edition of *Spotlight on Research* focused on Alberta Barley projects. The publication is an opportunity to highlight our research projects to farmers, describing what we are investing in and why.





A message from the Brewing and Malting Barley Research Institute

Gina Feist, Executive Director



The barley industry is complex with many organizations filling diverse roles. The Brewing and Malting Barley Research Institute's (BMBRI) primary focus is malting barley research and development in the pre-competitive space prior to variety registration. BMBRI works closely with researchers to communicate the needs of the industry, invests in research projects of importance to its members, and evaluates new malt barley lines for end-use acceptability.

Research is critical to maintaining barley as a profitable cropping option for producers, and the BMBRI involvement ensures the outcomes of the work meet the needs of the malting and brewing industry. In 2020, BMBRI's research investment portfolio was valued at over \$466,000 over five years and supported projects under the National Barley Research Cluster, as well as independently funded projects from the BMBRI Research Call.

In addition to the BMBRI role in research, we are also active in the evaluation of malting barley lines prior to the variety registration. The BMBRI Collaborative (Collab) Trials are grown on seven sites across western Canada and test the end use quality of the malting barley lines. In 2020, six sites had selectable quality and were micro malted by BMBRI Members in their facilities. BMBRI members provide in-kind micro-malting of the samples and measure over 20 quality parameters related to the barley grain, malt and wort end use performance. The results will be compiled into the 2021 Collaborative Trial Report and presented to the Prairie Recommending Committee for Oats and Barley as part of the Quality Committee's decisions on support for the registration of new lines.

At the Collab Trial stage of variety development, seed is limited and BMBRI members micro-malt one kilogram samples to provide an early

indication of how the barley lines may perform at plant scale. To truly understand how a new malting barley variety will perform in the malthouse and brewery, it must be tested over multiple years at a commercial scale which can require 80 to 480 metric tonnes of seed per batch for use by the major malting companies.

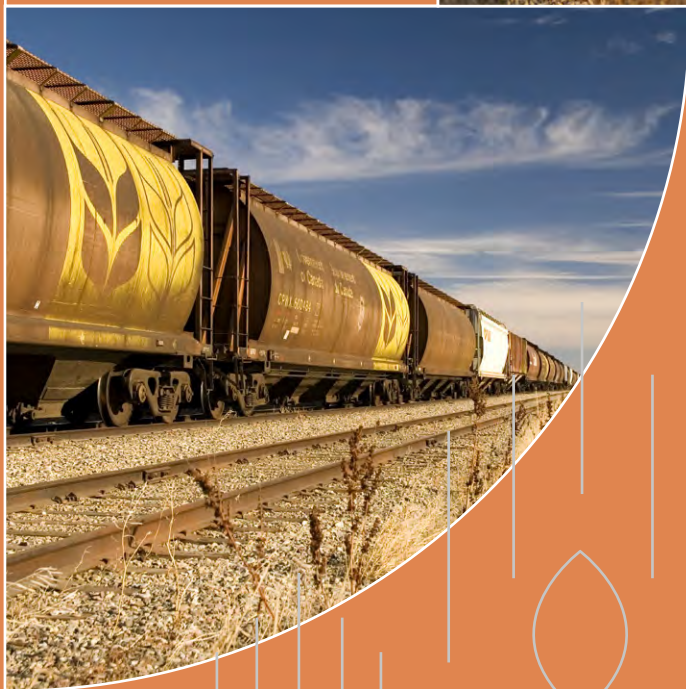
Over the past year BMBRI, and the Barley Council of Canada (BCC), have worked on behalf of the industry to facilitate the development of a National Barley Research Strategy. Currently, barley research is funded by numerous organizations from across Canada each with their own way of storing and communicating information related to research issues and funded projects. At this time the Canadian barley industry does not have a "one-stop shop" for research related information.

The National Barley Research Strategy will serve as a resource by providing an overview of the research issues of the highest importance to Canadian barley industries, a list of active barley research projects, and contact information for key barley research funders and scientists. The development of the Strategy will lead to greater efficiencies in research investment by supporting critically important research issues, encouraging collaboration among funders and scientists, and avoiding duplication. Stay tuned for the release of the National Barley Research Strategy in early 2021.

In February of 2020, BMBRI and the BCC successfully co-hosted the Canadian Barley Symposium/BMBRI Triennial Meeting. The conference was a Canadian focused research update that attracted 125 attendees from across the barley value chain. Presentations spanned all areas of research including barley agronomy, genomics, variety development, barley disease advances, innovative technologies, and feed, food and malt barley quality.

BMBRI has been engaged in the malting barley supply chain for more than 70 years! This dedication illustrates the importance of high-quality malting barley to a great beer. Cheers everyone!

Markets



Rail Transportation

Farmers faced a number of transportation issues this year, and it appeared this would culminate in one of the most challenging years for grain transportation with a record backlog and vessel lineups at ports. It began with the “harvest from hell” in 2019 which led to a late finish and an excess of grain exports. This was compounded by weather problems and union disputes that caused railways to operate at lower capacity than usual. Furthermore, in early 2020, protests sparked blockades that saw sections of rail temporarily shut down and the remaining rail traffic operating at a slower rate.

The Alberta Wheat and Barley Commissions were instantly responsive and active in advocating for immediate resolutions to these ongoing railway issues. This included a strong mainstream media presence shedding light on the unintended consequences impacting farmers, and advocating with our provincial and national counterparts to amplify the farmer voice.

When it became clear that COVID-19 would instantly impact the economy, the commissions were active at the provincial and federal government levels, advocating that grain movement should continue without interruption throughout the pandemic. As a result, while other rail traffic decreased, grain delivery was able to continue mostly unimpacted. This led to railways reporting consecutive monthly records for grain movement between March and July of 2020. The ability to capitalize on available rail capacity allowed Canadian grain farmers to catch up on the backlog.

The commissions’ multiple years of advocacy for improved rail movement are continuing to see results. Rail companies are promising to increase their weekly capacity for moving grain for the 2020-21 crop year. The commissions are also seeing rail companies invest in their hopper car fleets by purchasing more high capacity rail cars to replace older hopper cars. Furthermore, both the railways and government have committed to investing in infrastructure that will increase rail throughput to the ports in Vancouver and Prince Rupert.

CMBTC's Virtual Tours

Alberta Barley planned for the second annual Made in Canada Crop Tour for the summer of 2020 to promote new barley varieties to international buyers. Due to COVID-19 travel restrictions, we redirected our efforts to develop an online resource for Canadian malt barley varieties:

barleyharvest.ca. This project is being managed by the Canadian Malting Barley Technical Centre [CMBTC] with financial support from Alberta Barley, Sask Barley and the Government of Canada. The goal is to promote new malt varieties internationally and encourage variety adoption amongst growers, focusing on agronomic advantages such as better disease resilience and higher yield, as well as benefits to buyers in terms of a more consistent supply.

The website contains visuals of new malt barley varieties, high level harvest 2020 progress information, and interviews with producers who explain the varieties on-farm performance. The online material will be translated to local languages in target markets to better engage buyers from those key markets.

Malt Academy

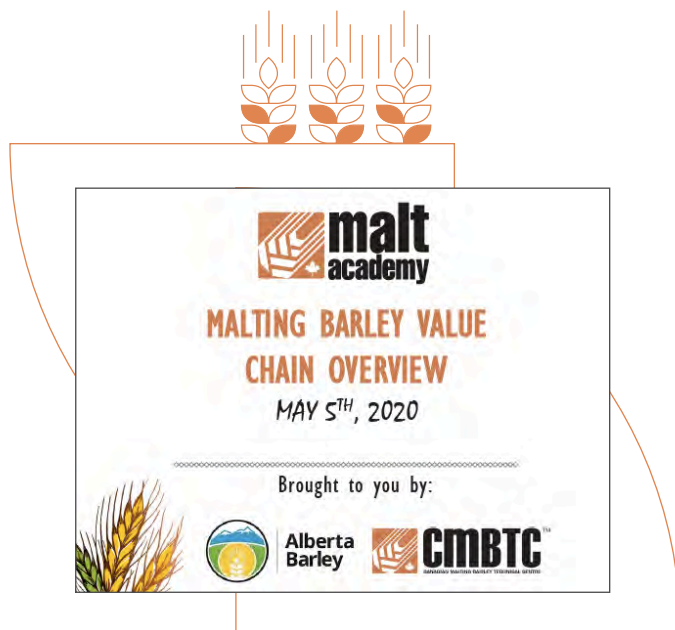
Alberta Barley continues to work closely with the CMBTC to educate farmers about the key value attributes for selling malt barley domestically and abroad, such as variety selection and their subsequent protein levels. For 2020, Alberta Barley planned to host a version of the CMBTC Malt Academy, which is a unique training institute located in Winnipeg that offers a variety of programming related to the malting barley and malt industries. CMBTC's Malt Academy is an opportunity for growers to develop knowledge of the processes involved in the malting of barley and to better understand how these processes and end uses result in the demand for specific varieties and quality attributes.

