



**Alberta
Grains**

Annual Report

2022-23

**Growing
Together**





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Chair's Message



Tara Sawyer

Alberta Barley Chair and 2023 Interim Chair for Alberta Grains

The 2022-23 crop year unfolded against a challenging backdrop of drought conditions and rising input costs that tested the resilience of the agricultural community in Alberta. Amidst these challenges, significant changes were witnessed within the organization, marking a transformative period for Alberta Barley and the Alberta Wheat Commission, which amalgamated to become Alberta Grains on August 1. Amalgamation has brought together diverse perspectives, resources and expertise, fostering a united front and a new chapter for Alberta Grains.

Building connections with policy leaders emerged as a cornerstone strategy in navigating the complex landscape of agricultural challenges. Engaging with policymakers at events like Combine to Craft and the Prairie Cereals Summit proved instrumental in advocating for the needs of the farming community and ensuring the unique challenges posed to Alberta farmers were understood and addressed at both the provincial and federal level. New and established connections also paved the way for strategic investments in research and agronomy extension. These initiatives are pivotal in enhancing profitability for Alberta farmers by optimizing crop yields, resource efficiency and sustainability.

Market development received a significant boost through initiatives such as the CMBTC 2023 Malt Barley Crop Tour, providing a platform for showcasing the quality and versatility of Alberta barley. Engagement with farmers reached new heights through events such as CrossRoads Crop Conference and regional meetings, fostering a sense of community and shared purpose. The collective efforts of staff, directors and delegates were pivotal in pushing the amalgamation over the line, signalling the beginning of a new era with Alberta Grains.

As we reflect on the challenges and triumphs of the 2022-23 crop year, a heartfelt thank you is extended to the dedicated individuals who tirelessly worked towards the organization's success. Their commitment, resilience and collaborative spirit have weathered the storm and set the stage for a promising future for Alberta Grains.

Tara Sawyer
Interim Chair



Greg Sears

Alberta Wheat Commission Chair and 2023 Interim Director with Alberta Grains

As we reflect on another year, I can't help but admire the determination and resiliency of Alberta's farming community. Variable growing conditions, market volatility and ever changing regulatory and political landscapes continue to challenge our producers. It's comforting to know that Alberta's farmers are equipped with the tools needed to overcome those challenges and maintain our ability to produce the safe, affordable and abundant food that the world needs. Alberta's farmers are some of the best in the world and we continue to not only survive but thrive.

Overcoming challenges generates positive momentum and I believe Alberta producers have discovered a newfound sense of optimism for the future. This optimism isn't solely due to the state of our crops in the ground or buoyant markets, but also from the success of the industry and broader recognition that what we do is foundational to society. With AWC and Alberta Barley formally amalgamating to become Alberta Grains this past summer, this will be the last Alberta Wheat Commission (AWC) chair message. I can assure you that our new commission shares your optimism and is ready to take on the inevitable challenges of the future.

With full confidence in the Alberta Grains management team and the newly elected board of directors, the commission firmly understands the nature of farming in Alberta. It has planned ahead accordingly to provide farmers with the information, tools and resources they need to continue farming at the highest possible level.

Throughout this annual report, you will read more about our team's work in the various program areas including research, agronomy and extension, markets and policy, government relations, communications, events and much more. I would like to thank our staff, along with all outgoing AWC board of directors, delegates and regional representatives for another excellent year and for ensuring the amalgamation process went as smoothly as possible. While my time as AWC chair is now over, I will continue to serve as a director with Alberta Grains. I look forward to connecting with many of you at upcoming industry events this winter, and I wish you a successful growing season in 2024.

Greg Sears
Interim Director

Executive Director's Report



Michael Flynn

Executive Director

To say that the past year was a whirlwind would be a bit of an understatement, regardless of whether I'm referring to myself, our organization or the 18,000 wheat and barley farmers that call Alberta home.

Thanks in large part to the efforts of our staff and the farmers across the province, the Alberta Wheat Commission and Alberta Barley formally amalgamated into a single entity, Alberta Grains, on August 1, 2023, following a majority vote in two farmer plebiscites that were held in the fall of 2022. I'd like to give a special thanks to the Alberta Grains interim board and our interim general manager Mark Olson who helped guide us through the early stages of amalgamation and laid the foundation for the future board of directors to follow.

While I joined the organization as executive director in November, I was lucky to start at the perfect time to get the ultimate crash course on the commission and its membership. Within my first few weeks, we were already on the road for six regional meetings which took me up, down and across the province to elect our new board of directors and delegates. It was an excellent opportunity to meet the passionate members and understand the vast agricultural differences between the regions. This was followed up in December with the organization's crown jewel, the Prairie Cereals Summit in Banff. There was a true feeling of camaraderie and spirit of cooperation at this event which was capped off with a picture-perfect snowfall that blanketed the town.

My perception of the agriculture sector in Alberta is that it is coming into its own. In a short two months, I have witnessed an astounding amount of research and innovation that is happening on all levels and in every corner of the province. It is inspiring to see this community embrace change and take up the challenge of coping with radically changing weather conditions in real time! Our members are literally on the front line in every sense of the word. I believe that general awareness and recognition of the excellent work of the modern-day farmer and agricultural sector needs to be significantly enhanced. I am determined to make Alberta Grains a model association that will bring a strong voice to our wheat and barley farmers as a major economic driver for the province and the country.

I feel very fortunate to have a highly competent staff and exceptional volunteer Board Directors and Delegates that are passionate and dedicated to enhancing the agricultural sector in Alberta. My goal is to provide leadership and strategic direction to enable and amplify the excellent work they are doing on behalf of the membership. To that end, I invite you to gain a greater understanding of the hard work being done by these people which is represented by the six different divisions of Alberta Grains: Finance & Administration, Policy & Markets, Research, Agronomy & Extension, Marketing Communications & Events; and Publications. The continuing growth and strength in these areas have me excited and confident that Alberta Grains can be the model association for our dedicated membership.

A handwritten signature in cursive script that reads "Michael Flynn".

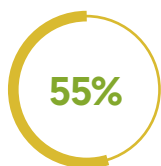
Michael Flynn
Executive Director

Organizational Governance

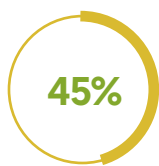


Diversity and Inclusion

One of the strategic priorities of Alberta Grains is its dedication to diversity and inclusion, which is evident through our diverse workforce. Our hiring practices are merit-based and provide an inclusive culture where everyone feels valued, heard, involved, developed and empowered. Our 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, agronomy and communications, marketing and events.



**of our total
workforce
are women**



**of our total
workforce come
from diverse
backgrounds**



**of our total
workforce are
passionate about
agriculture**

Alberta Grains is proud of these building blocks and will continue to emphasize these initiatives as a model commission.

Amalgamation

In fiscal year 2021-22 it was a priority for the commissions to prepare farmers to vote on the amalgamation plebiscites. The commissions provided farmers with transparent and fulsome information to be able to make informed decisions on the amalgamation plebiscites in fall 2022. Building on the success of a single management team that has been in place since 2017, Alberta Grains is committed to developing an enhanced governance and financial structure that will create further efficiencies and strengthen the voice of wheat and barley farmers.

Your check-off value proposition

Alberta Grains 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. The Alberta Grains governance team, including farmer members who engage and advise in commission 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.

For more information visit albertagrains.com



Alberta Grains acknowledges that, along with our 18,000+ grain farmers, we are on traditional territories of the many First Nations, Métis, and Inuit in Alberta and express gratitude and respect for the land we use.



Mission

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



Vision

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

Board Governance as Alberta Grains

Alberta Grains is the amalgamated Alberta Wheat Commission and Alberta Barley. We are committed to advancing and promoting the interests of 18,000+ wheat and barley farmers in the province.

Our strategic priorities focus on fostering innovation, supporting research and development, and adopting sustainability in the agriculture sector. By bringing together the best of both commissions, our aim is to leverage their combined resources, knowledge and experience to deliver unparalleled value to farmers.

The process of amalgamation began five years ago. Starting with implementing a shared management structure, consulting with a farmer sub-committee and engaging the province's wheat and barley farmers in a dialogue with formal consultations. On November 2, 2022, Alberta wheat and barley farmers shared the results from the two plebiscites that were announced in favour of amalgamating the commissions.

On August 1, 2023, the Alberta Wheat Commission and Alberta Barley formally amalgamated into Alberta Grains. The commissions have worked extensively with Marketing Council to establish our new roots and carve our path forward. We are excited for the future of Alberta Grains and what it means to Alberta farmers.

An interim board was selected to guide the amalgamated commissions through the initial months, leading into elections during November's regional meetings. This board has been selected by Marketing Council to represent both commodities through the transition into one commission.

Interim Board

Tara Sawyer

Chair (Acme)

Jason Lenz

Vice-Chair (Bentley)

Scott Jespersen

Second Vice-Chair
(Spruce Grove)

Dave Bishop

Director (Barons)

Devin Hartzler

Director (Didsbury)

Dean Hubbard

Director (Claresholm)

Clint Jacula

Director (Derwent)

Shawn Jacula

Director (Vermilion)

Connie Matson

Director (Sylvan Lake)

Roy Newman

Director (Blackie)

Greg Sears

Director (Sexsmith)

Sean Stanford

Director (Magrath)

This interim board was carefully selected to ensure equal representation across Alberta. Working together, they have helped usher in a new era of collaboration between commodities, working towards benefiting farmers in our province.

In November, the membership voted in the first permanent board of the amalgamated crop commissions. The commission's new board structure consists of two directors from six different regions in Alberta and four delegate positions per region. Only eligible producers who produce barley, wheat, or both commodities within the region can vote in the election of directors and delegates.

On behalf of Alberta Grains, we want to extend our heartfelt gratitude to the outgoing board of directors, delegates and regional representatives for the Alberta Wheat Commission and Alberta Barley Commission. Your commitment to the advancement of wheat and barley farming in Alberta has been inspiring, and your leadership has set a high standard for the generations to come. Your legacy will undoubtedly continue to flourish in the fields you have nurtured, and your impact will be felt for years to come.

Timeline

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

**September
2017**

Resolutions passed at Regional Meetings to investigate a formal merger. These resolutions passed at the 2019 Alberta Barley AGM.

**November
2019**

AWC and Alberta Barley formally amalgamate to Alberta Grains and the interim board takes office.

**August
2023**

AGM at CrossRoads Crop Conference – the permanent board and delegates take their positions.

