



Alberta
Barley



ALBERTA BARLEY

Annual Report 2021-22



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Chair's Message



Tara Sawyer
Alberta Barley Chair

When I look back at this past year as the chair of Alberta Barley, a single word encapsulates it – transitioning. Our farmers have adapted from a challenging outlook to one of optimism and revival.

With the entire province's recent experience of living through the worst drought in over 20 years and coming out the other side to above-average crops, many have reflected

and transitioned to a place of introspection. For Alberta Barley, this transitional atmosphere echoed in our core programming and advocacy growth, inspiring efficiency and collaboration.

The commission mirrored the same challenges our farmers faced in this past fiscal year, with a drastic decrease in revenue due to the drought and poor harvest conditions. Thanks in part to our solid governance and financial principles, Alberta Barley was able to meet all its programming commitments including our investment in barley research projects, government advocacy, extension efforts and market development.

Back in 2020, Alberta Barley's research portfolio transitioned alongside a national strategy and the formation of the Canadian Barley Research Coalition (CBRC) – a collaboration between the Saskatchewan Barley Development Commission, Alberta Barley and Manitoba Crop Alliance. We have been working diligently with our partners over the past year to provide western Canadian barley growers improved profitability and competitiveness. CBRC's long-term investments including core breeding agreements and the national barley cluster have been the vehicle to deliver on Alberta Barley's research mandate.

To ensure our membership was engaged in discussions, 2021 saw the resurgence of in-person events. Our commission was once again able to host in-person regional meetings and our Annual General Meeting at the Prairie Cereals Summit after a year hiatus due to the pandemic. Alberta Barley's policy and government relations team, led by senior manager, Shannon Sereda, were able to resume travelling to in-person meetings with provincial and federal governments to discuss key issues including a robust submission to the fertilizer emission reduction targets consultation.

Our agronomy and extension team, led by agronomy research extension manager, Jeremy Boychyn, transitioned our focus of Alberta Barley's extension efforts on 4R Nutrient Management to provide management solutions for farmers to implement to address the emission reduction plan.

In barley markets, Alberta Barley partnered with the Canadian Malting Barley Technical Centre (CMBTC) on their 2022 Western Canada Barley Tour and a Malt Barley Field Day held near Bentley, Alberta, to promote the brewing industry's favourite commodity – malt barley.

These are only a few of the high points from the past year where our Alberta Barley team has taken a leading role. I encourage every farmer who reads this annual report to become acquainted with all the hard work our team has completed. Needless to say, I am proud of all our directors, delegates and staff who have stepped up to the plate to help increase Alberta Barley's impact in the agriculture sector and who continue to grow a solid return on your investment. I look forward to connecting with our membership at our upcoming events this fall and winter and encourage you to reach out to me with any questions.

A handwritten signature in black ink that reads "Tara Sawyer". The signature is fluid and cursive.

Tara Sawyer

General Manager's Message



Tom Steve
General Manager

Alberta farmers ran the gamut of emotions in 2021-2022. Coming off the worst drought in 20 years, they went into the 2022 growing season with a lot of concern about what might lie ahead.

Grain prices soared in early spring when the war broke out in Ukraine but, so did input costs. Farmers seeded what was likely the most expensive crop in their careers

without knowing if the drought would be repeated. And then the rains came in June, and we managed to pull off an average to above-average crop in most of the province.

So, it really was a rollercoaster ride for Alberta farmers in 2021-2022.

While the drought of 2021 had major consequences for farmers it also had a significant impact on the commission.

But thanks to prudent fiscal management, funds held in reserve and forward planning, we were able to weather the storm. The board of directors instructed management to maintain our budget at normal levels. As a result, we met all of our financial obligations, with no impact on programming or staff. We were able to do that without putting the commission at risk thanks to a strong financial foundation built over the past 31 years of Alberta Barley's existence.

For farmers, a combination of solid yields, good quality and strong prices have created a renewed sense of optimism. Commission revenues will no doubt recover this year but persistent dryness in the province continues to be a concern.

We were pleased to receive a clear mandate from Alberta wheat and barley producers in October to proceed with the amalgamation of Alberta Barley and the Alberta Wheat Commission (AWC). The plebiscites were the culmination of a five-year journey that began in September of 2017 when I was appointed interim general manager of Alberta Barley, in addition to my duties as general manager of AWC. In early 2018, we officially established a single management structure to operate the two commissions.

In the ensuing years a tremendous amount of work went into the amalgamation project including motions passed at Regional Meetings and our respective Annual General Meetings to explore the idea of a merger. We formed an amalgamation sub-committee consisting of current and past directors, delegates and regional representatives and held extensive consultations with farmers in 2021.

Now the heavy lifting begins to add the final piece of the puzzle – a single barley and wheat commission with a renewed operating and governance model built for the future. Farmers can look forward to more dialogue and updates on the process in the coming months.

A few other highlights of 2021-2022 included the continued evolution of our extension programming with the growth of the Plot2Farm program to 12 trials in collaboration with Alberta farmers.

December 2021 marked the return of the Prairie Cereals Summit as an in-person event after a two-year hiatus and it was a resounding success.

We also collaborated with the Canadian Malting Barley Technical Centre (CMBTC) on a highly successful Western Canada Barley Tour and a sold-out malting barley field day at past Alberta Barley board chair Jason Lenz's farm.

During Calgary Stampede week we hosted federal agriculture minister Marie-Claude Bibeau at the farm of Alberta Barley vice-chair, Roy Newman, and a reception in collaboration with the Alberta Small Brewers Association emceed by board chair Tara Sawyer. Later that week we hosted a policy roundtable with the minister and Alberta's major crop commissions (wheat, barley, canola and pulse).

I would like to thank our entire team - management, staff, directors and delegates — for an outstanding year of service to Alberta barley producers.

Tom Steve

Mission

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

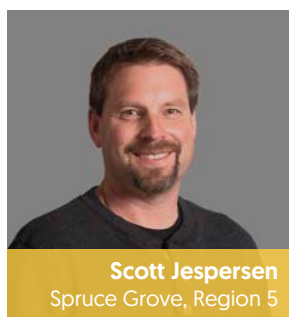
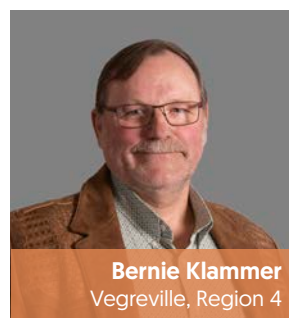
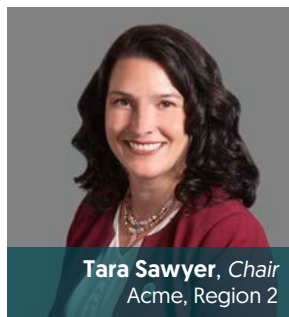
Vision

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

Value Proposition

1. Your farm, your voice
2. Farmer-focused research
3. New markets, new opportunities
4. Raising barley's profile
5. Prudent money management

Board of Directors



Barley Delegates

Region 1

Kolton Brown, High River
Ryan Flitton, Stavely
Brad Berger, Nanton
David Bishop, Barons

Region 2

Jessica Dugdale, Rockyview
Glen Gateman, Mossleigh
Shawn Gorr, Linden
Gordon Ellis, Olds
Doug McBain, Cremona
Doug Miller, Acme
Doug Robertson, Carstairs
Jeff Nielsen, Olds

Region 3

Wade McAllister, Red Deer County
Melissa Damiani, Rimbey
Micah Petersen, Penhold
Dave Davidson, Clive
Harold Haughen, Lougheed

Region 4

John Mayko, Mundare
Gordon Tuck, Vegreville
Brent Christensen, Holden

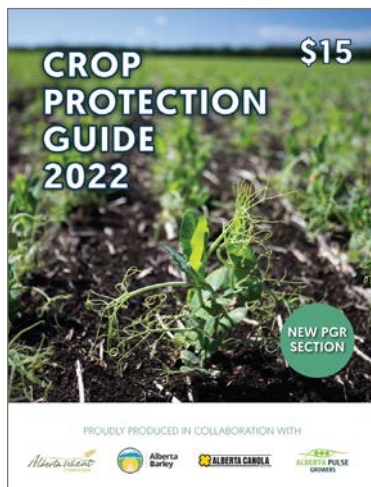
Region 5

Dean Wiegand, Westlock
Dalene Shaver, Wetaskiwin
Shane DeBock, Barrhead

Region 6

Aaron Young, Spirit River

The Blue Book



2022 marked the second year of production of Alberta's crop protection guide, or the Blue Book, as we call it in these parts. It is a project of the four major Alberta crop groups: Alberta Barley, Alberta Canola, Alberta Pulse Growers and the Alberta Wheat Commission.

