



2019-20

ANNUAL
REPORT





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In its second year of operation, the FarmCash program had another exceptional year offering cash advances to Alberta producers."



Chair's Message

Todd Hames



It goes without saying that COVID-19 tested us all. This past year presented new challenges and for the Alberta Wheat Commission (AWC) it meant quickly transitioning to a remote and online work environment and continually finding solutions amidst a global pandemic. Looking back on this past year, I am happy to report that AWC did not skip a beat.

Reflecting back on annual highlights, research comes top of mind as it continues to be AWC's largest investment. Developing strong genetic and agronomic packages for Alberta wheat growers is a longstanding top priority for our organization. A notable highlight was the Canadian Wheat Research Coalition (CWRC) – a collaboration of prairie wheat commissions including AWC, Saskatchewan Wheat Development Commission, and Manitoba Crop Alliance – announced two major core breeding agreements. One being a \$9.6 million core breeding agreement with the University of Saskatchewan Development Centre, and the other, a \$22.6 million core breeding agreement with Agriculture and Agri-Food Canada. Both agreements are over five-years. These major investments will benefit farmers across the Prairies by developing wheat varieties with improved resistance to pests and diseases along with improved yields. I encourage you to read more about the CWRC and other research updates, including new AWC-funded projects, on page 8 and 9.

Continuing on the research theme, Alberta Wheat and Barley Commission's agronomic extension program also continues to expand. The Growing Point, the commissions' timely and relevant e-newsletter comprised of various agronomic information specifically for Alberta wheat and barley farmers, is becoming established as a valuable resource in Alberta. Our agronomy program also launched a new on-farm research program called Plot2Farm, which allows farmers to conduct on-farm research trials.

In the policy area, AWC welcomed the removal of fusarium graminearum from the Pest and Nuisance Control Regulation of the Agricultural Pests Act in the spring of 2020. In response to the regulation removal, the commissions launched Let's Manage It – a resource-filled website containing everything related to FHB management in Alberta. The commissions are dedicated to a continual focus on educating the best management practices for FHB in Alberta.

In its second year of operation, the FarmCash program had another exceptional year offering cash advances to Alberta producers. In March of 2020, during the height of the pandemic, FarmCash maintained its high standard of customer service to producers by releasing funds within three to five business days, plus FarmCash reduced its interest rate to TD prime minus 0.75 per cent – the lowest rate amongst Advance Payments Program administrators. It is gratifying to be part of a program that continues to find savings for Alberta producers.

This message only scratches the surface of AWC highlights from this past fiscal. With that, I encourage you to dive into this annual report for more comprehensive updates on markets, grain transportation, our constant communication efforts, events, the ongoing amalgamation work with Alberta Barley, and more.

Based on what AWC managed to accomplish in a year of so much uncertainty, I firmly believe this is a testament to our joint-working model with Alberta Barley, and a clear indication it is effective and efficient. I would like to thank our general manager Tom Steve for his continual leadership, and our dedicated staff for their ongoing efforts in our various program areas. This past year has given me the utmost confidence in AWC's abilities to navigate through challenging times and remain on course in delivering value to our farmer stakeholders.



General Manager's Message

Tom Steve





In the coming year we will continue to explore the merits of a formal amalgamation of the boards of AWC and Alberta Barley. Look for recommendations from the amalgamation sub-committee of the two commissions - most likely in the spring or summer of 2021."

Resiliency is the one word that I've used to describe the past year for Alberta's wheat 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 the Alberta Wheat Commission (AWC), Alberta Barley and GrainsWest magazine were able to maintain normal operations without skipping a beat.

On March 19 the commissions issued our first edition of the "COVID-19 Impact Analysis for Farmers", a weekly update on the effects of the coronavirus. 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.

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 wheat varieties for prairie farmers. The AAFC agreement is an investment of \$22.6 million in farmer check-offs by AWC, SaskWheat and the Manitoba Crop Alliance over five years, while the breeding program at the CDC is getting \$9.6 million from the three commissions over the same timeframe. These investments are administered through the Canadian Wheat Research Coalition (CWRC) and AWC has recently assumed the hosting duties of CWRC with our director of research Dr. Lauren Comin serving as president.

Our involvement in the development of a farmer-led research model in Alberta was a watershed for AWC and 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 Lauren. Alberta Barley administered a \$2 million grant under the Canadian Agriculture Partnership (CAP) to enable RDAR to get up and running and special thanks to chief operating officer Syeda Khurram for her leadership in administering the grant.

Other highlights included our hosting of live and virtual events. This included our annual WheatStalk agronomy event at Fairview in August in collaboration with Peace Country Beef and Forage. We also ramped up our information to farmers through The Growing Point newsletter and a series of webinars held during the growing season.

In the coming year we will continue to explore the merits of a formal amalgamation of the boards of AWC and Alberta Barley. Look for recommendations from the amalgamation sub-committee of the two commissions - most likely in the spring or summer of 2021.

I'm also immensely proud of our team for taking on publication of The Blue Book crop protection guide and the annual Agronomy Update in collaboration with Alberta Barley, Alberta Pulse Growers and Alberta Canola. These are vital resources for farmers, agronomists and retailers.

Finally, the FarmCash cash advance program has experienced tremendous success and growth in 2020 and we look forward to even greater things in 2021. Thanks to Syeda and her team and our communications department in particular for making it happen.

Mission, Vision and Values

Mission

To increase the long-term economic sustainability of Alberta wheat farmers through innovative research, market development, policy advocacy, farm business management, agronomy and extension.

Vision

To be the premier farm organization in advancing farmers' interests in the Canadian wheat industry.

Strategic Priorities

1. Ensuring our farmers are equipped with the most advanced genetics and up to date agronomic management strategies for their farm.
2. Strengthening grower access to key wheat markets by focusing on end use demand, open trade and an efficient value chain.
3. Supporting and delivering extension and education initiatives that provide our members with tools to improve their operations.
4. Building partnerships and advancing initiatives that will strengthen the farmer voice on policy issues at the provincial and national level.
5. Developing and delivering farm business management tools for farmers to improve their financial sustainability.
6. Ensuring that AWC will reach its full potential by providing leadership that reflects the diversity of the sector and acknowledging the clear benefits of an inclusive agriculture industry.





Regional Representatives

- **Region 1**
Gary Stanford
Joseph Ripley
Dave Bishop
- **Region 2**
Olivia Sederberg
Devin Hartzler
Jay Schultz
- **Region 3**
Kevin Bender
Terry Young
Kent Erickson
- **Region 4**
Kendall Freed
Bernie Klammer
Jeffrey Pasemko
- **Region 5**
Magnus von Rennenkampff
Christi Friesen



Board of Directors

From left to right: Dean Hubbard, Justin Bell, Jason Saunders, John Wozniak, Hannah Konschuh (vice-chair), Todd Hames (chair), Janine Paly, Trevor Petersen, David Bartlett, Greg Sears, Jason Lenz

Research

Signing the First Core Breeding Agreements at CWRC

Formed in 2017 with the intention of increasing collaboration amongst the prairie wheat commissions and assuming responsibility for producer support of variety development after the end of the Western Canadian Deduction, the Canadian Wheat Research Coalition (CWRC) had a busy year. The CWRC is made up of the Alberta Wheat Commission (AWC), Saskatchewan Wheat Development Commission and the Manitoba Crop Alliance.