**January
2024**

**November
2018**

During Regional Meetings, a resolution was passed by farmers requesting a comprehensive review of potentially merging the two commissions. This resolution was passed at the 2019 AWC AGM.

2020-2023

AWC and Alberta Barley worked alongside Marketing Council to ensure a proper consultation was completed with Alberta wheat and barley farmers. This was achieved through resolutions, town halls and two plebiscite votes.

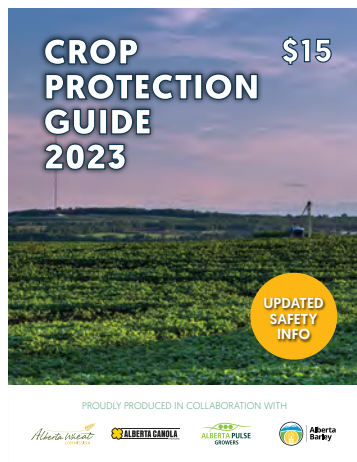
**November
2023**

New Executive Director Mike Flynn appointed, joins Fall elections at regional meetings to establish a permanent board of directors and delegates.

For more information on our amalgamation process, visit albertagrains.com/amalgamation-alberta-grains

The Blue Book

Alberta's crop protection guide, which is known as the Blue Book in these parts, is a joint project of the three major Alberta crop groups: Alberta Canola, Alberta Grains and Alberta Pulse Growers. As of 2023, the group has published three editions of the guide since being handed the project by the provincial government.



The three project partners made monetary and in-kind contributions to the project again this year. Additional funds were needed to cover costs related to editing, production, design and distribution, and these are covered by sales of the print edition.

We are pleased to announce we sold

more than 9,300 copies of the print version at a break-even price, with a free PDF version available online for download. We strive to make the pre-order and sales process as easy as possible for farmers and other agriculture industry purchasers. The advance order feature was well used again this last year, with this purchase method comprising more than 50 per cent of total sales.

The Blue Book's farm safety section was revamped this year with help from our colleagues at AgSafe Alberta. AgSafe staff ensured the section keeps farmers and industry informed with current best management practices in the safety field.

With more than 700 pages of content in the latest edition, the Blue Book continues to be a trusted information resource for farmers and agronomists. To select 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.

The Alberta Blue Book App, which was created and updated by a third party, is no longer supported and should not be used. This does not affect the ability of the crop commissions to deliver important product updates to you. Consult the print and digital PDF versions of the Blue Book for the most up-to-date crop protection information, and for questions about the guide, contact bluebookcoordinator@albertagrains.com.

Follow our X/Twitter handle [@AlbertaBlueBook](https://twitter.com/AlbertaBlueBook) for the latest crop protection information. Mention our handle on Twitter when you receive your book and show us how you implement crop protection information on your farm.

Research



Canadian Wheat Research Coalition (CWRC)

The Canadian Wheat Research Coalition (CWRC), a collaboration between the Alberta Wheat Commission, the Saskatchewan Wheat Development Commission and the Manitoba Crop Alliance, funds regional and national research projects in variety development and agronomy. From 2018 to 2023, the CWRC managed the Canadian Agricultural Partnership (CAP) Canadian National Wheat Cluster (CNWC), a consortium to ensure producers' profitability and wheat's long-term viability in crop rotation.

The CWRC also developed another cluster submission for the Sustainable Agricultural Partnership 2023-28 CNWC. Core breeding agreements (CBAs) are integral to the Canadian wheat variety development system. The CWRC's CBA with the University of Manitoba focuses on developing Canada's Western Red Winter germplasm and breeding and a Fusarium graminearum testing nursery.

Core Breeding Agreement (CBA)

The CWRC's CBA with Agriculture and Agri-Food Canada [AAFC] contributes to developing wheat cultivars with enhanced yield potential and resistance to priority diseases and pests. The program has commercialized several varieties in various classes.

The University of Alberta's CBA with the CWRC aims to develop three to five registered wheat varieties focusing on early maturity, shorter straw stalk and resistance to stripe rust and Fusarium head blight (FHB).

The CWRC's CBA with the Crop Development Centre (CDC) at the University of Saskatchewan was signed in 2019. The CDC program develops wheat varieties in various classes. The CDC's CBA provides funding for marker-assisted selection to help breeders "stack" resistance genes for rusts, FHB, seed dormancy, orange wheat blossom midge, wheat stem sawfly and end-use quality. This CBA also provides financial support for critical priority-one disease resistance in wheat breeding and variety development. The program has commercialized several varieties.



Canadian National Wheat Cluster (2018-2023)

The CNWC for 2018-2023, managed by the CWRC, was a \$25 million project funded by AAFC and ten other organizations. The project focused on cultivar development for competitiveness and sustainability, pre-breeding for future resistance to disease and insects, insect resistance to protect grain yield and quality and crop management to capture the genetic potential while minimizing the environmental footprint.

After five years of rigorous scientific work, this research investment has resulted in many significant advances that will provide tangible benefits to Canadian wheat farmers now and in the future. Activities funded through the 2018-2023 CNWC addressed common issues farmers face, leading to improved wheat varieties and agronomic practices. This return on investment is illustrated in 30 project performance stories that share results from research conducted through the cluster.

These successes include:

- Breeding Improved Canada Prairie Spring Red (CPSR) Cultivars: A New Variety of Durum Wheat with Intermediate Resistance to Fusarium Head Blight
- Development of Improved Winter Wheat Cultivars for Western Canada
- Pre-Breeding and Development of Breeding Tools to Diversify Disease Resistance in Bread Wheat
- Improving Hard Red Spring Wheat Profitability for Eastern Canada Through Superior Grain Yields, Fusarium Head Blight Resistance, and Improved End-Use Quality.

Canadian National Wheat Cluster (2023-2028)

The CNWC, administered by the CWRC, is set to commence later this year. This initiative is funded by AAFC through the Sustainable Canadian Agricultural Partnership Sustainable CAP Agriscience program. The CNWC is currently negotiating with AAFC regarding contracts following the submission of our cluster proposal. The Sustainable CAP Agriscience program focuses on three priority areas: climate change and environment, economic growth and development and sector resilience and societal challenges. The CWRC aligns its research funding with these areas to address producer priorities and increase the likelihood of a thriving cluster.

Further information about the projects funded through the 2023-2028 CNWC will be disclosed as it becomes available. For the most recent news and updates, please visit the CWRC website at wheatresearch.ca.

Midge Tolerant Wheat

The CWRC is leading a campaign to educate farmers and their advisors about the contractual obligations of using Midge Tolerant Wheat. The campaign uses various communication mediums and directly emails seed dealers and farmers who have signed a Stewardship Agreement. The aim is to ensure the viability of Midge Tolerant Wheat, a tool that has provided over \$1 billion in yield and grade benefits since its introduction. However, non-compliance could lead to the loss of this tool within a decade. The upcoming campaign will remind farmers of the challenges before introducing Midge Tolerant Wheat.

Canadian Barley Research Coalition

Created in 2021, 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 aligning with various development and agronomic priorities. In 2022-2023 Alberta Barley was represented on the CBRC by board directors Dick Wymenga and Connie Matson.

Core Breeding Agreement

The CBRC's CBA supports barley breeding programs by funding core salaries (i.e., long-term technicians) and infrastructure/equipment purchases. The Barley Cluster funding complements the CBA by investing incremental salaries, materials and supplies, summer students, travel and contracted services.

In 2020, the CBRC signed CBA's with the CDC at the University of Saskatchewan and Agriculture and AAFC. The CBRC invested \$2.7 million in the CDC and \$1.5 million in the AAFC over five years. This investment is aimed at promoting research and development in the field of barley cultivation.

Sustainable CAP Barly Cluster

The Sustainable CAP Barley Cluster is a significant initiative managed and administered by the CBRC. In December 2023, an application was submitted for the Sustainable CAP Barley Cluster with a total value of \$11,149,880 over five years. This proposed budget was divided between AAFC contributing \$6,157,867 [55%] and the industry providing \$4,992,013 [45%]. However, the approved Sustainable CAP Barley Cluster in June 2023 had a slightly lower total value of \$9,646,840 over five years. The AAFC's contribution was \$5,257,073 [54%], while the industry's share was \$4,389,767 [46%]. This partnership represents a substantial investment in sustainable agriculture and barley research in Canada.

The list of new projects approved under clusters

1. Nitrification inhibition on GHG emissions, soil health and barley performance [Dr. Gorim U of A] – Total funding \$873,528/five years
2. Improving barley sustainability through integrated genetic diversity, nitrogen, and management [Dr. Lui AAFC] – Total funding \$774,350/five years
3. Enhancing Environmental Sustainability Metrics of Finished Malt Production in Canada [Dr. Li CMBTC] – Total funding \$446,625/five years
4. Enhancing the adaptation of western Canadian barley to climate change [Dr. Kabeta [FCDC] – Total funding \$700,000/five years
5. Improving the value and environmental impact of barley through breeding [Dr. Beattie U of S CDC] – Total funding \$883,432/five years
6. Development of improved western Canadian barley robust to climate change [Dr. Badea AAFC] – Total funding \$1,354,353/five years

7. Disease resistance to address environmental issues, economics, and sector resiliency [Drs. Turkington and Tucker] – Total funding \$1,907,101/five years
8. Barley pathogen variations and implications for managing disease via host resistance [Dr. Wang AAFC] – Total funding \$512,500/five years
9. Next-generation barley traits for economic profitability and environmental sustainability in Eastern Canada [Dr. Khanal AAFC] – Total funding \$675,461/five years
10. Enhanced Use of Barley and its Fractions in Monogastric Nutrition [Dr. Nyachoti U of M] – Total funding \$562,065/five years

Grow Barley

The Grant for Research Optimization of Western Barley Agronomy (GROW Barley) is a seven-year research program dedicated to developing barley agronomy. The program is led by the CBRC and financially supported by Sask Barley, Alberta Grains, Manitoba Crop Alliance (MCA) and the Brewing & Malting Barley Research Institute (BMBRI), with total funding of \$1.6M over seven years. Projects under GROW Barley will be developed in collaboration with these funding partners through a steering committee. The research trials will be conducted across the Prairies, with locations approximately representative of the barley-producing area.

Agronomy researchers are currently invited to apply to lead this program to develop agronomic practices and solutions to keep barley a competitive crop choice for Prairie farmers. However, there is a requirement that the researcher seek funding from additional sources, with a cash investment at least matching the funding partners' original investment.