The event was intended to be in Red Deer to make it more accessible for Alberta farmers, including the growers in the malt barley belt of central Alberta. Due to travel and gathering restrictions, Alberta Barley worked quickly with the CMBTC to rework a multi-day event into a one-day online virtual event. This altered format allowed us to expand attendance and significantly lowered the cost of holding the Malt Academy. We managed to successfully host over 50 attendees from across the Prairies.

Market Access

Continued Growth in Barley Exports

Despite a difficult harvest in 2019 and a number of transport disruptions early in this crop year, Canadian barley exports grew from 2.15 MMT to 2.19 MMT. Exports peaked during November and December, likely due to most barley being harvested earlier and available for shipment before some other crops. Barley exports peaked again later in the spring during May, June and July of 2020, with the top three destinations remaining China, Japan and North America. Of note, sales to China remained strong for the 2019-20 crop year, coming in at 1.47 MMT which was comparable to the year prior at 1.49 MMT. Barley exports to Japan significantly grew year over year, which increased from 325,000 MT to 605,000 MT. We believe that growth was due to the implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership [CPTPP], which reduced barriers for feed barley and enhanced the ability of Canadian barley to compete with Australian exports.





Despite a difficult harvest in 2019 and a number of transport disruptions early in this crop year, Canadian barley exports grew from 2.15 MMT to 2.19 MMT.”





A message from the Canadian Malting Barley Technical Centre

Peter Watts, Managing Director



The 2019 harvest was cool and soggy in many parts of the Prairies, creating quality headaches for farmers and the industry that relies on western Canadian malting barley. With widespread pre-harvest germination present in the crop, malting and grain companies had to work hard to find barley in areas that did not receive end of season rains, or had been harvested early enough to avoid the moisture. In the end, adequate supplies of selectable quality malting barley were available for the domestic and international markets in the 2019-20 marketing year, and in fact Canada executed a near record malting barley export program of approximately 1.2 million tonnes.

The CMBTC processing facilities were as busy as ever in 2019-20 and successfully completed 71 pilot malting, 442 micro malting, 43 brewing and 25 micro brewing trials in addition to 465 barley analyses. With a strong export program, there were 42 cargo quality evaluations (CQCs) conducted on over 1 million tonnes worth of combined shipments, with the majority of Canada's malting barley exports destined for China and the balance to Japan, the United States and Mexico.

One of the highlights of 2019-20 was the China Technical Program, offered in Mandarin. The CMBTC hosted nine participants representing five of China's largest malting and brewing companies to provide insight into Canada's malting barley value chain including breeding, production, handling and export supply chain, quality control systems, as well as reviewing the quality characteristics of new, up and coming Canadian malting barley varieties. In addition to their time at the CMBTC facilities in Winnipeg, participants visited the breeding station in Brandon, hosted by Dr. Ana Badea, and finally spent a day in Vancouver visiting port facilities.

A highlight from summer 2019 was the two-day *Made in Canada Crop Tour* in central Alberta in July where about 50 participants from across Canada, the United States and Europe visited two farms showcasing new Canadian malting barley varieties. They also toured Red Shed, a craft malting operation, as well as the breeding station at the Field Crop Development Centre in Lacombe, Alberta to see malting barley varieties in development.

The Malt Academy training programs were popular again in 2019-20 with two one-week intensive and one three-day overview courses held with over 40 participants in attendance. The remainder of the years' scheduled Malt Academy courses were suspended due to travel restrictions, so the CMBTC pivoted and launched a series of company specific virtual programs for its members which were carried out in the spring and summer.

Another major highlight this past year has been the introduction of Producer Malt Academy courses. Three programs were held, one for each of Manitoba, Saskatchewan and Alberta. Producers during the first two programs were each able to benefit from an in-person, tailored two-day course while farmers in Alberta enjoyed a virtual half day program. Plans are already in place for the second annual Producer Malt Academies in 2020-21 – *virtual edition*.

In 2019-20, the CMBTC continued to provide regular crop progress updates during the growing season and harvest. These reports provide detailed assessments on seeding, weather conditions and malting barley crop development from April to October, and are issued in both English and Chinese. In addition, the CMBTC issues its suite of regular publications including the *2020-21 Recommended List and the 2019 New Crop Quality Evaluation*. Fact sheets were developed for new varieties such as CDC Bow, AAC Connect and CDC Fraser and translated into English, Spanish, French, Chinese and Japanese. A feed barley brochure was also created to promote Canadian feed barley in global markets.



The CMBTC participated in 15 conferences, staff training and outreach events this past year promoting Canadian malting barley, discussing new varieties, and disseminating results of research projects including the following:

- American Society of Brewing Chemists (ASBC) Annual Conference, June 2019 in New Orleans, LA.
- Canada Beer Day, October, 2019 in Saskatoon, SK
- Master Brewers Association of the Americas (MBAA) Annual Conference, October 2019 in Calgary, AB
- Cereal & Grains Conference, November 2019 in Denver, CO
- Master Brewers Association of Americas -Ontario District Annual Conference, January 2020 in Kingston, ON
- US Craft Maltsters Guild Conference, February 2020 in Fort Collins, CO
- Canadian Barley Symposium, February 2020 in Winnipeg, MB

Dr. Yueshu Li, Director of Malting and Brewing Operations, delivered a virtual presentation to the 19th Australian Barley Technical Symposium (ABTS) on a CMBTC research project entitled *Identifying Signature Flavours and Aromas Imparted by Canadian Malting Barley Varieties in Beer*. Peter Watts, Managing Director, presented on new Canadian malting barley varieties at both the MBAA Annual Conference in Calgary and the Canadian Barley Symposium in Winnipeg.

Applied research remains an important part of the work at the CMBTC to address commercial challenges facing the industry and support the value proposition of Canadian malting barley. Recent and current research projects include an investigation of factors leading to premature yeast flocculation (PYF) during brewing; flavours and aromas in malting barley cultivars; screening new varieties for Dimethyl Sulfide and its precursors (DMS, DMSP); optimizing protein blending ratios to minimize its negative impact on malting and brewing performance; understanding the quality needs of the Chinese brewing sector; and assessing new malting barley varieties for production and selection in Manitoba. In addition to these, the CMBTC continues to collaborate on a number of other research project initiatives with its members as well as industry and academia.





A message from the Barley Council of Canada

Erin Armstrong, Executive Director

The Barley Council of Canada (BCC) continues working in four key areas: barley research; market development/support; market access; and communications. We are working with other organizations in delivering in each of these areas.

The first year of our formal partnership with Cereals Canada was a successful one. BCC's communications activities are carried out under the guidance and leadership of Brenna Mahoney, director of communications. BCC has an expanded involvement in the Cereals Market Access Committee (MAC), led by Victoria Linden at Cereals Canada. This past year provided the opportunity for additional barley reps on the MAC to become involved and to contribute to dealing with barley-specific issues. In addition to the regulatory risk assessments done by the MAC, there are an increasing number of market access issues in today's world of market uncertainty and non-science-based decisions. Responses to market access issues are coordinated by Cam Dahl on behalf of barley as well as other cereals. We were pleased to renew the partnership between Cereals Canada and the BCC for another year as both organizations continue to look at options for the future.