In addition to continuing to manage the Canadian National Wheat Cluster, a \$25 million five-year investment partnership between farmers and Agriculture and Agri-Food Canada (AAFC), now in its third year, CWRC has recently executed two significant variety development agreements. In December of 2019, CWRC entered into a partnership with the University of Saskatchewan to support their breeding activities in the CWAD, CPSR and CWRW classes. The \$9.6 million agreement also provides a significant increase in contributions to field-based breeding activities, disease nursery and screening, molecular marker assisted breeding, winter nursery capacity, and end-use quality evaluation over the five-year term.

Also executed this year was a \$22.6 million, five-year agreement with AAFC to support their breeding programs across the Prairies, including core support for the development of the CWAD, CPSR, CSWS and CWRW marketing classes. The funding will provide further support for plant breeders, technicians and specialists who are working to deliver field-ready wheat varieties to western Canadian farmers.

CWRC is currently working towards agreements to support the breeding programs at the University of Alberta and the University of Manitoba. Both agreements are expected to be executed in the 2021 fiscal year. In addition, AWC's research staff are gearing up to plan for the next Canadian Agriculture Policy Framework which will succeed the Canadian Agricultural Partnership (CAP), which includes the science cluster program.



The White Paper and Results Driven Agriculture Research

In response to the announcement by Alberta Agriculture and Forestry Minister Devin Dreeshen that the province will be moving towards a farmer-led research model, AWC 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.

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



Alberta Wheat Commission-funded research projects

University of Manitoba

Identifying spring wheat varieties that improve nitrogen use efficiency

PRINCIPAL INVESTIGATOR:

Kate Congreves

AWC INVESTMENT \$45,000.00

FUNDING PARTNERS: SWDC

AAFC Saskatoon

Adapting wheat to arid environments: mining Canadian germplasm for reduced night-time water loss and improved water productivity

PRINCIPAL INVESTIGATOR:

Raju Soolanayakanahally

AWC INVESTMENT \$11,000.00

AAFC Swift Current

Identification of durum wheat germplasm with fast dry down characteristics for early harvest durum breeding

PRINCIPAL INVESTIGATOR:

Jatinder Sangha

AWC INVESTMENT \$45,000.00

University of Alberta

NSERC IRC- Boyd Mori

PRINCIPAL INVESTIGATOR:

Boyd Mori

University of Alberta

Improving wheat tolerance to field sprouting

PRINCIPAL INVESTIGATOR:

Dean Spaner

AWC INVESTMENT \$300,000.00

FUNDING PARTNERS: SWDC

University of Alberta

Genetics and Improvement of fusarium head blight resistance in Canadian spring wheat

PRINCIPAL INVESTIGATOR:

Dean Spaner

AWC INVESTMENT \$90,000.00

FUNDING PARTNERS: SWDC, WGRF

McGill University

Integration of new molecular markers to develop pre-harvest sprouting

PRINCIPAL INVESTIGATOR:

Jaswinder Singh

AWC INVESTMENT \$60,000.00

FUNDING PARTNERS:
SBDC, SWDC, WGRF

Olds College

Survey of cereal cyst and root lesion nematodes in Alberta

PRINCIPAL INVESTIGATOR:

Paul Tiege

AWC INVESTMENT \$27,200.00

University of Saskatchewan

4DWheat: diversity, domestication, discovery, and delivery

PRINCIPAL INVESTIGATOR:

Curtis Pozniak

AWC INVESTMENT \$599,957.00

FUNDING PARTNERS: SWDC, MCA

AAFC Lethbridge

Next generation of prairie herbicide-resistant weed surveys and biovigilance

PRINCIPAL INVESTIGATOR:

Charles Geddes

AWC INVESTMENT \$40,000.00

FUNDING PARTNERS: WGRF, SWDC

*SWDC - Saskatchewan Wheat Development Commission
WGRF - Western Grains Research Foundation
SBDC - Saskatchewan Barley Development Commission
MCA - Manitoba Crop Alliance

Spotlight on Research

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

COVID-19's Impact on Research

COVID-19 affected the research world as well. Some projects that we targeted for funding will be moved to the 2021 fiscal year due to their dates aligning with the beginning of the pandemic shutdown in Alberta. While we are still committed to the research, it made more sense from a financial perspective to postpone them momentarily.



Markets



Rail Transportation

Farmers faced a number of transportation issues in 2019-20, 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 a backlog in grain exports. This was compounded by weather problems and union disputes that caused railways to operate at lower capacity than usual. The backlog became worse in early 2020, when 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 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 grain movement 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 continued commitments for the capital investments required to increase the amount of grain movement by rail, as rail companies continue to invest in replacing older hopper car fleets with new higher capacity rail cars, and both the railways and government have committed to further investing in infrastructure that will increase rail throughput to the ports in both Vancouver and Prince Rupert.

Cereals Canada New Crop Missions

The Alberta Wheat Commission (AWC) continues to hear from our membership the importance of growing our export markets. The commission continued as a member of the new crop missions in 2019, sending one staff member and two directors to promote Canadian wheat directly to international buyers in Bangladesh, Colombia, Dubai, Ecuador, Mexico, Nigeria, Peru, and the United Kingdom. Our exports continue to be promoted based on their safety, quality, and our members use of modern, sustainable farming practices.

As the 2019 harvest was challenging due to widespread fall rains, export buyers were raising concerns about quality issues. The most concerning was the lower than normal falling number values of the 2019 Canadian wheat crop. These new crop missions and our presence was important so farmers could convey to our international buyers the difficulties of the 2019 harvest, and reassure that the 2019 “harvest from hell” was a rarity. In 2020, AWC continued to push for new crop missions to happen so this knowledge translation could happen. Despite the ongoing pandemic, AWC was pleased that they continued but in a virtual format.

Market Access

AWC continues to support our national partners in promoting the mid-protein wheats into South American export markets. As a follow up to market analysis work in Colombia that was conducted in 2018, AWC worked with Cereals Canada and the Canadian International Grains Institute (Cigi) to develop an in-market training program as part of continual promotional efforts. This series of workshops in Colombia occurred in September 2019. Led by Cigi’s technical specialists, these workshops showcased and promoted the unique attributes of the Canadian Prairie Spring Red class relative to wheat from export competitors such as the U.S. and Black Sea region. This work continues to show results, as the growing demand for wheat in South America drove over 3.6 million metric tonnes of Canadian wheat sales into Peru, Columbia, Ecuador, and Chile through the last crop year.