This initiative represents a significant commitment to the future of barley agronomy research and the competitiveness of barley as a crop choice for Prairie farmers.

Project Funding

Agriculture Funding Consortium (AFC), Agriculture Development Funds (ADF) and Integrated Crop Agronomy Cluster (ICAC2) funding 2022-2023

The Alberta Grains research committee approved funding of \$500,000 over five years through the AFC, ADF and ICAC2. Of the selected projects the research committee approved one under the ADF call. \$500,000 was approved for ADF, AFC and ICAC2 projects and a total of nine new projects were approved for funding by Alberta Grains starting in April 2023.

#	Proposal Name	Duration (years)	Alberta Grains Commitment
1	Dissecting herbicide resistance in wild oats to design novel efficient molecular diagnostic tools	4	\$70,216.00
2	Prairie Crop Disease Monitoring Network: Fostering further network development	5	\$28,198.44
3	Understanding the interactions of N fertilizer technologies, fungicides and the soil microbiome to optimize sustainable agriculture	3	\$35,000.00
8	Insect Response to climate change and ag inputs across the Prairies	5	\$44,000.00
4	Improving productivity and resilience of cropping systems on the Canadian Prairies	5	\$82,374.00
5	The Prairie Weed Monitoring Network (PWMN): Surveillance, risk assessment and forecasting	5	\$105,346.00
6	Imaging for improving Fusarium-damaged kernel and deoxynivalenol resistance in Canadian wheat	3	\$5,000.00
9	Testing new open-pollinated varieties of fall rye and advancing elite winter durum populations for the Canadian Prairies	3	\$10,000.00
7	Marker-assisted pre-breeding for alternative semi-dwarfing genes and anther extrusion in durum and bread wheat	3	\$6,900.00
8	Improving barley salinity tolerance and functional quality by characterizing root, GABA and gene expression responses	4	\$51,440.00
9	Alberta Grains economic impact analysis of research funding	1	\$58,560.00

Canadian Malting Barley Technical Centre (CMBTC) Commitment

Alberta Grains has pledged to allocate a portion of the check-off funds from barley towards malt barley variety trials. This commitment supports the region's malting barley production and industry. The CMBTC leads the Western Canadian Field Trials initiative, working in partnership with provincial Regional Variety Trials (RVTs) to grow and obtain samples of both new and existing malting barley varieties.

During the 2022 farming season, seven newly registered varieties and three controls were cultivated across 25 locations in Western Canada. These samples were subjected to raw barley quality testing and micro-malting for malting performance and quality analysis. This year marks the third year of the CMBTC's assessment of new varieties through the Western Canadian Field Trials (WCFTs).

The WCFTs aim to generate comparative evaluation data to understand the unique attributes of each variety. This understanding is vital for market acceptance and commercialization following registration.

Alberta Agri Systems Living Lab (AALL):

The AALL is a producer-led program spearheaded by the Alberta Beef Producers (ABP) aimed at promoting beneficial management practices (BMPs) to enhance profitability, productivity and environmental sustainability. The initiative involves over 16 Alberta and national livestock and crop producer-driven organizations and leverages scientific expertise from AAFC and the University of Alberta. The program focuses on various areas, including cropping rotations and systems, land use changes, nutrient management, grazing management and livestock feeding. It monitors the impacts of BMPs on greenhouse gas emissions, carbon sequestration, cost of production and profitability. The AALL was officially launched on July 14, 2022 and has been actively carrying out its planned activities since then. This summer, the organization conducted field schools, webinars and one-on-one consultations with producers on land use changes, nutrients and grazing management.

The Alberta Agri Systems Living Lab has more growing seasons and projects years ahead to help Alberta's producers understand the value and impact of beneficial management practices. Projects and practices are examined from a scientific perspective of carbon sequestration and greenhouse gas emissions reduction as well as economic and practical perspective.



Jonathan Beutler, UBC, presenting at Prairie Cereals Summit 2023

Scholarships

This year, Alberta Grains granted various graduate scholarships to Lakeland College, the University of Alberta, the University of Manitoba, the University of British Columbia and Olds College. These included Canadian Plant Breeding Innovation (CPBI) Awards, Alberta Wheat Graduate scholarships, Alberta Barley Graduate scholarships and more.

Recipients of Barley Scholarships

1. Lingjun Zhu, University of Alberta

Project title: Feeding barley grain to weaned pigs: effect of hull processing and endosperm fermentability on growth performance.

2. Jonathan Beutler, University of British Columbia

Project title: Genomic surveillance of necrotrophic cereal fungi: applying nanopore sequencing for accelerated Pyrenophorateres characterization and delivery of net blotch resistant barley pre-breeding germplasm.

3. Do Khanh Linh Le, University of Manitoba

Project title: Impacts on malt quality of biological control of Fusarium during malting.

University Chairs Scholarships

\$96,000 was committed to scholarships

- University of Alberta Chair in Ag Entomology \$55,000
- University of Saskatchewan Chair in Ag Econ \$30,000
- University of Alberta Grad scholarship \$10,000

Agronomy & Extension

Department Growth

With the ever-growing need for extension in Alberta and the various projects the department has initiated such as Agronomy Update, Plot2Farm, The Growing Point Newsletter and Podcast, and numerous summer field day events, we added Ruoxi Xia, agronomy extension specialist to our extension team. This has allowed us to bring even more agronomic information straight to the farm gate.



The
Growing
Point

Jeremy Boychyn, director, Agronomy & Extension

Demo Plots

Through collaborative efforts with the applied research associations in Alberta, Alberta Grains funded the implementation and extension of 17 different demo plots across the province. These demos are developed with the goal of extending specific agronomic information to producers across the province. Ranging from Lethbridge to Fort Vermillion, topics for the plots included seeding rates, nitrogen sources, varietal mixtures, residue management, Fusarium head blight management and integrated weed management.

Agronomic Resource Development

In partnership with many expert authors as well as Alberta Grains staff, we have published a Wheat Production manual for Alberta farmers. This manual contains the most up-to-date information about wheat production in Alberta and Western Canada.

For a copy of the Wheat Production Manual, please contact our office at 403-717-3711.

The Alberta Grains agronomy team continues to develop agronomic resources that can be used for on-farm decision-making. These include the bacterial leaf streak information sheet, the new seeding rate calculator and the nitrogen return calculator tool. All can be found on our website at albertagrains.com

This year, with the addition of our new extension specialist, the extension team looked to be even more timely with our information. This is why we increased the number of agronomic newsletters in-season to twice a month. This allows us to provide more timely and relevant information to Alberta farmers.

Regional Variety Trials

Through funding from Results Driven Agriculture Research, Western Grains Research Foundation, Alberta Oat Growers Commission, Alberta-British Columbia Seed Growers and the Alberta Seed Processors, Alberta Grains continues to implement the coordination of Alberta's Regional Variety Trials for wheat and barley. Through collaborative work with multiple partners across the province, information developed through this work is used to develop variety tables within the Alberta Seed Guide.

“Working with producers across the province, ten trials were initiated.”



**Plot2
Farm**

On-Farm Research with Plot2Farm

Over the 2023 season, Alberta Grains implemented the fourth year of on-farm research through the Plot2Farm program. Working with producers across the province, ten trials were initiated that looked to investigate plant growth regulators, seeding rates, nitrogen rates, variety comparisons and different nitrogen sources on the yield and quality of wheat or barley.

In addition to trials, Alberta Grains collaborated with CORE Ag Inputs Carstairs and Carstairs Ag Seeds to implement a local field day at one of the on-farm trials. Local producers were able to see the trial firsthand while hearing from experts about on-farm research techniques and use of different nitrogen sources.

For more information, visit plot2farm.com



In partnership with Lakeland College, Alberta Grains hosted the sixth annual WheatStalk on July 25, 2023. The agenda included sessions on weed management and resistance, a review of pulse and regional variety trials, cereal staging and treatment timing, enhanced efficiency fertilizers in wheat, barley lodging and advanced management, verticillium stripe, nitrogen-fixing bacteria in canola, industry trials and a spray drift and canopy penetration of spray nozzles demonstration hosted by Tom Wolf.

It was a full day of fun in the sun chock-full of learning. We look forward to hosting more extension events throughout Alberta in 2024!



Markets

In 2022-2023 AWC and Alberta Barley markets and policy departments came together under one umbrella, which well suited their primary functions. These include issues identification and monitoring, analysis and risk analysis, determination of farm-gate impact, providing input, advice and solutions to government and industry and to develop and implement advocacy and action plans.

The objective of the markets work of Alberta Grains continues to be to ensure that **wheat and barley farmers have the best possible conditions to successfully market their grain**. To this end, issues that fall under the work of our markets committee tend to be those that **impact the movement of grain from the farm gate to the delivery point and beyond, as well as the steps included in the marketing of that grain**.

Our markets work over the 2022-2023 period focused around three pillars:



Transportation



Grain deliveries



Trade and markets

Transportation

The ability for farmers to effectively ship their grain by rail and ultimately to a port position for export is critical to the economic viability and reputation of the grain sector. To this end, the AWC and Alberta Barley continued to support numerous new and ongoing initiatives related to ensuring an adequate balance of power and competitiveness to maintain reliable service delivery of rail across all regions of Alberta over the 2022-2023 year.

- Continued to support the **Ag Transport Coalition** aimed at enhancing the competitiveness of the agricultural supply chain.
- Joined the Alberta based **Community Rail Advocacy Alliance** (CRAA) as an executive member to put increasing pressure on Transport Canada to resolve rail issues across all industries, particularly in captive regions of the province.
- Joined forces across industry to advocate for improvements including permanence and distance extension of the **extended interswitching pilot project** that the federal government has put into place for 18 months.
- Recommitted to the Crop Logistics Working Group (CLWG) as a means of gathering industry and government to discuss issues in the grain handling and transportation system in the context of the government's long-term transportation agenda.

Grain Deliveries

As grain moves from the farm to its point of delivery Alberta Grains is concerned with holding the Canada Grain Commission accountable to producers' rights, declarations, weighing and sampling, dockages, disputes and appeals, commercial drying and payments, pricing and contracts, including declarations. To this end we have supported the following work in 2022-2023.