The four project partners came together to partially fund this year's production of the Blue Book after the Canadian Agriculture Partnership funding that covered its first year ended in 2021. The remainder of the funds needed to cover costs related to editing, production, design and distribution came from sales.

We are pleased to announce we sold more than 9,100 copies of the printed version at a break-even price. As part of the process, we updated our online ordering system for printed copies. The intent was to make the pre-ordering and sales process easier for farmers and other agriculture industry purchasers. The advance ordering feature was well used again this year, with advanced orders comprising more than 50 per cent of total sales.

Additional information on plant growth regulators (PGRs) was included in the 2022 edition. PGRs are synthetic compounds that can beneficially modify plant growth and development. Long-time commission collaborator Sheri Strydhorst was tasked with writing a new section that highlighted best practices in this emerging area. It is our hope to expand this resource in the coming years.

With nearly 700 pages of content in the latest edition, the Blue Book continues to be a trusted information resource for farmers and agronomists. Selecting the right chemical treatment requires specific scientific knowledge of a farmer's cropping system and intended market. The Blue Book complements the product label to give farmers the information they need to choose the right chemistry to provide protection from pests without risking profit.

Creation of the 2023 Blue Book is now underway. Farmers can expect another useful edition packed with valuable information on new product registrations, CleanFarms pesticide container locations and important safety information courtesy of AgSafe Alberta.

Be on the lookout for a new Twitter handle for the Alberta Blue Book. Make sure to follow **@AlbertaBlueBook** for the latest crop protection information. Make sure to mention our handle on Twitter when you receive your book and show us how you are implementing crop protection information on your farm.



Amalgamation Plebiscites for the Alberta Wheat Commission and Alberta Barley

As directed by the boards and memberships of the Alberta Wheat Commission (AWC) and Alberta Barley, the two commissions conducted farmer plebiscites on amalgamating into one entity. The voting of the plebiscite occurred during October 2022.

The development of the amalgamation file steadily progressed through a shared management structure, a comprehensive review of the potential to merge with a robust sub-committee, a dynamic farmer consultation process that engaged commission memberships and the roll-out of two plebiscites to decide the commissions' future.

Timeline of Amalgamation Events

Prior to 2017

AWC and Alberta Barley operated independently from one another, but shared finance, human resources and office space.

September 2017

Commission boards piloted a project to explore the idea of a single management team for both commissions.

August 2018

Upon the formation of one management team, the commissions quickly saw the benefits of additional synergies including cost savings of up to **\$350,000 annually** to further invest in key areas such as agronomy extension, research and enhanced communication initiatives.

November 2018

During the AWC Region 2 Meeting, a resolution was passed by farmers requesting that the commissions complete a comprehensive review of the potential to formally merge into a single crop commission.



Both Alberta Barley and the Alberta Wheat Commission recognize the duplication of activities and foresee further synergies by the formation of a unified crop commission whose vision is to increase the profitability of both barley and wheat farmers. Based on our research and consultations with our sub-committee and farmers throughout the province, our hope is to provide further cost savings and benefits to our membership and provided a growing return on their investments.

To learn more about what the amalgamation process and plebiscites, visit albertawheatbarley.com/amalgamation-plebiscite.



Created in 2020, the Canadian Barley Research Coalition (CBRC) was started as a collaboration between the Saskatchewan Barley Development Commission, Alberta Barley and Manitoba Crop Alliance.

The CBRC is focused on improving profitability and competitiveness for western Canadian barley through long-term research investments. It funds long-term research projects such as core barley breeding agreements (CBAs). It also supports other regional research that aligns with variety development and agronomic priorities. Alberta Barley is represented on the CBRC by board directors Dick Wymenga and Connie Matson.

CBRC's – Core Breeding Agreements (CBAs)

The agreement with Agriculture and Agri-Food Canada (AAFC) is for \$1.5 million over five years. This investment will ensure future access for western Canadian farmers to improved, high-quality barley varieties with stronger agronomic packages and superior end-use quality traits for the malting sector. For the University of Saskatchewan Crop Development Centre (CDC) agreement, there is a commitment of \$2.7 million over five years to secure the future of growers through access to field-ready, competitive and profitable varieties.

CBRC's – National Barley Cluster (2018-2023)

The CBRC administers the current National Barley Cluster, a \$10 million-dollar funding initiative with support from the following organizations: AAFC, Alberta Barley, Brewing and Malting Barley Research Institute, the Canadian Field Crop Research Alliance (whose members include Grain Farmers of Ontario, Producteurs de grains du Québec, Atlantic Grains Council, and SeCan Association), Manitoba Crop Alliance, SaskBarley Development Commission and Western Grains Research Foundation (WGRF).

The National Barley Cluster brings together 12 research activities from across Canada. The overall goals of the activities are to ensure that barley production remains competitive with other major crops in Canada and to improve the quality traits of Canadian barley to satisfy the diverse and evolving needs of barley customers.

Research areas within the cluster include:



**Variety
Development**



**Agronomic
Productivity**



**Disease
Resistance**



**Quality and
Performance**



Sustainability

As the final National Barley Cluster field season wraps up, look for information in the Building Better Barley magazine, brochure and podcasts about the advances that have been made as a result of these research investments.

CBRC's – National Barley Cluster (2023-2028)

CBRC has been actively preparing a new National Barley Cluster which will begin April 1, 2023. Officially announced on August 29, 2022, the CBRC will apply to the Sustainable Canadian Agricultural Partnership (SCAP) AgriScience Program - Cluster Component. Work on this application has been underway since 2021.

CBRC has:

- Called for Letters of Intent (LOIs)
 - Narrowed down LOIs and requested full proposals from researchers
 - Evaluated full proposals through peer review process and the Science Advisory Body
- CBRC is planning for a final National Barley Cluster application to be submitted in late 2022.

The SCAP's AgriScience Program runs from 2023 to 2028. It has three pillars, which guide the research funded through it:

- Climate change and environment (making up at least 30 per cent of the application budget)
- Economic growth and development
- Sector resilience and societal challenges

The next National Barley Cluster will support SCAP research priorities while providing significant benefit to producers and the barley value chain.

