

Annual Report 2020-2021



Saskatchewan Forage Seed Development Commission

The SFSDC, established in June 2005 under the Agri-Food Act, is a producer-led organization with the mandate to improve the forage seed industry in Saskatchewan.

We have a research focus, and we strive to help our producers become more profitable, and enhance the competitiveness of the agriculture industry.

We fund various types of activities described in our rules, the Forage Seed Development Commission Development Plan, by collecting a levy on Saskatchewan grown forage seed legume (except alfalfa) and grass crops including turfgrasses, forage grasses, and amenity, restoration, and reclamation species. The levy is 0.75% of the gross value of all forage seed marketed upon final settlement made to the producer by a registered forage seed buyer. All grades of forage seed and all potential mixtures are subject to the levy, which is refundable upon request to the SFSDC office.

More about SFSDC: www.saskforageseed.com
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About the Saskatchewan Forage Seed Development Commission

The Saskatchewan Forage Seed Development Commission (SFSDC) exists following a 2003-2004 survey of forage seed growers in northeast Saskatchewan and forage seed buyers, supported the concept of a forage seed check-off to improve the industry. The *Agri-Food Act* provided the policy framework to empower producers to form an organization, operate under provincial law and collect and administer the check-off to fund activities of the organization. SFSDC was established in 2005. The Development Plan, *A-15.21 Regulation 3* (amended 2021) prescribes the powers, scope, and scale of our activities. The Agri-Food Council is the oversight body for activities of organizations established under the *Agri-Food Act*.

The SFSDC maintains books and records that may be required for documenting crop kinds and deliveries, validating levy deductions, and individual producer, corporation, partnership or other organization that is a registered forage seed producer.

The check-off deduction (levy) is mandatory and is collected at the first point of sale by a producer to a forage seed buyer or another grower (as in grower to grower sales). SFSDC has a refundable levy system so that growers may ask for a refund of their deduction. Federal Orders allow the SFSDC to collect an interprovincial levy, so a forage seed buyer in a province/territory in Canada must collect the levy and provide remittance to the SFSDC.

The SFSDC levy is collected on a broad range of forage seed legumes and grass species which are mainly used as seed for sowing. Alfalfa seed is not included in the scope of SFSDC levy collection and activities. External funds (grants) are sourced primarily from the government of Saskatchewan and bilateral agreements within the Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy.



Forage Seed Crops and Levy: 2005-2006 to 2020-2021

The forage seed levy collected by the Saskatchewan Forage Seed Development Commission represents a broad diversity of forage seed crops (listed below, the main crop deliveries in bold).

red clover	alsike clover	sweet clover	prairie clovers
cicer milkvetch	American vetch	sainfoin	black medic
timothy	red top	birdsfoot trefoil	festolium
annual ryegrass	perennial ryegrass	Italian ryegrass	hybrid ryegrass
hybrid brome	meadow brome	smooth brome	mountain brome
crested wheatgrass	slender wheatgrass	intermediate wheatgrass	western wheatgrass
streambank wheatgrass	northern wheatgrass	tall wheatgrass	pubescent wheatgrass
hybrid wheatgrass	awned wheatgrass	green needle grass	orchardgrass
tall fescue	meadow fescue	sheep fescue	creeping red fescue
hard fescue	Chewing's fescue	reed canarygrass	needle-and-thread
Dahurian wildrye	altai wildrye	Canada wildrye	Russian wildrye
Canada bluegrass	Kentucky bluegrass	Sanberg bluegrass	fowl bluegrass

The total annual value of deliveries, levy funds collected and refunded, and the number of registered producers are listed in Table 1. The use of the levy funds and grant applications for research and field demonstrations are influenced by the types of crops delivered, producer requests for information and more recently, management practices.

Table 1: Contributions to the economy made by Saskatchewan forage seed producers based on the annual levy flows and refunds since the beginning of the check-off.

Year	Value Deliveries (\$)	Levy Collected (\$)	Levy Refund (\$)	Levy Total (\$)	Registered Producers (#)
2020-2021	11,005,628	82,967	1,078	81,889	172
2019-2020	11,977,362	87,682	2,216	85,466	184
2018-2019	9,146,184	68,728	1,491	67,237	175
2017-2018	9,840,148	73,807	4,096	69,711	204
2016-2017	8,067,578	60,340	1,624	58,716	176
2015-2016	13,859,419	103,946	6,472	97,474	203
2014-2015	6,576,072	49,340	348	48,922	162
2013-2014	7,973,452	59,801	2,870	56,931	177
2012-2013	5,127,733	38,458	2,521	35,937	154
2011-2012	6,175,733	46,318	64	46,254	175
2010-2011	4,647,200	34,854	365	34,489	138
2009-2010	5,672,400	42,543	768	41,775	149
2008-2009	5,212,400	39,093	850	38,243	229
2007-2008	7,762,000	58,215	1,308	56,907	313
2006-2007	7,604,667	57,035	6,121	50,914	322
2005-2006	5,460,000	40,950	1,999	38,951	380

Values based on crop deliveries from July 01 to June 30 and may not directly align with audited financial statements due to levy reported as receivables.

State of the Industry: Provincial Review, Pedigreed Seed Production, Exports, and Deliveries

1 Forage Seed Provincial Review, 2020-2021 Crop Year

Another crop year is in the books and despite a worldwide pandemic forage seed production in Saskatchewan did not skip a beat. No surprise given that Saskatchewan producers and their suppliers have been adapting to drastic change ever since the first furrow was turned over a hundred years ago.

Spring came quite late and was generally cool and dry in the north east. With relatively good soil moisture carryover from the fall of 2019, establishment of seeded forage was generally good.

A general frost in mid-May delayed development somewhat and damaged some established stands. Perennial ryegrass was the most impacted. A long winter and prolonged cold conditions in the spring may explain why some of the perennial ryegrass fields were winter killed in 2020.

As the season progressed, rain finally came in July and in some areas torrential down pours flooded low lying areas in fields. The high moisture coupled with July heat also brought a significant amount of hail to the area which damaged both seeded forage and hay fields.

The spring tended to be windier than normal and winds from the south brought True army worms to the north east. European skipper was noticed in higher numbers as well. These pests damaged timothy the most but could be found in varying levels in other grasses as well. On the other hand, the dry spring conditions resulted in fewer lesser clover leaf weevils in red clover. Some non-competitive forage stands that were spayed in the spring had second flushes of weeds. Beyond that, weed issues were typical of most years. Disease pressure was also typical and no new disease problems were reported.

After a disastrous harvest in 2019, a warm dry August was welcomed and generally set the stage for an excellent harvest season. The warm weather helped legumes delayed by the cool dry spring or hail to catch up just in time to be hit by frost in mid-September. Also, depending on the area, some stands of grass became too dry resulting in premature shelling under windy conditions.

Despite these challenges, the harvest of 2020 produced good quality seed with average to below average yields. Winter came fairly early and by mid-October soils were frozen again preventing fall fertilization of some fields. Soil moisture in the area is generally good and to date the region has had significant snowfall which will set the stage for whatever mother nature will throw at it in 2021.

One thing we have learned from the past several years and the current pandemic is that whatever happens, growers will adapt despite the odds.

By Clayton Myhre, Forage Seed Agriologist DLF PICKSEED and Terry Kowalchuk Provincial Forage Specialist Saskatchewan Ministry of Agriculture.

2 Pedigreed Forage Seed Production

The Canadian Seed Growers' Association (CSGA) 2020 November Acreage and Membership Report, indicates Saskatchewan pedigreed seed growers grew 17,401 acres of inspected forage seed crops (not including alfalfa), representing about 5.1% of total inspected Saskatchewan pedigreed seed acreage, up from 4.4% in 2019.