- **Modernization of the Canada Grain Act:** AWC and Alberta Barley prepared an extensive submission to the Canada Grain Act review on April 28, 2021. While a full set of recommendations have not yet been released, we have provided input to aspects of the modernization being considered and resubmitted our positions to the new administration under Minister Lawrence MacAulay.
- Worked with partners through the **Western Standards Committee** representatives to influence policy. This led government to drop the harmonization of test weight that had been pushed by the Canada Grain Commission.
- **Price Discovery through PDQ:** Alberta Grains owns and operates the PDQ price discovery system, which provides timely, accurate and transparent cash grain price information. In 2022-2023, we undertook a business analysis to re-evaluate areas for enhancement and operational efficiencies.
- Advanced a **review of the statutory declarations** and commercial declarations under one signature with cooperation from other partners across the Prairies.



“As grain moves from the farm to its point of delivery, Alberta Grains is concerned with holding the Canada Grain Commission accountable.”



“Alberta Grains continues to play a role in understanding the markets for our grain as well as identifying risks and opportunities.”

Trade and Markets

Alberta Grains continues to play a role in understanding the markets for our grain as well as identifying risks and opportunities. We amplify the work of organizations like the Canadian Agri-Food Trade Alliance (CAFTA), Grain Growers of Canada and Cereals Canada. We play a role in providing education related to grain marketing and participating in outreach and relationship building with merchants and end-users

- **Market analysis – trade profiles:** In 2022-2023 AWC and Alberta Barley begun an exercise to undertake market analysis to ensure a strong understanding of the markets our grains are destined for. The initiative sought to identify potential risks (i.e., trade irritants), diversification opportunities (i.e., trade agreements) and new or expanded market opportunities for our various wheat and barley varieties. Alberta Grains will work to update our market profiles for Alberta wheat and barley over the next year.
- **Understanding Hedging Grain:** This is an educational endeavour that Alberta Grains coordinates to help farmers gain an understanding of grain marketing tools. In 2022-2023, the course was held in Lethbridge and garnered participation from across Alberta, Canada and North America.
- **Market outreach:** Working through our national member groups such as Cereals Canada and CMBTC, Alberta Grains supports market outreach initiatives such as Cereals Canada's New Wheat Crop Trade and Technical Missions and CMBTC's incoming crop tours. We also participate in other ad-hoc market outreach, liaising with critical stakeholders in markets such as Australia, Japan and the U.S.
- **Market access, maximum residue levels (MRLs), Keep it Clean:** Alberta Grains sits on multiple committees to monitor regulatory changes to MRLs for crop protection products and contaminants. We work with our national member groups such as Cereals Canada and the Canada Grain Council to ensure farmers are aware of changes to MRLs that could impact the marketing of their grain and to ensure a harmonization of farmer practices and international markets.

A message from



Work on behalf of the value chain and farmers

Cereals Canada has the vision of being the number one promoter of Canadian cereals. Over the 2022-2023 period it has accomplished significant goals to this end. The organization continued to establish its reputation in the industry with customers, growers and members through technical expertise, market access and advocacy, and growing the Canadian Brand.

Cereals Canada focuses in four key areas:

1. Market access and advocacy

Focusing on market access, trade policy and domestic regulations. Cereals Canada supports market competitiveness by conveying its priorities to the federal government.

2. Market support and development

Cereals Canada provides unbiased, technical support to help customers understand the quality of cereals and how to integrate Canadian cereals into in-country milling and food processing (end-product) systems. They also support the value chain by communicating the quality, consistency and reliability of Canadian cereals to the global market.

3. Market and technical reach

Cereals Canada monitors the quality of cereals around the world, identifies food trends that impact customers and the use of Canadian cereals. It also gathers insight from market trend analysis to help inform and influence decisions.

4. Growing Canadian demand

Canada's reputation for growing and supplying sustainably produced, consistent, versatile, high-quality wheat, barley and oats is known around the world. Communicating key initiatives, programs and technology informs the value chain, government and customers about quality cereals grown across Canada.

In 2022-2023 a few key activities these areas included:

• New Wheat Crop Trade and Technical Missions

Four delegations made up of Cereals Canada trade and technical experts, representatives from the Canada Grain Commission, Canadian grain farmers and exporters travelled to 15 key export nations to present the 2022 New Crop Report to global customers of Canadian Wheat.

• Workshops, hands-on learning, seminars and webinars

Targeting key exporting countries through virtual and in-person programming helps Cereals Canada maintain relationships and to communicate key messaging.

• Economic assessment

On behalf of Cereals Canada, LMC International undertook a study to assess the impact of domestically grown common wheat, durum wheat, barley and oats on the Canadian economy. From 2018 to 2020, the estimated total impact on the Canadian economy of wheat, durum, barley and oats averaged \$68.8 billion per year.

• Setting research priorities

Cereals Canada announced the launch of the 2023-2028 National Wheat Research Priorities to guide research in the Canadian wheat industry over the next five years.

A message from



Peter Watts

Managing Director, CMBTC

First-class tour, world-class barley

Highlights of the 2023 Canadian Malt Barley New Crop Tour, August 15-18

When it comes to the sounds, smells and sights of summer, you can't beat the "crack" of a beer can, the sizzle of a steak barbeque or the views on the CMBTC's Malt Barley New Crop Tour. The 2023 version was another resounding success, with stunning weather and a diverse agenda. Participants enjoyed a packed program that included stops at three grain farms, a feedlot, barley breeding centre, grain elevator, two micro malt plants and two microbreweries. The tour was based out of Calgary with over 40 people travelling central and southern Alberta and enjoying "epic conversations" (according to one participant) about Canada's malting, feed and seed barley industries. In addition to seeing Alberta by land, the group was treated to B.C. by boat, as 15 participants toured the Port of Vancouver to get up close and personal with grain company terminal elevator facilities.

Crop around the clock

While they weren't busy 24/7 like farmers at harvest, guests on the crop tour enjoyed a wealth of learning opportunities on the development and production of malting barley varieties in Canada. There was something for everyone, from breeding through registration and pedigreed seed production, to optimizing quality and output when growing malt. Since seeing is believing, tour members were treated to an exclusive look at Canada's world-class farming operations. In the process, they saw existing malting barley varieties being grown commercially, including CDC Copeland and AAC Synergy, as well as new varieties AAC Connect, CDC Fraser and CDC Churchill.

From across the country and around the world

The international tour group featured guests from four continents: North and South America, Europe and Asia. Together, they represented a wide range of companies, farmer associations and government agencies: AAFC, Alberta Grains, Boortmalt, Brown-Foreman, Canterra Seeds, Cargill, Dalian Xingze Malting Co., Yancheng Hyaline Malting Company, FP Genetics, the Japanese Calgary Consulate, Malteurop, Olds College, Richardson International, SeCan, SaskBarley, the Government of Saskatchewan, Viterro and ZoomAgri.



Thank you to all the participants, organizers and industry partners who helped make this a tour to remember. We look forward to welcoming the world again in 2024!



Policy & Government Relations

In 2022-2023, the Alberta Grains policy and government relations department continued to take a non-partisan, cross-governmental approach to developing and providing input to government policy consultations. This included analysis of proposed policy, determining consequences of policy and deriving and offering suggestions on how to mitigate impacts to ensure economic sustainability for farmers.

The scope of policy work relates to activities and operations on-farm, from seeding to harvest until the grain is in the bin. This also includes a focus on sustainability, climate change and environmental policy.



Shannon Sereda, Alberta Grains, director, Policy, Markets & Government Relations with John Barlow, MP, Foothills and deputy minister Agriculture and Irrigation, Jason Hale.

Provincial Engagement Activities

Advocacy

2022-2023 saw a lot of change at the provincial government level. We underwent a leadership change and in May 2023 the Alberta general election was held bringing in a new term for the United Conservative Party under Premier Danielle Smith. In June of 2023, RJ Sigurdson was appointed as minister of agriculture and irrigation. AWC and Alberta Barley met with Minister Sigurdson early in his mandate at a swearing in ceremony in Edmonton and at our July 14 board meeting to discuss his support toward formalizing the amalgamation of the two grain commissions. We also had the opportunity to discuss other key priorities including federal concerns in need of amplification, business risk management (BRM) programs, land-use, water monitoring and forthcoming climate change policy targets.

Throughout 2022-2023 we have engaged with Minister Sigurdson and his team on key elements within his mandate including irrigation modernization for expansion and water storage and nitrogen use efficiency related to federally suggested targets and the protection of fertilizer use in the province.

Sustainable Canadian Agricultural Policy Framework (Sustainable CAP)

2022-2023 saw the launch of a new agricultural policy framework, the Sustainable CAP, based on the Guelph Statement's vision to 2028. Alberta Grains was actively involved at various levels in providing input to shape the associated programs and initiatives, including BRM programs announced under the new Sustainable CAP. Through our participation in the Alberta Industry Government Working Group on BRMs, we were successful in ensuring protection of AgrilInsurance as a critical program to help crop sector farmers mitigate risks related to drought and other extreme weather events. We also continued to advocate for flexibility and responsiveness of other BRM programs.



Team Alberta Crops continued to work collaboratively on a number of provincial issues throughout 2022-2023. Team Alberta Crops represents a collaboration between Alberta Beekeepers Commission, Alberta-British Columbia Seed Growers, Alberta Canola, Alberta Grains, Alberta Pulse Growers, Alberta Sugar Beet Growers and the Potato Growers of Alberta. Some of the issues the commissions continue to tackle as Team Alberta Crops include water issues, land-use concerns, education and human resources in the sector, Mandatory Entry Level Training and Class 1 driver issues as well as provincial agri-environmental issues.



Wetland Stewardship and Targeted Water Monitoring

In 2023, Team Alberta Crops, under leadership of the Alberta Wheat Commission, saw the completion of the third and final year of our targeted water monitoring and wetland stewardship project aimed at validating the health of the aquatic ecosystems within crop systems. One of the major goals 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. This project analyzed pesticides found in water bodies. Much was learned from the three-year study, which produced a robust set of data. In addition, the commissions created a valuable data storage portal that can be used to access contextualized data in a timely and orderly manner. This project has been well received by the PMRA and partner organizations, while contributing best practices toward the development of a national water monitoring project.

“One of the major goals of the project is to provide real-world, western Canadian water monitoring data to the Pest Management Regulatory Agency (PMRA).”



