



2023

ANNUAL REPORT





Table of Contents

- 05 - WGRF Research Priorities
- 06 - Message from the Chair
- 08 - Message from the Executive Director
- 10 - 2023 Board of Directors
- 10 - WGRF Member Organizations
- 11 - WGRF Staff
- 15 - Financial Statements
- 26 - Notes to the Financial Statements



More than
700
WGRF-funded
research projects



Online Search Tool

More than 700 WGRF-funded research projects are listed at wgrf.ca in a user-friendly, searchable format. Search by researcher, institution, keyword or co-funder to find out more details of what projects have received funding in the past and present.



Our vision

Profitable and sustainable
western Canadian
grain farmers



Our mission

Producers directing
investments into crop
research to benefit western
Canadian grain farmers



Research Priorities

Priority areas for single crop and whole farm integrated multi-crop research

Research areas:

Whole farm integrated multi-crop

Research areas:

Single crop



Production

e.g., cropping systems, crop nutrition, pest (insect, disease, weed) management, production management, soil quality, water use efficiency, fertilizer use efficiency, adaptation to and mitigation of climate change, crop quality, storage, storage pests, economic analysis



- Barley
- Canary seed
- Canola
- Chickpea
- Corn
- Faba bean
- Flax
- Lentil
- Mustard
- Oat
- Pea
- Soybean
- Sunflower
- Wheat
- Winter cereals



Variety development

e.g., genetics, breeding methods, pre-breeding, breeding, pest resistance development, breeding for crop quality, variety trialing





LAURA REITER

Chair, WGRF

Message from the Chair

I am pleased to present the annual report of the Western Grains Research Foundation (WGRF) for 2023. This report encapsulates our collective achievements, milestones, and the impact of our efforts in advancing agricultural research for the benefit of western Canadian farmers.

I would like to express my sincere gratitude to the staff and the Board of Directors for their dedication and hard work throughout the year. Your wealth of knowledge and experience is invaluable in guiding us to better support western Canadian farmers. It's truly a pleasure to work with each and every one of you.

This summer, the Board and I had the chance to walk through field work conducted by a WGRF funded researcher as well as the opportunity to tour facilities that have been built or received upgrades through our Phase 2 Capacity Initiative. Seeing firsthand the impact producer dollars are making in the research community across the prairies and engaging with researchers in insightful discussions lets me know that investments we are making in research are timely as well as important to farmers.

I'm particularly excited about the recent announcement of the next Integrated Crop Agronomy Cluster (ICAC), which will provide funding for multi-crop research to address current and future challenges faced by producers. As a farmer myself, I understand the importance of having access to up-to-date agronomic information.

While I eagerly anticipate the discoveries that the new ICAC will bring, I'm also immensely proud of the outcomes achieved by the previous cluster. The insect and disease monitoring initiatives



Integrated Crop Agronomy Cluster

The next Integrated Crop Agronomy Cluster (ICAC), which will provide funding for multi-crop research to address current and future challenges faced by producers.

provide farmers with invaluable in-season information to optimize their decision-making. Additionally, research on managing all kochia, particularly the herbicide-resistant strains, has been instrumental in addressing a growing concern across the prairies.

This year, I had the privilege of meeting with many of our member organizations, and I extend my gratitude for their valuable insights and collaboration. These discussions have enhanced my understanding of how WGRF contributes to the community and how we can collectively maximize the impact of our research investments.

While I've always recognized the importance of producer investment in research, my tenure as WGRF Chair this past year has provided me with a deeper appreciation for its profound impact. Reflecting on these conversations, I am confident that the \$12.9 million invested in research by WGRF's Board of Directors in 2023, along with the more than \$49 million committed research expenditures from 2024 to 2030, will empower producers to achieve greater profitability and sustainability in the years to come.

WGRF invested
\$12.9M
in 2023



Laura Reiter
Chair, WGRF



WAYNE THOMPSON
Executive Director, WGRF

Message from the Executive Director

WGRF continues to capitalize on valuable opportunities for collaborative research funding, reaffirming its commitment to advancing agricultural research. The introduction of the Integrated Crop Agronomy Cluster, part of the Agriculture and Agri-Food Canada Sustainable Canadian Agricultural Partnership, stands out as a significant avenue for providing farmers with actionable insights for their operations. WGRF's ongoing support for clusters in wheat, barley, diverse field crops, and organic farming underscores its dedication to comprehensive agricultural research.