BCC is supporting the Brewing and Malting Barley Research Institute (BMBRI) in the development of a National Barley Research Strategy, which will provide an overview of Canadian barley research, highlight the focus areas and gaps in current research, and provide information on barley breeders and researchers, funders and research calls across the country, as well as an inventory of current barley research projects. The strategy document will contribute to the identification of research priorities, encouragement of collaboration among funders and researchers, and avoidance of unnecessary duplication.

BCC and BMBRI successfully co-hosted, along with key organizers such as the Canadian Malting Barley Technical Centre (CMTBC) and Agriculture and Agri-Food Canada (AAFC), the joint ninth Canadian Barley Symposium and 24th BMBRI Triennial Meeting in Winnipeg, Manitoba, in February 2020. The two-day event provided Canadian-focused research updates to 125 attendees from across the barley value chain.

Administration of the National Barley Cluster was more complex this year. In addition to scheduled mid-year and year end reporting requirements, the impacts of COVID-19 on the research community, including shut-downs and delays, required additional reporting and communication with researchers, program administrators and the other national research clusters. Most Barley Cluster activities resumed to some degree by July 2020, but ongoing uncertainties are expected to have long-term impacts throughout the remaining years of the cluster, which will end in 2023.

Through Agri-Marketing Program (AMP) funding, BCC supported the CMTBC's development of a high-level feed barley factsheet. Joint planning was underway for an expansion in the scope of the third and final year of our feed barley AMP, to include other markets in addition to China while reducing the overall budget, when the impacts of COVID-19 were felt. All market development efforts were paused and are being reconfigured as a result of international and domestic restrictions. Most notably, travel is no longer supported by the program so we're continuing to work with CMTBC to transition from in-person to virtual programs and electronic communications in order to meet the deliverables of our feed barley AMP.

The coming year promises to be another interesting one!





Policy and Government Relations



Team Alberta

Team Alberta is a collaboration between four major crop commissions in Alberta: Alberta Barley, Alberta Canola, Alberta Pulse Growers and the Alberta Wheat Commission. We continued working together throughout 2020 to represent the collective policy concerns of farmers across the province.

This model has been effective, not only in influencing government programs and policies, but also in maximizing resources across organizations. This year we formed the Team Alberta committee which includes board chairs and policy chairs, to obtain more direct producer input on our priorities regarding key policy issues.

This year Team Alberta demonstrated success in influencing Alberta Financial Services Corporation's (AFSC) decision to refund premiums on hail insurance for areas with excess moisture, and expect further streamlined approaches to program administration within AFSC for the benefit of farmers. We successfully advocated with our partners across the sector for an extension for farm workers to the Mandatory Entry Level Training requirements for Class 1 drivers that were implemented the previous year. We maintain our efforts working with various departments toward solutions that reduce the cost and time associated with obtaining a Class 1 license, and other related issues.



TEAMALBERTA



Alberta
Barley



ALBERTA CANOLA
Agriculture and Agri-Food



ALBERTA PULSE
GROWERS



Alberta Wheat
COMMISSION

Grain Conditioning Study

Team Alberta completed the first year of data collection as part of a grain conditioning study to assess on-farm energy consumption and the efficiency of grain drying and conditioning systems. This three-year study is producing groundbreaking data and the information gathered will directly affect policy related to grain drying in Alberta. The project is partly funded by the Canadian Agricultural Partnership (CAP). Team Alberta was successful in obtaining supplementary funding for additional testing equipment.

Team Alberta Breakfasts

Team Alberta took part in several events this past year, including hosting two breakfast events at AgriTrade in 2019 and AgExpo in early 2020. We engaged with the Government of Alberta to provide a “state of the industry” address at AgExpo, and worked with the Grain Growers of Canada (GGC) to give an update on the federal government post-election landscape.

This year, Team Alberta committed to strengthening collaborations and assembled a committee that involves directors in the planning and strategizing process. The goal is to increase producer engagement in setting policy priorities.



Team Alberta completed the first year of data collection as part of a grain conditioning study to assess on-farm energy consumption and the efficiency of grain drying and conditioning systems.”



Government Engagement - Provincial

Fusarium Graminearum Regulatory Changes

The Alberta Wheat and Barley Commissions continue to build strong relationships with the provincial government, with regular engagement on a number of issues. The commissions were involved in several consultation activities this year, including a Red Tape Reduction Panel specific to agriculture and agri-food with Minister Grant Hunter. Subsequent to this panel, regulatory changes were announced to remove fusarium graminearum from the Pest and Nuisance Control Regulation of the *Agricultural Pests Act*. Our support for the changes comes from a resolution that was passed at the Alberta Wheat Commission's 2017 AGM. The commissions brought the FHB issue to the new government's attention from day one, along with the need for regulatory change to go hand-in-hand with an increased focus on education and extension of best management practices.

Our team at the Alberta Wheat and Barley Commissions continues to focus on FHB management throughout the province. Following the regulatory changes, we launched a web portal called "Let's Manage It" that provides resources and strategies to mitigate the spread of FHB (managefhb.ca). As a collaboration between the commissions and industry partners, the site serves as a guide for both farmers and industry, a one-stop-shop for everything related to FHB management in Alberta. Rather than focusing on regulatory change, Let's Manage It is a roadmap for how industry can continue to combat the spread of FHB, and provides timely and current agronomic information regarding best

management practices in the province. Our continual commitment, as shown through Let's Manage It, is to be transparent about the actions we are taking to maintain a focus on mitigating the spread of FHB throughout the province.

Chamber of Commerce Strategy Committee

We have derived great value from our membership in the Calgary Chamber of Commerce over the past year. The commissions have been involved in a number of the chamber's initiatives, including the Business Strategy Committee and the Business Leaders Forum. Our work with the chamber has enabled us to be part of a select group of members that met with Minister Toews prior to the budget release, and also gave us the opportunity to act as a high-level sponsor of Canada's Agriculture Summit. The summit engaged 550 industry leaders, policy makers and members of the general public in a discussion on how Canada can help feed the world while practicing sustainable agriculture and remaining competitive on the world stage.

Ongoing Engagement with AFSC to Improve Business Processes

We continue to strengthen our relationships with key stakeholders in the province, such as Alberta Financial Services Corporation [AFSC]. Our commissions have been very responsive to AFSC's ongoing consultations as they undergo changes and improvements that seek to enhance the administration of essential risk management tools for farmers.



The Alberta Wheat and Barley Commissions continue to build strong relationships with the provincial government, with regular engagement on a number of issues."



Government Engagement - Federal

Federal Election

During the 2019 federal election, our policy team kept farmers informed of the agricultural platform priorities for leading political parties. We also kept candidates informed of our key priorities so they were aware of the issues affecting western Canadian farmers. This year also saw a strengthened Grain Growers of Canada taking leadership on issues at the federal level, as our staff and directors actively participated in various committees and advocacy efforts.

Federal Outreach

In February, the commissions participated in National Grains Week in Ottawa with Grain Growers of Canada [GGC]. Due to COVID-19, we had to pivot from in person outreach to a series of virtual engagement sessions with key government officials over the summer, organized by GGC. Our commissions have continued building strong relationships with federal government officials in order to best represent the interests of our farmers, especially those charged with promoting the interests of farmers in Western Canada.

Pest Management Regulatory Agency Re-Evaluation Process

Members of our team participated in consultations regarding the PMRA re-evaluation process and have already witnessed positive outcomes from that engagement. This includes a commitment from the PMRA and federal government to undertake a national water monitoring program and create a new Canada Water Agency, which seeks to promote collaboration with various levels of government.

At the federal level, our policy team focused on conducting research and preparing submissions on various re-evaluation decisions of the PMRA related to crop protection products. We continue to monitor decisions that could impact the availability of pest management tools for farmers.

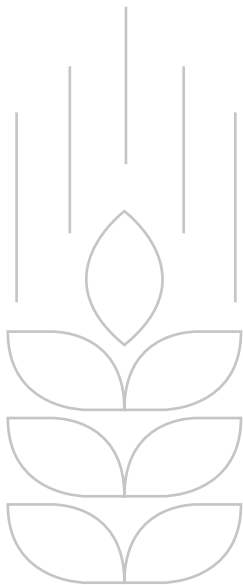


At the federal level, our policy team focused on conducting research and preparing submissions on various re-evaluation decisions of the PMRA related to crop protection products.”