The acreage of Saskatchewan pedigreed production relative to Canadian pedigreed seed acreage is reported by CSGA as follows: birdsfoot trefoil 5.8%; bromegrasses 36.7%; clovers 26.1%; fescues 14.2%; ryegrasses 10.1%; timothy 21.6%; and wheatgrasses 27.3%. The main pedigreed seed production forage seed crops in Saskatchewan were clover. Alsike clover acres increased over red in 2020 (998 acres planted, 53% of all pedigreed clover seed). Single cut red clover was planted on 880 acres (47% of clover seed production). Of the bromegrasses, Saskatchewan pedigreed seed growers planted 1,930 acres to hybrid bromegrass and 717 acres to meadow bromegrass, 54% and 32% of all bromegrass acres, respectively. The Saskatchewan Seed Guide published by the Saskatchewan Seed Growers Association (SSGA) lists contact information to purchase pedigreed seed stock (<https://saskseed.ca/seed-guides/>).

Crop Kind	2016	2017	2018	2019	2020
Birdsfoot trefoil	100	100	100	100	130
Bromegrasses	2,720	3,358	2,454	2,497	2,647
Clovers	3,657	2,018	2,755	2,312	1,878
Fescues	626	456	1,155	1,840	2,416
Ryegrasses	2,485	1,065	1,970	2,331	1,957
Timothy	4,438	4,355	3,545	4,209	6,427
Wheatgrasses	1,675	1,270	1,470	1,349	1,946

Source: 2020 CSGA November Acreage and Membership Report

3 Saskatchewan Forage Seed Production and Exports

Based on deliveries reported to the SFSDC for the 2020-2021 crop year, the primary area of production continues to be in northeast Saskatchewan and the Carrot River Valley Watershed. The main Crop Districts of forage seed production are: 8A throughout all Rural Municipalities (RMs) plus RMs in Crop District 8B (RMs#429, 460) and Crop District 9A (RMs#488,461,435).

This year, data indicates that producers are growing forage seed beyond the traditional forage seed growing areas. In the southeast, production is reported in Crop Districts 1A and 1B and in the west central region, Crop District 3 BN. Crop District 5B, east central region, shows production in four RMs and Crop Districts 6A, 6B, and further south in Crop District 5A, a few RMs have growers successfully producing forage seed.

Saskatchewan forage seed exports (excluding alfalfa seed) increased in both value and volume of deliveries in 2020-2021. The following data provided by Saskatchewan Trade and Export Partnership, is sourced from government data on export shipments. It should be recognized that Saskatchewan-grown seed purchased by forage seed buyers in other provinces is not included in Saskatchewan exports data.

Trade Metric	2016	2017	2018	2019	2020
Value (M \$)	17.931	16.372	15,134	12.502	16.015
Volume (M kg)	6,387	6.021	5.087	4.067	5.345

4 Forage Seed Deliveries, 2020-2021

The SFSDC levy was collected from 19 different crop kinds (Table 2). Timothy seed production has increased compared to deliveries in 2019-2020. In the last few years timothy ranked #3 of the forage seed grasses, whereas deliveries in 2020-2021 ranked it #1. Slender wheatgrass and meadow bromegrass deliveries were up from the previous year, however, perennial ryegrass, typically ranking #1 or #2 in grass seed deliveries, was down substantially. Of the two types of ryegrasses delivered, annual ryegrass production was substantially higher in both value and volume compared to perennial ryegrass. Red clover continues to be the dominant forage seed crop for levy revenue based on value of deliveries.

For the last two years, the SFDC has gathered information about production method (organic or conventional). Organic forage seed production and the number of registered producers increased in 2020-2021 compared to 2019-2020 when eight organic producers delivered 62,790 kg with a farm gate value of \$218,000 and \$1,630 levy. The main organic crop kinds were red clover (71% on a volume basis and 92% on a value basis, with sweet clover comprising 28% organic deliveries.

In 2020-21, 18 registered producers delivered slightly over 220,000 kg organic forage seed for a value of \$653,761 and a net levy contribution of \$4,910, representing about 6% of total levy.

- Organic red clover (single and double cut) accounted for 62% of the value and 46% of the volume delivered. The average price was \$3.81/kg.
- Organic sweet clover deliveries exceeded alsike clover. Sweet clover, mainly yellow blossom, accounted for 18% value and 42% volume. The average price was \$1.36/kg.
- Organic timothy and perennial ryegrass were grown, but with low volume (< 1%) of deliveries, though prices were high at \$2.19/kg and \$3.47/kg, respectively.

Table 2: Farm gate value, levy collected, and volume deliveries by crop kind reported to SFSDC, 2020-2021

Crop Kind	Value Deliveries		Levy (S)	Net Weight	
	(S)	(%)		(kg)	(%)
Red clover	2,306,570	21	17,316	877,866	12
Alsike clover	1,058,670	10	8,375	442,873	6
Sweet clover	475,347	4	3,567	362,361	5
Birdsfoot trefoil	53,584	<1%	405	11,360	<1%
Cicer milkvetch	40,312	<1%	305	4,754	<1%
Timothy	1,752,169	16	13,192	976,969	14
Annual ryegrass	1,546,902	14	11,602	2,207,500	31
Slender wheatgrass	1,001,011	9	7,425	907,341	13
Perennial ryegrass	655,777	6	4,919	647,223	9
Hybrid bromegrass	589,189	5	4,381	140,429	2
Crested wheatgrass	417,743	4	3,149	92,849	1
Tall fescue	362,733	3	2,720	249,797	3
Meadow bromegrass	210,328	2	1,577	53,143	1
Meadow fescue	196,601	2	1,475	83,119	1
Intermediate wheatgrass	113,401	1	857	26,632	<1%
Dahurian wildrye	75,097	1	567	15,569	<1%
Sheep fescue	74,192	1	561	27,127	<1%
Red top	59,686	1	451	10,491	<1%
Awnead wheatgrass	16,317	<1%	123	5,736	<1%
Grand total	\$11,005,628	100	\$82,967	7,143,140	100

NOTE: Levy does not include refunds of 1.3% (\$1,078)

Reports to Growers: 2020-2021 Annual General Meeting January 12, 2022

The Board of Directors and management presented reports of 2020-2021 SFSDC activities at the Annual General Meeting, January 12, 2022.

The AGM was attended by 64 participants, including 24 registered growers. The virtual meeting was organized using Zoom Webinar videoconferencing system and the on-line polling platform (Slido) was used for voting. Sixteen registered producers voted on all motions, meeting regulatory requirements for a quorum of fifteen. In addition to reporting on finances, the proposed budget and SFSDC activities, two market presentations informed growers of production prospects for the upcoming year and opportunities for market development through SFSDC's membership in STEP (Saskatchewan Trade and Export Partnership).



Saskatchewan Forage Seed Development Commission (SFSDC) Annual General Meeting
Wednesday, January 12, 2022

Agenda:

3:10 *Call to Order 16th Annual General Meeting SFSDC*

Approval of Agenda (motion, discussion, vote by slido)

Minutes of 2019-2020 AGM, January 11, 2021

Approval of the Minutes (motion, discussion, vote)

Business Arising from the Minutes

Directors: New, Returning

Reports:

Chair Report

Audit Chair Report 2020-2021 Audited Financial Statement

Vice Chair Report Proposed Budget 2021-2022

Executive Director Report Activities Completed and Planned 2021-22

Approval of Reports (motion, discussion, vote)

New Business

Appointment of Auditor for 2021-2022 (motion, discussion, vote)

Other motions put forward by registered producers (motion, discussion, vote by polling)

Other Business

4:00 *Adjourn AGM (motion)*

Minutes of 2019-2020 AGM January 11, 2021

Saskatchewan Forage Seed Development Commission DRAFT Minutes 2019-2020 Annual General Meeting January 11, 2021 Saskatoon, SK

Chair: James Silcox

Recording: Jo-Anne Relf-Eckstein

30 registered producers were in attendance, meeting the quorum requirement of 15 registered growers who contributed a levy in the last two years and did not request a refund.