In 2023, WGRF collaborated with various producer organizations across Western Canada to fund numerous projects through partnerships with the Saskatchewan Ministry of Agriculture, Agriculture Funding Consortium, Manitoba Agriculture, and the Canola Council of Canada. This collective effort demonstrates WGRF's commitment to fostering impactful research initiatives that address the diverse needs of farmers.

The renewal of scholarship funding with the Universities of Manitoba, Saskatchewan, Alberta, Lethbridge and British Columbia reflects WGRF's investment in the next generation of research professionals in agriculture. These scholarships play a vital role in shaping the future of agricultural research and innovation.

Ensuring the dissemination of research outcomes to farmers and agronomists remains a top priority for WGRF. The support for initiatives like the Field Heroes program, Prairie Pest Monitoring Network, and upcoming websites for the Prairie

Disease Monitoring Network and the Prairie Weed Monitoring Network underscores WGRF's commitment to providing timely and relevant information. These efforts help farmers to effectively manage agronomic risks on their farms.

In 2020, the WGRF Board committed \$24 million to infrastructure and equipment, resulting in the successful completion of several projects in collaboration with partner organizations. For detailed information on these completed projects, interested parties are encouraged to visit the WGRF website and explore the "[Accelerating Capacity Interactive Map](#)" on the Research page.

The dynamic landscape of research tools and technology continues to evolve, and WGRF plays a pivotal role in facilitating access to these advancements. Farmer funding through WGRF enables researchers to leverage new technologies, exemplified by the University of Saskatchewan's Field Phenotyping System (UFPS). This innovative system is deployed at six Agriculture and Agri-Food Canada stations across Canada, contributing to a better understanding of plant growth in the field.

A heartfelt appreciation goes to the dedicated WGRF staff whose unwavering commitment has been instrumental in the success achieved in 2023. Without their efforts, the vital work of funding research for the benefit of farmers would not be possible. Thank you to the entire WGRF team for their contributions and achievements in advancing agricultural knowledge and sustainability.



WAYNE THOMPSON,
Executive Director, WGRF



\$24M

committed to infrastructure, equipment and facilities to increase research capacity across Western Canada



2023 Board of Directors



Laura Reiter
Radisson, SK *Chair*

Greg Sundquist
Watrous, SK

Kevin Auch
Carmangay, AB *Vice-Chair*

Jeff Nielsen
Olds, AB

Malcolm Odermatt
Fort St. John, BC

Terry Boehm
Allan, SK

Adam Littman
Saltcoats, SK

Jeremy Welter
Kerrobert, SK

Maurice Berry
Carievale, SK

Wade Hainstock
Moose Jaw, SK

Dave Bishop
Barons, AB

Jill Verwey
Portage la Prairie, MB

Mike Ammeter
Sylvan Lake, AB

Doug Martin
East Selkirk, MB

Kenton Possberg
Humboldt, SK

Robert Kennedy
Hughenden, AB



Member Organizations

The WGRF Bylaws allow three classes of Members: A, B and C. Class A is for producer organizations while Classes B and C are for government and industry organizations, respectively.

Class A Members

Agricultural Producers Association of Saskatchewan

Alberta Federation of Agriculture

Alberta Grains

BC Grain Producers Association

Canadian Canola Growers Association

Canadian Seed Growers' Association

Keystone Agricultural Producers

Manitoba Crop Alliance

National Farmers Union

Prairie Oat Growers Association

Saskatchewan Barley Development Commission

Saskatchewan Flax Development Commission

Saskatchewan Wheat Development Commission

Western Barley Growers Association

Wheat Growers Association

Western Pulse Growers

Class B Member

Agriculture and Agri-Food Canada



WGRF invests
an average
\$12M
in research funding
per year

WGRF Staff

-  **Wayne Thompson**
Executive Director
-  **Bimpe Oyeneye, M.Sc., PAg**
Research Program Manager
-  **Candice Lajeunesse**
Program Administrator
-  **Glenda Hetterly, CPA, CA**
Finance Manager
-  **Joelle Harris, B.S.A., PAg**
Research Program Manager
-  **Lisa Jategaonkar, M.Sc., AAg**
Research Program Manager
-  **Mike Espeseth, B. Comm.**
Communications Manager
-  **Valar Gurusamy, Ph.D., PAg**
Research Program Manager