Project Funding

Between the Agriculture Funding Consortium (AFC) and the Agriculture Development Fund (ADF), three full proposals were funded by Alberta Barley beginning in spring 2022:

Project Name

Maximizing feed barley yield while minimizing lodging

Principal Investigator

Laurel Thompson

Other interested partners

Alberta Beef Producers, SaskBarley, WGRF, Results Driven Agriculture Research (RDAR)

Alberta Barley Investment

\$7,500.00

Project Name

Mitigating the risk of pre-harvest sprouting in Canadian malting barley

Principal Investigator

Dr. Belay Ayele

Other interested partners

WGRF, Alberta Wheat Commission, Alberta Barley, RDAR, Manitoba Crop Alliance

Alberta Barley Investment

\$30,000.00



Project Name

Enhancing capacity of barley breeding programs in Western Canada: establishing disease screening nurseries and a pre-breeding platform

Principal Investigator

Dr. Gurcharn Singh Brar

Other interested partners

WGRF, SaskBarley

Alberta Barley Investment

\$35,000.00

Ag Climate Solutions

Alberta Barley has partnered with Alberta Beef Producers and many others on an \$8.5 million project entitled, "Integrating beef, forage and cropping systems to improve soil C sequestration and reduce greenhouse gases (GHG) emissions" that will occur over the next five years.

This project aims to increase understanding of how beneficial management practices (BMPs) can contribute to environmental stewardship and enhance climate change resiliency, while improving productivity and profitability for producers. The desired outcome is to develop practical systems-based approaches that work on-farm, increasing adoption of BMPs by producers.

Alberta Barley sees involvement in this project to be critical for larger acre, commercial farmers to be represented. Implementing, cost effective and logistically practical BMPs, on commercial scale farms large acres will have significant impact on carbon sequestration and reduction of GHG emissions in Alberta. This project will be instrumental in understanding how farmers can implement research findings in real-world, on-farm settings.

Better Barley, Better Malt



Research Driven Agriculture Research (RDAR) funding was secured for 2021 and 2022 to film, publish and distribute short videos for malt barley growers and end users. These videos address the long-standing issue in the Canadian malting industry of hesitancy to accept new malt varieties with improved agronomics and disease resistance over their long-standing commercially accepted counterparts, such as AC Metcalfe and CDC Copeland.

Total RDAR funding is \$46,496 over two years which leverages funding investments from Canadian Malting Barley Technical

Centre (CMBTC), Saskatchewan Barley Development Commission and the Manitoba Crop Alliance. In 2021, the CMBTC, SBDC and Manitoba Crop Alliance funding was used to establish malt barley regional variety trials in all prairie provinces. Although Alberta Barley was unable to financially support these trials in 2021, the commission provided \$19,000 in the 2022 budget to support funding malt regional variety trials in Alberta for the 2022 growing season.

Alberta Barley is also producing an interactive map showing the field sites in Alberta, Saskatchewan and Manitoba to allow western Canadian farmers access to photos, videos and crop quality information. View the map at maltbarleyvarieties.ca.

Scholarships

Alberta Barley administers \$6,000 worth of graduate scholarships annually. Up to three awards are available based on student merit and alignment of their research to Alberta Barley's research priorities. Preference is given to students who intend to work in agriculture or academia in Western Canada.

Congratulations to our 2022 award winners:

Dilini Adihetty

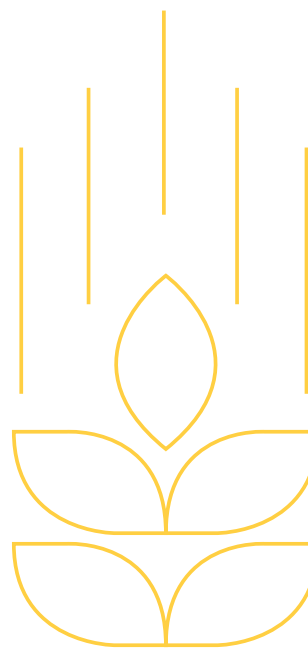
Supervised by Dr. Steven Strelkov, University of Alberta

Mackenzie Hladun

Supervised by Dr. Randy Kutcher, University of Saskatchewan

Anuradha Jayathissa

Supervised by Dr. Matthew Bakker, University of Manitoba



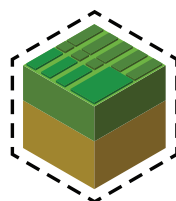
AGRONOMY AND EXTENSION



Jeremy Boychyn,
Agronomy research extension manager



Devin Hartzler,
Director, Alberta Wheat Commission



Plot2Farm

Through Plot2Farm, Alberta farmers have access to the tools they need to put on-farm research into action. By harvesting data straight from the genetics and management of a participating farmer's own

operation, Plot2Farm results help farmers understand the impact of agronomic management decisions with greater confidence.

Jeremy Boychyn, Alberta Wheat and Barley Commissions' agronomy research extension manager, works with researchers and producers to devise a protocol for each trial. Throughout the course of the growing season, participating farmers work with their partnered agronomist to ensure that data is collected, and all protocols are followed. The commissions then help analyze and interpret the data.

The third year for Plot2Farm saw significant growth in the number of trials, participating farmers and contract agronomists. Twelve trials were started in the spring of 2022. Out of the 12, ten of those trials reached harvest. Results from the 2022 growing season will be extended in the fall and winter of 2022.



Newsletter

The Growing Point agronomic e-newsletter is aimed at providing farmers with a timely and informative agronomic resource via articles, podcasts and videos. Nine separate editions of *The Growing Point* newsletter were developed and released between August 2021 through July 2022 to help keep our members informed and up to date.

Podcast

Eight Growing Point podcast episodes were released between August 2021 through July 2022. Special guests included Sherwin Santiano, a malting and brewing technician of the Canadian Malting Barley Technical Centre (CMBTC) and Peter Watts, the managing director of CMBTC.



Agronomy Update

For the second year in a row, the commissions took the lead on hosting the annual Agronomy Update in collaboration with Alberta Pulse Growers and Alberta Canola. The annual conference, which provides timely agronomy information to producers and agronomists, has traditionally been a two-day, in-person event. Since the commissions' adoption of Agronomy Update, the event has been held virtually.

This year's event was another great success, attracting over 600 attendees each day. Speakers covered a variety of practical topics for growers including fungicide use, soil sensors, winter wheat, fertilizer use, and more. As part of the event, Alberta Barley was pleased to have agronomy research extension manager, Jeremy Boychyn, and regional variety trial coordinator, Sheri Strydorhst, present on their areas of expertise.

In addition to the Agronomy Update event, the commissions added a supplementary educational session the day prior to Agronomy Update called *Agronomy Basics*. The additional supplementary day was focused on basic agronomy concepts. The goal of this was to provide fundamental learning opportunities for farmers as well as newly emerging agronomists. The commissions' plan on keeping this session as a mainstay in future renditions of the event.

This year's event was another great success, attracting over 600 attendees on each of the two days.



Canada Grain Act Review

The Canada Grain Act (CGA) is an important piece of legislation for the agriculture sector, as it dictates the rules around national grain marketing. The modernization of the CGA continued to be another priority file for Alberta Barley in 2021-2022. After many years of advocacy work on behalf of barley farmers, the commission was proud to see changes that were advocated for begin to make their way into the regulations. One such change was the extension of the time period in which a farmer can dispute their grain grading result. As of September 23, 2022, farmers now have seven days to request a Final Quality Determination, previously known as “*Subject to Inspector’s Grade and Dockage.*”

Right to Repair

The farmer’s *Right to Repair* has been another critical file for the commission and its members over the past several years that we have started to see the results on. Over the past fiscal year, we began to see proprietary software offerings from various agricultural machinery manufacturers allowing farmers to repair their own equipment without the need of a costly technician. Alberta Barley continues to watch the progress of Bill C244, an important step towards regulatory change that would allow farmers to bypass digital locks for the purpose of repair. The commission will continue to advocate for legislative change to enhance and safeguard farmer rights to repair and encourages a competitive marketplace to allow access to repair tools at reasonable costs.