1. Meeting called to order at 12:15 PM
2. Agenda
 - Moved by Morley Doerksen, seconded by Spencer Staffen to approve the agenda. Carried
3. Minutes of the 2018-2019 Annual General Meeting were reviewed.
 - Moved by Spencer Staffen, seconded by Denton Peifer that the Minutes of the 2018-2019 Annual General Meeting be accepted. Carried
 - Business arising from the Minutes: None
4. Directors
 - Returning directors are Spencer Staffen, Morris Nycholat, David Cox, Morley Doerksen, Denton Peifer, Ryan Bautz and Bill Biligetu (appointed director). James Silcox has completed his final term on the board.
5. Reports
 - Chair Report – James Silcox
 - Executive Director Report – Jo-Anne Relf-Eckstein
 - The SFSDC Board of Directors hosted the grower information session in Saskatoon on January 14, 2020 and held five board meetings during the 2019-2020 fiscal year (June 18th, 2019 July 25th, 2019, August 7th 2019, November 8th 2019, and January 14th, 2020). A special teleconference meeting to discuss 2020 research projects impacted by the COVID-19 situation, was held March 25th, 2020. An e-vote was conducted on June 15, 2020 to approve the amended research budget.
 - SFSDC helped host the research plot tour and barbecue on July 25, 2019.
 - Two editions of the Prairie Seeds Newsletter were published.
 - The levy funds collected were \$87,681.58 and \$2,261.62 was refunded, leaving 184 growers contributing a levy. The 2019-2020 Audited Financial Report was reviewed by Audit Chair, David Cox. The 2019-2020 Budget and Actual was reviewed by Jo-Anne Relf-Eckstein. The List of Planned Programs and Activities for 2020-2021 was described by Vice Chair, Spencer Staffen.
 - Moved by Denton Peifer (Treasurer), seconded by Ryan Bautz that all reports be accepted. Carried.
6. New Business
 - Moved by David Cox, seconded by Denton Peifer to appoint NeuPath Group, Nipawin SK as Auditor for 2020-2021. Carried.
 - Moved by Spencer Staffen, seconded by James Silcox, to approve director honorarium \$100 to include director compensation for preparation and participation in virtual meetings of the board and AGM.
7. Other Business: None.
8. Moved by Morley Doerksen to adjourn the Annual General Meeting at 1:14 PM.

Note: Due to the pandemic, the meeting was delivered using an online video conference platform, Zoom Webinar. Voting was done using an on-line voting platform, slide, with an access code to vote sent to each producer eligible to vote and registered to attend the AGM. Twenty registered growers voted. Advance registration was 223 people, 114 were in attendance for the duration of the meeting.

Saskatchewan Forage Seed Commission Board of Directors

The Board of Directors of SFSDC consists of a maximum of eight directors; six directors are to be elected and one or two directors may be appointed. One term of office is three years and a director may serve a maximum of three consecutive terms.

In January 2021, a new director, Kim Tomilin, was acclaimed to the SFSDC Board replacing James Silcox who had served the maximum terms of office including holding the position of Vice Chair, Chair and lead of the Research Committee. Kim Tomilin is a forage seed producer from northeast Saskatchewan and brings to the Board valuable expertise about organic seed production systems.

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Chair's Report

by Spencer Staffen, Chair of the Saskatchewan Forage Seed Development Commission

The 2021 crop year was looking good until mid-July, then the heat wave came, it lasted longer than we wanted and impacted yield of forage seed legumes and grasses.

Similarly, for our research collaborators at Melfort (Brienne McInnes), Prince Albert (Brook Howat and Robin Lokken) and St. Brieux (SM AG Research Ltd.), it was a very challenging year for forage seed research trials. The pre-seed and seedling trials designed for testing herbicides had a poor stand and spray applications were delayed until there were improvements in soil moisture. Four locations of our on-farm and research farm demonstrations funded through the Ministry of Agriculture ADOPT program had poor establishment and were deferred until next year. In comparison, our site at Redvers got the right rains at the right time and our intercropping trial of oat and perennial ryegrass performed very well. Thanks to our cooperators for doing the best you could in a difficult year.

On the positive side, the quality of seed harvested was average to good. And, with the widespread drought on the prairies and reduced forage seed production in Oregon, the harvest of many Saskatchewan forage seed

crops was below average and the price paid in the fall hit record highs. For some crops, growers said it was the highest price offered in 40 years.

One of the challenges for the Commission, unlike other crop groups, most of our forage seed crops are planted in year one, with seed harvest the next year, sometimes the crops can be continued for 3, 4 or 5 years of seed production. But this year, it was difficult to get an establishment for our crops. Seedling stands of clovers were worked under which will impact production next year, grass seed growers delayed planting until the rains came in late summer. The impact of a poor establishment year will likely impact the levy revenue for our fiscal year up to two years forward. Consequently, we have adjusted our revenue based on nearly 20% reduction in levy revenue for the fiscal year, starting July 01 2021.

The snowfall looks good so far in the northeast SK area, hopefully, we do not have the extreme heat conditions of summer 2021.

So, as we get ready to start a new crop year, all of us in the business of farming know 2021 was a tough year and the hard work and perseverance of SK forage seed growers is something to be proud of. Here's hoping 2022 will be a bit easier on all of us.

Spencer Staffen farms at Nipawin with his dad, James. They have grown forages on their farm for longer than Spencer has been around. When asked why they grow forage seed crops, Spencer's first response is that we grow forage seed crops for many reasons. First, we farm light soil and the massive roots established in forage seed crops help us increase our organic matter. Other benefits are less pressure on the drill in the spring and spreading out the harvest. This year, we had variable yields on our farm, but it could be worse. I think we are all looking forward to putting 2021 in the rear-view mirror, but I hope everyone could find the silver linings of this past dry summer. I am looking forward to talking, in person, with other growers and board members again.



Audit Chair's Report: Financial Statements 2020-2021

by SFSDC Audit Chair, David Cox

At the 2019-2020 AGM, producers voted to appoint Neupath Group Chartered Professional Accountants, Nipawin, SK. to conduct an independent audit of Sask Forage Seed Commission fiscal year, July 01, 2020, ending June 30, 2021. SFSDC secured their qualified opinion in preparation of the statement of financial position as of 30 June 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, in addition to notes to the financial statements and a summary of significant accounting policies.

The basis of qualified opinion follows Canadian generally accepted auditing standards. The audit is done in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The audited financial statement, including budget to actual comparison, is posted on the SFSDC website, saskforageed.com and included after the Management Report of Activities.

Assets are \$225,706, a decrease of \$26,150 from the previous year. Forty-five percent of Assets are held in term deposits, \$73,366 (or 32.5% of Assets). Investments generated \$824. Unrestricted Net Assets total \$202,546 and are accessible for use as operating funds.

COVID-19 continued to affect cash flows for the Commission due to reduced staffing at workplaces affecting invoicing and causing delays in submission of levy reports and remittance from forage seed buyers. Levy Receivables were substantial, \$48,818 higher than the previous year of \$28,439. This affected cash flow, and funds were transferred from savings. However, all levy funds were received by the end of October. Liabilities were \$23,160, nearly 60% as Accounts Payable and Accrued Liabilities. As of June 30, 2021, Net Assets of \$202,546 surpassed \$200,000 as in the past year, which triggered SFSDC's application to Canada Revenue Agency for a business number.