AWC has also continued to champion the safety and quality of Alberta’s durum production by creating opportunities to bring markets with concerns face-to-face with Alberta farmers. After the commission had our farmers advocating their responsible

use of glyphosate on Italian TV interviews in November 2018, the head of purchasing for Barilla in North America was invited to present at the Prairie Cereals Summit in December 2019. This allowed farmers to directly communicate with the executive of a major global durum purchaser on topics including their farm practices. AWC is pleased to see that Italy purchased over 1.2 million metric tonnes of durum wheat from Canada during the 2019-20 crop year, almost double the amount purchased last crop year. Although the recent increase in durum exports to Italy is a positive development, we will continue efforts to improve demand for Canadian durum worldwide.



AWC continues to hear from our membership the importance of growing our export markets."





Modernizing the Canada Grain Act

AWC continues to advocate for modernization of the Canada Grain Act to better reflect the realities that Canadian farmers face today. Prior to the pandemic, Agriculture and Agri-Food Canada (AAFC) planned to hold a consultation on changes to the act throughout May 2020. Although the consultation was postponed to 2021, AWC continued to consult with farmers in preparation for when the consultation begins.

What we heard from farmers

Modernizing the grading system performed by the Canadian Grain Commission (CGC) was a common concern raised by farmers. Current visual grading standards at elevators are designed for speed and efficiency, rather than adopting global wheat grading protocols. Other concerns raised by farmers is that the CGC, under current regulations, expect the owner of the grain being delivered to be present during deliveries and grading at the elevator. This causes issues with custom hauling and farmers' rights when grain grading disputes arise. Farmers are seeking more grading accountability and transparency at the elevator.

Farmers are also concerned about the transparency and efficiency of the CGC, motivated by the ongoing surplus accumulation. Farmers are asking for more communication and engagement from CGC to have a better understanding of their roles and services, and the costs associated. Areas of

review include strengthening farmer voices on the western standard committee, addressing the duplication of inspection by the CGC and private third parties on export shipments, and improving the producer payment security program which protects farmers if companies who owe payment default.

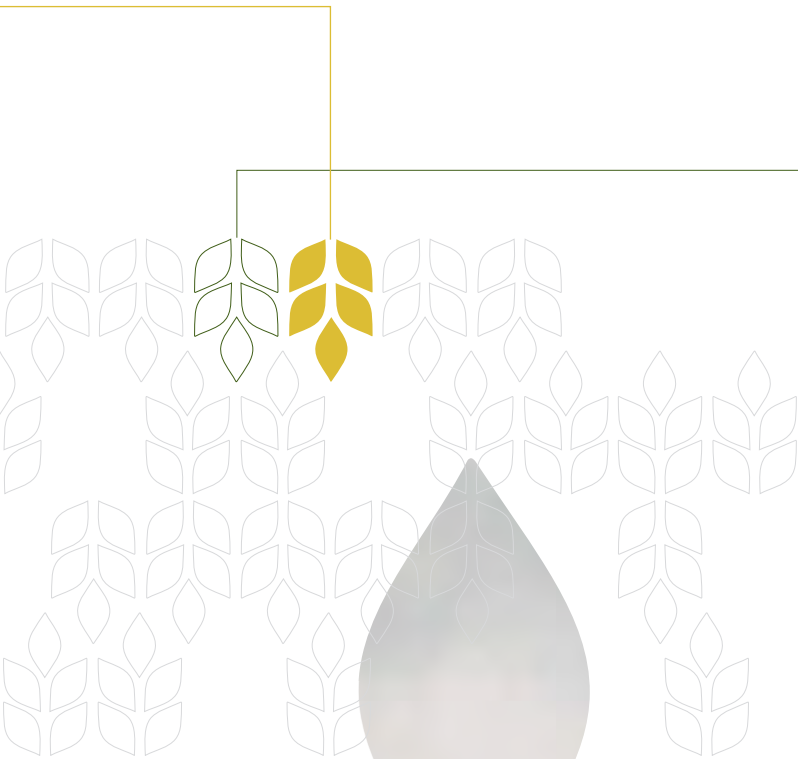
Enhancements to the Canada Grain Act

The consultation is also prompting conversation around what additional services the CGC should provide farmers. The main ask we heard from farmers was greater data transparency and timely reporting amongst the grain sector. Suggestions include the collection and amalgamation of information from third parties to report on weekly bulk export sales and export grain volumes, which would provide additional market insight for farmers. Additionally, improved coordination between the CGC, AAFC, and Statistics Canada to decrease delays in data releases, and improve reporting frequency and transparency with farmers.

AWC continues to work with other provincial and national farm advocacy groups to further develop these positions. AWC looks forward to addressing these concerns during the Canada Grain Act consultation once it begins.



The main ask we heard from farmers was greater data transparency and timely reporting amongst the grain sector."



Cereals Canada

A Message from Cereals Canada





We will continue to deliver the same programs and technical support to promote and enhance the use of Canadian wheat, in addition to working on regulatory and market access issues. ”



Dean Dias | Chief Executive Officer

A Year to Remember

This has truly been a year to remember. There have been significant accomplishments despite the COVID-19 pandemic. To begin, the amalgamation process of the heritage Cereals Canada and Canadian International Grains Institute (Cigi) has been successfully completed. The consolidated organization is known as Cereals Canada.

The new organization will maintain Cigi’s well-known brand. We will continue to deliver the same programs and technical support to promote and enhance the use of Canadian wheat, in addition to working on regulatory and market access issues.

Working together

The Alberta Wheat Commission (AWC) is a valued member of Cereals Canada. Alberta farmers are currently being represented around the Cereals Canada board table by Todd Hames and Hannah Korschuh. Todd serves as the first chair of the new Cereals Canada.

Cereals Canada brings value back to Alberta farmers in a number of ways:

- Ensuring our access to markets is not limited by crop input products which are approved in Canada but not by key customers. AWC serves on the Market Access Committee that makes these assessments, which also includes crop input developers, exporters and processors.
- Supporting customers through the annual new crop missions. This year, like past new crop missions, AWC had grower representatives meeting with top Canadian customers.
- Providing opportunity for Alberta farmer representation in national marketing and policy discussions, including:
 - Market development goals and projects;
 - Food safety issues;
 - Wheat classification modernization;
 - Wheat classification registration reform;
 - Issues arising from asynchronous approval of pesticides, maximum residue issues and other non-tariff market issues related to crop inputs.

Pandemic Response

Driven by the pandemic, Cereals Canada carried out a digital pivot for the 2020 new crop missions. The digital platform that we built has allowed for extended outreach to customers and other key stakeholders. The new platform is www.CanadianCereals.ca.

Our digital pivot also provides us with the opportunity to engage more directly with Canadian farmers. For the first time Alberta growers, at large, have been able to join the full seminars that are given for Canadian customers. In spring 2021, Alberta farmers will also have the opportunity to hear directly from the value chain about the changing demands of customers through on-line programs. During these sessions, Alberta growers will be able to directly see how the decisions made on their farms impact global markets. Watch for updates for our farmer event that will be hosted through the Canadian Cereals platform.

Working Together into the Future

Cereals Canada is currently developing a strategic plan to guide the unified organization. The plan includes strategic support for our current customers as well as tools to develop emerging markets. Our strategic initiatives will also work to break through market access barriers that are appearing at an alarming rate.