Investing and impacting agriculture in Western Canada



ACCELERATING CAPACITY



\$32M

to accelerate and expand crop research



\$24M

committed to infrastructure, equipment and facilities to increase research capacity across Western Canada



\$8M

to establish Research Chairs at the Universities of Alberta, Saskatchewan and Manitoba



\$2M

in Graduate Student Scholarships since 2011 to develop the next generation of researchers

\$240M

INVESTED IN RESEARCH SINCE 1981

WGRF invests an average

\$12M

in research funding per year

More than 700

WGRF-funded research projects (searchable at wgrf.ca)

FIELD HEROES



THINK BENEFICIALS BEFORE YOU SPRAY

TOOLS FOR GROWERS AND AGRONOMISTS TO IDENTIFY THE MOST COMMON BENEFICIAL INSECTS FOUND ACROSS WESTERN CANADA

 fieldheroes.ca



Field Heroes Field Guide



Sweep Net Video Series



Pest and Predators Podcasts



Scouting Guides



Integrated Crop Agronomy Cluster

A whole-farm approach to agronomic research

\$1.9M

Research areas:
Whole farm integrated multi-crop
 emphasis on variety development and production



\$1M

Diverse Field Crop Cluster

Consultations with more than
300

farmers, agronomists, scientists and WGRF members to establish funding priorities.

Research areas:
Single crop
 emphasis on variety development and production



\$82K

Organic Science Cluster IV

15
crops



\$2.4M

Canadian National Wheat Cluster



\$1M

National Barley Research Cluster



Knowledge sharing through published research updates

Developing websites for:

Prairie Weed Monitoring Network (PWMN)

Prairie Crop Disease Monitoring Network (PCDMN)



canadianagronomist.ca



prairiepest.ca



SUPPORTED BY: WGRF





Largest Producer Funder

of crop research
in Canada



Financial Statements

YEAR ENDED DECEMBER 31, 2023

Independent Auditors' Report

Lingard + Dreger

CHARTERED PROFESSIONAL ACCOUNTANTS

880 Broadway Ave #200 T 306-244-0808
Saskatoon, SK S7N 3A7 W lingarddreger.ca

MAX LINGARD

B. Comm., MPAcc., CPA, CA

BRENDEN DREGER

CPA

LARRY SAFINUK

B. Comm., CPA, CA

To the Directors of Western Grains Research Foundation

Qualified Opinion

We have audited the financial statements of Western Grains Research Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in fund balances, 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* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Foundation derives part of its earnings from payments from royalties, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to payments received from royalties, excess of revenue over expenditures, and cash flows from operations for the years ended December 31, 2023, and December 31, 2022, current assets as of December 31, 2023, and December 31, 2022, and fund balances as at January 1 and December 31, for both the 2023 and 2022 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those

standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 audit 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 financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

However, future events or conditions may cause the Foundation 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.

Lingard + Dreger

Chartered Professional Accountants

March 12, 2024
Saskatoon, Saskatchewan

Financial Position

CURRENT ASSETS	2023	2022
Cash and cash equivalents (Note 3)	13,281,201	14,220,914
Accounts receivable (Note 6)	10,362,780	8,186,165
Prepaid expenses	77,937	101,132
Investments in debt instruments, short-term (Note 7)	10,875,000	9,900,000
Investments in equity securities (Note 9)	109,936,360	103,916,604
	\$ 144,533,278	\$ 136,324,815
LONG-TERM ASSETS		
Investments in debt instruments, long-term (Note 7)	58,023,918	46,748,200
	\$ 202,557,196	\$ 183,073,015
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	722,505	342,895
FUND BALANCES (Notes 4, 13)		
Capital fund	9,066,972	9,066,972
Research Fund (Schedule 1)	156,388,559	141,286,226
Wheat Fund (Schedule 2)	33,785,185	30,187,936
Barley Fund (Schedule 3)	2,593,975	2,188,986
	\$ 201,834,691	\$ 182,730,120
	\$ 202,557,196	\$ 183,073,015

CONTINGENT LIABILITY (Note 16)