A deficiency of revenue over expenses of \$9,347, up from \$3,148 in the fiscal year ending June 30, 2020. The main revenue source for SFSDC is the levy. SFSDC administers the levy, maintains the forage seed grower database and issues refunds. Information about a registered producer is protected under provincial and federal law *Freedom of Information and Protection of Privacy Act* (FOIP), and *Personal Information Protection and Electronic Documents Act* (PIPEDA). For the third consecutive year, levy revenue of \$83,023 was above the 16-year average of \$59,000. Levy refund requests of \$1,041 represented 1.3% of levy collected and less than the previous year

of \$2,216 (2.5% refunds), \$1,491 (2.2%) and \$4,096 (5.5%) in 2018-2019 and 2018-2018, respectively. The 16-year average of refund requests is now 3.4% of levy revenue. The levy rate of 0.75% of the gross value of forage seed marketed upon final settlement made to producers has not changed since 2005, resulting in a deficiency of revenue over expenses, similar to prior fiscal years.

The main expense for SFSDC is research. The cost of basic and applied research projects were \$96,494 (or 66%) of expenditures. Research expenses are itemized in Schedule 1 of the financial statement and projects are discussed in the Executive Director's report. Other major areas of expense include office expenses and management services including levy administration totalling \$23,721 or (16%) expenses. Communications to growers (magazine and newsletter) and the new website and email system cost \$12,191 (8.4%).

In order to do more research, conduct field demonstrations and develop a new strategic plan for SFSDC, applications were prepared to access grant funding. While opportunities remain limited, our grant applications have been supported and accounted for 36% of revenue in the fiscal year 2020-21, up from 14% contribution the year previous. Our grants are from the Ministry of Agriculture through the ADOPT program and IODP – Industry Organization Development Program. Due to Covid-19 and environmental conditions, grant funding received from the ADOPT program was deferred in 2020 to 2021 and 2021 project timelines were amended to 2022 project start dates.

Management Report: Activities of the Commission 2020-2021

by SFSDC Executive Director, Jo-Anne Relf-Eckstein

The SFSDC Development Plan activities are grouped into Research, Communications, Governance, Administration, and Market Development.

Research Activities, 2020-2021

In 2020-2021, SFSDC allocated \$46,626 of the budget towards research. Nine medium and long term projects (2 to 5 years) led by research scientists were supported by \$13,500 levy funds. The levy was used as a source of co-funding with other industry stakeholders and the Government of Saskatchewan through the Saskatchewan Ministry of Agriculture's Agriculture Development Fund (ADF) program intake. Several of the projects described below support the research work of graduate students.

Seven projects are ongoing, two were completed, or near completion. The project on galega was completed in fiscal year 2020-2021 and the final report on plains rough fescue is pending. In addition to basic research projects, levy funds of \$33,126 were allocated to applied research short term projects (one or two-year) field research trials. The nine multi-year research projects co-funded by SFSDC were led by scientists at the University of Saskatchewan (USask), National Research Council (NRC) and Agriculture and Agri-Food Canada (AAFC). The projects were selected through the intake of proposals to the ADF.

- *Enhancing seed and biomass production and drought tolerance of plains rough fescue using novel seed treatments*, led by Dr. Bai, USask (3-year project deferred completion date to 2021-2022).
- *Developing doubled haploidy methodology in forage grasses*, led by Dr. Ferrie, NRC (year 3 of 4-year project in 2020-2021).
- *Developing hybrid bromegrass with improved neutral detergent fibre digestibility*, led by Dr. Greg Penner, USask (year 2 of 4-year project in 2020-2021).
- *Development of meadow bromegrass and cicer milkvetch varieties for stockpiled grazing in western Canada*, led by Dr. Biliget, USask (year 2 of 3-year project in 2020-2021).
- *Identifying new diversity and developing genomic resources for bromegrass (*Bromus Spp.*) forage crop breeding*, led by Dr. Sharpe, Global Institute for Food Security, USask (year 1 of 3-year project in 2020-2021).
- *Resistant Wild Oat Action Committee (RWOAC)* led by the Canadian Weed Science Society and Eric Johnson, USask (year 1 of 2-year project in 2020-2021).
- *Investigating the role of copper fertility in ergot infestation of forage crops*, led by Dr. Bainard, AAFC-Swift Current (year 1 of 2-year project in 2020-2021).
- *Identification of genetic factors contributing to abiotic stress tolerance in intermediate wheatgrass*, led by Dr. Asselin, AAFC-Swift Current (year 1 of 3-year project in 2020-2021).

Completed projects include *Evaluation of forage galega (*Galega orientalis* LAM) as a new forage legume in pure and grass-legume mixed stands*. Dr. Biliget, a USask researcher, submitted the final report and publications are being prepared. Another ADF project led by Dr. Biliget was recently completed. Results of the improvement of sainfoin were shared with growers in the winter 2021 issue of the Forage Seed News magazine. A scientific publication, *Assessment of sainfoin (*Onobrychis viciifolia* Scop.) germplasm, for agro-morphological traits and nutritive value*, is available for download or on request to Dr. Biliget. For more information about sainfoin, see Sheppard, S.C., Cattani, D.J., Ominski, K.H., Biliget, B., Bittman, S. and McGeough, E.J., 2019. Sainfoin production in western Canada: A review of agronomic potential and environmental benefits. *Grass and Forage Science*, 2019 74(1).6-18.

Research Activities, 2020-2021 - continued from previous page

Forage seed production field research trials were contracted to four collaborators with research farm locations in northeast and central Saskatchewan. The trials evaluated pesticides (herbicides and plant growth regulators). Treatment lists were developed in collaboration with researchers and extension specialists with a goal to aggregated data to support User Requested Minor Use Label Expansions (URMULE). New plantings were done in preparation for trials in 2022. The testing locations, collaborators, and trials are described as follows:

- Colonsay (A Horizon Ag Research Ltd). Collaborator Michael Steckler completed year two of crop tolerance and efficacy evaluations testing Pre-Pass A and B (pre-seed), Paradigm and Infinity (post emerg) in 2019 and two rates (1X, 2X) of plant growth regulator, Manipulator applied on established slender wheatgrass in 2020.
- Prince Albert (Conservation Learning Centre CLC). Collaborators Brooke Howat and Robin Lokken completed plant growth regulator evaluations on annual ryegrass, testing 1X and 2X rates of Manipulator, Parlay, and split applications of Manipulator and Parlay. Products were applied at the 2-node stage (BBCH 32). New plantings were done to establish red clover and slender wheatgrass for 2022 trials.
- Melfort (Northeast Agriculture Research Foundation NARF). Collaborator Brianne McInnes completed the second year intercropping trial of canola and perennial ryegrass testing herbicide treatments. Year one evaluations were completed on pre-seed and in-crop herbicide trials in hybrid bromegrass, slender wheatgrass, tall fescue, and perennial ryegrass. In these strip trials, 1X and 2X rates were used for testing crop tolerance and efficacy of: glyphosate, Express plus glyphosate, PrePass SC, Goldwing plus glyphosate, Heat plus glyphosate (all were pre-seed screening). Axial, Pixxaro AB, Paradigm, and Paradigm with MCPA ester, Infinity FX and Infinity FX plus MCPA, were applied in-crop. Due to environmental conditions and uneven germination and stand establishment, the strip trials will be repeated in 2022. In established red and alsike clover, the herbicides Authority, Authority Supreme, Valterra, and Viper ADV were applied prior to flowering. New plantings of alsike clover, tall fescue, and hybrid bromegrass were done in preparation of 2022 trials.
- St. Brieux (SM Ag Research Ltd). Collaborators Stephanie Ginter, Karen Strukoff, and Marc Kernaleguen completed year one of intercropping canola with perennial ryegrass evaluating timing and rate of Liberty 150 SN herbicide. St. Brieux was the second location for the pre-seed and in-crop strip trials testing the same herbicide-crop combinations as at the Melfort location. Pre seed application of 1X and 2X rates of PrePass were tested on annual ryegrass in addition to in-crop application of Puma Advance, Infinity, Prestige, Puma Advance plus Infinity and Puma Advance plus Prestige.