Barley promotion through support of the Canadian Malting Barley Technical Centre

To promote Alberta-grown barley to national and international consumer markets, Alberta Barley provides support for the Canadian Malting Barley Technical Centre (CMBTC), an independent organization whose mandate is to provide value to the malting barley supply chain. Each year, CMBTC provides market development programming through outgoing missions to customer countries and, when possible, crop tours on Canadian soil where all members of the malt barley supply chain can meet and learn about the valued grain. In the 2021-2022 fiscal year, Alberta Barley was a proud sponsor of the 2022 Western Canada Barley Tour held near Saskatoon, Saskatchewan and proudly co-hosted the Alberta Barley and CMBTC Field Day that was held at barley producer Jason Lenz’s farm in Bentley, Alberta, this past August.

A Message From the Canadian Malting Barley Technical Centre



Peter Watts
Managing Director



2022 Western Canada Barley Crop Tour

From August 10-12, the Canadian Malting Barley Technical Centre [CMBTC] and its members held the *2022 Western Canada Barley Crop Tour*, the first time in three years the event was held in-person. Approximately 50 representatives from across the barley value chain gathered in central Saskatchewan. The group included buyers of Canadian barley and malt, with domestic and international grain companies, maltsters and brewers, as well as Canadian farmers, representatives from seed companies, and others including researchers and industry associations. The tour included several representatives from Japan, one of Canada's largest barley and malt markets. Among them were technical and purchasing staff from Asahi and Sapporo Breweries.

As Canada is one of the world's leading exporters of malting barley and malt to the global malting and brewing industries, the CMBTC tries to hold new crop tours in Western Canada every one to two years, which complements outgoing missions to customer countries as part of our market development. In contrast, these incoming tours allow end-use customers to meet the farmers who produce the barley, and the malting companies that supply the malt. They also meet additional members of the value chain such as breeders, seed and grain companies' representatives and industry associations which create an important learning environment for everyone involved. End-users can ask farmers questions and offer insight into what is important to their businesses.

The objective of the *2022 Barley Crop Tour* was to provide an opportunity for participants to get a sense of the yield and quality potential of the 2022 Canadian barley crop ahead of harvest. Participants also learned about new Canadian malting barley varieties now entering the commercial stream, such as AAC Connect and CDC Fraser, as well as additional varieties in development.

The day-and-a-half tour included visits to two Saskatchewan farms: Wylie Seeds near Biggar and the Enns family farm near Rosthern. Demonstration plots on the farms consisted of new and established commercial malt varieties. Participants had the chance to see the crops up close to visually compare plant qualities such as height, kernel plumpness, straw strength and disease resistance.

Day two of the tour included a visit to the Crop Development Centre [CDC] at the University of Saskatchewan in Saskatoon led by barley and oat breeder Dr. Aaron Beattie. The CDC has carried out the development of several world-recognized malting varieties such as Harrington, CDC Copeland and, more recently varieties such as CDC Fraser and CDC Churchill.

Ultimately, these tours serve to reinforce the quality proposition of Canadian barley and are important in promoting new variety acceptance. All this benefits Canadian farmers and the industry. As one of the world's largest exporters of barley and malt, Canada must work to ensure new barley varieties with better agronomics and disease resistance gain acceptance in the international market. This will guarantee farmers benefit from improved genetics and barley remains a competitive crop on western Canadian farms. The tours also facilitate long-term business relationships between Canada's barley and malt value chain and its customers. This is key to maintaining Canada's position as the world's premier supplier of high-quality barley and malt to the global brewing industry.

POLICY AND GOVERNMENT RELATIONS

In 2021-2022, the Alberta Wheat and Barley Commissions policy and government relations department saw an increase in advocacy outreach and in-person meetings as the commissions continued to take a non-partisan, cross-government approach to advocacy on behalf of farmers. The commissions continued to grow the department by building capacity and deepening collaborations with our provincial and national partner organizations.

Provincial Engagement Activities

Advocacy

In 2021, Nate Horner was appointed as Minister of Agriculture, Forestry and Rural Economic Development. Within his first few months on the job, minister Horner engaged with the commissions and attended the January board meetings. During the same timeframe Alberta's crop commissions organized meetings at the Alberta Legislature as part of the newly expanded Team Alberta Crops group.



Next Agricultural Policy Framework

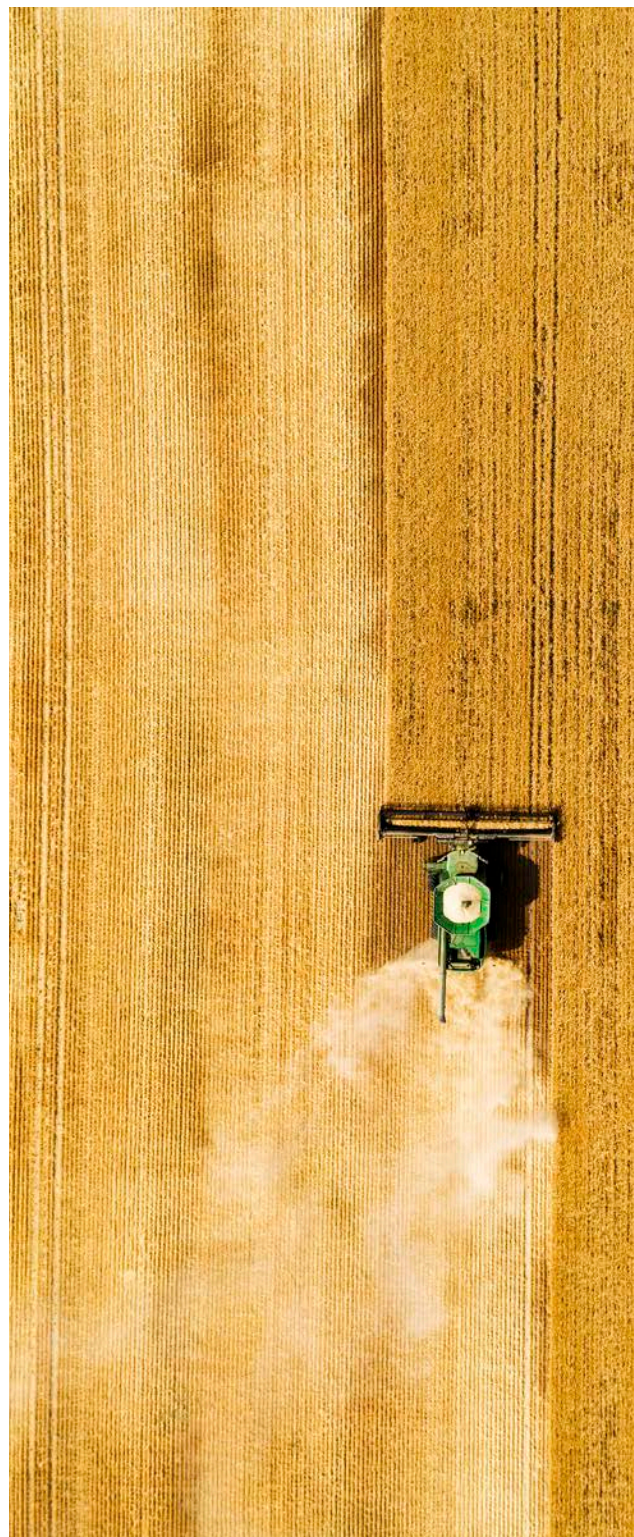
Federal, provincial and territorial (FPT) negotiations on the next agricultural policy framework, which will replace the existing Canadian Agricultural Partnership (CAP) in April of 2023, was a prominent policy focus in 2021. The Alberta Wheat and Barley Commissions participated in several consultation activities and sat as members of the Alberta Industry Government Working Group on Business Risk Management (BRM) programs. In July, the commissions were invited to participate in a ministerial roundtable on BRM's in advance of the FPT meetings. These meetings resulted in the announcement of the Sustainable Canadian Agricultural Partnership (SCAP), the successor for CAP. Climate change and emissions reductions are at the core of all policy and program decisions coming from the federal government. The commissions continue to work to understand the program details as released in July 2022 and mitigate the risk of environmental compliance practices being tied to BRM programs.