See accompanying notes

APPROVED BY THE BOARD



LAURA REITER

Chair



ADAM LITTMAN

Director

Operations and Changes in Fund Balances

REVENUES	2023	2022
Unrealized gain (loss) on investments	11,971,880	(17,008,111)
Investment income	6,424,027	3,891,562
Other income (Note 11)	7,248,438	6,213,286
Royalties (Note 10)	3,221,348	2,490,357
Gain on sale of investments	5,789,943	547,671
Foreign exchange (loss) gain	(101,410)	225,879
	\$ 34,554,226	\$ (3,639,356)
EXPENDITURES		
Research project funding	8,074,503	8,725,243
Royalty research funding	-	25,608
Research capacity funding	4,532,695	2,839,701
Railway maximum revenue entitlement repayment (Note 12)	-	2,519,660
Investment management fees	571,307	578,045
Operating and program expenses (Schedule 4)	2,271,150	2,130,874
	\$ 15,449,655	\$ 16,819,131
Excess (deficiency) of revenue over expenditures	19,104,571	(20,458,487)
Fund balances, beginning of year	182,730,120	203,188,607
FUND BALANCES, END OF YEAR	\$ 201,834,691	\$ 182,730,120

See accompanying notes

STATEMENT OF

For the year ended December 31, 2023

Cash Flows

	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	19,104,571	(20,458,487)
Items not affecting cash		
Unrealized (gain) loss on investments	(11,971,880)	17,008,111
Amortization of net premiums on bonds	(719)	(702)
Gain on sale of investments	(5,789,943)	(547,671)
Return of capital and income reinvestments	(129,127)	3,655
Changes in non-cash working capital	(1,773,810)	(6,519,584)
	\$ (560,908)	\$ (10,514,678)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of investments	(26,118,986)	(17,238,838)
Sales and maturities of investments	25,740,181	25,362,328
	(378,805)	8,123,490
Decrease in cash during the year	(939,713)	(2,391,188)
Cash position, beginning of year	14,220,914	16,612,102
CASH POSITION, END OF YEAR	\$ 13,281,201	\$ 14,220,914
CASH AND CASH EQUIVALENTS IS COMPOSED OF		
Cash	880,245	320,508
Cash equivalents	12,400,956	13,900,406
	\$ 13,281,201	\$ 14,220,914

See accompanying notes

Research Fund Operations and Changes in Fund Balance

REVENUES	2023	2022
Investment income	5,324,822	3,214,021
Other income (Note 11)	7,248,438	6,213,286
Gain on sale of investments	5,298,890	239,490
Unrealized gain (loss) on investments	9,900,127	(14,407,328)
Foreign exchange (loss) gain	(93,827)	204,969
	\$ 27,678,450	\$ (4,535,562)
 EXPENDITURES		
RESEARCH FUNDING		
Agronomy	3,649,953	4,417,091
Variety development	2,100,335	1,953,290
Post harvest management	-	29,831
Agronomy capacity	4,532,695	2,831,436
	\$ 10,282,983	\$ 9,231,648
Railway maximum revenue entitlement repayment (Note 12)	-	2,519,660
Investment management fees	471,022	479,446
Operating and program expenses (Schedule 4)	1,822,112	1,721,409
	\$ 12,576,117	\$ 13,952,163
Excess (deficiency) of revenue over expenditures	15,102,333	(18,487,725)
Research fund, beginning of year (Note 4)	141,286,226	159,773,951
RESEARCH FUND, END OF YEAR (Notes 4, 13)	\$ 156,388,559	\$ 141,286,226

See accompanying notes

Wheat Fund Operations and Changes in Fund Balance

OPERATING ACCOUNT	2023	2022
REVENUES		
Royalties (Note 10)	2,700,186	2,236,866
Investment income	11,380	3,835
	\$ 2,711,566	\$ 2,240,701
EXPENDITURES		
RESEARCH FUNDING		
Agronomy	402,263	358,067
Variety development	1,641,667	1,062,443
Canadian National Wheat Cluster	(35,529)	477,046
Agronomy capacity	-	8,265
	\$ 2,008,401	\$ 1,905,821
Operating and program expenses (Schedule 4)	359,061	327,920
	\$ 2,367,462	\$ 2,233,741
Excess of revenue over expenditures	344,104	6,960
Transfer (to) from wheat reserve account	(222,731)	1,347,971
Operating account, beginning of year (Note 4)	1,816,257	461,326
OPERATING ACCOUNT, END OF YEAR	\$ 1,937,630	\$ 1,816,257