Annual ryegrass pre-seed and in-crop herbicides trial
St. Brieux, August 2021



Annual ryegrass plant growth regulators trial
Prince Albert, August 2021



Intercropping canola-perennial ryegrass year 2 ryegrass trial
Melfort, July 2021



Established red clover herbicides trial
Melfort, July 2021

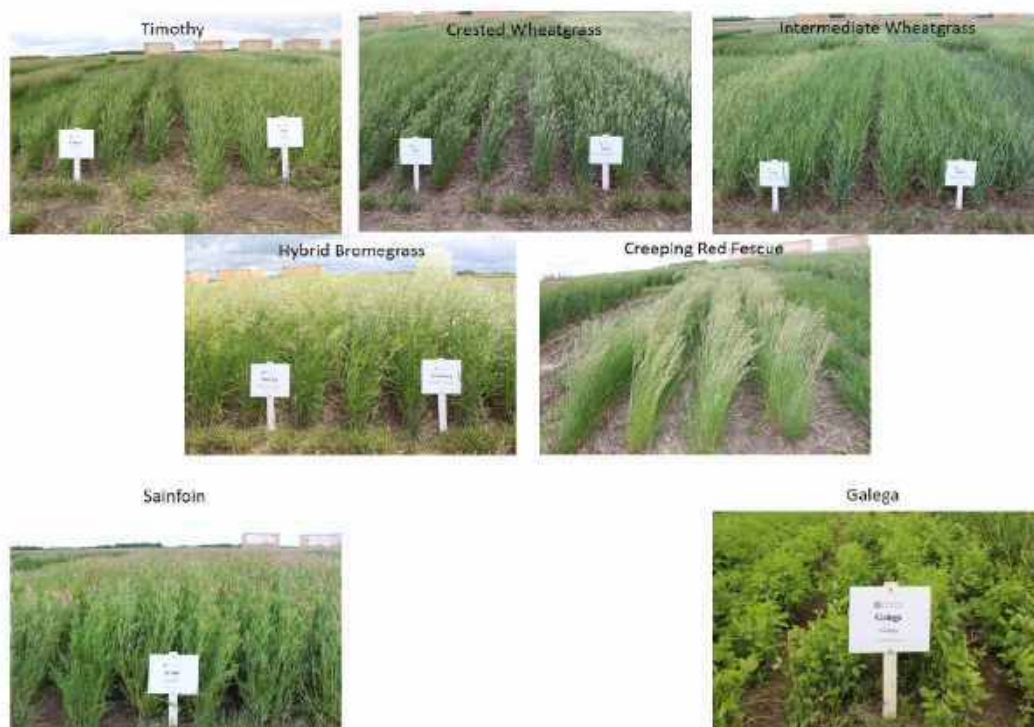
Forage Seed Variety Performance Evaluations, 2020-2021

The *Varietal Assessment of Forage Seed Production* project seeks to provide seed yield data for forage seed species and turfgrass varieties and advanced breeding lines grown within the South Saskatchewan Irrigation Development Areas. Performance under dryland conditions will be done at the Livestock and Forage Center of Excellence (LFCE), USask.

The multi-year project is funded through the Strategic Field Program and is a collaborative venture with partial funding contributed by SFSDC, the University of Saskatchewan, the Government of Saskatchewan, and the Government of Canada under the Canadian Agricultural Partnership. Levy funds of \$2,500 per year have been used to establish and maintain forage seed variety demonstration trials. SFSDC administers the project. The project duration is January 7, 2020, to February 15, 2024. Fieldwork began May 29, 2020, but was delayed because of limited access to facilities and land at the trial sites due to the restrictions caused by COVID-19. Stand establishment success was rated in spring 2021 and collaborators successfully harvested the plots. Results will be published in Forage Seed News magazine, winter 2022.

Evaluations include:

- Hybrid bromegrass, AC Knowles (check) compared to AC Success and three breeding lines S9073Q, S9570, and S9593
- Meadow bromegrass, Fleet (check) and S9549
- Smooth bromegrass, Carleton
- Hybrid wheatgrass, AC Saltlander (check), S9615, and S9600
- Crested wheatgrass, Kirk (check) and S9598
- Intermediate wheatgrass, Chief (check) and S9578
- Northern wheatgrass, Elbee
- Western wheatgrass, Wals
- Tall fescue, Courtenay (check) and S9582
- Timothy, Climax (check) and ST1
- Common seed of sainfoin and breeding line SF900
- Creeping red fescue, Boreal
- Perennial ryegrass, Replicator
- Festolulium, Lofa
- Cicer milkvetch, Oxley I
- Common seed source of Galega



Technology Demonstrations, 2020-2021

The SFSDC demonstrated technology to forage seed growers using funding received from the Government of Saskatchewan's Ag Demonstration of Practices and Technologies (ADOPT) program. The ADOPT project activities are a collaborative venture with partial funding contributed by the Government of Saskatchewan and the Government of Canada under the Canadian Agricultural Partnership.

The ADOPT project 20190451, *Seed production viability of crimson clover and berseem clover grown under irrigation in Saskatchewan*, was done at the Irrigation Crop and Diversification Centre at Outlook, SK. The project received \$10,000 with the final payment made in 2021. Due to the COVID-19 situation, the project had a delayed start in spring, 2020 and the field day event was cancelled. In lieu of the grower extension event, results were published in winter 2021 Forage Seed News magazine and mailed to all levy-paying forage seed producers in Saskatchewan.

ADOPT 20190436, *Demonstration of night spraying technology for control of lesser clover leaf weevil, *Hypera nigrirostris* (Fabricius) in single cut red clover, *Trifolium pratense* L grown for seed production in Saskatchewan*, had been deferred due to the COVID-19 restrictions. Planning for the project began in early 2021 and grower fields were identified for early spring assessments. Funding of \$18,370 covered expenses for the technology use, entomology work and payment to two producers for use of their red clover seed production fields. When group size restrictions were lifted in June, two evening field tours were organized and held prior to each night spray demonstration. The Community Center at Jordan River was made available for the field talks and local forage seed growers helped cut the grass and clean up the old fair grounds site.

On June 21st and 22nd, SFSDC coordinated an On Farm Experiment (OFE) of night spraying. The demonstration built on what we learned from levy-funded research on the lesser clover leaf weevil done by USask entomologist, Dr. Sean Prager and graduate student, Dan Malamura. The forage seed levy supported the entomology research done on grower farms in northeast Saskatchewan, 2018 and 2019. The OFE had two objectives. First, demonstration of night spraying as a risk management strategy for control of a persistent and nocturnal insect pest of red clover, the lesser clover leaf weevil, while reducing impact on natural insect pollinators. The second objective was demonstration of technology safe for use in night-time application of pesticides. The technology was developed in Saskatchewan and was commercially available in 2018. We demonstrated an autonomous system (no tractor, no driver) consisting of the CONNECT-PLU spray technology made by Pattison Liquid Systems, Lemberg, SK, mounted on the Dot Power Platform™ (rebranded by technology owner Raven Industries as OMNiPOWER) and the insecticide, Decis 5EC, manufactured by Bayer Crop Science. Insect images below are credited to Dan Malamura and Graham Parsons. Preliminary results were published in Forage Seed News magazine, fall 2021 and findings will be summarized in the winter 2022 issue.