TEAMALBERTA

Team Alberta Crops

Team Alberta Crops expanded this year to include a broader set of crop sector groups and the hiring of a full-time government relations and policy manager. Team Alberta Crops now represents a collaboration between Alberta Barley Commission, Alberta Beekeepers Commission, Alberta Canola, Alberta Pulse Growers, Alberta Sugar Beet Growers, Alberta Wheat Commission, Alberta-British Columbia Seed Growers and the Potato Growers of Alberta. The commissions will continue to use this influential and effective model to amplify the voice of farmers on key policy priorities. Some of the issues that the commissions continue to tackle as Team Alberta Crops include – the Alberta K-6 curriculum input, issues related to Mandatory Entry Level Training, provincial agri-environmental issues, land-use concerns and value-added processing challenges.



Wetland Stewardship and Targeted Water Monitoring Project



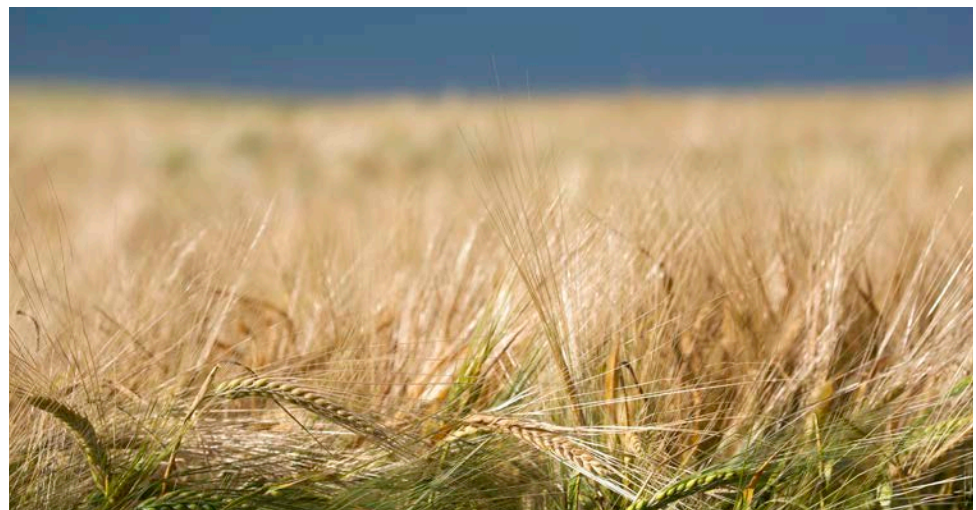
In 2021, the Alberta Wheat and Barley Commissions saw the completion of the first year of our three-year Team Alberta water monitoring project. This capstone project is aimed at validating the health of aquatic ecosystems within crop systems. One major goal of the project is to provide real-world, western Canadian water monitoring data to the Pest Management Regulatory Agency (PMRA), as a means to defend the safety of critical crop protection products against ongoing re-evaluations. The project analyzes and validates the effectiveness of wetland stewardship practices in mitigating the movement of pesticides into water bodies. The first year resulted in great learnings and a robust set of data. In addition, the commissions created a valuable data storage portal that can be used to access data as needed in an orderly manner. This project has been well received by the PMRA and national groups while contributing its outcomes and data to a framework for a national water monitoring project.

Environment and climate change



Over the past year, the the Alberta Wheat and Barley Commissions built several initiatives in response to increasing policies and pressures being put on farmers related to climate change, emission reduction and the environment. This includes leveraging funding to examine:

- Risk management strategies for adaptation and resiliency to an increase in extremes climate events in the crop sector.
- Continuing to push for the modernization of the Nitrous Oxide Emission Reduction Protocol development in Alberta.
- Building on our grain drying work provincially, to look at defining the technological requirements of grain drying to limit the impact of the carbon tax or other incoming policies.
- Working with the University of Calgary's Simpson Centre in the School of Public Policy to participate in providing farm perspectives to their research in creating the 'carbon dashboard' and exploring policy issues facing Alberta farmers.






combine
to CRAFT

Alberta born and brewed.

To further amplify our message, the government relations and policy department built a stronger partnership with the Alberta Small Brewers Association around joint advocacy across the barley to craft beer value chain. Our premier event, Combine to Craft, was a farmer and brewer happy hour during Stampede with a targeted focus on inviting government officials. The event was well attended with notable participation from Canada's Agriculture and Agri-Food Minister Marie-Claude Bibeau as well as several MPs, MLAs and other notable guests.

From combine to craft to the consumer, this collaboration represents the best of Alberta while giving back to our economy and our communities.

Federal Policy Engagement

Agriculture and Agri-Food Minister, Marie-Claude Bibeau in Alberta

In July of this year, during Stampede, minister Bibeau visited Alberta and the policy department worked with her staff to support several events related to engagement with crop sector farmers. On July 13, 2022, minister Bibeau visited and toured Alberta Barley's vice chair, Roy Newman's farm. She was met by close to 30 farmers and was shown some standard operations on a typical western Canadian grain farm and to demonstrate the sustainability and positive environmental outcomes of these practices.

On July 15, 2022, a Grains and Oilseed Roundtable was coordinated with minister Bibeau where a few farmer directors from the crop commissions and staff had the opportunity to engage in a robust dialogue with the minister on several critical topics related to BRM programs, the next agricultural policy framework, PMRA transformation agenda and fertilizer emission reduction targets.

Fertilizer Emission Reduction Targets

Consultations related to the proposed targets of 30 per cent reductions from emissions of fertilizer by 2030 began in the spring of 2022. This has been an ongoing and central focus of the Alberta Wheat and Barley Commissions' department. Throughout the summer, the policy and agronomy teams of the commissions worked tirelessly together toward providing a comprehensive submission to Agriculture and Agri-Food Canada to reflect the concerns we heard from farmers. Our submission highlighted its potential to devastate growth in the agricultural sector and how in practice this change will be measured, and prior management practices will be recognized. The commissions engaged in numerous consultations as well as worked to seek alignment amongst our provincial and national partners.

Pest Management Regulatory Agency



Alberta Barley's government relations and policy team participated in consultations as part of the Pest Management Regulatory Agency's (PMRA) announced transformation agenda.

The transformation agenda was announced in August of 2021 alongside intentions to pause increases to the Maximum Residue Limits on all pesticides, including glyphosate. Review of the PMRA and its transformation has spurred major concerns with the continued integrity and scientific basis of our regulatory system. Our commissions have been very active in urging the need to continue to maintain a purely scientific approach to regulatory decisions and ensure that these processes are free from political or public intervention and have worked closely with partners like the Canada Grain Council on advancing these concerns.

Grain Growers of Canada

This year, Grain Growers of Canada (GGC) held a successful National Grains Week in person in the nation's capital with participation from the Alberta Wheat and Barley Commissions.

The Alberta Wheat and Barley Commissions' government relations and policy department and government relations department lead sit on both the GGC Sustainability committee and the GGC Business Risk Management committee. Throughout 2021 the Sustainability committee has been active in developing the 'Road to 2050' initiative which the commissions have supported. The goal of the project is to create a framework to identify targeted recommendations and requirements for the Canadian crop sector toward emission reductions by 2050. The initiative is targeted toward ongoing advocacy with the federal government around aggressive climate change policies that are targeting the crop sector.