See accompanying notes

(CONTINUED)

Wheat Fund Operations and Changes in Fund Balance (CONTINUED)

RESERVE ACCOUNT	2023	2022
Investment income	1,004,550	623,749
Gain on sale of investments	483,381	313,606
Unrealized gain (loss) on investments	1,866,022	(2,427,358)
Foreign exchange (loss) gain	(7,093)	16,819
Investment management fees	(93,715)	(91,683)
RESERVE EXCESS (DEFICIENCY) FOR THE YEAR	\$ 3,253,145	\$ (1,564,867)
Transfer from (to) wheat operating account	222,731	(1,347,971)
Reserve account, beginning of year (Note 4)	28,371,679	31,284,517
RESERVE ACCOUNT, END OF YEAR	\$ 31,847,555	\$ 28,371,679
WHEAT FUND, END OF YEAR (Notes 4, 13)	\$ 33,785,185	\$ 30,187,936

See accompanying notes

Barley Fund Operations and Changes in Fund Balance

OPERATING ACCOUNT	2023	2022
REVENUES		
Royalties (Note 10)	521,162	253,491
Investment income	2,845	959
	\$ 524,007	\$ 254,450
EXPENDITURES		
RESEARCH FUNDING		
Agronomy	84,983	46,268
Variety development	233,310	230,560
National Barley Cluster	(2,479)	150,647
	\$ 315,814	\$ 427,475
Royalty research funding	-	25,608
Operating and program expenses (Schedule 4)	89,977	81,545
	\$ 405,791	\$ 534,628
Excess (deficiency) of revenue over expenditures	118,216	(280,178)
Transfer from barley reserve account	50,160	28,705
Operating account, beginning of year (Note 4)	134,888	386,361
OPERATING ACCOUNT, END OF YEAR	\$ 303,264	\$ 134,888

(CONTINUED)

SCHEDULE 3

For the year ended December 31, 2023

Barley Fund Operations and Changes in Fund Balance (CONTINUED)

RESERVE ACCOUNT	2023	2022
Investment income	80,430	48,998
Gain (loss) on sale of investments	7,672	(5,425)
Unrealized gain (loss) on investments	205,731	(173,425)
Foreign exchange (loss) gain	(490)	4,091
Investment management fees	(6,570)	(6,916)
RESERVE EXCESS (DEFICIENCY) FOR THE YEAR	\$ 286,773	\$ (132,677)
Transfer to barley operating account	(50,160)	(28,705)
Reserve account, beginning of year (Note 4)	2,054,098	2,215,480
RESERVE ACCOUNT, END OF YEAR	\$ 2,290,711	\$ 2,054,098
BARLEY FUND, END OF YEAR (Notes 4, 13)	\$ 2,593,975	\$ 2,188,986

See accompanying notes

SCHEDULE 4

For the year ended December 31, 2023

Operating and Program Expenditures

EXPENDITURES	RESEARCH FUND	WHEAT FUND	BARLEY FUND	2023	2022
Wages and benefits	883,772	235,673	58,918	1,178,363	1,173,552
Communications	253,792	36,207	8,973	298,972	180,987
Scholarships	330,000	-	-	330,000	330,000
Office (Note 14)	143,140	38,170	9,543	190,853	228,024
Professional fees	28,916	6,135	1,534	36,585	26,408
Consulting fees	28,074	4,492	1,123	33,689	33,802
Travel and other	79,386	21,048	5,551	105,985	71,542
Per diems	75,032	17,336	4,335	96,703	86,559
OPERATING AND PROGRAM EXPENDITURES FOR THE YEAR	\$ 1,822,112	\$ 359,061	\$ 89,977	\$ 2,271,150	\$ 2,130,874

See accompanying notes



NOTES TO THE

Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2023

Financial Statements

1. DESCRIPTION OF THE FOUNDATION

Western Grains Research Foundation (the “Foundation” or “WGRF”) is a farmer funded and directed not-for-profit organization investing in agricultural field crop research to benefit western Canadian producers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REVENUE RECOGNITION

A) WHEAT AND BARLEY FUNDS

Investment income, including any unrealized changes in fair market value in equity securities, is recognized as income of the respective reserve account in the year earned.