The Pest – The Pollinators



The Technology

Technology Demonstrations, 2020-2021 - continued from previous page

Funding of \$59,376 was provided through the ADOPT November 2020 intake for *Demonstration of intercropping perennial ryegrass with oat using different seeding placement and seeding rates*. The two-year demonstration was planted at three AgriARM research farm locations (Redvers, Prince Albert, and Melfort). Due to environmental conditions and high wild oat pressure, the Melfort trial will be re-planted in 2022. A field day was held at Redvers in July and the social media (Twitter) posts signalled grower interest in the project. Results of the Redvers and Prince Albert sites were presented at a virtual meeting, AgriARM Research Update, January 13, 2022 and this presentation will be available on-line at the AgriARM website <http://agriarm.ca/results/>.

Year One Oat intercropped with Perennial Ryegrass

both grown for seed production
Redvers (above)
and Prince Albert (right)



The objectives of this project include an assessment of winter survival of perennial ryegrass, as well as an analysis of seed yield for both perennial ryegrass and oats. Since there is minimal intercropping data available on growing oat with PRG, two factors are being investigated including two management approaches for seed placement of the companion crop oats in relation to the PRG and four seeding rates of oat. This project will assess the agronomics of intercropping oats and PRG agronomics of intercropping oats and PRG by measuring withdrawal of nutrients by the companion crop and adjusting fertilization recommendations

for the forage grass seed crop. The economics of the two-year term will be demonstrated using market prices at the time of harvest of each crop.



Mid-row banding placement of perennial ryegrass

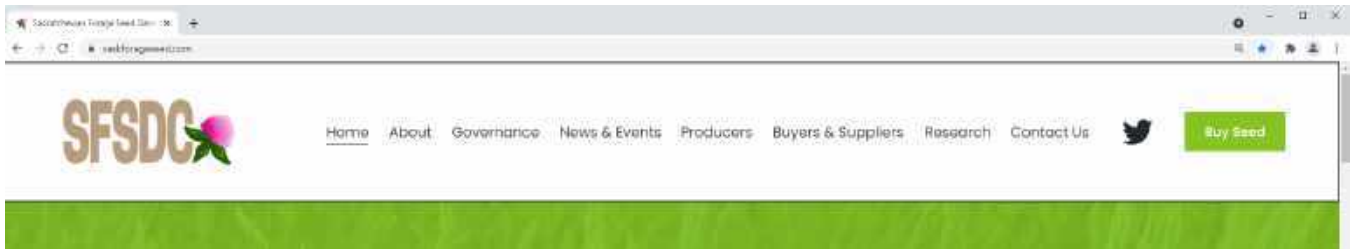
Working with SaskOrganics, SFSDC applied in spring 2021 for an ADOPT project, *Demonstrating the dual-use potential, simultaneous grain and forage production, of a new seed technology of intermediate wheat grass (*Thinopyrum intermedium*) when grown in northeast Saskatchewan under organic and conventional cropping systems*. The intermediate wheatgrass is a new variety developed at the University of Manitoba, and is known as kernza when grown under organic production systems and valued for use in breakfast cereals, niche food markets and beer-making. Partial funding of \$30,811 was granted to SFSDC to conduct the demonstrations. SaskOrganics received funding for grower extension including hosting field day events and preparing fact sheets.

Three sites were planted in spring 2021, but did not have good establishment due to drought conditions. The trials were discontinued and the work will be initiated again in spring 2022 as three On-Farm-Experiments (OFEs) under organic and conventional production systems. Research work on assessing the grazing value for livestock will be done by Dr. Penner's students at USask.

Grower Communications Activities, 2020-2021

With uncertainties of holding field day or grower workshop events, in 2020-2021 SFSDC developed a new website and post-mailed research updates and news to growers. Seventeen articles plus two messages from the Chair were published in the Forage Seed News magazine. Three issues of Forage Seed News and two issues of SFSDC's Prairie Seeds Newsletter were sent to all registered producers who contributed levy in the previous two years. The cost of web-based and print forms of grower communication was about \$12,000 (including printing and postage).

The new website www.saskforageseed.com & email office@saskforageseed.com



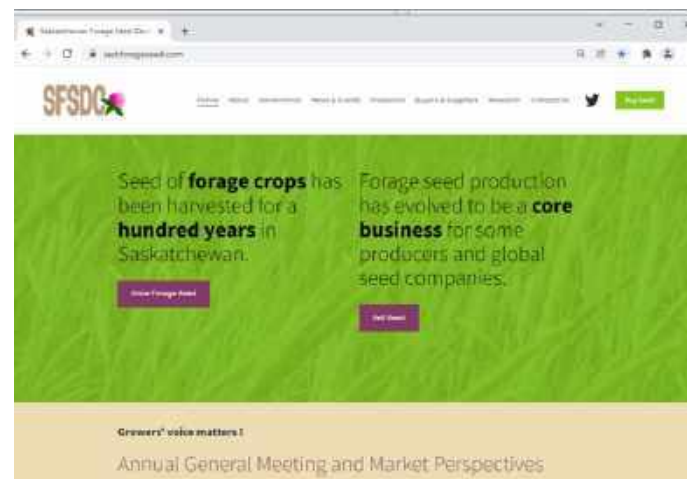
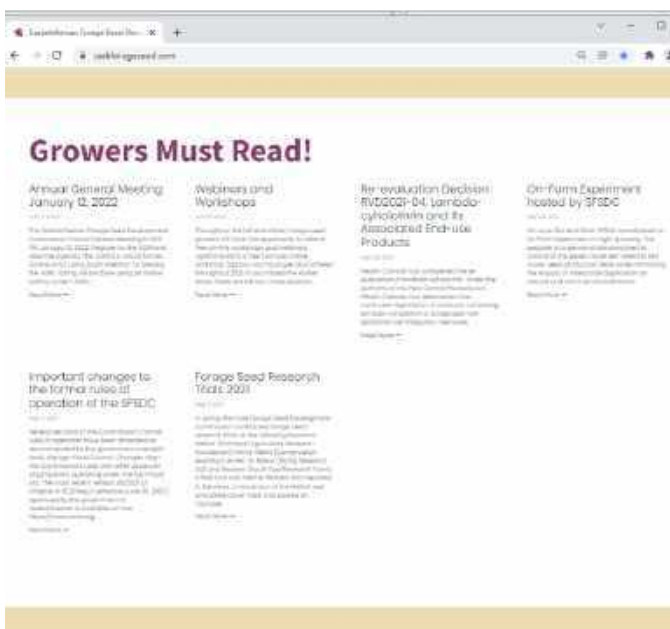
The new website uses the website hosting platform, Squarespace, hosted by Hover and is responsive to the need for accessibility by smartphone and grower connections over cellular networks rather than broad-band based internet.

The all-in-one platform is quick and easy to upload information. Growers can send in forage seed field photos, or short videos from planting to harvest, insect pests, diseases which we can post on Growing Forage Seed Crops. In the future, scanning a QR code on a field marker identifying a demonstration site will direct the reader to the website information about the field trial.

The new website is designed to be easier to use, cheaper to maintain and simpler to add new content. With quicker time to upload information, and lower fees for the hosting service, SFSDC will save levy dollars by using the new platform for grower resources and communications. The new website was designed by Greg Paulhus, Big Fish Media Inc., Kindersley, SK. and was launched on June 15, 2021.