Environment and Climate Change

Over the past year, Team Alberta Crops participated in a number of initiatives toward defining the role of the agricultural sector against ambitious emissions mitigation strategies and sustainability goals. We advocate for industry consultation in defining programs and policies to this end. We also participate in a number of industry-led initiatives to best demonstrate the progress of our sector as well as position the needs of farmers toward achieving ambitious outcomes within a short time frame. These initiatives include:

- Involvement in the steering, communication and technical committees of the Canadian Roundtable for Sustainable Crops in developing a guiding document that highlights the foundations of sustainable agricultural in Canada.
- We sit on the Technical Advisory Council and Sustainability committees of Grain Growers of Canada's "Road to 2050" initiative. The aim is to develop a critical set of recommendations that government needs to undertake to help the crop sector reach emissions reductions by 2050.
- Provided input into the public consultation that was undertaken this year on the AAFC Sustainable Agricultural Strategy.
- Provided input into other national groups, like the Canada Grain Council, looking to evaluate sustainability programming in agriculture across the country and develop a common narrative.
- Continued to evaluate what 'Made in Alberta' solutions look like with respect to measuring and monitoring the progress we know our farmers are making toward reducing emissions from nitrogen fertilizer under the 4R Nutrient Stewardship program.





Alberta born and brewed.

In our continuous efforts to enhance the reach of our message, the government relations and policy department have strengthened their collaboration with the Alberta Small Brewers Association, fostering a robust partnership for joint advocacy throughout the entire barley-to-craft-beer value chain. 2023 marked the second year of our Combine to Craft event, held on July 13, 2023, during the Calgary Stampede. The event allows us to tell the good news story of Alberta's barley industry.

The event drew distinguished guests, including several members of Parliament and Alberta's Legislative Assembly, as well as other prominent figures. This collaborative event represents the best of Alberta while giving back to our economy and communities.

Federal Policy Engagement

A federal cabinet shuffle in late July of 2023 saw Minister Lawrence MacAulay take over purvey of AAFC. **Alberta Grains was asked to coordinate one of his first engagements with the agricultural sector. This took place in our offices just days into his mandate.** Together with our Team Alberta Crops members we were able to welcome the minister to his role and re-introduce him to the priorities of our sector.

Throughout this the year, Alberta Grains played an active role on various committees and within a number of collaborations with our national member organizations. We were engaged in committee work with the Canada Grain Council on various regulatory decisions and the transformation agenda of the PMRA. Alberta Grains sits on all of the committees of the Grain Growers of Canada to support policy issues of national concern to members. In March of 2023, we also attended National Grains Week hosted by Grain Growers of Canada in Ottawa.

Other highlights of our work at the federal level this year include:

- Participated in regional engagement with the PMRA on its transformation agenda and continued to build input and support from our provincial government on these processes.
- Participated in numerous consultations on the Sustainable CAP.
- Responded to the Sustainable Agricultural Strategy discussion document.
- Presented on right to repair at the Senate Committee on Industry related to Bill C-244, an act to amend the Copyright Act. We hosted the bill's sponsor Minister Wilson Miao on director Devin Hartzler's farm.
- Working with Fertilizer Canada toward increased acknowledgement and communications on 4R Nutrient Stewardship and adoption.
- Worked closely with our provincial government to amplify the issues of national concern with their counterparts in Ottawa.

During CrossRoads 2023, Alberta Grains coordinated the participation of AAFC Parliamentary Secretary Francis Drouin and Shadow Minister for Agriculture, Agri-Food and Food Security John Barlow. This included a round-table with Team Alberta Crops to discuss federal priorities.

A message from



Kyle Larkin

Executive Director,
Grain Growers of Canada

2023 marked a year of change for Grain Growers of Canada [GGC], while also engaging in many challenges and opportunities that face growers at a federal policy level.

Internally, we said goodbye to our long-standing executive director, Erin Gowriluk, who joined Canada Grains Council to become their new CEO. We also said goodbye to our manager of policy, Branden Leslie, who was successfully elected as a member of Parliament in Manitoba. To stay engaged in Ottawa, we hired Tyler Bjornson from Bjornson & Associates to act as interim executive director. In July, I had the pleasure of coming on board as GGC's new executive director and in November we were excited to welcome Kinga Nolan as our new manager of policy and regulatory affairs.

While we were facing some internal changes, lobbying and policy making continued. First, we are proud to be engaging proactively through our Road to 2050 project. Earlier this year, we completed a 70-page internal policy report that details the current emissions landscape. In the fall, we worked with members to condense the report and create key recommendations to put forward to government. Our overarching goal remains the same: for government to create programs and policies that grain farmers can access at a time of their choosing. There is no one-size-fits-all approach and we've made this clear to the federal government. We will continue to work with members in 2024 and are excited to lobby government through this project.

This has instructed some of our work at the Sustainable Agriculture Strategy [SAS] advisory committee, which we sit on. This fall, we were successful in pushing the government away from a commitment to net-zero agriculture by 2050, the embedding of the Fertilizer Emissions Reduction Target, and having no mention of productivity growth. More work remains to get the SAS closer to perfect, but we remain

engaged going into the new year.

Second, our lobbying priority throughout the year has remained on C-234. In the first part of the year, by appearing before committee, meeting with members of Parliament, and working through the Agriculture Carbon Alliance [ACA], we were successful in getting MPs from all political parties to pass the bill to the Senate. In the fall, we once again appeared before committee, met with Senators, and launched a digital advocacy campaign through the ACA to convince Senators of the merits of C-234. Unfortunately, politicking in the Senate allowed C-234 to be amended, and now it has been passed back to the House of Commons. We are already working with allies in the House to fast track the bill in 2024.

Third, we were invited to participate in Transport Canada's rail review, where the department is discussing topics such as the maximum revenue entitlement (MRE), contracting out and extended interswitching. We partook in their in-person consultation and submitted our thoughts via writing; however, our main focus remains on the protection of the MRE. This is likely a file that will become a more pressing issue in the new year.

Lastly, we have been active on several pieces of legislation. Through the Canadian Agri-Food Trade Alliance we have met with Senators to lobby against C-282, which would exempt the supply managed sector from all future trade negotiations. We also continue to support the passage of C-244 and C-294, which are both right to repair bills that would give greater tools to farmers to fix their own equipment.

We would like to thank Alberta Grains and growers from Alberta for their continued support and engagement. We look forward to further collaboration to effectively represent grain farmers in Ottawa.

Communications, Marketing & Events



Alberta Grains

Rebrand

This past year, the communications department focused on the successful rebranding of the organization. This process required more than just a change in name or logo; we wanted to create an identity that resonated with farmers.

To aid in the communication and marketing efforts of Alberta Grains, a new logo and branding strategy was developed. Through extensive research, collaboration with directors and staff input, a new brand identity was established.

The Alberta Grains name and logo pays tribute to the AWC and Alberta Barley brands and represents them growing together as one entity. The grain is encircled in a graphic element that speaks to the strength of the unified organization and the circular nature of the graphic also conveys a sense of trust and focus.

These characteristics represent what we as Alberta Grains will bring to the table. Through collaborations with industry partners creating high-quality communications like the Grain Exchange and the Spotlight on Research publication, to anchoring premier events like the Prairie Cereals Summit, WheatStalk and CrossRoads. We are focused on being a reliable, trusted and forward-thinking partner when it comes to communications, marketing and events within our industry.



The Prairie Cereals Summit hosted in Banff on December 6 and 7, 2023, offered a diverse agenda encompassing various facets of the agricultural industry. The first day featured farmer-centric sessions, including a farmer-to-farmer panel discussion with our committee chairs and an exploration of AI technology's role in the prairie breeding program. The day concluded with a Policy Power Session and our crowd favourite networking event, Brews and Clues, sponsored by ATB, which allowed attendees to experience Alberta's craft beer while exploring the history of the Fairmont Banff Springs Hotel.

The second day, attendees engaged in insightful sessions, such as understanding crop-soil-water dynamics, financing in agriculture and unbiased agronomy through on-farm research. Noteworthy presentations included our farmer couple panel, as well as discussions on AI in weed management and global grain market activities. The day concluded with a motivational session by Chris Beaudry, former Humboldt Bronco's assistant coach and Saskatchewan farmer. With an incredible dinner and entertainment provided by motivational hypnotist Jason Cyrus, this year's PCS, the first under the Alberta Grains banner, was an event to remember!



Keynote speaker, Chris Beaudry



Brews and Clues, presented by ATB Financial.



Alberta Grains Executive Director, Michael Flynn



Early Childhood Education

Alberta Grains attended both Aggie Days and the Calgary Stampede's Activity in the City with Wally and Betty's Grain Gallery. The event offered youth the opportunity to learn where their food comes from and how wheat and barley are sustainably grown in Alberta.

With the use of tablets and augmented reality technology in the classroom, Wally Wheat and Betty Barley lead a simulation that educates on commodity production. In the app, players choose to learn about either wheat or barley and are taken through multiple steps showcasing how their selected crop is grown, harvested and ultimately implemented into end-use products such as pizza dough or cattle feed.

Commission staff and board members with a variety of backgrounds worked together at the booth to answer questions and to explain the crop production process.

The Wally and Betty Grain Gallery mobile application is also available to download for free on Apple and Android devices through the App Store and Google Play.



Being the new kid on the block has its challenges, even in the event world. However, the inaugural CrossRoads Crop Conference did more than meet the expectations of attendees and sponsors at the Edmonton Convention Centre. The two-day conference featured 15 concurrent sessions, three keynote addresses, two crop commission annual general meetings (AGM) and a beer hour, as key elements to CrossRoads' success.

All in all, the event was a great success and the CrossRoads organizing committee is proud of incorporating foundational aspects of FarmTech — collaboration, celebration and connection into each aspect of the 2023 event.

The committee comprised of staff and board members from Alberta Grains, Alberta Canola and Alberta Pulse Growers would like to thank attendees, speakers and sponsors for supporting the first CrossRoads Crop Conference.

GrainsWest

CONNECTING FARMERS, FOOD AND IDEAS

10
years!

GrainsWest magazine marks ten years connecting farmers, food and ideas.

January 2024 marks the tenth anniversary of the launch of our farmer focused grain quarterly. Over the course of a decade, our columns, feature stories and news items have explored a wide array of emerging agricultural issues and featured the voices and insights of farmers and agricultural professionals from Alberta and beyond.

Launched as a joint project soon after AWC and Alberta Barley were established, the creation of GrainsWest helped pave the way for multiple commission joint ventures. These included the establishment of a shared management team and recent amalgamation.