A message from Grain Growers Canada *Looking ahead to 2021*

Erin Gowriluk, Executive Director



Our industry, like many others, faced several challenges this past year.

But, also like many others, we used them as opportunities to grow.

And as we close out another year, I'm proud to say our organization has become stronger, more adept and more focused as a result.

A major highlight of the past year for me was how well we transitioned from in-person events to digital forms of communication.

In the past year we introduced several new initiatives and digital channels that have allowed us to continue and enhance our communications and to actually reach a much larger audience.

At the height of the pandemic, we launched a podcast called Fireside Chats with Erin, a podcast that allows me to engage with industry experts and thought leaders on timely issues and priorities for our membership. Through the podcast we have dealt with big ideas including market access, the future of the carbon tax, and how agriculture can be the engine behind an economic recovery. I think it's been really informative for our members and a fun and different way to communicate.

This fall we launched two really innovative videos. The first was our "Speech from the Combine," a video that played off of the Federal Government's "Speech from the Throne" and outlined our top priorities in a way that was certainly attention grabbing. I think it's safe to say this video made a splash amongst the key decision makers in Ottawa, as well as with media from across the country.

The second was "Today's Modern Grain Farm: A Harvest Across Canada," a short film designed to educate Canada's legislators and policy makers about the business of a modern grain farm. Featuring interviews and clips from farms spanning Alberta, Saskatchewan, Manitoba, Ontario and the east coast, "A Harvest Across Canada" brings legislators up close and personal with farmers across the country to learn about what life is like on a modern farm. This video was an important

tool to engage with policy makers in Ottawa in the absence of in-person Grain Week meetings this year.

These highlights make me really proud of the work our team has accomplished this year because one thing I've definitely had reinforced to me this year is that, no matter how large our world gets, or how intricate our technology becomes, our strength will always lie in how strong our connections are. And these connections are a result of communication.

However, it's not good practice to dwell on our successes for too long. At this time of year, it's also important for us to look ahead. Now is the time to make resolutions and plans to get us to where we want to be in the next year. With this spirit in mind, I have been thinking about our organizational goals for the upcoming year.

As your representative in Ottawa, we will always be driven by our mandate: to help build the foundation for Canadian agriculture to achieve its potential.

This past fall, we pushed three key messages to policy makers in Ottawa during our (virtual) lobby week here in the nation's capital. These key asks, outlined below, will form the basis for our action plan over the next year.

- **Re-write the playbook on which the current approach to trade is written**
- **Modernize our regulatory system to enable innovation in plant breeding and pave the way for investments that will benefit farmers, consumers and the environment**
- **Publicly recognize the work to-date and future potential of Canadian farmers as key partners in fight against climate change**

Going forward we will continue to push these messages in Ottawa and drive change for our industry. We will continue to do what we always do, aim to connect the powers that be in Ottawa with real members of the grain industry, to showcase to them that we all share the same goal – growing the economy and creating jobs while also recognizing that we are responsible for preserving the land for generations to come. And to drive home to them that in order to achieve these goals, we all need to be on the same page.

Cheers to this past year of growth and to the road ahead!



Extension Initiatives



The Growing Point

Timely agronomic information for Alberta wheat and barley farmers

With a focus on bridging the gap between commission-funded research, agronomic solutions and farmers, The Growing Point newsletter serves as an agronomy focused communications channel that relays timely agronomic information to Alberta wheat and barley farmers. Alberta Wheat and Barley's agronomy research extension specialist Jeremy Boychyn has one ear to the ground, continually seeking to provide Alberta farmers with unpartisan agronomic information and solutions that will help their bottom lines.

The Growing Point also allows for the commissions to regularly showcase commission-funded research that strives to enhance farmers' profitability. Utilizing numerous types of media including e-newsletters, podcasts, videos and webinars, The Growing Point delivered an abundance of agronomic content to Alberta wheat and barley farmers this past year. Not mention, Jeremy's reach as an agronomic expert has grown as he is regularly featured as a guest on agriculture media platforms such as Real Agriculture and contributes written columns quarterly to the Farming for Tomorrow publication.

Subscribe to The Growing Point newsletter today at albertabarley.com/the-growing-point/. Download The Growing Point podcast wherever you listen to your podcasts.



10

E-Newsletters



10

Podcast
Episodes





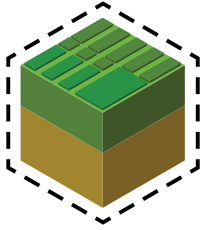
A graphic illustration on a green background. At the top, a laptop displays the 'In The Field Webinars' logo, which features a combine harvester in a field. To the left of the laptop is a pair of headphones. To the right is a smartphone with the same logo, a cup of coffee, and a spiral-bound notepad with a pen. Below the laptop, the text 'In The FIELD WEBINARS' is written in large, bold, white and green letters. At the bottom, it says 'BROUGHT TO YOU BY' followed by logos for 'The Growing Point', 'Alberta Barley', and 'Alberta Wheat Commission'.

Due to the uncertainties around field day events in the spring and summer, The Growing Point released an online series called In the Field Webinars to ensure farmers received timely agronomic information throughout the growing season. While nothing beats physically being in the field, learning from researchers and networking with fellow farmers, the In the Field Webinar series served as another way to extend agronomic knowledge to farmers. The webinar series featured agronomic experts and researchers deep-diving into specific agronomic topics. The commissions hosted eight In the Field Webinars throughout May, June and July of 2020.

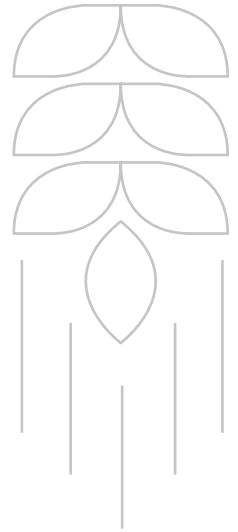
To view the webinars, visit the Alberta Wheat and Barley Commissions' YouTube channel.



A graphic featuring a white YouTube logo and the word 'YouTube' in black. To the right is a stylized white line-art logo of a wheat stalk. The graphic is set against a background of a red tractor pulling a large tank and a planter through a field, with a house and trees in the distance.



Plot2Farm



On-farm research for Alberta wheat and barley farmers

This year, the commissions' agronomy portfolio expanded by adding an on-farm research program, designed specifically for farmers, called Plot2Farm. Plot2Farm is an easy-to-use program that enables Alberta farmers to implement on-farm research trials based on research and crop management strategies of their interest. With the help of an agronomist, farmers can test an agronomic management strategy or concept (such as new varieties, seeding rates, fertilizer placement, or a new tool such as a PGR, etc.) on their land, with their equipment, under their management style. The end goal is to simply analyze how that specific protocol impacts their farm and bottom line.

The 2020 growing season was the pilot year for Plot2Farm and consisted of two farmers; Alberta Wheat Commission regional representative Devin Hartzler, who farms near Carstairs, Alberta and; Alberta Barley delegate Gordon Ellis, who farms near Olds, Alberta. Devin Hartzler tested increased seeding rates on feed barley variety CDC Austenson, while Gordon Ellis' trial compared the performance of two wheat varieties, AC Foremost and AAC Goodwin.

How does Plot2Farm work?

Farmers enrolled in Plot2Farm work with the commissions to develop their Plot2Farm protocol, which is based around the farmer's management or agronomic topic of choice. The protocol serves as a guide for the farmer's on-farm research trial. Once the protocol is developed, the farmer then works with an agronomist who will assist with implementation and data collection throughout the growing season. The agronomist also helps collect the trial's harvest seed samples at the end of the season, which are sent away for grain quality analysis to further round out the performance of the farmer's Plot2Farm trial. At the end of the season, the commissions will analyze the trial results so the farmer can use that information to make management decisions for their farm.

To learn more about Plot2Farm visit albertabarley.com.



The end goal is to simply analyze how that specific protocol impacts their farm and bottom line."





Amidst the challenges of COVID-19, we worked hard to develop online webinars for members in place of traditional crop tours.”