The website analytics feature allows the Board to understand what information is searched and the time spent on the item. In addition, we will monitor the frequency of traffic to the website and the geographic origin of the searches (country/state, province levels)

In addition to the new website, a new email was set up to enhance information and communications security. Set up through Google Workspace, SFSDC will have access to programs for remote meetings (e.g Zoom, MicroSoft Teams, Google Chat).



Government and Industry Communications Activities, 2020-2021

In the 2020-2021 fiscal year, virtual forms of communications created the opportunity for SFSDC to participate in meetings which would not have been possible on limited travel budgets. Highlights of the year are noted as follows:

- SFSDC attended the national level Minor Use Pesticide Priority Setting meetings organized by the Pest Management Regulatory Agency. The first round of discussions in February 2021 determined national C-level priorities for pesticides of interest for use in minor crops, this was followed by B-level and A-level meetings in March. One of the top priorities requested by the prairie forage seed growers was the use of Manipulator on brome grass crops. It was excellent news when the request became one of six national A priorities selected to receive AAFC funding for residue trials. SFSDC worked with provincial crops specialist, the Prairie Pesticide and Minor Use Consortium (PPMUC) and coordinated with Manitoba & Peace Region forage seed associations to align on crop-pest-product requests.
- The federal government invited SFSDC to participate in the Canada-Saskatchewan Irrigation Diversification Centre (CSIDC) - Future Directions Workshop, March 2021. Following the updates on CSIDC and Saskatchewan's plan for irrigation expansion, the second day was organized as an interactive session to gather input on strategic direction. The relatively small group of participants in breakout sessions made it easy to participate in the virtual forum, and represent forage seed production interests given the potential of increased acreage and diversity of crops grown under irrigation (e.g. tall fescue, timothy, ryegrass).
- SFSDC was invited by the Saskatchewan Trade and Value-Add Branch in November 2020, to complete a survey to better understand Canadian interests around trade in services of the agriculture and agri-food industry. This process was intended to inform Canada's positions for future policy work and negotiations in bilateral and multilateral forums related to trade in services related to agriculture. While the request was received on short notice and grower and forage seed buyer input was not gathered, the initial contact led to deeper discussions with the Trade and Value-Add Branch about the Saskatchewan forage seed industry.
- SFSDC was directed by growers and forage seed buyers to discuss crop insurance (yield) options with the provincial government and share information about the forage seed insurance program in Manitoba and Alberta. It is challenging to make a provincial program forage seed insurance program self-supporting with relatively small acreage in Saskatchewan. Consequently, SFSDC initiated discussions with private sector insurance providers.
- Lacking a national organization to represent forage seed growers, the SFSDC continues to work closely with forage seed organizations in Manitoba and Alberta to share knowledge and economize on use of resources for pesticide minor use field trials.
- The SFSDC works with a diversity of industry groups to select and co-fund research projects of common interest. These interactions have been primarily through the ADF research process, but towards the end of fiscal year 2020-2021, discussions included new federal funding opportunities under the Agricultural Climate Solutions (ACS) \$185 million, 10-year program. For the ACS program, Agriculture and Agri-Food Canada (AAFC) is partnering with Natural Resources Canada (NRCan) and Environment and Climate Change Canada (ECCC) and proposals for Living Labs (on-farm research) are submitted on a provincial basis.
- With new information about the scale of organic forage seed production, SFSDC initiated collaborations with SaskOrganics to better understand grower challenges and funding opportunities on projects of common interest. A first proposal was submitted (mentioned above in the ADOPT demonstration of intermediate wheatgrass-kernza) and was partially funded. Additional sources of funding will be investigated.

Governance Activities, 2020-2021

In 2020-2021, the Board of Directors and Management adapted to the COVID-19 restrictions on gatherings. Virtual and hybrid (in-person plus teleconference or video-conferencing) systems were used. However, rural internet connections were often unstable and in-person meetings remain the preferred form of governance activities. With a review of Regulations required every five years, amendments were completed in 2020-2021.

- The SFSDC Board of Directors held hybrid Board Meetings during the 2020-2021 fiscal year (July and November 2020, January and March 2021). The new Board of Directors were elected during a January teleconference meeting, also electing incumbent Treasurer and Audit Chair. A special teleconference meeting in March discussed 2021 research projects. An e-vote was done on June 15, 2021 to approve the field research budget.
- The 15th Annual General Meeting (January 13, 2021) was attended by 109 participants, including 27 registered growers. The virtual meeting was organized using Zoom Webinar videoconferencing system and the on-line polling platform (Slido) was used for voting. Twenty registered producers voted on all motions, meeting regulatory requirements for a quorum of fifteen. A motion to include on-line meetings as Director's honorarium of \$100 was unanimously approved by growers.
- Governance documentation was provided to levy-payers included AGM Minutes and the Annual Report. Growers each received a copy of the Audited Financial Statement in the Prairie Seeds Newsletter, December, 2020.
- With an new director coming onto the Board of Directors to fill the vacancy from James Silcox, on-boarding of a new new director, Kim Tomilin, was completed.
- The SFSDC Grower Database was updated, collecting information on types of production and grower contact information, also validating levy deductions from forage seed buyers and issuing refunds as required and providing information for financial audit.
- SFSDC's financial accounting and audit process was transitioned to QuickBooks for ease of financial accountability and bookkeeping. Application for a not-for-profit organization business number was approved in April 2021.
- A request for funding though the Industry Organization and Development Program (IODP) was approved for strategic planning. Due to COVID-19, farm gate interviews with 75 growers were postponed until 2022. The IODP funding will be used to analyze the interviews and present results to the Board of Directors who will work with a consultant to develop SFSDC's next strategic plan.
- Working with the Agri-Food Council, SFSDC amended Regulations and Board Orders. The changes broadened the definition of a registered grower to reflect family involvement in on-farm decision-making and knowledge of forage seed crops. Amendments to Board Orders were completed, improving the specificity of levy collection information (conventional or organic, type - turf or grazing, certified or common).

Administration Activities, 2020-2021

Administration includes the office and management services of the Executive Director. In 2020-2021, approximately \$25,000 of management services were billed to SFSDC plus office expenses of approximately \$3,900 (paper supplies, cellular/text messaging minutes, postage).

Market Development Activities, 2020-21

In 2020-2021, the SFSDC took advantage of a reduced membership fee cost to become a member of STEP, Saskatchewan Trade and Economic Partnership and identify the potential for increasing exports of forage seed. With many crop kinds to choose from, and different sources of demand, the first steps taken are to understand the market demand pull and target specific crop kinds and importing countries. The President and CEO of STEP gave a presentation at the January 2022 AGM, explaining the activities STEP does to support growth of Saskatchewan exports.

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

Financial Statements

Year Ended June 30, 2021

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

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Year Ended June 30, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatchewan Forage Seed Development Commission have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan Forage Seed Development Commission's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by NeuPath Group Chartered Professional Accountants, in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).


Jo-Anne Relf-Eckstein, Executive
Director


David Cox, Audit Committee Chair

Eagle Ridge, SK
January 05, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Forage Seed Development Commission

Opinion

We have audited the financial statements of Saskatchewan Forage Seed Development Commission (the Commission), which comprise the statement of financial position as at June 30, 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2021, 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 (ASNPO).

Basis for Opinion

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 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 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 ASNPO, 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.

(continues)

Independent Auditor's Report to the Members of Saskatchewan Forage Seed Development Commission
(continued)

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.