In addition to supporting our markets, Cereals Canada will continue to support our domestic industry. This includes ensuring farmers are aware of our customers’ demands. Supporting the value chain in replying to legislative and regulatory initiatives from different levels of government. We are here to support the industry in responding trends in consumer interests and concerns. AWC and Cereals Canada are partners, along with the cereals value chain.

info@CanadianCereals.ca | www.CanadianCereals.ca

Policy and Government Relations



TEAMALBERTA

Team Alberta is a collaboration between four major crop commissions in Alberta: Alberta Barley, Alberta Canola, Alberta Pulse Growers and the Alberta Wheat Commission (AWC). 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.

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 year, including hosting two breakfast events at AgriTrade and AgExpo. 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.



Alberta
Barley



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. We 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.



**LET'S
MANAGE
IT!**

Chamber of Commerce Strategy Committee

The commissions' 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.

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.

A Message from Grain Growers of Canada

Erin Gowriluk | Executive Director



Looking Ahead to 2021

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 the 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



Jeremy Boychyn
Agronomy Research Extension Specialist



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. The commissions' agronomy research extension specialist Jeremy Boychyn has one ear to the ground, continually seeking to provide Alberta farmers with nonbiased 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 to 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.



10
E-Newsletters



10
Podcast
Episodes

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



In The FIELD WEBINARS

BROUGHT
TO YOU BY



The
Growing
Point



Alberta
Barley



In the Field Webinar Series

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.



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 albertawheat.com.





Wheat Demonstrations at Applied Research Associations

The Alberta Wheat Commission (AWC) sponsored extension activities throughout the province again this year. Amid the challenges of COVID-19, AWC developed online webinars for members in place of traditional crop tours.

AWC continued supporting local wheat variety demonstrations with Applied Research Associations from Westlock to locations across the Peace Country region. Because 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.

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

Making the Grade

Over the past several years, four of Alberta's crop commissions, Alberta Barley, Alberta Canola, Alberta Pulse Growers and AWC have teamed up to host a grain grading day for farmers. In February 2020, this year's event 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.

While the pandemic may prevent these kinds of events for the time being, we are working hard to provide other learning opportunities for farmers over the winter season.



AWC held its annual WheatStalk summer extension event in Teepee Creek, Alberta on August 8, 2019. The event was hosted in cooperation with Peace Country Beef and Forage Association. Participants gained valuable take-home knowledge from agronomist and research experts.

Sponsorships



AWC is a proud funder 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.



This online resource was a response to the lack of a central repository of agronomic research. AWC supports them in the building of a one stop shop with links to published research and valuable information for farmers, agronomists and researchers.



AWC was one of five hosts of FarmTech 2020, Canada's premier crop production and farm management conference. The event was well attended, and while FarmTech 2021 has been cancelled due to the pandemic, we hope to see farmers again in 2022.

BeGrainSafe Program

The Canadian Agricultural Safety Association's (CASA) BeGrainSafe program raises awareness on grain safety and provides hands on training to first responders across Canada. AWC is a sponsor of the BeGrainSafe educational trailer. The trailer is used to train more than 100 firefighters across the Prairies on grain rescue. AWC encourages all rural rescue teams to book a grain rescue training visit with the BeGrainSafe trailer which can be done on the CASA website where rural communities can also book the trailer for a demonstration at their local events.



This year's recipient of the AWC sponsored Nuffield Scholarship was Dawn Trautman. Dawn is a manager of Smart Agriculture and Food Innovation with Alberta Innovates, and is studying the barriers for smart agriculture adoption for producers while also expanding on opportunities for technology companies to develop and integrate made-in-Canada solutions for sustainable production.

Sprayers 101

AWC continued to be a Gold Sponsor of Sprayers 101, the most comprehensive resource for all things sprayer and nozzle related in Canada. Sprayers 101 maintains and contributes to a large library of best practices in safe, efficient and effective agricultural spraying.





Communications



“

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.”



Alberta
Barley



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 apprised of the ongoing situation to keep farmers informed on how COVID-19 could impact their operations.



The Grain Exchange

Issued quarterly, the commissions' 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.

2019 regional wheat grading concerns

"It's harvest time for wheat farmers and variable weather is again adding risk to grain quality, and has Alberta farmers concerned about potential grading issues."

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

New crop missions 2019

"The new crop missions are an opportunity to showcase Canadian farming practices to international buyers. Our new crop mission representatives help buyers to better understand how Canadian farmers select seed, plant it and harvest it, while leveraging Canada's natural resources of clean air, water and land."

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

The Alberta Wheat Commission (AWC) continues to have a strong social media presence with nearly 1,000 new followers on Twitter last year. We encourage farmers to follow AWC on Twitter to learn more about the latest news, upcoming events, resources and more. Follow our handle @AlbertaWheat on Twitter, one of our primary platforms for two-way communications with farmers.

Additionally, the communications team generated a number of videos for farmers including agronomic webinars, field day tours, promotional industry videos and more. Our YouTube channel has grown to be a hub for informative and educational videos for Alberta farmers. Subscribe to the Alberta Wheat and Barley Commissions YouTube channel today.



Life's Simple Ingredient

This past year, Life's Simple Ingredient – an Alberta Wheat Commission (AWC) driven initiative aimed at encouraging consumers to feel good about eating wheat – reached and engaged with more Albertans than ever. Thanks to increased partnerships with influencers and a robust monthly newsletter full of relevant wheat content, Life's Simple Ingredient saw major traction on its online social platforms including Facebook, Instagram and Twitter.

During the province-wide lockdown in the spring, Life's Simple Ingredient saw a shift from local restaurants to home-based baking. During the spring, Life's Simple Ingredient partnered with social media influencers such as @ibake.yeg, @fromscratchbymadi, @prettysweetyc and @jillianraecooks to host a baking social media contest for Albertans to showcase their quarantine baking and enter to win a KitchenAid stand mixer. The contest was a huge success with over 2,000 entries and growth of our social media following.

Thanks to this digital push, Life's Simple Ingredient's monthly newsletter saw an uptick in subscribers providing wheat-based recipes and food related activities in Alberta. All of the recipes developed for the newsletter are created by a province certified dietician with a seasonal twist for that particular month. The newsletter garnered website traffic with increased time on webpages and more clicks on seasonal recipes, providing more interaction with our urban Albertans.

To bring consumers closer to the farmgate, Life's Simple Ingredient incorporated blog posts with local famers including Hannah Konschuh and Janine Paly showcasing how they grow wheat on their farms and their sustainability efforts. AWC plans to feature more of these farmer profiles to educate urban consumers on the sustainable measures and care that growing wheat in Canada entails.

This year, Life's Simple Ingredient proved to satisfy an appetite for home cooked meals and baking, especially during the pandemic. Through Life's Simple Ingredient, AWC continues to encourage Albertans to turn to wheat as a go-to ingredient to feed their families in a nutritious, healthy and comforting way.

Learn more and look through our seasonal recipes at lifessimpleingredient.ca.