Royalties earned by the Wheat and Barley Funds are recognized in the operating accounts of the respective funds when the amount is known and collection is reasonably assured; some amounts cannot be determined by the Foundation prior to receipt.

B) RESEARCH FUND

Investment income, including any unrealized changes in fair value in equity securities, is recognized as income in the year earned.

In some years, WGRF has been awarded funds by the Canadian Transportation Agency (“CTA”) as a result of Canadian Pacific Kansas City Limited (“CPKC”) and Canadian National Railway Company (“CN”) exceeding their Maximum Revenue Entitlement (“MRE”) for movement of grain in Western Canada. This revenue is recognized and recorded as other income in the Research Fund when the amount is known and collection is reasonably assured.

RECOGNITION OF CONTRIBUTIONS

WGRF follows the restricted fund method whereby revenues of a specific fund are recognized in the fund corresponding to the purpose for which they were contributed when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(CONTINUED)

Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT INCOME

Investment income includes interest and dividend income earned in the year and realized gains and losses from dispositions of investment assets in the year. Unrealized changes in fair value from year to year are recognized in earnings.

FUND OPERATIONS

Revenue earned, net of operating expenditures, is allocated to designated funds. Research funding paid in the year is charged against the respective fund.

ROYALTIES

The Foundation's share of royalties derived from wheat and/or barley variety developments are recorded as royalty revenue in the respective wheat and/or barley statement of fund operations. Upon approval of the Board of Directors certain royalty funds may be subsequently reinvested with research organizations for the funding of specific royalty projects and recorded as royalty expenditures in the respective statement of fund revenue and expenditures for wheat and/or barley.

FOREIGN CURRENCY TRANSLATION

The Foundation follows the temporal method of accounting for the translation of foreign currency amounts into Canadian dollars. Under this method, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets are translated at the historical rate of exchange. Revenue and expenses are translated at the rate of exchange prevailing on the transaction date. Gains and losses on translation are reflected in income.

FINANCIAL INSTRUMENTS

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures investments in equity securities at fair value. Other financial assets and financial liabilities including cash and cash equivalents, accounts receivable, investments in debt instruments and accounts payable and accrued liabilities are subsequently measured at amortized cost.

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods. Significant estimates include, but are not limited to, accruals for certain revenues.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks, in investment accounts, and short-term investments with original maturities of three months or less.

Financial Statements

4. FUNDS

CAPITAL FUND

The Foundation was funded by the Canadian Ministry of Agriculture on May 2, 1983 by a \$9,066,972 contribution to the Capital Fund. The funding contribution represented an amount equivalent to the balance remaining in the Prairie Farm Emergency Fund, which was derived entirely by deductions from prairie farmer grain sales.

RESEARCH FUND

Annual investment revenue earned from the initial Capital Fund contribution and funds awarded by the CTA to the Foundation as a result of CN and CPKC exceeding their Maximum Revenue Entitlements for the movement of grain in Western Canada, net of operating, program and research funding expenditures, is allocated to the Research Fund. The Research Fund is not externally restricted and can be spent at the discretion of the Foundation's Board of Directors, subject to its own internal Research Fund Policy. In 2019 the Board approved a Research Fund Policy that provides for maintaining a minimum fund value of \$100 million, indexed annually for inflation beginning in 2020.

WHEAT FUND AND BARLEY FUND

Historically, the Wheat and Barley Funds were primarily funded by producer check-off and royalties. WGRF has not been the recipient of legislated check-off income since July 31, 2017.

5. INCOME TAX STATUS

The Foundation is a registered charity, designated as a public foundation under the Income Tax Act of Canada. As such, it is not subject to income taxes.

6. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable include the following:		
Railway excess maximum revenue entitlements receivable	7,168,713	5,703,456
Receivable for Integrated Crop Agronomy Cluster ("ICAC")	273,026	91,747
Accrued interest receivable	647,836	461,123
Royalties receivable	2,193,807	1,900,718
Receivables from wheat, barley and organic clusters	64,774	-
Goods and Services Tax receivable	13,449	28,733
Other receivable	1,175	388
	\$ 10,362,780	\$ 8,186,165

Financial Statements

7. INVESTMENT IN DEBT INSTRUMENTS

		2023	2022
Investment Type & Maturity	Effective Interest Rates	Amortized Cost	Amortized Cost
RESEARCH FUND			
<i>BMO Range Accrual Notes extendible by issuer to 2029. Interest paid if daily CDOR rate is 0% to 1.5%.</i>			
2029	2.25%	2,500,000	2,500,000
BMO EXTENDIBLE NOTES (FIXED RATE AND STEP-UP)			
2026	1.67% - 5.90%	6,000,000	3,000,000
2027	1.45% - 1.65%	8,500,000	8,500,000
2028	1.55% - 3.00%	4,000,000	4,000,000
2029	1.95% - 5.65%	4,500,000	2,000,000
2030	1.80% - 5.70%	7,000,000	3,000,000
PROVINCIAL BONDS			
2025	2.30% - 2.38%	2,998,918	2,998,200
GUARANTEED INVESTMENT CERTIFICATES			
2023	1.08% - 3.35%	-	7,500,000
2024	1.05% - 6.05%	8,850,000	6,350,000
2025	1.20% - 4.86%	5,350,000	3,850,000
2026	1.65% - 4.14%	1,750,000	1,750,000
2028	4.91% - 4.95%	3,000,000	-
TOTAL RESEARCH FUND		\$ 54,448,918	\$ 45,448,200

(CONTINUED)

Financial Statements

7. INVESTMENT IN DEBT INSTRUMENTS (CONTINUED)

		2023	2022
Investment Type & Maturity	Effective Interest Rates	Amortized Cost	Amortized Cost
WHEAT FUND			
BMO Range Accrual Notes <i>extendible by issuer to 2029. Interest paid if daily CDOR rate is 0% to 1.5%.</i>			
2029	2.25%	500,000	500,000
BMO EXTENDIBLE NOTES (FIXED RATE AND STEP-UP)			
2026	1.67% - 6.00%	1,450,000	500,000
2027	1.45% - 1.65%	2,275,000	2,275,000
2028	3.00%	500,000	500,000
2029	5.65% - 6.25%	900,000	-
2030	1.80% - 6.33%	1,400,000	500,000
GUARANTEED INVESTMENT CERTIFICATES			
2023	1.10% - 5.50%	-	2,150,000
2024	1.15% - 3.97%	1,800,000	1,800,000
2025	1.21% - 4.86%	2,500,000	1,500,000
2026	1.75% - 4.40%	1,800,000	800,000
2028	4.90% - 4.95%	900,000	-
TOTAL WHEAT FUND		\$ 14,025,000	\$ 10,525,000
BARLEY FUND			
GUARANTEED INVESTMENT CERTIFICATES			
2023	1.23% - 4.33%	-	250,000
2024	1.45% - 3.89%	225,000	225,000
2025	1.95% - 4.03%	200,000	200,000
TOTAL BARLEY FUND		425,000	675,000
TOTAL ALL FUNDS		\$ 68,898,918	\$ 56,648,200

Financial Statements

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2023	2022
Accounts payable include the following:		
Research payables	66,393	76,434
Capacity payables	571,042	146,557
Other trade payables and accrued liabilities	49,897	88,757
Vacation payable	35,173	31,147
	\$ 722,505	\$ 342,895
 9. ACCUMULATED UNREALIZED GAINS ON INVESTMENT IN EQUITY SECURITIES		
At December 31, 2023 there are unrealized gains on investments in equity securities of \$49,881,613 (2022 - \$37,909,733).		
 10. ROYALTY INCOME	2023	2022
Royalty income includes the following:		
WHEAT FUND		
Agriculture and Agri-Food Canada	2,648,379	2,162,314
University of Saskatchewan	42,729	72,349
University of Alberta	9,078	2,203
	\$ 2,700,186	\$ 2,236,866
BARLEY FUND		
Agriculture and Agri-Food Canada	391,400	164,755
University of Saskatchewan	129,762	88,736
	\$ 521,162	\$ 253,491
 TOTAL ALL FUNDS		
Agriculture and Agri-Food Canada	3,039,779	2,327,069
University of Saskatchewan	172,491	161,085
University of Alberta	9,078	2,203
	\$ 3,221,348	\$ 2,490,357