Lacombe Field Day

For many years, both Alberta Barley and Alberta Beef Producers have funded research at the Lacombe Field Crop Development Centre (FCDC) focused on feed and malt barley, and varietal development. This year marked the first ever partnership between the two organizations in sponsoring a tour at the centre. The event had a capped number of participants in accordance with Alberta Health Services guidelines.

The tour gave all participants a chance to learn about new varieties in the breeding pipeline. In order to limit no-shows and ensure that as many people could attend as possible, we charged a nominal registration fee, with all proceeds donated to STARS (Shock Trauma Air Rescue Service).

Making the Grade

Over the past several years, four of Alberta's crop commissions – Alberta Barley, Alberta Canola, Alberta Pulse Growers and the Alberta Wheat Commission – have teamed up to host a grain grading day for farmers. In February 2020, Making the Grade was held at Grande Prairie Regional College shortly before the pandemic lockdown. The sold-out affair gave growers a hands-on learning experience in grain grading and instructed them on the grading factors that affect their prices, as well as why chitting is important for maltsters.

Barley Demonstrations at Applied Research Associations

For the first time, Alberta Barley supported a local regional variety trial (RVT) with the Smoky Applied Research and Demonstration Association (SARDA). SARDA is a not-for-profit organization conducting agricultural research in the municipal districts of Smoky River, Big Lakes and Greenvew, as well as Northern Sunrise County. Since varieties sometimes behave differently in these areas compared to central or southern Alberta, this was an opportunity for farmers to view head-to-head comparisons of different varieties that may not be included in the official regional variety trial program.

If farmers wish to see a certain variety demonstrated in their area, Alberta Barley will work with the local applied research association (ARA) to arrange a trial if possible.



Sponsorships

AgSafe Alberta: Alberta Barley continues to be a proud sponsor of AgSafe Alberta, a joint effort of crop and livestock producer groups. This organization develops and delivers farm safety management tools, resources, and programs for Alberta farmers and ranchers who wish to implement safety plans to protect themselves, their employees and their families.

Canadian Agronomist: Alberta Barley supports the Canadian Agronomist in building a resource hub and one-stop-shop with links to published research and valuable information for farmers, agronomists and researchers.

WheatStalk: We once again sponsored WheatStalk, which is the Alberta Wheat Commission's annual summer extension event. In light of COVID-19 restrictions, we hosted the event in Fairview over two days with a limited number of attendees, in cooperation with Peace Country Beef and Forage. Attendance was strong and participants gained some valuable take-home knowledge.

Bentley Lecture Series with the University of Alberta: Alberta Barley is a longtime sponsor of this event, which brings in outstanding speakers who have stimulated thought and discussion on novel advances and current issues pertaining to sustainable agriculture. This year's speaker was UBC Professor Navin Ramankutty, whose presentation "Farming on a Warming Planet" looked at solutions to the problem of feeding humanity with a minimal global environmental footprint. Dr. Ramankutty was recently awarded the prestigious Wihuri International Prize in recognition of his long-standing work on sustainable global food systems.



Communications



Alberta
Barley

Alberta Wheat
Commission

better together.

UPDATE
NO.12

COVID-19 IMPACT ANALYSIS FOR FARMERS

Working closely with the policy, markets and research departments, the Alberta Wheat and Barley Commissions spearheaded a weekly e-newsletter analyzing the ongoing situation during the height of the pandemic. The commissions compiled information on government relief programs, market updates, supply chain implications, PPE shortages, among other updates. The intent of the weekly e-newsletter was to keep farmers informed on how COVID-19 could impact their operations.



Issued quarterly, the commissions' joint newsletter The Grain Exchange covers a wide range of topics including commission updates and industry news. Standing columns that provide continual updates and knowledge are The Growing Point, relaying timely agronomic knowledge, and Policy Tracker that provides updates on various policy files the commissions are engaged in. The Grain Exchange is accompanied by the Spotlight on Research publication and delivered to all wheat and barley farmers in the province.

Building relationships in the malt barley industry

"Increasing communication between different sectors of the Canadian barley value chain — from plant breeder to brewer — is exactly what the Made in Canada tour was designed for."

Fall 2019 edition

Producers collaborate to set the direction of provincial research

"Commodity commissions and primary agriculture associations have collaborated to develop a white paper which directs government on the research needs of our industry and proposes a path forward to maximize our success."

Winter 2020 edition

Making a (barley) list and checking it twice

"Last month saw the release of two long awaited lists: Santa's nice/naughty compilation and the 2020-2021 Recommended Malting Barley Varieties list. The annual report from the CMBTC gives producers a breakdown of malting barley varieties with the best potential for selection and marketing."

Winter 2020 edition

Is rail service vital for grain growers? Essentially.

"It's that lack of alternatives that has commodity groups pushing essential service status for rail shipping in Canada, especially in the aftermath of the CN strike late last year."

Spring 2020 edition

Tools for your agronomic toolbox

"Implementation of the correct tools that add value to your approach and understanding of agronomic challenges can give you the upper hand. This is important as it can help you decide when to act, or maybe even more importantly, when not to act."

Spring 2020 edition

Modernizing the Canada Grain Act to better address farmers' concerns

"While the consultation has been postponed, the commissions continue to consult with farmers to ensure the act addresses and reflects the problems they face today. AWC will be advocating for three positions once the consultations begin."

Summer 2020 edition



Social Media

Alberta Barley continues to have a strong social media presence with nearly 1,000 new Twitter followers last year. We encourage farmers to follow Alberta Barley on Twitter to learn more about the latest news, upcoming events, resources and more. Follow [@AlbertaBarley](https://twitter.com/AlbertaBarley) on Twitter, one of our primary platforms for two-way communications with farmers.

Events

Prairie Cereals Summit 2019

For the second year, the Alberta Wheat and Barley Commissions hosted their annual crop conference in the Rockies from December 9 to 10, 2019, the Prairie Cereals Summit (PCS). This two-day event was attended by over 250 farmers and industry members featuring the Honourable Stockwell Day as the event's keynote speaker.

Held at the prestigious Fairmont Banff Springs Hotel, this industry favourite featured Alberta Barley's Annual General Meeting, the directors and delegate session, a pub tour of downtown Banff, a full conference day and lastly, a supper banquet complete with entertainment. PCS has become a must-attend event on the agriculture conference circuit.

The line-up of industry speakers was unparalleled in 2019, with Danielle Smith, former politician and now journalist, transportation panel featuring CN's Fiona Murray, and the Honourable Stockwell Day providing insight into agriculture's market opportunities with China. To close PCS on a high note, Canadian comedian Joe Pillitteri wrapped-up the event as our banquet entertainment.



PCS has become a must-attend event on the agriculture conference circuit."



Next Level Farming

To keep Alberta farmers current on commission updates, the Alberta Wheat and Barley Commissions staff, partnered with Alberta Pulse Growers to tour the province in fall 2019 for Next Level Farming events. These regional one-day conference-style events featured market insights, regional agronomy experts and farm management tips in addition to the commissions' annual updates.

During the commission updates, the Alberta Wheat Commission and Alberta Barley hold their governance elections for open director, regional representative or delegate positions. Next Level Farming meetings are also an opportunity for farmers to bring forward resolutions on issues they want the commissions to address.

Tradeshows

The Alberta Wheat and Barley Commissions attend multiple agriculture industry tradeshows to connect and engage with farmers. This year, the commissions had a joint booth at AgriTrade, SARDA Tradeshaw and AgExpo.

Annual General Meeting

Alberta Barley's Annual General Meeting (AGM) is held during the Prairie Cereals Summit after the directors and delegates session. The purpose of the AGM is to update the Alberta Barley delegation on new governance and an opportunity to vote on resolutions brought forward at Next Level Farming regional meetings.

Science of the Six Pack

Hosted in collaboration with ATB Financial and Rahr Malting, Alberta Barley hosts Science of the Six Pack during AgriTrade in Red Deer. This event is always a hit as it gives barley farmers the opportunity to taste the Alberta craft beer while hearing from the brew masters themselves about the beer profiles derived from their home-grown ingredient.

FarmTech

For the past 11 years, Alberta Barley has been one of five hosts of FarmTech, Canada's premier crop production show. During the three-day event, attendees hear from leaders in the Canadian agriculture industry at their own pace during concurrent sessions and keynote speakers. This year, FarmTech's keynote speakers included Dr. Kimberly Ryan Amirault, Darby Allen and Jayson Lusk.