**WIN A NEW
STAND MIXER**



Life's Simple Ingredient

April 2020

Hop to it

Whether you're getting started with Easter baking or trying a craft with your little ones, wheat fuels you forward.





Events



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 banquet dinner complete with entertainment. With overwhelming positive feedback from attendees and sponsors, PCS has become a must-attend event on the agriculture conference circuit.

The line-up of industry speakers was unparalleled this year, with Danielle Smith, former politician 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 Pilleri wrapped-up the event as our banquet entertainment.





Next Level Farming

To keep Alberta farmers current on commission updates, the Alberta Wheat and Barley Commissions staff, partnered with Alberta Pulse Growers, toured 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 (AWC) 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 numerous agriculture industry-related tradeshows to connect with farmers from across the province. This year, the commissions had a joint booth at both AgriTrade, SARDA Tradeshaw and AgExpo.

Annual General Meeting

AWC's Annual General Meeting (AGM) is held during FarmTech in Edmonton, Alberta. The AGM provides Alberta wheat farmers with the commission's annual updates, review of the financials, and an opportunity to vote on resolutions brought forward at Next Level Farming regional meetings.

FarmTech

For the past six years, AWC 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

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

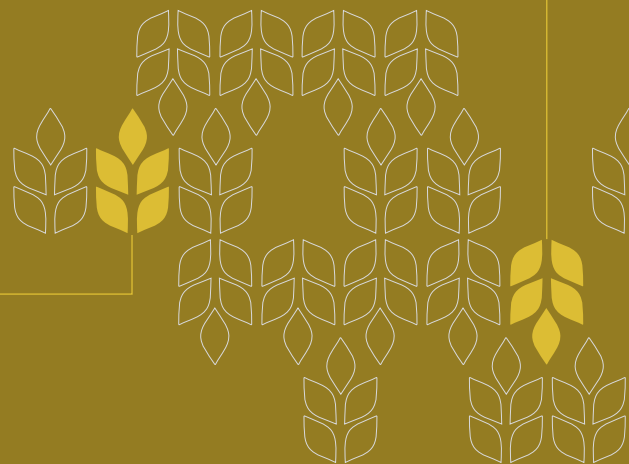
On the heels of a bold redesign in 2019, grainswest.com shared compelling articles with more than 18,000 visitors. Our most-read story was “Special Circumstances,” which explored the challenges of growing grain in Alberta’s Special Areas. Its look at farm families who work hard to grow crops and prosper 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 featuring interviews with the chairs of the Alberta Wheat and Barley Commissions.

As part of a collaborative effort that spanned the two commissions, we 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 the fall, 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

The fall of 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 in the fall of 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.



Scholarships

AWC has established a number of scholarships aimed at developing future industry leaders. These scholarships are available to post-secondary students in agriculture-related studies, as well as students with a demonstrated interest in entering a career in the agriculture industry.

University of Alberta

- **Graduate Award**
Alberta Wheat Commission
Graduate Research Scholarship in Crop Science
\$10,000
- **Undergraduate Award**
Alberta Wheat Commission Award in Sustainable
Agriculture Field of Study: Sustainable Agricultural
Systems
\$1,000
- **Alberta Wheat Commission Award in Crop Science**
Field of Study: Crop Science
\$1,000

University of Lethbridge

- **Alberta Wheat Commission Agronomy Scholarship**
Field of study: Any degree program
\$1,000

**Preference given to a student interested in pursuing a career in the field of agriculture, agronomy or plant genetics.*

Olds College

- **Alberta Wheat Commission Agriculture Award**
Field of study: Agriculture Management –
Production Major
\$1,000

Lakeland College

- **Alberta Wheat Commission Scholarship
in Crop Technology**
\$1,000

Lethbridge College

- **Alberta Wheat Commission Scholarship in
Agriculture Science (Plant and Soil Major)**
\$1,000



FarmCash

In its second year of operation, the FarmCash program grew substantially and became a leading cash advance option for Alberta producers. This past year, FarmCash applications grew 52 per cent over year one, and 38 per cent of total FarmCash applicants were new applicants who had never applied before. The program saw uptake from a wide variety of agricultural producers, issuing advances on crops, livestock and honey.

The Alberta Wheat Commission (AWC) started FarmCash in the fall of 2018 to give producers another competitive alternative to the existing administrators of Agriculture and Agri-Food Canada's Advance Payments Program. Since its inception, we have seen a significant demand for the FarmCash program from Alberta producers. 98 per cent of FarmCash applicants are submitting applications online by uploading their required documents and electronically signing their application. The time-saving solutions that FarmCash offers speed up the application process to release cash advances faster.



FARMCASH
Cash Advance Program

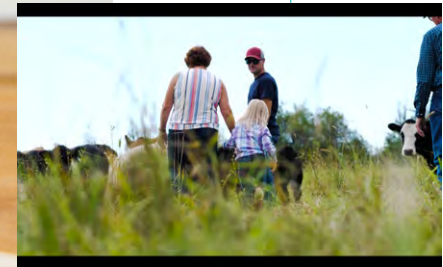


Agriculture and
Agri-Food Canada

**Advance Payments
Program**

Agriculture et
Agroalimentaire Canada

**Programme de
paiements anticipés**



CASH FLOW TO HELP YOU GROW

Putting producers' cash flow needs first

Prior to the onset of the COVID-19 lockdown in the spring of 2020, AWC quickly developed a plan that allowed FarmCash to continue operating and providing a high level of customer service to producers as program staff transitioned to work from home. The customer relations team maintained a high-level of service, advancing funds to producers within three to five business days of receiving completed FarmCash applications. Despite the ongoing challenges related to the pandemic, the customer relations team continued to address producers' emerging cash flow needs. Producers across the province were able to count on FarmCash as a cash flow management tool to improve the profitability and economic stability of their farms during this unique time of uncertainty.

Additional program enhancements were made available to applicants during the second year, which included a lowered interest rate of TD prime minus 0.75 per cent, and a waived application fee making the program free to apply for. These additional benefits are further cost savings to producers that enhance the usefulness of the program while making FarmCash a leading economical choice amongst cash advance options.

Cash flow to help you grow

With the growing success of FarmCash, the communications team seized the opportunity to showcase the success of the program's customer experience through a promotional video. The video, titled "FarmCash - Cash flow to help you grow" is available on YouTube and at [FarmCashAdvance.com](https://www.farmcashadvance.com). The communications team also embarked on a new-to-the-industry marketing direction that provides education on the untapped year-round value of using FarmCash as a cash flow management tool for farming operations.

Looking ahead, FarmCash is committed to innovating and evolving to meet producers needs and deliver the best possible customer service.



Finance and Governance

Operations Response to COVID-19

The Alberta Wheat Commission (AWC) 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. AWC created preventive measures to limit the spread of the virus, and adjusted our approach to operate a virtual workforce. Due to creative and innovative systems developed in-house, there were no interruptions to AWC's 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 were ensuring that we meet our annual targets and goals while following the recommendations and directives of Alberta Health Services.

Value Proposition of Check-off Dollars

AWC has strong policies and procedures in place to ensure that we create value for farmers. 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 farmer members.