Over the past year, GrainWest has worked to keep farmers informed on the latest hot-button issues in agriculture. Our feature stories tackled the surge of fertilizer cost, growing interest in on-farm biogas production, the proliferation of craft malt businesses and advances in digital grain marketing.

The magazine continues to provide space for regular columns contributed by organizations funded by Alberta Grains. The Canadian Malting Barley Technical Centre, Grain Growers of Canada and Cereals Canada keep our readers informed with the latest industry news and goings on in their corners of the country.

The GrainsWest Podcast expanded upon topics explored in the magazine. In “Fertilizer emissions: Behind the numbers” we spoke with then federal ag minister Marie-Claude Bibeau on the Canadian government’s ambitious reduction target for fertilizer emissions. In a barley-centric episode, we spoke to craft barley maltsters about how their operations have added value to their farm operations.

Once again, the magazine and podcast won a handful of top publishing industry awards presented by the Canadian Federation of Agricultural Journalists and the International Federation of Agricultural Journalists.

On top of our core content, the GrainsWest custom publishing division continues to do excellent work designing, editing and producing the Blue Book, Alberta’s crop protection guide. Also ongoing, we design four issues a year of Pulse Crop News for the Alberta Pulse Growers.





FARMCASH

Cash Advance Program



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Advance Payments
Program

Programme de
paiements anticipés



Over the past year, the *FarmCash* program grew substantially. More than ever, producers of a variety of commodities have needed to find alternatives to farm financing due to extremely high input costs and interest rate hikes. In 2023 we saw over double the number of applications coming in compared to 2022.

As we enter 2024 *FarmCash* remains committed to strategically aligning our operations while prioritizing sustainable scale, quality service and to break-even results for Alberta Grains.

FarmCash will continue to pride itself on giving producers improved interest savings options compared to banks and other institutions and allows them to enhance their farm's profitability. Going forward, we are devoted to making the application and review process as painless as possible, while delivering full transparency on the *FarmCash* program, administered by Alberta Grains on behalf of AAFC.

Now in its fifth year, *FarmCash* continues to grow alongside Advance Payments Program users in Western Canada. *FarmCash*'s focus is defined on helping producers grow their operations and improve their long-term profitability.

For more information, visit farmcashadvance.com



\$100,000 interest-free*



**Quick and efficient access
to funds upon review and
approval of submission**



Advances of up to \$1M*

**Subject to change per AAFC guidelines*



Alberta Barley Commission

Financial Statements

Management's Responsibility

To the Members of Alberta Barley Commission:

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

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

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

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

November 14, 2023



Mark Olson, Interim 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, 2023, 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, 2023, 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, sans-serif font, followed by 'LLP' in a smaller, all-caps, sans-serif font.

Chartered Professional Accountants

November 14, 2023

Calgary, Alberta

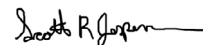
Statement of Financial Position

As at Jul 31, 2023

	General Operating Fund	Restricted Fund	2023	2022
Assets				
Current				
Cash	1,622,983	—	1,622,983	2,363,980
Short-term investments (Note 4)	3,266,277	—	3,266,277	372,570
Accounts receivable (Note 5)	662,116	—	662,116	343,994
Prepaid expenses	48,949	—	48,949	77,621
	5,600,325	—	5,600,325	3,158,165
Capital assets (Note 6)	83,781	—	83,781	94,330
Long-term investments (Note 4)	555,541	—	555,541	1,396,172
	6,239,647	—	6,239,647	4,648,667
Liabilities				
Current				
Accounts payable and accruals	1,267,344	—	1,267,344	583,037
Grant commitments (Note 7)	—	—	—	30,920
Deferred revenue (Note 8)	1,569,397	—	1,569,397	787,133
Deferred revenue - Shochu project (Note 9)	—	23,692	23,692	23,692
	2,836,741	23,692	28,860,433	1,424,782
Subsequent event (Note 2)				
Commitments (Note 12)				
Contingencies (Note 14)				
Net Assets (Deficit)				
Restricted	—	(23,692)	(23,692)	(54,612)
Unrestricted	3,402,906	—	3,402,906	3,278,497
	3,402,906	(23,692)	3,379,214	3,223,885
	6,239,647	—	6,239,647	4,648,667

Approved on behalf of the Board


Director


Director

Statement of Operations

For the year ended July 31, 2023

	General Operating Fund	Restricted Fund	2023	2022
Revenue				
Check-off fee revenue <i>(Note 8)</i>	3,028,453	–	3,028,453	3,316,717
Check-off refunds <i>(Note 8)</i>	(217,927)	–	(217,927)	(171,717)
GrainsWest revenue	85,665	–	85,665	75,581
Prairie Cereals Summit Sponsorship revenue	51,434	–	51,434	38,059
Database license revenue	28,068	–	28,068	28,068
Ag Safe service fee	13,500	–	13,500	18,000
Agronomy Update revenue	–	–	–	11,412
Shochu project revenue <i>(Note 9)</i>	–	–	–	7,678
Miscellaneous income	–	–	–	660
Farmer-led Research Grant Funding revenue <i>(Note 11)</i>	–	18,598	18,598	–
	2,989,193	18,598	3,007,791	3,324,458
Expenses				
Salaries, benefits and contractors	491,893	–	491,893	476,504
General and administrative	470,884	–	470,884	383,987
Research expenses	438,166	–	438,166	623,652
Communication	398,580	–	398,580	390,088
Policy development expenses	310,120	–	310,120	214,875
Marketing and events	205,456	–	205,456	204,772
Professional fees	196,881	–	196,881	31,447
GrainsWest expenses	186,961	–	186,961	206,727
CMBTC Commitment <i>(Note 15)</i>	120,162	–	120,162	91,868
Market development expenses	103,935	–	103,935	89,554
Directors fees and expenses	96,423	–	96,423	88,607
Better Barley, Better Malt project expenses <i>(Note 11)</i>	9,961	–	9,961	9,837
	3,029,422	–	3,029,422	2,811,918
(Deficiency) excess of revenue over expenses before other items	(40,229)	18,598	(21,631)	512,540
Other items				
Interest income	145,561	–	145,561	34,488
Unrealized gain [loss] on investments	31,399	–	31,399	(15,765)
	176,960	–	176,960	18,723
Excess of revenue over expenses	136,731	18,598	155,329	531,263

Statement of Changes in Net Assets

For the year ended July 31, 2023

	<i>General Operating Fund</i>	<i>Restricted Fund</i>	<i>2023</i>	<i>2022</i>
Net assets, beginning of year	3,278,497	(54,612)	3,223,885	2,692,622
Excess of revenue over expenses	136,731	18,598	155,329	531,263
Transfer from restricted funds	(12,322)	12,322	–	–
Net assets, end of year	3,402,906	(23,692)	3,379,214	3,223,885

Statement of Cash Flows

For the year ended July 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	155,329	531,263
Amortization	23,879	30,762
Unrealized (loss) gain on investments	(31,399)	15,765
Amortization of deferred capital contributions	–	(7,678)
	147,809	570,112
Changes in working capital accounts		
Accounts receivable	(318,122)	58,191
Prepaid expenses	28,672	(34,956)
Accounts payable and accruals	684,307	54,129
Grant commitments	(30,920)	–
Deferred revenue	782,264	(712,997)
	1,294,010	(65,521)
Investing		
Purchase of capital assets	(13,331)	(34,667)
Purchase of investments	(2,379,559)	(1,141,001)
Proceeds on disposal of investments	357,883	1,130,837
	(2,035,007)	(44,831)
Decrease in cash resources	(740,997)	(110,352)
Cash resources, beginning of year	2,363,980	2,474,332
Cash resources, end of year	1,622,983	2,363,980

Notes to the Financial Statements

For the year ended July 31, 2023

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 newmarkets and products for barley and for influencing the direction of research dedicated to barley production.

Effective August 1, 2023 the commission amalgamated with Alberta Wheat Commission and ceased operating as an independent entity, refer to Note 2.

2. Subsequent event

Effective August 1, 2023, Alberta Grains will be formed by the amalgamation of the Alberta Barley Commission and Alberta Wheat Commission, with a similar regulatory structure and purpose as the existing commissions. Alberta Grains will derive its operating funds by assessing a regulated service charge on the sale of barley and wheat by Alberta producers. Upon its establishment, Alberta Grains will have both a governance body and staff to achieve its purposes. In the past, there has been no expectation of profit on the part of the commissions, nor will there be on the part of Alberta Grains. Producer members will not have defined ownership interests in Alberta Grains that can be redeemed, sold, or transferred. Producer members also will not receive direct financial or monetary benefits such as share dividends or share issues.

The amalgamation was voted for by eligible voting producers with a plebiscite held from October 3 to November 1, 2022, the commissions received 89% approval for in the plebiscite held through Alberta Barley Commission and 88% for the plebiscite conducted by Alberta Wheat Commission, and was approved by the Province of Alberta in July 2023. The amalgamation will follow the standards set by Section 4449 Combinations by Not-for-Profit Organizations set by the Accounting Standards of Not-for-Profit Organizations. At the date of the combination the newly formed Alberta Grains will recognize the combined carrying values of the assets, liabilities, and net assets of the two predecessor commissions.

3. 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.

The Commission has an in-house developed software called the "Levy Plus Check-off Database." The Commission licenses the software to other agricultural entities in Western Canada. Revenue is recognized over life of the relevant agreements.

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

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

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.

3. Significant accounting policies *(Continued from previous page)*

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.

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.

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.

4. Investments

Investments include corporate bonds with yields to maturity between 1.090% and 5.209% (2022 – 1.090% and 3.200%) and maturity dates between October 20, 2023 and January 10, 2025 (2022 – October 31, 2022 and January 10, 2025).

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.

5. Accounts receivable

	2023	2022
Check-off fees receivable	204,228	187,032
Alberta Wheat Commission	426,389	65,723
Other receivables	31,499	91,239
	662,116	343,994

Alberta Wheat 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 repayment. At July 31, 2023, the Commission had various balances payable to Alberta Wheat Commission, resulting in a net payable of \$504,468 [2022 – net payable of \$209,804].

6. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	207,034	156,930	50,104	48,415
Computer software	18,202	5,804	12,398	16,039
Equipment for Shochu project	98,791	98,791	–	–
Furniture and fixtures	139,840	124,600	15,240	18,054
Promotional equipment	23,985	23,733	252	376
Kids booth	28,292	22,505	5,787	11,446
	516,144	432,363	83,781	94,330

Amortization expense of \$23,879 (2022–\$30,762) is included in general and administrative expenses.