Other files that the commissions have been engaged on through GGC include input to the next agricultural policy framework, advocacy for the passing of Bill C-234 aimed at exempting farm fuels from the carbon pricing system, as well as joint advocacy on the fertilizer emission reduction targets.

A Message from the Grain Growers of Canada



Erin Gowriluk
Executive Director



It has been another busy year for Canadian Agriculture. There has been a lot of talk surrounding emissions, environmental impacts and the future of Canadian agriculture. With the threat of global food insecurity looming, it's understandable that concerns have grown around the federal government's approach to agricultural policy. However, we see signs for optimism ahead.

This summer's Sustainable Canadian Agricultural Partnership (SCAP) agreement between federal, provincial and territorial Ministers of Agriculture signalled a step in the right direction toward achieving a balanced approach to economic and environmental objectives in agriculture. Sustainability remains the number one priority for Agriculture and Agri-Food Canada (AAFC). So, what does this mean? It means that we need to find solutions that foster positive strategic engagement between the government and Canadian farmers.

As a global leader in food production, Canada's emission target must not impede food security. Through the development of our 'Road to 2050' climate solution initiative, we are committed to bringing farmers to the table to achieve a practical path to net-zero emissions. We are focused on leveraging Canadian grain farmers' leadership as environmental stewards to capitalize on opportunities that expand on-farm sustainability.

The 'Road to 2050' intends to guide government policies and programming directed at Canada's grain sector, ensuring support for farmers in their efforts to reduce emissions. René Drolet Consulting Services will spearhead the 'Road to 2050' initiative. René and his team have an impressive policy and program development background and are well-versed in the issues facing industry associations. The initiative is guided by an expert advisory council led by farmers, industry partners and academia from across Canada.

Canadian agriculture is complex and diverse; there is no one-size-fits-all solution to reducing GHG emissions on farms. The 'Road to 2050' represents the coalescence of farmers and industry partners around sustainability. Our partnerships with farmers, organizations and industry across Canada reflect the unique needs and opportunities we must seize upon to build feasible and effective pathways that safeguard productivity while reducing our carbon footprint.

We are all on this road to 2050 together. We look forward to having farmers, consumers, organizations and industries from across the country join us on this sustainability initiative. We will be releasing our roadmap in early 2023.

COMMUNICATIONS AND EVENTS

Barley AGM

Alberta Barley held its 2021-2022 Annual General Meeting (AGM) on December 8, 2021 at the Fairmont Banff Springs in Banff, Alberta during the fourth annual Prairie Cereals Summit (PCS). Nearly 200 farmers and industry members attended the AGM chaired by Alberta Barley chair Tara Sawyer with Tom Steve, Alberta Wheat and Barley Commissions' general manager supplied an overview of the past fiscal year and ended with financial updates from MNP. During 2021, Alberta Barley celebrated its 30-year anniversary as a commission, and a special video was premiered during the AGM to commemorate three decades of advocacy on behalf of barley growers.



PRAIRIE CEREALS SUMMIT



The fourth annual Prairie Cereals Summit (PCS) was held over December 8 and 9, 2021, at the Fairmont Banff Springs hotel in Banff, Alberta. Over 200 farmers and industry members attended the sold-out event and engaged with speaker sessions from agriculture leaders. Highlights from the event included the Alberta Wheat and Barley Commissions general manager Tom Steve's fireside chat with professor in food distribution and policy at Dalhousie University, Dr. Sylvain Charlesbois, on food inflation, and sports commentator, journalist and author Harnarayan Singh who joined on the banquet evening. The Alberta Wheat and Barley Commissions would like to thank returning platinum sponsors, ATB Financial and Canada Malting for their contributions that made the fourth annual Summit a roaring success. Find more information on PCS at albertawheatbarley.com.





Kids Education

The Alberta Wheat and Barley Commissions were thrilled to bring Wally and Betty's Grain Galley back in full capacity to youth events at the Calgary Stampede and Aggie Days. Throughout the 11 days of Stampede, the augmented-reality mobile application garnered 65,000 total plays and downloads. The application walks youth through the farm-to-fork experience and proved to be a huge hit with grades three to six. On Family Day at the Stampede, the game amassed over 14,000 plays! During Aggie Days from April 6 to 10, 2022, the application rounded up over 18,000 plays! The Alberta Wheat and Barley Commissions look forward to bringing Wally and Betty's Grain Gallery back to the Calgary Stampede and Aggie Days in 2023.



In early 2022, the FarmTech Foundation of Alberta, a working collaboration by four of Alberta's crop commissions - Alberta Barley, Alberta Canola, Alberta Pulse Growers and the Alberta Wheat Commission, kicked off the development of a brand-new industry conference now called CrossRoads – Alberta's Crop Conference. Following a longstanding history of successful events under FarmTech's legacy, CrossRoads is proud to take its place on January 24 to 25, 2023, as the premier agriculture conference in Western Canada. This new crop conference focused on providing a space for over 700 farmers and industry members to connect and collaborate on thought-provoking topics including sustainability, policy, market development, and farm management. For more information visit CrossRoadsCropConference.ca.

Social Media Expansion

In July 2022, the Alberta Wheat and Barley Commissions expanded its social media platforms beyond the Twitterverse and YouTube community to include Facebook and LinkedIn. Farmer awareness is a top priority and crucial investment for the commissions. Farmers and industry can follow along on with the commissions at @AlbertaWheat and @AlbertaBarley on Twitter and at *Alberta Wheat and Barley Commissions* on Facebook, LinkedIn and YouTube.



 @AlbertaWheatBarley

The Grain Exchange

The Grain Exchange Turns a New Page

In the fall of 2021, the Alberta Wheat and Barley Commissions revamped our flagship publication *The Grain Exchange* based on producer feedback. The Quarterly print edition was reformatted to a magazine-style booklet while the online version made individual articles more accessible and mobile friendly. The commissions also launched 'The Grain Exchange – Latest News', an as-it-happens, online exclusive publication for updates on time-sensitive files such as those in the policy realm. Readers can check out both the Quarterly and Latest News publications online at albertawheatbarley.com under the media tab.

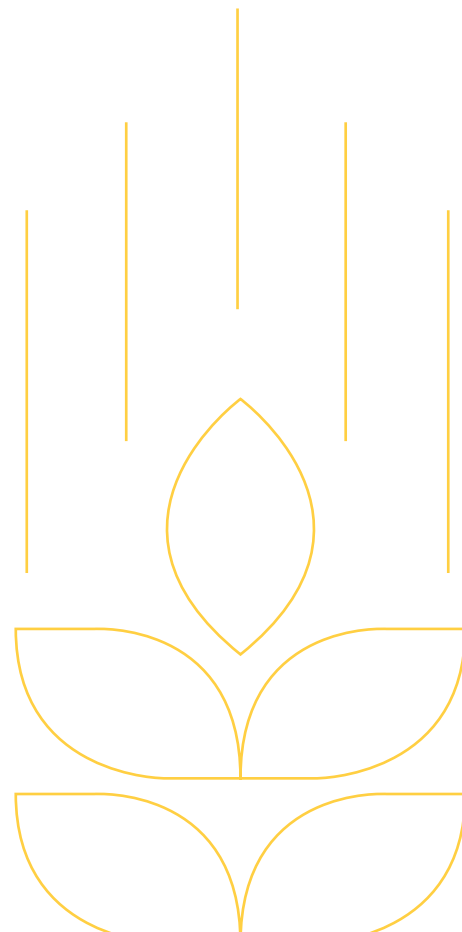
GrainsWest

GrainsWest keeps cereal farmers informed

The four issues of *GrainsWest* published during the past fiscal year explored a wide array of emerging agricultural issues. Our editorial content covered hot topics including the ongoing surge in fertilizer cost, the potential fit for cover crops in Alberta rotations and the rise of cyber security threats aimed at the agriculture sector. The magazine offered readers a great deal of depth and breadth with two theme issues and multiple extended deep dives.