Refund Rate

Refund rate is one of the key parameters to measure the performance of AWC 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.



AWC'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.



Five-Year Strategic Plan

In November of 2018, AWC's board of directors instructed the management team to begin developing a five-year business plan to manage growth of the commission's surplus and set priorities and programming for the organization into the future. AWC's management team has held multiple planning sessions to begin the process of developing the five-year strategic plan.

What are the objectives of the five-year business plan?

- Develop a strategic framework in building the operating plan
- Establish a process for monitoring and evaluating performance of all initiatives
- Develop the investment framework linked to priorities and department workplans
- Build a five-year business plan maintaining and sustaining financial health with reserves planning
- Develop a mechanism that monitors and measures the level of cash while meeting the commission's strategic priorities and key objectives

The five-year operating plan and the five-year investment framework is solely focused on priorities, maintaining leading practices, and process excellence with a robust governance framework embedded.

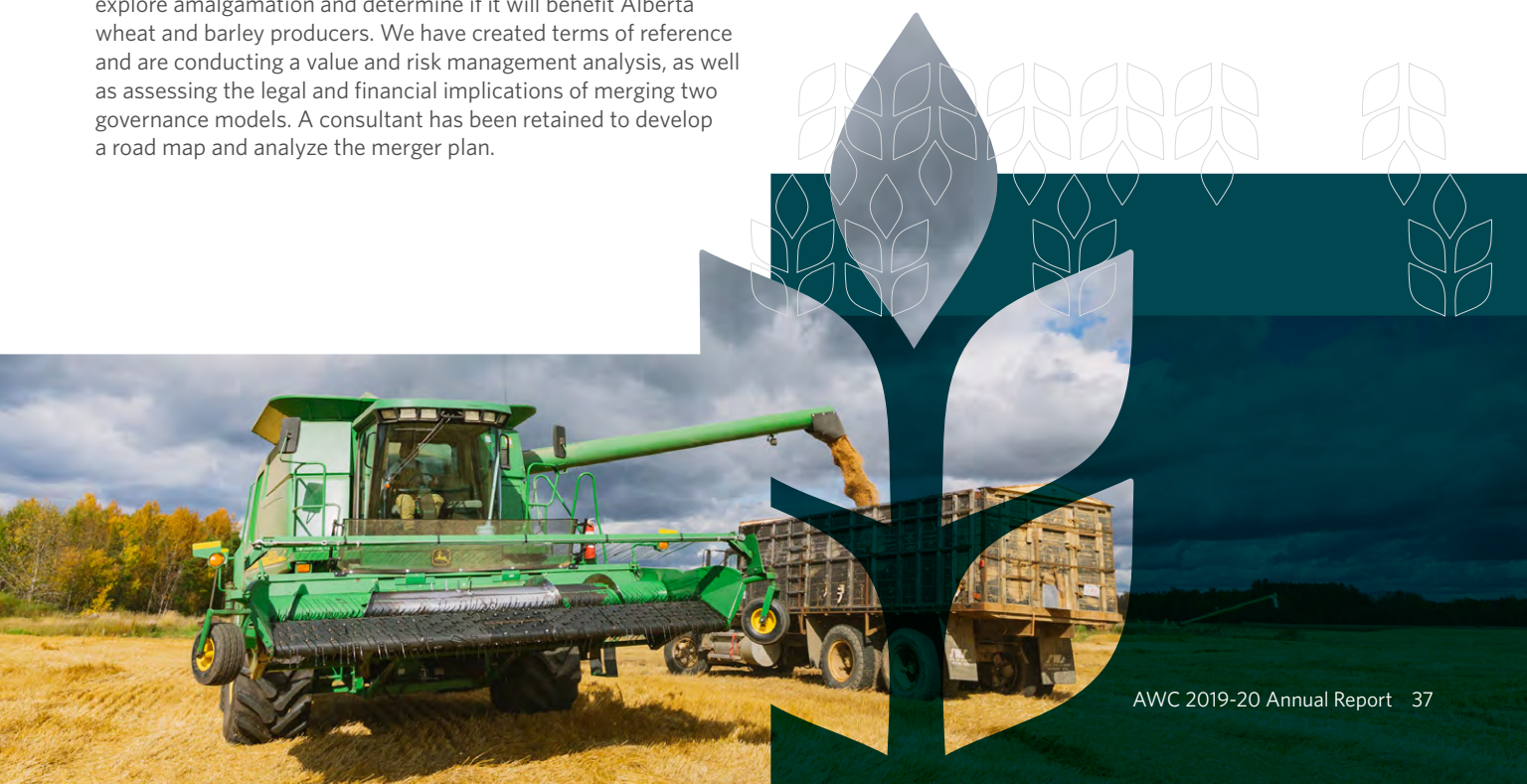
Ongoing Amalgamation with Alberta Barley

AWC and Alberta Barley have developed a sub-committee to explore amalgamation and determine if it will benefit Alberta wheat and barley 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:

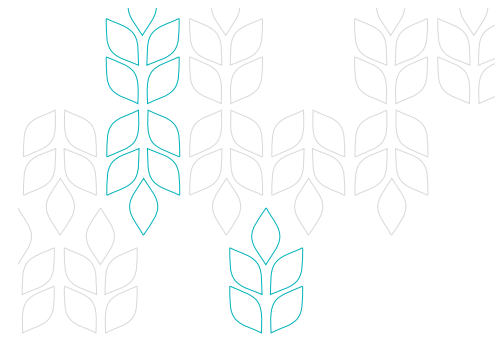
- How is AWC's governance framework aligned with Alberta Barley?
- What are the current challenges in operating an integrated management team due to two separate governance frameworks?
- What level of efficiency is expected from amalgamation?
- What is the long-term vision for AWC and Alberta Barley? 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 wheat and barley 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 Alberta wheat and barley farmers.





Financial Statements



Management's Responsibility

To the Members of Alberta Wheat 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 and external auditors. 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 9, 2020

Tom Steve, General Manager

Independent Auditors' Report

To the Members of Alberta Wheat Commission:

Qualified Opinion

We have audited the financial statements of Alberta Wheat 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.