Kids Education



For the Alberta Wheat and Barley Commissions, kids education is the cornerstone of our consumer outreach."

Wally and Betty's Grain Gallery

For the Alberta Wheat and Barley Commissions, kids education is the cornerstone of our consumer outreach. This year due to COVID-19, all kids education events including Aggie Days, Amazing Ag and the Calgary Stampede were cancelled due to social distancing concerns.

Despite the cancellations both commissions still connected with teachers via the Classroom Agriculture Program [CAP] as a conduit to promote the digital aspects of Wally and Betty's Grain Gallery. An invitation was sent out to grade three and four teachers throughout the province for students and parents to complete as an activity at home.

Cultivate Summit

This past March, For the Alberta Wheat and Barley Commissions sponsored the Cultivate Summit, a three-day event held at Olds College to inspire the next generation of agriculture leaders.

Hosted by Inside Education, Cultivate Summit invites teams of two teachers and four students from Alberta high schools for an exciting weekend of learning from farmers and industry experts. Alberta Wheat Commission director Janine Paly was part of a session of speed interviewing where students got to ask experts questions to complete an "Agriculture Education Project" to present at their school.

GrainsWest

Timely stories and expanded channels

GrainsWest continued to build its connection with farm readers.

To maximize reach, GrainsWest magazine covered a wide array of stories over the year through a variety of channels.

On the heels of a bold redesign in 2019, **grainswest.com** shared compelling articles with more than 18,000 visitors. Our most-read story was “Special Circumstances,” which explored the challenges of growing grain in Alberta’s Special Areas. Its look at farm families who work hard to grow crops and prosper in a region where nothing comes easy, resonated with a large number of readers.

The GrainsWest e-newsletter continued to be strongly popular. Its monthly readership of more than 3,700 enjoyed a collection of our top print stories and exclusive online-only content. The year’s top newsletter in March 2020 looked at the industry as it braced for the COVID-19 pandemic. It featured interviews with the chairs of the Alberta Wheat and Barley Commissions.

As part of a collaborative effort that spanned the two commissions, GrainsWest contributed a number of stories to the 13-week COVID-19 update via our e-newsletter that went out to all communication channels. The update kept farmers informed of developments that had the potential to affect their operations during the pandemic. Among these stories was a COVID-19 farm diary, a four-part series by farmer and seed grower Sarah Hoffman. In it, she shared her thoughts on the pandemic and discussed its impact on her business. We also examined COVID-19 and grain flow at the port of Vancouver, looking at how shipments were affected. A third story focused on the massive increase in demand for Canadian-made pasta during the pandemic.

In September of 2020 we published the second *GrainsWest* special technology issue. It featured fascinating stories that included a look at the Canadian Light Source synchrotron, a facility dubbed the brightest light in Canadian agriculture research, which is similar to a giant x-ray machine. This device produces high-resolution images that allow scientists to, for example, study live wheat plants and kernels as well as intact soil samples and the structure of dough and bread. Among many other initiatives, it is being used to advance our knowledge of crop disease and growing conditions.

As one of the first story-focused podcasts in Canadian agriculture, the GrainsWest podcast shared insightful content such as the latest on drones and data gathering in agriculture. At Christmas, we explored the issue of mental health and looked at how farmers were coping with fallout from the harvest from hell. In late July we produced a program entitled “PPE MIA” that investigated the lack of personal protective equipment available to farmers. Given the scope of the PPE issue, GrainsWest editor Ian Doig wrote an online story about the problem that offered perspectives from key players in the industry.



AdvancingAg

Future Leaders Program

September 2020 marked the graduation of the third class of the AdvancingAg Future Leaders Program. While the program featured some interruptions and challenges, this year's mentees (aged 18-35) successfully partnered with a mentor for a year of professional development and growth. The 2020 graduating class included Jordyn Prior, Ashley Smith, Roddy Campbell, David Pinzon, Abhinandan Kumar and Candace Roberts.

Now in its fourth successive year, AdvancingAg boasts a notable contingent of program alumni, all of whom have experienced mentorship and hands-on education from some of Alberta agriculture's best and brightest. As originally conceived by the Alberta Wheat and Barley Commissions, the program exists primarily as a vehicle for young agricultural professionals to learn and grow with the help of strong leaders. This made-in-Alberta mentorship program promotes

a progressive and vibrant cropping sector, and supplies program graduates with a unique opportunity to learn from existing leaders within the agricultural sphere. With the help of the program mentors and industry influencers, AdvancingAg future leaders are armed with knowledge and given key assistance in identifying career-centric learning and training opportunities.

Looking to the future, the AdvancingAg mentees and mentors for the class of 2021 have been selected. As is tradition, the program kicked off with the annual meet and greet at Hotel Arts in Calgary on September 16, 2020. This year's class mentees include Cadziana Beyer, Troy Langendoen, Kristen Hall, Alice Hehli, Austin Jamieson, Brittany Turchyn, Danielle Lee, Tayo Adegeye and Christina Owczarek.





Finance and Governance



Value Proposition of Check-off Dollars

Alberta Barley has strong policies and procedures in place to ensure that we create value for producers. The finance department oversees check-off dollars and sees that they are invested in areas that deliver the best possible return to stakeholders. Our priority is to conduct strong financial, governance and risk management planning so that check-off funds are handled responsibly on behalf of our members.

Refund Rate

Alberta Barley's refund rate is one of the key parameters to measure the performance of the organization by indicating how many farmers see value in the commission and what percentage are requesting a refund. Thanks to a strong governance structure, we have maintained a refund rate of four to six per cent over the past ten years.

**Alberta Barley's governance model:
A value proposition that works for farmers.**



Creating Value

Developing strategic goals and priorities in the interest of growing profitability for farmers.



Enabling Value

Executing initiatives in alignment with strategic goals and priorities with guidance from our farmer board of directors and committees.



Preserving Value

Regular meetings with our farmer board of directors to ensure on-going initiatives consistently demonstrate sustainable return on investment at the farm gate.



Reporting Value

Executing relevant and useful internal and external business reporting and communications.

Ongoing Amalgamation with the Alberta Wheat Commission

Alberta Barley and the Alberta Wheat Commission (AWC) have developed a sub-committee to explore amalgamation and determine if it will benefit Alberta barley and wheat producers. We have created terms of reference and are conducting a value and risk management analysis, as well as assessing the legal and financial implications of merging two governance models. A consultant has been retained to develop a road map and analyze the merger plan.

The amalgamated framework should be able to leverage integrated efficiencies and should result in cost-saving mechanisms for producers. As part of assessing the prospects for amalgamation, we are conducting a thorough governance review that addresses a number of questions:

- How is the AWC governance framework aligned with Alberta Barley?
- What are the current challenges in operating integrated management due to two separate governance frameworks?
- What level of efficiency is expected from amalgamation?
- What is the long-term vision for Alberta Barley and AWC? Do these visions align? If so, does Alberta Barley have a sustained level of check-off revenue to avail those opportunities that are in alignment with AWC?
- What are the implications if we don't pursue the amalgamation?
- Would a governance merger strengthen the voice of barley and wheat producers?
- What are the legal and statutory requirements and how do we meet them?

Our end goal is to meet the expectations of stakeholders for both organizations while benefitting from integrated efficiencies, cost savings and a stronger voice for producers.

Barley Council of Canada's New Funding Model

Alberta Barley has played a leading role in developing and evaluating the Barley Council of Canada's (BCC) membership funding model to effectively manage costs. The model has been accepted by all BCC members, which will support their ability to sustain operations going forward. This will result in greater alignment of the value chain from producer to end user, and we are proud to have served as a catalyst for change for the BCC.

The recommended operational budget is being developed around supporting the BCC's strategic priorities:

- 1. Strategic oversight, leadership and coordination across the industry for market access, market development and research.**
- 2. Market Access:** Strategic alignment of access to development and research in cooperation with Cereals Canada.
- 3. Market Development:** Collaboration with the Canadian Malting Barley Technical Centre (CMBTC) as the technical lead.
- 4. Research:** Research functions to be carried out in strategic alignment with the Brewing and Malting Barley Research Institute; BCC to manage the cluster.
- 5. Communications Management:** Communications functions to be conducted via Cereals Canada.