The third annual special “Ag Tech” issue included a cover story on bin yard upgrades, as well as the first two instalments of a three-part series on agricultural carbon issues. Peace Country farmers and the region’s applied research facilities were the focus of an extensive set of profiles in the Fall 2021 issue. A three-part feature in the Winter 2022 issue assessed the fallout from the previous year’s drought and resulting poor harvest. In the spring, we published “*The Water Issue*”. In this one-off theme issue, we undertook an even broader examination of moisture related topics; including water modelling and management, irrigation modernization and wetland stewardship.

Adding depth to a print story on ag supply chain disruption caused by COVID-19, *GrainsWest* published an accompanying episode of *The GrainsWest Podcast*. - “Chained down”. The episode explored the impact of these complications at the farm level. Another podcast episode highlight profiled a start-up business built by an ambitious young entrepreneur and farm advocate. aGRO Systems rescues unused spent grains from Alberta’s craft brewing sector to produce cheap, high-quality livestock feed.





To further extend the magazine's reach, *GrainsWest* publishes an online-only story each month. This appears on the *GrainsWest* website and is featured as the cover story of that month's newsletter. Recent stories have included an interview with the Honourable Marie-Claude Bibeau, federal minister of agriculture and agri-food, about the new Sustainable Canadian Agricultural Partnership. Additionally, *GrainsWest* interviewed former provincial minister of transportation, Ric McIver, about Class 1 license programming for grain truck drivers. Also used to push readers to stories on the *GrainsWest* website, *GrainsWest*'s Twitter recently surpassed 3,000 followers.

The magazine continues to provide space in the form of regular columns for organizational partners funded by the Alberta Wheat and Barley Commissions. These include the Canadian Malting Barley Technical Centre (CMBTC), Grain Growers of Canada and Cereals Canada.

The *GrainsWest* team also takes on two custom publishing projects within the Alberta agriculture industry. In 2021-2022, *GrainsWest* designed, edited and produced the second edition of the Alberta Blue Book produced by the four of Alberta's Crop Commissions since 2021. *GrainsWest* also continues to design and produce Pulse Crop News for the Alberta Pulse Growers.

Diversity and Inclusion

One of the current strategic priorities for the Alberta Wheat and Barley Commissions is its dedication to diversity and inclusion which is evident through our workforce. Our hiring practices are merit-based and provide an inclusive culture where everyone feels valued, heard, involved, developed and empowered. The commissions' diverse and skilled employees share a common passion for agriculture and continue to provide a profound return for farmers through our departments of policy and government relations, markets, research and agronomy, and communications and events.

53%

of our total workforce
are women

47%

of our total workforce
come from diverse
backgrounds

100%

of our total workforce
are passionate about
agriculture

Amalgamation

In 2021-2022, it was a priority for the Alberta Wheat and Barley Commissions to prepare farmers to vote on the amalgamation plebiscites. The commissions were committed to providing farmers with transparent and fulsome information to be able to make informed decisions on the amalgamation plebiscites for fall 2022. Building on the success of a single management team that has been in place since 2017, the commissions are committed to developing an enhanced governance and financial structure that will create further efficiencies and strengthen the voice of wheat and barley farmers.



Weathering the 2021 drought

The 2021 crop year proved to be one of the most challenging of recent years for Alberta farmers. We heard the devastation from our farmer members of the effects of the worst drought on the Prairies over the last 20 years. While our departments of agronomy and extension, research, markets and policy worked with great dedication to mitigate the trickle-down implications for producer farms, the commission's governance paved the way for business as usual thanks to surplus planning that had been developed back in 2018. Despite experiencing a 29 per cent decrease in cash flow following the 2021 crop year, Alberta Barley was able to progress all major programs and at nearly full operating capacity. Performance with diligence and creation of value is and always has been about the way how the commissions invest farmers' dollars.

Your check-off value proposition

Alberta Barley operates with due diligence and full transparency in all investments for farmers. Risk management protocols are in place to mitigate any unforeseen challenges that could otherwise jeopardize farmer investments and return. It is a top priority for commission investments to closely align with the current five-year operating plan. Alberta Barley's governance team, including farmer members that engage and advise in commissions activities through our board of directors, ensure that each dollar invested is cost justified and results in the highest possible efficiency and return on investment.





■ FINANCIALS

Management's Responsibility

To the Members of Alberta Barley Commission:

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

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

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

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



Tom Steve, General Manager

Independent Auditors' Report

To the Members of Alberta Barley Commission:

Qualified Opinion

We have audited the financial statements of Alberta Barley Commission (the "Commission"), which comprise the statement of financial position as at July 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a

high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Chartered Professional Accountants
November 7, 2022
Calgary, Alberta

Statement of Financial Position

As at July 31, 2022

	General Operating Fund	Restricted Fund	2022	2021
Assets				
Current				
Cash	2,363,980	–	2,363,980	2,474,332
Short-term investments (Note 3)	372,570	–	372,570	569,612
Accounts receivable (Note 4)	343,994	–	343,994	402,185
Prepaid expenses	77,621	–	77,621	42,665
	3,158,165	–	3,158,165	3,488,794
Capital assets (Note 5)	94,330	–	94,330	90,425
Long-term investments (Note 3)	1,396,172	–	1,396,172	1,204,731
	4,648,667	–	4,648,667	4,783,950
Liabilities				
Current				
Accounts payable and accruals	583,037	–	583,037	528,908
Grant commitments (Note 6)	–	30,920	30,920	30,920
Deferred revenue (Note 7)	787,133	–	787,133	1,500,130
Deferred revenue - Shochu project (Note 8)	–	23,692	23,692	23,692
Deferred related to capital assets contributions (Note 9)	–	–	–	7,678
	1,370,170	54,612	1,424,782	2,091,328
Subsequent event (Note 14)				
Commitments (Note 11)				
Net Assets				
Restricted	–	(54,612)	(54,612)	(54,612)
Unrestricted	3,278,497	–	3,278,497	2,747,234
	3,278,497	(54,612)	3,223,885	2,692,622
	4,648,667	–	4,648,667	4,783,950