Financial Statements

11. OTHER INCOME	2023	2022
RESEARCH FUND		
CN Rail for exceeding its Maximum Revenue Entitlement	3,630,836	3,221,492
CPKC for exceeding its Maximum Revenue Entitlement	3,537,877	2,481,964
Industry partner (refunds) contributions to ICAC	(101,554)	208,788
Agriculture and Agri-Food Canada contribution to ICAC research	106,363	223,765
Agriculture and Agri-Food Canada contribution to ICAC program	74,916	77,277
	\$ 7,248,438	\$ 6,213,286

12. OTHER EXPENSE

In 2021 CN exceeded their MRE by \$2,519,660 for the 2020-21 crop year, however the CTA subsequently granted relief with respect to a variance applied for by CN and the 2021 amount was ordered to be returned to CN by WGRF in 2022.

13. COMMITMENTS

The Foundation has approved and is committed to the following contributions to various universities for funding scholarships from the Research Fund over the next five years as follows:

2024	330,000
2025	330,000
2026	330,000
2027	330,000
2028	330,000
	\$ 1,650,000

(CONTINUED)

Financial Statements

13. COMMITMENTS (CONTINUED)

The Foundation has approved and is committed to the following research and capacity funding over the next five years as follows:

	RESEARCH FUND	WHEAT FUND	BARLEY FUND	TOTAL
2024	11,034,270	3,411,958	685,300	15,131,528
2025	11,015,309	2,538,572	703,601	14,257,482
2026	7,576,593	1,793,453	561,119	9,931,165
2027	4,990,399	885,412	307,132	6,182,943
2028	1,411,658	108,686	-	1,520,344
Thereafter	390,080	21,777	-	411,857
	\$ 36,418,309	\$ 8,759,858	\$ 2,257,152	\$ 47,435,319

The Board has approved the payment of Barley Fund commitments from the Research Fund if the Barley Fund drops below the amount internally restricted to fund projects designated as barley royalty research.

14. OPERATING LEASES

The Foundation leases office space and office equipment. The minimum total lease payments over the next five years are \$321,061 plus Goods and Services Tax.

Annual payments due in each of the next five years are as follows:

2024	140,968
2025	144,025
2026	35,974
2027	94
2028	-
	\$ 321,061

15. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2023, members of the Foundation's Board of Directors received payments for per diems and expenses of \$126,992 (2022 - \$85,875). All related party transactions are measured at the exchange amount, which is the consideration established and agreed to by the parties.

Financial Statements

16. CONTINGENT LIABILITY

WGRF was the recipient of \$3,221,492 from CN for exceeding its MRE for the 2021-22 crop year and was the recipient of \$3,630,836 from CN for exceeding its MRE for the 2022-23 crop year. The amounts included in receivables at December 31, 2022 and December 31, 2023 have been received. The Federal Court of Appeal has granted CN leave to appeal the calculation of the MRE in each of those crop years. WGRF may be required to return some or all of the excess MRE received for the 2021-22 and 2022-23 crop years. The possible outcome of these appeals cannot be reasonably estimated at this time. Accordingly, no provision for liability has been made in the financial statements as at December 31, 2022 or December 31, 2023.

17. FINANCIAL INSTRUMENTS

The Foundation's recognized financial assets and liabilities consist of cash and cash equivalents, accounts receivable, accrued interest receivable, investment in debt instruments and equity securities, and accounts payable and accrued liabilities. The carrying values of these items approximate their fair values except for investments in debt instruments, the carrying value of which is their amortized cost given the Foundation's policy to hold such investments to maturity.

CREDIT RISK

The Foundation is exposed to credit risk with respect to cash and cash equivalents, accounts receivable and accrued interest receivable. The Foundation assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The credit risk with respect to cash and cash equivalents is insignificant since they are held in large financial institutions and is limited to the carrying amounts reported on the statement of financial position.

INTEREST RATE RISK

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk. The Foundation is exposed to this type of risk as a result of investments in debt securities.

OTHER PRICE RISK

Other price risk associated with investments in equity securities is the risk that their fair value will fluctuate because of changes in market prices. The Foundation mitigates this risk by regularly rebalancing its portfolio.

CURRENCY RISK

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on cash and cash equivalents and investments held in U.S. dollars. The Foundation does not use derivative instruments to reduce its exposure to foreign currency risk.

18. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



 **WGRF**

2023

ANNUAL
REPORT