Results Driven Agriculture Research Grant Administration

Alberta Barley received grant funding from Alberta Agriculture and Forestry in March 2020 to establish Results Driven Agriculture Research (RDAR), a farmer-led, not-for-profit research organization. Alberta Barley’s role is to ensure that funds are directed to the proper activities. We have established protocols and procedures to manage the grant and support seamless operation while adhering to the requirements of government. We will continue to be diligent in seeing that RDAR meets the expectations of our producers and the research sector.

Organizational COVID-19 Response

Alberta Barley conducted a number of business continuity planning sessions to develop a COVID-19 response and maintain our activities while protecting the health and safety of our staff. We created preventive measures to limit the spread, and adjusted our approach to operate a virtual workforce. Due to creative and innovative systems developed in-house, we have had no interruptions to our operation, allowing us to continue delivering the best possible services and provide value for producers’ check-off dollars. A large part of our business continuity sessions was ensuring that we meet our annual targets and goals while following the recommendations and directives of Alberta Health Services.



We will continue to be diligent in seeing that RDAR meets the expectations of our producers and the research sector.”





Financials



Management's Responsibility

To the Members of Alberta Barley Commission:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Commission. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Commission's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 11, 2020

A handwritten signature in black ink that reads "Tom Steve". The signature is fluid and cursive, with the first name "Tom" and last name "Steve" clearly distinguishable.

Tom Steve, General Manager

Independent Auditors' Report

To the Members of Alberta Barley Commission:

Qualified Opinion

We have audited the financial statements of Alberta Barley Commission [the "Commission"], which comprise the statement of financial position as at July 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many similar organizations, the Commission derives revenue through "check-off" fees received from barley producers, the completeness of which could not be satisfactorily verified during our audit. Accordingly, our verification of these revenues and related accounts receivable and deferred revenue was limited to the amounts recorded in the Commission's records and we were unable to determine whether any adjustments might be necessary to check-off fee revenue, excess of revenue over expenses, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with 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 with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta
November 11, 2020

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, handwritten-style font, followed by 'LLP' in a smaller, similar font.

Chartered Professional Accountants

Statement of Financial Position

As at July 31, 2020

	General Operating Fund	Restricted Fund	2020	2019
Assets				
Current				
Cash	1,477,481	–	1,477,481	766,864
Restricted cash - Farmer-led Research Grant Funding (Note 10)	–	279,790	279,790	–
Short-term investments (Note 3)	490,422	–	490,422	4,462
Accounts receivable (Note 4)	606,110	–	606,110	496,001
Prepaid expenses	58,114	–	58,114	55,806
	2,632,127	279,790	2,911,917	1,323,133
Capital assets (Note 5)	91,669	17,557	109,226	126,274
Long-term investments (Note 3)	1,260,507	–	1,260,507	1,694,560
	3,984,303	297,347	4,281,650	3,143,967
Liabilities				
Current				
Accounts payable and accruals	805,901	–	805,901	628,502
Grant commitments (Note 6)	–	30,920	30,920	30,920
Deferred revenue (Note 7)	1,561,523	–	1,561,523	1,201,356
Deferred revenue - Shochu project (Note 8)	–	23,692	23,692	23,692
Deferred related to capital assets contributions (Note 9)	–	17,557	17,557	27,436
Deferred revenue - Farmer-led Research Grant contributions Funding (Note 10)	–	279,790	279,790	–
	2,367,424	351,959	2,719,383	1,911,906
Commitments (Note 12)				
Significant event (Note 16)				
Net Assets				
Restricted	–	(54,612)	(54,612)	(54,612)
Unrestricted	1,616,879	–	1,616,879	1,286,673
	1,616,879	(54,612)	1,562,267	1,232,061
	3,984,303	297,347	4,281,650	3,143,967

Approved on behalf of the Board


Director


Director

Statement of Operations

For the year ended July 31, 2020

	General Operating Fund	Restricted Fund	2020	2019
Revenue				
Check-off fee revenue (Note 7)	2,689,197	—	2,689,197	2,766,479
Check-off refunds (Note 7)	(133,490)	—	(133,490)	[131,879]
Farmer-led Research Grant Funding revenue (Note 10)	—	320,210	320,210	—
Prairie Cereals Summit Sponsorship revenue	59,902	—	59,902	59,521
GrainsWest revenue	86,643	—	86,643	65,348
Database license revenue	46,329	—	46,329	44,515
Barley Council of Canada revenue	13,500	—	13,500	—
Shochu project revenue (Note 8)	—	9,879	9,879	9,879
Sponsorships	4,426	—	4,426	16,423
Miscellaneous income	1,738	—	1,738	25,420
	2,768,245	330,089	3,098,334	2,855,706
Expenses				
Research expenses	558,925	—	558,925	611,857
Salaries, benefits and contractors	407,601	—	407,601	370,700
General and administrative	352,700	—	352,700	403,020
Farmer-led Research Grant Funding expenses (Note 10)	—	320,210	320,210	—
Communications	300,584	—	300,584	268,132
Marketing and events	206,118	—	206,118	169,345
GrainsWest expenses	169,463	—	169,463	160,900
Policy development expenses	141,107	—	141,107	226,176
Market development expenses	103,508	—	103,508	118,304
CMBTC commitment (Note 15)	60,650	—	60,650	86,582
Directors fees and expenses	56,335	—	56,335	55,863
Professional fees	34,850	—	34,850	35,853
Staffing and recruiting	232	—	232	393
	2,392,073	320,210	2,712,283	2,507,125
Excess of revenue over expenses before other items	376,172	9,879	386,051	348,581
Other items				
Interest income	27,130	—	27,130	31,035
Unrealized gain on investments	42,934	—	42,934	40,082
Barley Council of Canada contribution (Note 11)	(125,909)	—	(125,909)	[207,000]
	(55,845)	—	(55,845)	[135,883]
Excess of revenue over expenses	320,327	9,879	330,206	212,698

Statement of Changes in Net Assets

For the year ended July 31, 2020

	General Operating Fund	Restricted Fund	2020	2019
Net assets, beginning of year	1,286,673	(54,612)	1,232,061	1,019,363
Excess of revenue over expenses	320,327	9,879	330,206	212,698
Transfer from restricted funds <i>(Note 14)</i>	9,879	(9,879)	—	—
Net assets, end of year	1,616,879	(54,612)	1,562,267	1,232,061

Statement of Cash Flows

For the year ended July 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	330,206	212,698
Amortization	31,976	28,607
Unrealized gain on investments	(42,934)	(40,082)
Amortization of deferred capital contributions	(9,879)	(9,879)
	309,369	191,344
Changes in working capital accounts		
Accounts receivable	(110,109)	108,095
Prepaid expenses	(2,308)	(15,677)
Accounts payable and accruals	177,399	94,387
Deferred revenue	360,167	(66,863)
Deferred revenue - Farmer-led Research Grant funds spent	(320,210)	–
	414,308	311,286
Financing		
Farmer-led Research Grant Funding program funds received	600,000	–
Investing		
Purchase of capital assets	(14,928)	(33,936)
Purchase of long-term investments	(8,9730)	(658,927)
Proceeds on disposal of long-term investments	–	642,250
	(23,901)	(50,613)
Increase in cash resources	990,407	260,673
Cash resources, beginning of year	766,864	506,191
Cash resources, end of year	1,757,271	766,864
Cash resources are composed of:		
Cash	1,477,481	766,864
Restricted cash - Farmer-led Research Grant Funding	279,790	–
	1,757,271	766,864

Notes to the Financial Statements

For the year ended July 31, 2020

1. Incorporation and nature of the organization

Alberta Barley Commission [the "Commission"] is a non profit, producer funded commission formed on August 1, 1991 under the Province of Alberta's Marketing for *Agricultural Products Act*. It is registered as a not for profit organization and, thus, is exempt from income taxes under 149(1)(l) of the *Income Tax Act* ["the Act"]. In order to maintain its status as a registered not for profit organization under the Act, the Commission must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Commission's mandate is to give Alberta barley producers an organization for developing new markets and products for barley and for influencing the direction of research dedicated to barley production.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Restricted Fund.