Approved on behalf of the Board



Tara Sawyer, Chair



Roy Newman, Vice-chair

Statement of Operations

For the year ended July 31, 2022

	General Operating Fund	Restricted Fund	2022	2021
Revenue				
Check-off fee revenue <i>(Note 7)</i>	3,316,717	–	3,316,717	3,611,319
Check-off refunds <i>(Note 7)</i>	(171,717)	–	(171,717)	(206,998)
GrainsWest revenue	75,581	–	75,581	55,283
Prairie Cereals Summit Sponsorship revenue	38,059	–	38,059	4,125
Database license revenue	28,068	–	28,068	30,000
Ag Safe service fee	18,000	–	18,000	18,000
Agronomy Update revenue	11,412	–	11,412	–
Shochu project revenue <i>(Note 8)</i>	–	7,678	7,678	9,879
Miscellaneous income	660	–	660	84
Sponsorships	–	–	–	622
Barley Council of Canada revenue	–	–	–	18,000
Farmer-led Research Grant Funding revenue <i>(Note 10)</i>	–	–	–	280,316
	3,316,780	7,678	3,324,458	3,820,630
Expenses				
Research expenses	623,652	–	623,652	610,654
Salaries, benefits and contractors	476,504	–	476,504	434,218
Communication	390,088	–	390,088	285,738
General and administrative	383,987	–	383,987	314,843
Policy development expenses	214,875	–	214,875	118,728
GrainsWest expenses	206,727	–	206,727	186,606
Marketing and events	204,772	–	204,772	61,420
Directors fees and expenses	88,607	–	88,607	74,148
CMBTC Commitment <i>(Note 13)</i>	91,868	–	91,868	153,896
Market development expenses	89,554	–	89,554	75,977
Professional fees	31,447	–	31,447	34,960
Better Barley, Better Malt project expenses	9,837	–	9,837	–
Farmer-led Research Grant Funding expenses <i>(Note 10)</i>	–	–	–	280,316
	2,811,918	–	2,811,918	2,631,504
Excess of revenue over expenses before other items	504,862	7,678	512,540	1,189,126
Other items				
Interest income	34,488	–	34,488	32,273
Barley Council of Canada contribution	–	–	–	(95,489)
Unrealized [loss] gain on investments	(15,765)	–	(15,765)	4,445
	18,723	–	18,723	(58,771)
Excess of revenue over expenses	523,585	7,678	531,263	1,130,355

Statement of Changes in Net Assets

For the year ended July 31, 2022

	General Operating Fund	Restricted Fund	2022	2021
Net assets, beginning of year	2,747,234	(54,612)	2,692,622	1,562,267
Excess of revenue over expenses	523,585	7,678	531,263	1,130,355
Transfer from restricted funds	7,678	(7,678)	–	–
Net assets, end of year	3,278,497	(54,612)	3,223,885	2,692,622

Statement of Cash Flows

For the year ended July 31, 2020

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	531,263	1,130,355
Amortization	30,762	29,911
Unrealized (loss) gain on investments	15,765	(4,445)
Amortization of deferred capital contributions	(7,678)	(9,879)
	570,112	1,145,942
Changes in working capital accounts		
Accounts receivable	58,191	203,925
Prepaid expenses	(34,956)	15,449
Accounts payable and accruals	54,129	(276,993)
Deferred revenue	(712,997)	(61,393)
Deferred revenue - Farmer-led Research Grant funds spent	-	(280,316)
	(65,521)	746,614
Financing		
Farmer-led Research Grant Funding program funds received	-	526
Investing		
Purchase of capital assets	(34,667)	(11,105)
Purchase of investments	(1,141,001)	(505,656)
Proceeds on disposal of investments	1,130,837	486,682
	(44,831)	(30,079)
(Decrease) increase in cash resources	(110,352)	717,061
Cash resources, beginning of year	2,474,332	1,757,271
Cash resources, end of year	2,363,980	2,474,332

Notes to the Financial Statements

For the year ended July 31, 2022

1. Incorporation and nature of the organization

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

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

2. Significant accounting policies

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

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Revenue recognition

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

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

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

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

Capital assets

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

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

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

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

Deferred contributions related to capital assets

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

Financial instruments

The Commission recognizes financial instruments when the Commission becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

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

Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Commission initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial asset impairment

The Commission assesses impairment of all its financial assets measured at cost or amortized cost. The Commission groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Commission determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

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

The Commission reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

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. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

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

As of the date of the financial statements, the measures taken to contain the spread of COVID-19 continue to impact the jurisdictions in which the Commission operates. All of the Commission's services continue to function with the implementation of enhanced health related safeguards. Management continues to assess the impact of COVID-19 and governments' responses to it on the Commission. Portions of the financial results incorporate estimates from management that are subject to increased uncertainty due to market disruptions caused by the COVID-19 pandemic. The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amounts of the affected assets or liabilities in the future.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

3. **Investments**

Investments include corporate bonds with yields to maturity between 1.090% and 3.200% (2021 – 1.090% and 3.200%) and maturity dates between October 31, 2022 and January 10, 2025 (2021 – September 13, 2021 and July 3, 2024). Investments are stated at their market value. It is the intention of the Board to hold all investments until maturity. Investments maturing within the next fiscal year or held in investment savings accounts have been reclassified as short-term investments.

4. Accounts receivable

	2022	2021
Check-off fees receivable	187,032	205,850
Alberta Wheat Commission	65,723	130,834
Other receivables	91,239	65,501
	343,994	402,185

Alberta Wheat Commission is related to the Commission by virtue of common management. All transaction between the two parties are measured at exchange amount and bear standard commercial terms of repayment. At July 31, 2022, the Commission had various balances payable to Alberta Wheat Commission, resulting in a net payable of \$209,804 [2021 – net payable of \$96,147].

5. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	194,557	146,142	48,415	44,033
Computer software	18,202	2,163	16,039	–
Equipment for Shochu project	98,791	98,791	–	7,678
Furniture and fixtures	138,986	120,932	18,054	21,049
Promotional equipment	23,985	23,609	376	561
Kids booth	28,292	16,846	11,446	17,104
	502,813	408,483	94,330	90,425

Amortization expense of \$30,762 [2021 – \$29,911] is included in general and administrative expenses.

6. Grant commitments

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

7. Deferred revenue

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

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

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

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

8. Shochu project

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

As the funds received by the Commission were solely for this project, any funds not spent were segregated and reported as deferred revenue. When the appropriate expenditure is made, the corresponding amount is recognized as revenue in the same year in which the expense is made. Funding received for capital asset purchases is recorded as deferred capital contributions and amortized on the same basis as the related cost. During the year ended July 31, 2022, amortization of deferred capital contributions amounted to \$7,678 (2021 – \$9,879). As of July 31, 2022, deferred capital contributions were fully amortized.

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

9. Deferred contributions related to capital assets

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

	2022	2021
Balance, beginning of year	7,678	17,557
Less: Amounts recognized as Shochu project revenue during the year	(7,678)	(9,879)
	–	7,678

10. Farmer-led Research Grant Funding

In 2020, the Commission entered into an agreement with the Minister of Agriculture and Forestry of Alberta for grant funding. The grant assisted with the costs associated in establishing a farmer-led non-profit arm's-length agriculture research organization - Results Driven Agriculture Research ("RDAR"). Costs included legal, professional, consulting, and other related expenditures necessary to support the start-up of RDAR to fund agriculture research projects and encourage growth and profitability of the agriculture industry. The Commission agreed that funds would not be used for capital expenditures.

The Commission was eligible to receive grant disbursements upon approval of status reports, addressed to the minister, by a predetermined date. As the funds received by the Commission were solely for this program, any funds not spent were segregated and reported as deferred revenue. When the eligible expenditures were incurred, the corresponding amount was recognized as revenue in the same year in which the expenses were incurred.

During the year, the Commission recognized in the statement of operations revenue of \$nil (2021 – \$280,316) and expenses of \$nil (2021 – \$280,316). In the prior year, RDAR was incorporated and became a separate legal entity. The agreement was completed on March 31, 2021.

11. Commitments

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

2023	130,354
2024	130,354
2025	130,354
2026	10,863
	<hr/>
	401,925
	<hr/>

12. 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.

13. CMBTC funding commitment

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

14. Subsequent event

Subsequent to year-end, the Commission will undertake a plebiscite in which voting members will be asked if they approve of the amalgamation of the Alberta Barley Commission with the Alberta Wheat Commission. The Alberta Wheat Commission is undertaking a similar plebiscite. If the amalgamation is approved by both Commissions and necessary regulatory changes are made to facilitate the amalgamation, there will be a material impact on the subsequent operations and organizational structure of the Commission.



**Alberta
Barley**

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