7. Grant commitments

The Commission has entered into various research grants. When funding for a research grant is approved by the Commission amounts are disbursed depending on the terms of the funding grant, the amount disbursed is then expensed in the period in which they occur if the recipient has met the terms of the agreement. The funds to cover these commitments are in the Commission's cash, short-term investments and long-term investments accounts.

As of July 31, 2023 the Commission has entered into agreements with payments terms requiring disbursement of \$421,226. The estimated annual grant commitments are described in Note 12.

As described in Note 2, the Commission is amalgamating with Alberta Wheat Commission effective August 1, 2023. Any commitments made by either the Commission or Alberta Wheat Commission will become commitments of the Alberta Grains Commission upon amalgamation.

8. 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.

9. 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, 2023, amortization of deferred capital contributions amounted to \$nil [2022 – \$7,678]. 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.

10. 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:

	2023	2022
Balance, beginning of year	–	7,678
Less: Amounts recognized as Shochu project revenue during the year	–	[7,678]
	–	–

11. 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 \$18,598 (2022 – \$nil) and expenses of \$9,961 (2022 – \$nil). In the prior year, RDAR was incorporated and became a separate legal entity. The agreement was completed on March 31, 2021.

12. Commitments

The Commission occupies leased premises subject to minimum monthly rent until the termination of the contract at August 31, 2025. The rental agreement is a joint agreement with the Alberta Wheat Commission which is responsible for one half of the payments. The Commission's share of the annual rent for the premises is approximately \$130,354.

As described in Note 7, the Commission has also entered into several grant agreements. The estimated minimum annual payments on leases and grant agreements are as follows.

2024	398,896
2025	262,807
2026	28,785
2027	2,309
	<hr/>
	692,797

As described in Note 2, the Commission is amalgamating with Alberta Wheat Commission effective August 1, 2023. Any commitments made by either the Commission or Alberta Wheat Commission will become commitments of the Alberta Grains Commission upon amalgamation.

13. Financial instruments

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

14. Contingencies

The Commission has been named as defendant in lawsuits. These lawsuits remain at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result.

15. CMBTC funding commitment

The barley commissions in Alberta, Saskatchewan and Manitoba assumed the responsibilities and financial obligations of the Western Canadian Deduction ["WCD"]. A portion of the WCD provided funding to the Canadian Malting Barley Technical Centre ["CMBTC"], which provides market technical support services to the Canadian malting barley value chain. In an ongoing effort to strengthen market opportunities for Alberta and Canadian grown malting barley to domestic and international markets, the Alberta Barley Commission committed to continue to provide funding to CMBTC at \$0.04/tonne of barley for which the Commission collects a levy. Effective August 1, 2023 to July 31, 2026 the levy will increase to \$0.05/tonne.



Alberta Wheat Commission

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 14, 2023

A handwritten signature in black ink, appearing to read 'Mark Olson', with a stylized flourish at the end.

Mark Olson, Interim 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, 2023, 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, 2023, and its financial performance 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.

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, stylized font, followed by 'LLP' in a smaller, simpler font.

Chartered Professional Accountants

November 14, 2023

Calgary, Alberta

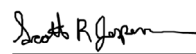
Statement of Financial Position

As at July 31, 2023

	Operating		FarmCash Advance Payments Program		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current						
Cash	885,133	2,103,779	—	—	885,133	2,103,779
Restricted cash (Note 6), (Note 10)	1,347,309	2,201,210	—	7,876,415	1,347,309	10,077,625
Accounts receivable (Note 4)	1,880,134	822,452	—	—	1,880,134	822,452
Short-term investments (Note 5)	2,659,181	77,121	—	—	2,659,181	77,121
Prepaid expenses and deposits	63,905	131,278	—	—	63,905	131,278
Current portion of advances receivable under FarmCash Advance Payment Program (Note 9)	—	—	23,424,889	10,498,374	23,424,889	10,498,374
	6,835,662	5,335,840	23,424,889	18,374,789	30,260,551	23,710,629
Long-term investments (Note 5)	1,146,794	2,127,438	—	—	1,146,794	2,127,438
Restricted investments (Note 6)	5,500,000	4,000,000	—	—	5,500,000	4,000,000
Advances receivable under FarmCash Advance Payment Program (Note 9)	—	—	55,492,732	47,936,695	55,492,732	47,936,695
Capital assets (Note 7)	110,562	121,028	36,779	85,987	147,341	207,015
	13,593,018	11,584,306	78,954,400	66,397,417	92,547,418	77,981,777
Liabilities						
Current						
Accounts payable and accruals	2,444,842	1,574,930	107,834	62,014	2,552,676	1,636,944
Deferred revenue (Note 10)	1,347,309	701,210	—	—	1,347,309	701,210
FarmCash Advance Payments Program bank indebtedness (Note 9)	—	—	77,497,376	65,700,000	77,497,376	65,700,000
	3,792,151	2,276,140	77,605,210	65,762,014	81,397,361	68,038,154
Interfund transfers payable (receivable) (Note 13)	(2,878,655)	—	2,878,655	—	—	—
	913,496	2,276,140	80,483,865	65,762,014	81,397,361	68,038,154
Commitments (Note 14)						
Subsequent event (Note 2)						
Contingencies (Note 15)						
Net Assets (Deficit)						
Internally restricted (Note 6)	5,500,000	5,500,000	—	—	5,500,000	5,500,000
Unrestricted (Note 13)	7,179,522	3,808,166	(1,529,465)	635,457	5,650,057	4,443,628
	12,679,522	9,308,166	(1,529,465)	635,457	11,150,057	9,943,628
	13,593,018	11,584,306	78,954,400	66,397,471	92,547,418	77,981,177

Approved on behalf of the Board


Director


Director

Statement of Operations

For the year ended July 31, 2023

	Operating 2023	2022	FarmCash Advance Payments Program 2023	Total 2022	2023	2022
Revenue						
Check-off fee revenue <i>(Note 11)</i>	10,385,528	5,909,216	—	—	10,385,528	5,909,216
Check-off fee refunds	(632,446)	(356,533)	—	—	(632,446)	(356,533)
FarmCash Advance Payments Program	—	—	3,060,092	544,554	3,060,092	544,554
Results Driven Agriculture grant <i>(Note 10)</i>	684,355	673,753	—	—	684,355	673,753
Alberta Crop Protection Guide revenue <i>(Note 10)</i>	142,091	152,138	—	—	142,091	152,138
GrainsWest revenue	85,665	49,911	—	—	85,665	49,911
Prairie Cereals Summit Sponsorship revenue	42,293	31,139	—	—	42,293	31,139
Agronomy Update revenue	522	11,412	—	—	522	11,412
Grain Conditioning revenue <i>(Note 10)</i>	—	84,165	—	—	—	84,165
	10,708,008	6,555,201	3,060,092	544,554	13,768,100	7,099,755
Expenses						
Research expense	4,424,677	5,076,872	—	—	4,424,677	5,076,872
FarmCash Advance Payments Program	—	—	3,128,093	935,544	3,128,093	935,544
Communication and events	1,065,757	1,035,225	—	—	1,065,757	1,035,225
Cereals Canada funding contribution/CIGI funding contribution <i>(Note 12)</i>	697,972	717,384	—	—	697,972	717,384
Results Driven Agriculture expenses <i>(Note 10)</i>	695,005	673,753	—	—	695,005	673,753
Salary and benefits	644,818	611,459	—	—	644,818	611,459
Policy	353,323	473,008	—	—	353,323	473,008
Professional fees	341,865	36,797	—	—	341,865	36,797
Market development	302,817	327,480	—	—	302,817	327,480
General and administrative expenses	273,480	178,320	—	—	273,480	178,320
Grower relations and extension	240,844	436,421	—	—	240,844	436,421
Internal and industry meetings	192,787	245,620	—	—	192,787	245,620
GrainsWest expenses	162,833	179,532	—	—	162,833	179,532
Alberta Crop Protection Guide expenses <i>(Note 10)</i>	160,291	175,788	—	—	160,291	175,788
Rent	51,077	110,628	—	—	151,077	110,628
Amortization	29,860	29,061	49,208	49,208	79,068	78,269
IT expense	51,214	78,486	—	—	51,214	78,486
Regional Variety Trails expenses	—	7,591	—	—	—	7,591
	9,788,620	10,393,425	3,177,301	984,752	12,965,921	11,378,177
Excess (deficiency) of revenue over expenses before other items	919,388	(3,838,224)	(117,209)	(440,198)	802,179	(4,278,422)
Other items						
Interest income	276,699	89,812	—	—	276,699	89,812
Unrealized gain on investments	82,948	29,849	—	—	82,948	29,849
Other revenue	44,608	26,589	—	—	44,608	26,589
	404,255	146,250	—	—	404,255	146,250
Excess (deficiency) of revenue over expenses	1,323,643	(3,691,974)	(117,209)	(440,198)	1,206,434	(4,132,172)

Statement of Changes in Net Assets (Deficit)

For the year ended July 31, 2023

	<i>Operating</i>	<i>FarmCash Advanced Payments Program</i>	<i>Restricted</i>	<i>2023</i>	<i>2022</i>
Net assets, beginning of year	3,808,166	635,457	5,500,000	9,943,623	14,075,795
Excess (deficiency) of revenue over expenses	1,323,643	(117,209)	–	1,206,434	(4,132,172)
Transfer <i>(Note 13)</i>	(830,942)	830,942	–	–	–
Reclassification of funds <i>(Note 13)</i>	2,878,655	(2,878,655)	–	–	–
Net assets (deficit), end of year	7,179,522	(1,529,465)	5,500,000	11,150,057	9,943,623

Statement of Cash Flows

For the year ended July 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	1,206,434	[4,132,172]
Amortization	79,068	78,269
Unrealized gain on investments	[82,948]	[29,849]
Gain on disposal of assets	–	[3,532]
	1,202,554	[4,087,284]
Changes in working capital accounts		
Accounts receivable	[1,057,682]	238,552
Prepaid expenses and deposits	67,373	[84,984]
Accounts payable and accruals	915,732	[625,371]
Deferred contributions	646,099	143,446
	1,774,076	[4,415,641]
Financing		
FarmCash Advance Payments Program bank indebtedness, net	11,797,376	28,413,017
Investing		
Purchase of capital assets	[19,394]	[39,740]
Proceeds from sale of capital assets	–	3,800
Purchase of investments	[7,054,029]	[1,605,579]
Proceeds from sale of investments	4,035,561	1,583,069
FarmCash Advance Payments Program receivable, net	[20,482,552]	[20,854,627]
	[23,520,414]	[20,913,077]
(Decrease) increase in cash	[9,948,962]	3,084,299
Cash, beginning of year	12,181,404	9,097,105
Cash, end of year	2,232,442	12,181,404
Cash is comprised of:		
Unrestricted cash	885,133	2,103,779
Restricted cash	1,347,309	10,077,625
	2,232,442	12,181,404

Notes to the Financial Statements

For the year ended July 31, 2023

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 newmarkets and products for wheat and for influencing the direction of research dedicated to wheat production.