Nipawin, Saskatchewan
January 6, 2022


Chartered Professional Accountants

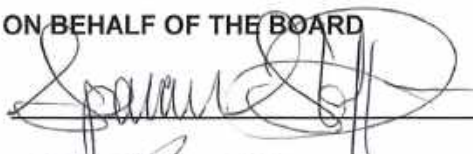
SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION


Statement of Financial Position

June 30, 2021

	2021	2020
ASSETS		
Cash	\$ 73,366	\$ 56,252
Term deposits (Note 3)	102,271	165,952
Levies receivable	48,419	28,439
Grant receivable	706	-
Interest receivable	824	1,213
Prepaid expenses	120	-
	\$ 225,706	\$ 251,856
LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,806	\$ 21,316
Deferred income (Note 4)	9,354	18,647
	23,160	39,963
NET ASSETS		
Unrestricted	202,546	211,893
	\$ 225,706	\$ 251,856

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

Statement of Changes in Net Assets

Year Ended June 30, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 211,893	\$ 215,041
Deficiency of revenues over expenses	(9,347)	(3,148)
NET ASSETS - END OF YEAR	\$ 202,546	\$ 211,893

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

Statement of Revenues and Expenditures

Year Ended June 30, 2021

	Budget 2021	2021	2020
REVENUES			
Levies	\$ 70,000	\$ 83,023	\$ 87,722
Levies refunded	(1,500)	(1,041)	(2,216)
Grants	81,101	49,287	15,180
Interest	3,000	2,791	4,051
Other	-	2,086	320
	152,601	136,146	105,057
EXPENSES			
Administration	50,436	23,721	18,412
Advertising and sponsorship	2,350	676	3,000
Annual general meeting	3,000	584	3,098
Bank charges	125	274	286
Database management	3,163	-	399
Directors' and officers' liability insurance	1,200	1,177	1,151
Directors' expenses	3,450	2,416	5,394
Directors' meetings	580	347	442
GST	850	1,188	810
Memberships	-	600	-
Newsletter and Forage Seed News	9,000	8,141	10,186
Office	-	171	-
Postage	30	225	32
Professional fees	3,500	3,804	3,492
Research expenses (Schedule 1)	118,191	96,494	58,127
Telephone	-	323	-
Travel	-	1,302	581
Website design and maintenance	2,838	4,050	2,795
	198,713	145,493	108,205
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (46,112)	\$ (9,347)	\$ (3,148)

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

Statement of Cash Flows

Year Ended June 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (9,347)	\$ (3,148)
Changes in non-cash working capital:		
Levies receivable	(19,980)	813
Grant receivable	(706)	-
Interest receivable	390	1,600
Prepaid expenses	(120)	-
Accounts payable and accrued liabilities	(7,511)	(11,489)
Deferred income	(9,293)	18,647
	(37,220)	9,571
INCREASE (DECREASE) IN CASH FLOW	(46,567)	6,423
Cash - beginning of year	222,204	215,781
CASH - END OF YEAR	\$ 175,637	\$ 222,204
CASH CONSISTS OF:		
Cash	\$ 73,366	\$ 56,252
Term deposits	102,271	165,952
	\$ 175,637	\$ 222,204

1. PURPOSE OF THE COMMISSION

Saskatchewan Forage Seed Development Commission (SFSDC) operates to promote and enhance the forage seed industry in Saskatchewan for a maximum return to producers through research, leadership and communication in the industry.

The SFSDC is a non-profit organization incorporated under the Agri-Food Act, 2004 of Saskatchewan and as such, is not subject to income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) using the following significant accounting policies:

Cash and cash equivalents

Cash includes cash in chequing and savings accounts. The carrying amounts approximate fair value.

Capital assets

Capital assets are expensed in the year they are acquired.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

Saskatchewan Forage Seed Development 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.

Levies are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

Notes to Financial Statements

Year Ended June 30, 2021

3. TERM DEPOSITS

	2021	2020
Credit Union term matured September 17, 2020	\$ -	\$ 51,256
Credit Union term matured June 10, 2021	-	14,696
Credit Union 36 month term, 2.25%, maturing February 18, 2023	102,271	100,000
	\$ 102,271	\$ 165,952

4. DEFERRED REVENUE

Deferred revenue consists of the following research grants provided by government agencies:

	Balance, Beginning of Year	Add Amount Received	Less Amount Recognized	Balance, End of Year
ADOPT 20190436	\$ 14,696	\$ -	\$ 14,692	\$ 4
ADOPT 20190451	2,820	1,625	4,445	-
SFP 20190402	1,131	14,619	15,750	-
ADOPT 20200535	-	8,000	4,800	3,200
ADOPT 20200536	-	7,835	4,800	3,035
ADOPT 20200537	-	7,915	4,800	3,115
	\$ 18,647	\$ 39,994	\$ 49,287	\$ 9,354

5. FINANCIAL INSTRUMENTS

The Commission is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Commission's risk exposure and concentration as of June 30, 2021.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Commission is exposed to credit risk from forage seed marketers. Approximately 93% of levies are received from three marketers of forage seed. The Commission manages its credit risk by monitoring the activities of marketers and by educating marketers of their legislative requirement to collect and forward levies to the Commission.

The Commission manages its credit risk surrounding cash by dealing with reputable financial institutions. The Commission invests surplus funds to earn investment income with the objective of maintaining safety of the principal and providing adequate liquidity to meet the cash flow requirements.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Commission manages its liability risk by monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities.

(continues)

5. FINANCIAL INSTRUMENTS *(continued)*

At June 30, 2021 the Commission has a cash balance of \$73,366 (2020 - \$56,252).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Commission is mainly exposed to interest rate risk on its term deposits and other price risk associated with forage seed prices.

6. BUDGETED FIGURES

The budgeted figures, approved by the Board on November 17, 2020, are presented for comparative purposes only and have not been audited or reviewed.

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

Research expenses (Schedule 1)

Year Ended June 30, 2021

	Budget 2021	2021	2020
Weed Control in Grasses NARF	\$ 450	\$ 750	\$ 1,687
Weed Control in Legumes NARF	2,320	2,320	11,420
Plant Growth Regulator NARF	-	-	850
Other Research NARF	200	200	1,000
Fertility research	-	-	3,990
Forage Seed Trials	26,000	25,945	-
Plant Breeding U of S	-	-	3,000
Red Clover Management U of S ADF	-	-	7,500
Variety demonstration & testing	2,500	2,500	2,500
Weed Control A Horizon Ag Research	2,250	2,500	4,500
SFP 20190402 Varietal Assessment of Forage Seed Production ICDC	13,913	15,750	10,000
New ADF	7,500	-	-
ADF 20180173 Plains Rough Fescu U of S	1,000	1,000	1,000
ADF 20180184 Galega U of S	2,500	2,500	2,500
ADF 20180351 Double Haploid NRC	2,000	2,000	2,000
ADF 20190197 Hybrid Bromegrass U of S	500	500	500
ADF 20190244 Meadow Brome and Cider Milkvetch U of S	500	500	500
ADF 20190322 Copper Fertility U of S	1,000	1,000	-
ADF 20200420 Genomic Resources for Bromegrass U of S	-	3,500	-
Abiotic Stress Tolerance in Intermediate Wheatgrass	-	500	-
Resistant Wild Oat Action Committee	-	2,000	-
New ADOPT	28,188	-	-
ADOPT 20190436 Night Spraying Technology	17,870	14,692	-
ADOPT 20190451 Crimson Clover and Berseem Clover	9,500	3,937	5,180
ADOPT 20200535 Oat PRG at SERF	-	4,800	-
ADOPT 20200536 Oat PRG at CLC	-	4,800	-
ADOPT 20200537 Oat PRG at NARF	-	4,800	-
	\$ 118,191	\$ 96,494	\$ 58,127