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 wheat 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 9, 2020

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

Chartered Professional Accountants

Statement of Financial Position

As at July 31, 2020	Operating	FarmCash Advance Payments Program	2020	2019
Assets				
Current				
Cash	6,856,191	–	6,856,191	7,949,551
Restricted cash	44,389	–	44,389	199,171
Accounts receivable (Note 3)	1,575,778	–	1,575,778	1,083,258
Prepaid expenses and deposits	102,761	–	102,761	90,409
Current portion of advances receivable under FarmCash Advance Payments Program (Note 13)	–	10,587,882	10,587,882	2,824,827
	8,579,119	10,587,882	19,167,001	12,147,216
Investments (Note 4)	4,044,146	–	4,044,146	2,329,390
Restricted investments (Note 5)	2,000,000	–	2,000,000	2,000,000
Advances receivable under FarmCash Advance Payments Program (Note 13)	–	14,993,561	14,993,561	9,494,956
Capital assets (Note 6)	284,867	–	284,867	268,794
Deposits	23,666	–	23,666	23,666
	14,931,798	25,581,443	40,513,241	26,264,022
Liabilities				
Current				
Accounts payable and accruals	1,320,455	–	1,320,455	1,236,280
Deferred revenue (Note 7)	44,389	–	44,389	199,171
FarmCash Advance Payments Program bank indebtedness (Note 13)	–	25,514,309	25,514,309	12,306,885
	1,364,844	25,514,309	26,879,153	13,742,336
Commitments (Note 10)				
Significant event (Note 14)				
Net Assets				
Internally restricted	2,000,000	–	2,000,000	2,000,000
Unrestricted	11,566,954	67,134	11,634,088	10,521,686
	13,566,954	67,134	13,634,088	12,521,686
	14,931,798	25,581,443	40,513,241	26,264,022

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements.

Statement of Operations

For the year ended July 31, 2020	Operating	FarmCash Advance Payments Program	2020	2019
Revenue				
Check-off fee revenue (Note 8)	9,965,036	–	9,965,036	9,324,348
Check-off fee refunds	(624,260)	–	(624,260)	(548,608)
Regional Variety Trials revenue	133,600	–	133,600	125,750
Grain Conditioning revenue	101,249	–	101,249	192,948
FarmCash Advance Payments Program	–	113,881	113,881	44,858
Sponsorship revenue (Note 12)	53,981	–	53,981	18,959
	9,629,606	113,881	9,743,487	9,158,255
Expenses				
Research expense (Note 15)	3,992,136	–	3,992,136	3,603,347
Communication and events	891,897	–	891,897	912,470
CIGI funding contributions (Note 9)	622,635	–	622,635	748,408
Salaries and benefits	536,915	–	536,915	651,540
Market development	534,445	–	534,445	660,767
Grower relations and extension (Note 15)	478,763	–	478,763	387,219
FarmCash Advance Payments Program	–	367,964	367,964	322,801
Policy	325,278	–	325,278	341,626
Internal and industry meetings	304,188	–	304,188	249,192
GrainsWest expenses	175,281	–	175,281	156,437
General and administrative expenses	165,485	–	165,485	175,133
Rent	145,383	–	145,383	155,579
Regional Variety Trials expenses (Note 15)	133,600	–	133,600	125,750
Advancing Ag Mentorship Program	85,287	–	85,287	109,835
IT expense (Note 14)	72,562	–	72,562	37,059
Amortization	27,511	43,967	71,478	22,187
Professional fees	39,230	–	39,230	41,062
	8,530,596	411,931	8,942,527	8,700,412
Excess (deficiency) of revenue over expenses before other items	1,099,010	(298,050)	800,960	457,843
Other items				
Unrealized gain on investments	119,518	–	119,518	24,339
Interest income	146,339	–	146,339	240,769
Other revenue	45,585	–	45,585	8,427
	311,442	–	311,442	273,535
Excess (deficiency) of revenue over expenses	1,410,452	(298,050)	1,112,402	731,378

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

For the year ended July 31, 2020	<i>Operating</i>	<i>FarmCash Advance Payments Program</i>	<i>Restricted</i>	<i>2020</i>	<i>2019</i>
Net assets, beginning of year	10,353,152	168,534	2,000,000	12,521,686	11,790,308
Excess (deficiency) of revenue over expenses	1,410,452	(298,050)	–	1,112,402	731,378
Transfer	(196,650)	196,650	–	–	–
Net assets, end of year	11,566,954	67,134	2,000,000	13,634,088	12,521,686

The accompanying notes are an integral part of these financial statements.

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	1,112,402	731,378
Amortization	71,478	40,422
Unrealized gain on investments	(119,518)	(24,339)
	1,064,362	747,461
Changes in working capital accounts		
Accounts receivable	(492,520)	18,784
Prepaid expenses and deposits	(12,352)	(39,379)
Accounts payable and accruals	84,175	126,604
Deferred revenue	(154,782)	19,186
	488,883	872,656
Financing		
FarmCash Advance Payments Program bank indebtedness, net	13,207,424	12,306,882
Investing		
Purchase of capital assets	(88,263)	(208,437)
Proceeds from sale of capital assets	712	-
Purchase of investments	(2,146,415)	(1,877,589)
Proceeds from sale of investments	551,177	2,055,439
FarmCash Advance Payments Program receivable, net	(13,261,660)	(12,319,783)
	(14,944,449)	(12,350,370)
(Decrease) increase in cash	(1,248,142)	829,168
Cash, beginning of year	8,148,722	7,319,554
Cash, end of year	6,900,580	8,148,722
Cash is comprised of:		
Unrestricted cash	6,856,191	7,949,551
Restricted cash	44,389	199,171
	6,900,580	8,148,722

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

For the year ended July 31, 2020

1. Incorporation and nature of the organization

The Alberta Wheat Commission (the "Commission") was incorporated effective August 1, 2012 under the authority of the Province of Alberta Marketing of *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 wheat producers an organization for developing new markets and products for wheat and for influencing the direction of research dedicated to wheat 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:

Basis of presentation

The Commission reports its financial statements using two funds: the Operating Fund and the FarmCash Advance Payments Program Fund. The Operating fund contains all assets, liabilities, revenue and expenses of the regular operations of the Commission. The FarmCash Advance Payments Program Fund contains all assets, liabilities, revenue and expenses of the FarmCash Advance Payments Program as defined in Note 13.

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. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned. Externally restricted capital contributions are recognized as revenue as the related asset is amortized. Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

Portfolio investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Marketable securities with prices quoted in an active market include guaranteed investment certificates ("GICs"), mutual funds and corporate bonds.

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 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's financial assets and liabilities have been designated to be 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 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 assets over their estimated useful lives.

	<i>Method</i>	<i>Rate</i>
Automotive	declining balance	30%
Computer equipment	declining balance	20%
Furniture and fixtures	declining balance	20%
Booth development	straight-line	5 years
Promotional equipment	declining balance	33%
FarmCash Advance Payments Program website development	straight-line	5 years

Advances receivable under the FarmCash Advances Payments Program

Advances receivable under the FarmCash Advance Payments Program are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the principal amount advanced, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis using the straight-line method.

Any allowance for impairment is established as a result of reviews of individual advances made.

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 and advances 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. Accounts receivable

	2020	2019
Check-off fees receivable	1,133,873	530,086
Other receivables	83,845	223,995
Alberta Barley Commission	358,060	329,177
	1,575,778	1,083,258

Alberta Barley Commission is related to the Commission by virtue of common management. All transactions between the two parties are measured at exchange amount and bear standard commercial terms of payment. At July 31, 2020 the Commission also had various payable balances included in accounts payable and accruals to Alberta Barley Commission, resulting in a net receivable of \$61,689 (2019 - \$147,308).