Effective August 1, 2023 the Commission amalgamated with Alberta Barley Commission and ceased operating as an independent entity refer to Note 2.

2. Subsequent event

Effective August 1, 2023, Alberta Grains will be formed by the amalgamation of the Alberta Wheat Commission and Alberta Barley Commission, with a similar regulatory structure and purpose as the existing commissions. Alberta Grains will derive its operating funds by assessing a regulated service charge on the sale of wheat and barley by Alberta producers. Upon its establishment, Alberta Grains will have both a governance body and staff to achieve its purposes. In the past, there has been no expectation of profit on the part of the commissions, nor will there be on the part of Alberta Grains. Producer members will not have defined ownership interests in Alberta Grains that can be redeemed, sold, or transferred. Producer members also will not receive direct financial or monetary benefits such as share dividends or share issues.

The amalgamation was voted for by eligible voting producers with a plebiscite held from October 3, 2022 to November 1, 2022, the commissions received 88% approval for in the plebiscite held through Alberta Wheat Commission and 89% for the plebiscite conducted by Alberta Barley Commission, and was approved by the Province of Alberta in July 2023. The amalgamation will follow the standards set by Section 4449 Combinations by Not-for-Profit Organizations set by the Accounting Standards of Not-for-Profit Organizations. At the date of the combination the newly formed Alberta Grains will recognize the combined carrying values of the assets, liabilities, and net assets of the two predecessor commissions.

3. 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 9.

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. 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.

3. Significant accounting policies *(Continued from previous page)*

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.

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.

	Method	Rate
Computer equipment	declining balance	20 %
Computer software	straight-line	5 years
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

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.

The Commission subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment.

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.

3. Significant accounting policies *(Continued from previous page)*

Related party financial instruments

The Commission initially measures 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.

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.

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 receivable and FarmCash Advance Payment Program receivables 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.

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.

4. Accounts receivable

	2023	2022
Check-off fees receivable	623,430	394,435
Other receivables	303,958	152,489
Alberta Barley Commission	952,746	275,528
	1,880,134	822,452

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, 2023 the Commission also had various payable balances included in accounts payable and accruals to Alberta Barley Commission, resulting in a net receivable of \$504,468 [2022 – \$209,804].

5. Investments

Investments, which include GICs and mutual funds, are reported on and have maturity dates between October 26, 2023 and January 5, 2026 [2022 – August 17, 2022 and January 5, 2026] and bear interest at annual rates between 1.10% and 4.05% [2022 – 1.10% 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.

6. Internally restricted cash and investments

Restricted investments include GICs, mutual funds and corporate bonds with yields to maturity between 1.10% and 4.05% [2022 – 1.10% and 2.70%] with maturity dates between October 26, 2023 and January 5, 2026 [2022 – August 17, 2022 and January 5, 2026]. 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, from the operating fund, \$3,000,000 [2022 – \$3,000,000] of investments and cash as a reserve for future research, \$1,500,000 [2022 – \$1,500,000] as a reserve for operating contingencies and \$1,000,000 [2022 – \$1,000,000] as a reserve for shut-down. 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.

7. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	224,366	147,293	77,073	75,370
Computer software	18,202	5,804	12,398	16,040
Furniture and fixtures	111,295	96,222	15,073	17,845
Booth development	28,294	22,505	5,789	11,446
Promotional equipment	9,699	9,470	229	327
FarmCash Advance Payments Program website development	246,040	209,261	36,779	85,987
	637,896	490,555	147,341	207,015

8. Grant commitments

The Commission has entered into various research grants. When funding for a research grant is approved by the Commission amounts are disbursed depending on the terms of the funding grant, the amount disbursed is then expensed in the period in which they occur if the recipient has met the terms of the agreement. The funds to cover these commitments are in the Commission's cash, short-term investments and long-term investments accounts.

As of July 31, 2023 the Commission has entered into agreements with payments terms requiring disbursement of \$5,099,587. The estimated annual grant commitments are described in Note 14.

As described in Note 2, the Commission is amalgamating with Alberta Barley Commission effective August 1, 2023. Any commitments made by either the Commission or Alberta Barley Commission will become commitments of the Alberta Grains Commission upon amalgamation.

9. FarmCash Advance Payments Program

The Commission has entered into a Tripartite Agreement (the "Agreement") with His Majesty the King 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 \$65,000,000 for the 2021 program year, \$75,000,000 for the 2022 program year, and \$90,000,000 for the 2023 program year. 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, 2023.

To finance the arrangement, the Commission has a series of operating lines of credit which bear interest at market based interest rates. At year-end, the maximum credit limit of the lines of credit available was \$172,150,000 of which \$77,497,375 was drawn. Banker's acceptances of \$112,000,000 with a repayment period September 9 to October 30, 2022 were also drawn and fully repaid in the year. In the prior year banker's acceptances of \$65,700,000 were fully repaid.

10. Deferred revenue

Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	701,210	557,764
Amount received during the year	1,472,545	1,053,502
Less: Amounts recognized as revenue during the year	(826,446)	(910,056)
	1,347,309	701,210

The ending balance of \$1,347,309, is restricted cash specifically used for the following programs.

Results Driven Agriculture Research (“RDAR”): In the prior year, the Commission entered into agreements with RDAR, a not-for-profit corporation with the mandate to deliver producer led, results driven agriculture research funding to increase the competitiveness and profitability of Alberta’s agriculture industry. RDAR provides funding to enable research initiatives complementary to RDAR’s priorities. Proceeds from RDAR will be used to fund several projects at the Commission: Promotion of Wetland Stewardship Best Management Practices Through a Targeted Water Monitoring Project; Alberta’s Regional Variety Trials for Wheat, Barley, Rye, Triticale, Oats and Flax; and Virtual, Visual, Videos of Agronomic Practices.

For the year ended July 31, 2023, the Commission received \$1,274,611 [2022-\$699,500] from RDAR and recognized \$684,355 [2022 – \$673,753] as revenue. As the funds received by the Commission were solely for RDAR projects, 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, 2022, the Commission received \$nil [2022 – \$136,640] from the Government of Alberta and recognized \$nil [2022 – \$84,165] as 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 was made, the corresponding amount was recognized as revenue in the same year in which the expense was made. The final disbursement of \$136,640 was in the prior year with unused funds deferred to the 2023 year. The program was completed in 2023.

Alberta Crop Protection Guide (“Blue Book”): During the year ended July 31, 2020, the Commission entered into an agreement with the Minister of Agriculture and Forestry of Alberta [the “Minister”] for grant funding in the amount of \$110,250. The grant is to assist with the production, publication, and distribution of the Blue Book. The Commission leads the project and works collaboratively with other parties to publish the Blue Book. The Commission acknowledges that the grant may not be sufficient to cover the costs of the entire project and that the Commission shall be solely responsible for raising funds from other sources to complete the project. During the year, the terms of the grant expired, and the Commission realized the entirety of the eligible funding of the agreement.

As of July 31, 2023, the Commission intends to continue with the facilitation of the Blue Book project. To substitute the original funding agreement with the Minister, the Commission has entered into a Memorandum of Understanding with Alberta Barley Commission, Alberta Canola Producers Commission and Alberta Pulse Growers Commission to provide financial contributions for Blue Book. The Commission’s contribution to the project is \$55,000.

For the year ended July 31, 2023, the Commission received additional proceeds from the Minister of \$nil [2022 – \$11,025] and from other sources of \$197,934 [2022 – \$206,338] and incurred \$160,291 [2022 – \$175,788] of expenses. The Commission recognized \$142,091 [2022 – \$152,138] as revenue. As the funds received by the Commission were solely for the Blue Book 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.

11. 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.

12. Cereals Canada funding contribution/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.

In the prior year, CIGI and Cereals Canada merged into one national organization. The consolidated organization now operates under one name - Cereal Canada Inc.

For the year ended July 31, 2023, the Commission's contribution to the commitment was \$697,972 (2022-\$717,384).

As described in Note 2, the Commission is amalgamating with Alberta Barley Commission effective August 1, 2023. Any commitments made by either the Commission or Alberta Barley Commission will become commitments of the Alberta Grains Commission upon amalgamation.

13. Interfund transfers

The FarmCash Advance Payments Program has historically run at a loss, the current year loss is \$117,209 (2022 – \$440,198). Over the lifetime of the program, losses have totaled \$1,529,465. During the year, the Operating Fund paid certain FarmCash Advance Payments Program expenses on its behalf, totaling \$830,942 (2022 – \$669,386).

Subsequent to year-end the Board of Directors passed a resolution to require the FarmCash Advance Payments Program repay the funds transferred. As at July 31, 2023, the balance of \$2,878,655 reflects the cumulative transfers that have been incurred since the inception of the program which are payable to the operating fund. These transfers are un-secured, non- interest bearing with no fixed repayment terms, and are not likely to be collected within the year and, accordingly, have been classified as long-term liabilities.

14. 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 payments. The Commission's share of the annual rent for the premises is approximately \$130,354.

As described in Note 8, the Commission has also entered into several grant agreements. The estimated minimum annual payments on leases and grant agreements are as follows.

2024	3,517,434
2025	1,511,481
2026	315,500
2027	24,859
2028	1,885
	<hr/>
	5,371,159

As described in Note 2, the Commission is amalgamating with Alberta Barley Commission effective August 1, 2023. Any commitments made by either the Commission or Alberta Barley Commission will become commitments of the Alberta Grains Commission upon amalgamation.

15. Contingencies

The Commission has been named as defendant in lawsuits. These lawsuits remain at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result.

16. 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 9.

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.

Credit risk

The Commission acts as the administrator in the Advance Payments Program. Credit risk associated with this program is discussed in Note 9.

17. Comparative figures

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





Growing Together



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