Unrestricted contributions are recognized as revenue of the General Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue in the General Operating Fund when earned.

Alberta Barley Commission changed from a third-party check-off program to an in-house operation called the 'Levy Plus Check-Off Database'. The Commission re-licensed the database and entered into five-year re-licensing agreements with Manitoba Canola Growers, Manitoba Corn Growers, Manitoba Flax Growers Association, Manitoba Pulse & Soybean Growers, Manitoba Wheat & Barley Grower Association, Winter Cereals Manitoba and the National Sunflower Association of Canada. Revenue is recognized over the life of the relevant agreements.

Financial instruments

The Commission recognizes its financial instruments when the Commission becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Handbook Section 3840 Related Party Transactions.

At initial recognition, the Commission may irrevocably elect to subsequently measure any financial instrument at fair value. The Commission has not made such an election during the year.

The Commission financial assets and liabilities are subsequently measured at amortized cost.

2. Significant accounting policies *(continued from previous page)*

Financial asset impairment

The Commission assesses impairment of all of its financial assets measured at cost or amortized cost. An impairment of financial assets carried at amortized cost is recognized in the excess of revenue over expenses when the asset's carrying amount exceeds the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The Commission reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. Where an impairment charge is subsequently reversed, the carrying amount of the financial asset is increased to the revised recoverable amount to the extent that it does not exceed the carrying amount that would have been determined had no impairment charge been recognized in previous periods. The amount of the reversal is recognized in the excess of excess of revenue over expenses in the year the reversal occurs.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	20 %
Equipment for Shochu project	straight-line	10 years
Furniture and fixtures	declining balance	20 %
Promotional equipment	declining balance	33 %
Kids booth	straight-line	5 years

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Commission's capital assets related to the Shochu project. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Measurement uncertainty (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 revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Long-term investments

Investments include corporate bonds with yields to maturity between 1.583% and 3.200% (2019–1.583% and 3.200%) and maturity dates between October 9, 2020 and December 14, 2023 (2019–October 9, 2020 and December 14, 2023). Investments are stated at their market value. It is the intention of the Board to hold all investments until maturity. Investments maturing within the next fiscal year or held in investment savings accounts have been reclassified as short-term investments.

4. Accounts receivable

	2020	2019
Check-off fees receivable	362,762	169,453
Alberta Wheat Commission	177,932	185,386
Other receivables	65,416	138,387
Barley Council of Canada	–	2,775
	606,110	496,001

Alberta Wheat Commission is related to the Commission by virtue of common management. All transaction between the two parties are measured at exchange amount and bear standard commercial terms of repayment. At July 31, 2020 the Commission had various balances payable to Alberta Wheat Commission, resulting in a net payable of \$61,689 (2019–\$149,827).

5. Capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	172,620	129,610	43,010	45,923
Equipment for Shochu project	98,791	81,233	17,558	27,436
Furniture and fixtures	136,364	111,307	25,057	31,321
Promotional equipment	23,985	23,147	838	1,251
Kids booth	28,292	5,529	22,763	20,343
	460,052	350,826	109,226	126,274

Amortization expense of \$31,976 (2019–\$28,607) is included in general and administrative expenses.

6. Grant commitments

When funding for a research grant is approved by the Commission, the full amount is recorded as an expense in operating expenses and accrued as a liability. Expenditures related to grants are then charged as a reduction to the grant liability. The amount shown as grants payable is the amount of funding allotted to various programs that is yet to be spent. The funds to cover these liabilities are in the Commission's cash, short-term investments and long-term investments accounts.

7. Deferred revenue

The Commission receives revenues in the form of check-off per tonne when barley is delivered. The buyer of the barley then remits this check-off fee to the Commission. As the Commission relies only on the buyers' remittances, the Commission cannot accurately determine its revenue until collected.

To estimate check-off fees receivable, the Commission examines the remittances received early in the next year and determines which remittances are for barley purchased in the current year. This amount is then recorded as check-off fees receivable.

As there is no reliable cost effective method of reasonably determining the amounts of additional remittances receivable, they are not recorded in these statements.

Check-off fees received are recorded as deferred revenue until the charge is no longer eligible to be refunded to the producer after the six month period of eligibility. Accordingly, these statements recognize as income only those fees received not eligible for refund. Fees that are still eligible for refund are recorded as deferred revenue.

8. Shochu project

The Shochu Barley Commercialization project ("Shochu project") is funded by the Alberta Barley Commission, Sanwa Shurui Co., Ltd. and Alberta Crop Industry Development Fund [ACIDF]. The purpose of this project is to develop a value chain with key farmers to supply this premium barley market with "Grown in Alberta" Shochu barley which consistently meets Shochu specifications for the end user.

As the funds received by the Commission were solely for this project, any funds not spent were segregated and reported as deferred revenue. When the appropriate expenditure is made, the corresponding amount is recognized as revenue in the same year in which the expense is made. Funding received for capital asset purchases is recorded as deferred capital contributions and amortized on the same basis as the related cost. During the year ended July 31, 2020 amortization of deferred capital contributions amounted to \$9,879 [2019–\$9,879].

The Shochu project completion date was March 31, 2016, all deferred revenue relating to this project remains deferred pending agreement for its use.

9. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2020	2019
Balance, beginning of year	27,436	37,315
Less: Amounts recognized as Shochu project revenue during the year	[9,879]	[9,879]
	17,557	27,436

10. **Farmer-led Research Grant Funding**

On March 25, 2020, the Commission entered into an agreement with the Minister of Agriculture and Forestry of Alberta for grant funding in the amount of \$2,000,000. The grant will assist with the costs associated in establishing a farmer-led nonprofit arm's-length agriculture research organization - Results Driven Agriculture Research (RDAR). Costs include legal, professional, consulting, and other related expenditures necessary to support the start-up of RDAR to fund agriculture research projects and encourage growth and profitability of the agriculture industry. The Commission agrees that funds will not be used for capital expenditures.

The Commission shall be eligible to receive grant disbursements upon approval of status reports, addressed to the minister, by a predetermined date. The final report is to be submitted by June 30, 2021. As the funds received by the Commission are solely for this program, any funds not spent are segregated and reported as deferred revenue. When the eligible expenditures are incurred, the corresponding amount is recognized as revenue in the same year in which the expense is incurred.

In the current year, the Commission received an initial payment of \$600,000. The Commission recognized in the statement of operations revenue of \$320,210 and expenses of \$320,210 from RDAR program. Unutilized proceeds of \$279,790 are included as restricted cash and included in current assets as the funds are expected to be utilized during the next fiscal year.

11. **Barley Council of Canada**

Included in expenses in the statement of operations is \$125,909 (2019–\$207,000) provided to Barley Council of Canada for operating purposes.

As at July 31, 2020, the Commission has \$nil (2019–\$2,775) due from Barley Council of Canada included in accounts receivable.

12. **Commitments**

The Commission occupies leased premises subject to minimum monthly rent until the termination of the contract at August 31, 2025. The rental agreement is a joint agreement with the Alberta Wheat Commission which is responsible for one half of the below payments:

2021	65,177
2022	65,177
2023	130,354
2024	130,354
2025	130,354
Thereafter	10,863
	<hr/>
	532,279
	<hr/>

13. Financial instruments

The Commission, as part of its operations, carries a number of financial instruments. It is management's opinion that the Commission is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

14. Interfund transactions

Funds were transferred between the Unrestricted Fund and the Restricted Fund to meet the Commission's operating requirements.

15. CMBTC funding commitment

The barley commissions in Alberta, Saskatchewan and Manitoba assumed the responsibilities and financial obligations of the Western Canadian Deduction ["WCD"]. A portion of the WCD provided funding to the Canadian Malting Barley Technical Centre ["CMBTC"], which provides market technical support services to the Canadian malting barley value chain. In an ongoing effort to strengthen market opportunities for Alberta and Canadian grown malting barley to domestic and international markets, the Alberta Barley Commission committed to continue to provide funding to CMBTC at \$0.04/tonne of barley for which the Commission collects a levy.

16. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Commission as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus

17. Comparative figures

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



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