4. Investments

Investments, which include GICs, mutual funds and corporate bonds, are reported on and have maturity dates between December 7, 2020 and July 23, 2025 (2019 - June 22, 2020 and March 13, 2023) and bear interest at annual rates between 1.15% and 2.70% (2019 - 1.40% and 2.70%). Investments are stated at their market value. It is the intention of the Board to hold all investments until maturity. Management's intentions are to hold these investment amounts for future operations therefore this amount has been classified as long-term.

5. Restricted investments

Restricted investments include GICs, mutual funds and corporate bonds with yields to maturity between 1.15% and 2.70% (2019 - 1.40% and 2.70%) with maturity dates between December 7, 2020 and July 23, 2025 (2019 - June 22, 2020 and March 13, 2023). Restricted investments are stated at their market value. It is the intention of the Board to hold all restricted investments until maturity. The Board of Directors has internally restricted \$ 1,000,000 (2019 - \$1,000,000) of short-term investments as a reserve for future research and \$ 1,000,000 (2019 - \$1,000,000) as a reserve for contingencies. These funds cannot be accessed without the approval of the Board of Directors. Management's intentions are to hold these restricted investment amounts for future research and contingencies reserves therefore this amount has been classified as long-term. Interest and gains on these investments are unrestricted and included in the unrestricted investment balance.

6. Capital assets

	Cost	Accumulated amortization	2020 Net book	2019 Net book value
Automotive	7,289	6,779	510	729
Computer equipment	169,670	100,299	69,371	60,219
Furniture and fixtures	107,818	83,089	24,729	30,913
Booth development	28,292	5,529	22,763	20,344
Promotional equipment	9,699	9,032	667	953
FarmCash Advance Payments Program website development	229,030	62,203	166,827	155,636
	551,798	266,931	284,867	268,794

7. Deferred revenue

Changes in the deferred contribution balance are as follows:

	2020	2019
Balance, beginning of year	199,171	179,985
Amount received during the year	140,300	425,750
Less: Amounts recognized as revenue during the year	(295,082)	(406,564)
	44,389	199,171

The ending balance of \$44,389 is restricted cash specifically used for the RVT and Grain Conditioning programs.

Regional Variety Trials (“RVTs”): The Commission will provide financial support to the Alberta Wheat RVTs, which are an important source of unbiased information on crop variety performance used by Alberta grain producers to make planting decisions. The Commission will also assume the role of financial administrator for the Alberta-British Columbia Grain Advisory Committee (“ABCGAC”), which includes the collection of all entry fees and industry contributions and dissemination of plot cooperator compensation beginning in 2017.

For the year ended July 31, 2020, the Commission received \$140,300 (2019 - \$125,750) from the ABCGAC for these services provided and recognized \$133,600 (2019 - \$125,750) in revenue. 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.

Grain Conditioning Program: For the year ended July 31, 2020, the Commission received \$nil (2019 - \$300,000) from the Government of Alberta recognized \$101,249 (2019 - \$192,948) in revenue. 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.

8. Check-off fee revenue

With the end of Western Canadian Deduction (“WCD”), effective August 1, 2017, the Commission has moved to a single wheat check-off of \$1.09. Prior to that it was \$0.70 per tonne and the WCD was \$0.48 per tonne.

The motion to move to a single check-off of \$1.09 per tonne was passed at the Commission’s AGM in February 2017 and has received approval from the Government of Alberta.

The WCD was established as a transitional levy by the Government of Canada to ensure continued support for the development of new wheat varieties and marketing initiatives previously administered by the Canadian Wheat Board.

9. CIGI funding contribution

The wheat commissions in Alberta, Saskatchewan and Manitoba assumed the responsibilities and financial obligations of the WCD.

A portion of the WCD provided core funding to the Canadian International Grains Institute (“CIGI”), which provides market support, training and technical services to the Canadian wheat value chain.

In an ongoing effort to strengthen market opportunities for Canadian wheat, the provincial wheat commissions mutually agreed and committed to continue to provide core funding to CIGI.

For the year ended July 31, 2020, the Commission’s contribution to the commitment was \$622,635 (2019 - \$693,458). During the prior year, the Commission contributed an additional \$54,950 to CIGI for the purchase of Buhler Color Sortex to upgrade the cleaning system of CIGI’s pilot mill.

10. 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 Barley 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

11. 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. Risks associated with FarmCash Advance Payments Program are disclosed in Note 13.

The Commission is indirectly exposed to market risk due to fluctuations in the investments' prices. These fluctuations could have an impact on cash flows of the Commission.

12. Sponsorship revenue

During year, the Commission included in revenue in the statement of operations \$5,000 (2019 - \$10,438) for Events Sponsorship revenue, and \$48,981 (2019 - \$8,521) recognized as Prairie Cereals Summit sponsorship revenue.

13. FarmCash Advance Payments Program

The Commission has entered into a Tripartite Agreement (the "Agreement") with Her Majesty the Queen in Right of Canada, as represented by the Minister of Agriculture and Agri-Food, and a Canadian Chartered Bank (the "Lender") to become an administrator in the Advance Payments Program (the "Program") under the Agriculture Marketing Programs Act (the "Act"). Under the terms of the Program, the Commission is authorized to issue advances to producers who meet eligibility criteria. In order to facilitate the Program, the Commission has entered into Loan Agreements with the Lender. The Commission may only use funds advanced by the Lender for the purposes outlined in the Agreement and is responsible for any costs, including interest and penalties, related to failing to comply with this stipulation.

Amounts lent by the Commission are not to exceed \$33,000,000 for the 2019 program year, and \$33,000,000 for the 2020 program year. At year end, \$25,581,443 was issued, not exceeding the amount approved by its financial instruction. Pursuant to the Act, the Minister guarantees to the Lender all principal lent by the Administrator as well as interest calculated at a specified interest rate. The Minister is also responsible, at the request of the Commission, for the costs incurred by the Commission to recover principal and interest owed by a producer in default, so long as the Commission is in compliance with the terms of the Agreement.

FarmCash Advances charge interest at rates based on prime with maturities ranging from one to twenty-four months. The receivables are guaranteed by the Federal Government. No allowance for loan impairment has been provided at July 31, 2020.

To finance the arrangement, the Commission has a series operating lines of credit and banker's acceptances available, both of which bear interest at market based interest rates. At year-end, the maximum credit limit of the lines of credit available was \$33,000,000, of which \$25,514,309 was drawn. Subsequent to year end, on August 11, 2020 banker's acceptances of \$15,100,000 with repayment dates between August 11, 2020 and September 10, 2020 were also drawn. In the prior year banker's acceptances of \$12,100,000 which were repaid during the current year.

14. 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 as to 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. The Commission has been closely monitoring the outbreak of COVID-19 and is taking preventive measures dedicated to prioritizing the health of its staff. Management had to respond aggressively to this unexpected remote workforce requirement. IT spending increased in 2020 due to setting up a virtual platform for staff to ensure the Commission continues to operate as usual. The Commission modified IT protocols to support the virtual workforce that continue to meet its stakeholder's expectations.

15. Comparative figures

Certain comparative figures, specifically, research expenses, grower relations and extension and Regional Variety Trials expenses, have been reclassified to conform with current year presentation.

