

# ANNUAL REPORT

> 2016-2017



**SASK MUSTARD**

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

## Annual General Meeting

Thursday, January 11, 2018

Prairieland Park, Hall A | Saskatoon, SK







# Mandate

The Saskatchewan Mustard Development Commission (SMDC) was established in 2003 to represent the province's mustard growers.

## **THE SMDC VISION**

Investing in the future for mustard grower profitability.

## **THE SMDC MISSION**

Growing the mustard industry for the benefit of growers through re-search, communication, and market development programs.

[saskmustard.com](http://saskmustard.com) | [spreadthemustard.com](http://spreadthemustard.com)





# 2017 Board & Staff

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**Executive Director****Kevin Hursh**

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**Office Hours:**

Monday to Friday - 8:30 a.m. to 4:00 p.m.

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# AGM Agenda

The Saskatchewan Mustard Development Commission

## **ANNUAL GENERAL MEETING**

**Thursday, January 11, 2018**

Hall A, Prairieland Park – Saskatoon, Saskatchewan

8:30 a.m.	<b>Registration</b>
8:50 a.m.	<b>Chairman's Address</b> Richard Marleau – Board Chair, Sask Mustard
9:00 a.m.	<b>New Mustard Varieties with Improved Yields</b> Bifang Cheng – Mustard Breeder, AAFC
9:30 a.m.	<b>Planning for Mustard Hybrid Varieties</b> Pete Desai – Mustard 21 Canada Inc.
10:00 a.m.	<b>Weed Control in Mustard</b> Matthew Bernard – Provincial Oilseed Specialist
10:30 a.m.	<b>Coffee</b>
10:45 a.m.	<b>Intercropping with Mustard</b> Lana Shaw – South East Research Farm, Redvers
11:15 a.m.	<b>Spread the Mustard</b> Adele Buettner – General Manager, Sask Mustard
11:45 a.m.	<b>Mustard on Dragon's Den</b> Val Michaud, Gravelbourg Mustard
12:15 p.m.	<b>Lunch</b>
12:45 p.m.	<b>Annual General Meeting</b>
1:30 p.m.*	<b>Mustard Grading Factors</b> Judy Elias – Canadian Grain Commission
2:00 p.m.*	<b>Mustard Market Outlook</b> Chuck Penner – Leftfield Commodity Research

\*could be later or earlier depending on length of Annual Business Meeting



# ABM Agenda

The Saskatchewan Mustard Development Commission

## **ANNUAL BUSINESS MEETING**

**Thursday, January 11, 2018**

Hall A, Prairieland Park – Saskatoon, Saskatchewan

12:45 p.m.

**Call to Order and Opening Remarks**

**Approval of Agenda**

**Approval of Minutes**

**Financial Review**

Kevin Hursh, Executive Director

**Approval of Budget**

**Annual Report 2015-2016 and Proposed Activities 2017-2018**

State of the Industry, Richard Marleau, Chair

**Resolutions**

**New Business**

**Adjourn Meeting**





# Motions to be Presented

The Saskatchewan Mustard Development Commission  
**ANNUAL BUSINESS MEETING**  
**Thursday, January 11, 2018**  
Hall A, Prairieland Park – Saskatoon, Saskatchewan

- That the Agenda be approved as presented.
- That the minutes of the January 12, 2017 meeting be approved as presented.
- To appoint an Audit Chair.
- That the Sask Mustard audited financial statements for the year ending July 31, 2017 be approved as presented.
- That the Sask Mustard Budget for 2018/2019 be approved as presented.
- That Sask Mustard appoint Twigg & Company as auditor for the year ending July 31, 2018.
- That the State of the Industry report be approved as presented.
- To adjourn the January 11, 2018 Annual Business Meeting.





# 2017 Minutes

The Saskatchewan Mustard Development Commission

## **ANNUAL BUSINESS MEETING**

**Thursday, January 12, 2017**

Hall E, Prairieland Park – Saskatoon, Saskatchewan

1. Meeting called to order by Chair Marleau at 12:52 a.m.

### **2. Approval of Agenda**

#### **Motion #1**

That the agenda of the January 12, 2017 Annual Business Meeting be approved as presented.

T. Dewar / Gill / Carried

### **3. Minutes of the January 15, 2015 Annual General Meeting**

#### **Motion #2**

That the minutes of the January 14, 2016 Annual Business Meeting be approved as presented.

Fritzler / E. Dewar / Carried

### **4. Financial Report**

Hursh reviewed the financial statements in detail and provided an overview of the budget for 2017-2018

#### **Motion #3**

That Ivan Costley be appointed as Audit Chair.

Haack / Gill / Carried

#### **Motion #4**

That the SMDC audited financial statements for the year ending July 31, 2016 be approved as presented.

T. Dewar / Gill / Carried

#### **Motion #5**

That the SMDC Budget for 2017-2018 be approved as presented.

Haack / Costley / Carried

#### **Motion #6**

That Sask Mustard appoint Twigg and Company as auditor for the year ending July 31, 2017.

Gill / Fischer / Carried



## 5. **Annual Report**

**State of the Industry:** Marleau directed the attendants to review his chair report in the annual report.

### **Motion #7**

To approve State of the Industry Report as presented.  
Gill / T. Dewar / Carried

## 6. **Director Appointment**

Dewar stood up to speak to the crowd asking membership to consider letting their name stand for the vacant director position. No one offered to let their name stand.

## 7. **Resolutions:**

No resolutions were received.

## 9. **Adjournment:**

### **Motion #8**

To adjourn the SMDC January 12, 2017 Annual Business Meeting.  
Haack 1:10 p.m.





## Management's Responsibility

### **To Saskatchewan Mustard Producers:**

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

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

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

Twigg & Company, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to the members, their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

January 11, 2018



Management



Management



SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

AUDITED FINANCIAL STATEMENTS

for the year ended July 31, 2017



L.D. SAFINUK *B. Comm., C.A.*

M. LINGARD *B. Comm., MPAcc., C.A.*

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## **Independent Auditors' Report**

To the Board of Directors of Saskatchewan Mustard Development Commission

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Saskatchewan Mustard Development Commission, which comprise the statement of financial position as at July 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

(continued on page 2)



# TWIGG & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

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## Independent Auditors' Report (continued)

(continued from page 1)

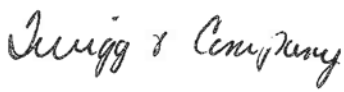
### Basis for Qualified Opinion

The commission collects a check-off fee from Saskatchewan producers through buyers of mustard seed. It was not practical for us to verify whether all buyers of mustard seed produced in Saskatchewan have collected and remitted the required check-off fee to the commission as such the completeness of the related revenue does not lend itself to satisfactory audit verification. Accordingly, our verification of check-off fee revenue was limited to the amounts recorded in the accounts of the commission. As such, we were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets, liabilities, net assets and cash flows of the commission.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Saskatchewan Mustard Development Commission as July 31, 2017 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.

Saskatoon, Saskatchewan  
January 11, 2018

  
Chartered Professional Accountants



SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF FINANCIAL POSITION

as at July 31, 2017

*With comparative information for 2016*

ASSETS

	<u>2017</u>	<u>2016</u>
<b>CURRENT:</b>		
Cash	\$ 208,004	\$ 409,827
Short-term investments (Note 3)	524,493	209,484
Short-term internally restricted investments (Note 3)	208,758	205,587
Accounts receivable (Note 4)	49,319	36,097
Prepaid expenses	<u>19,889</u>	<u>8,212</u>
	1,010,463	869,207
<b>LONG-TERM:</b>		
Long-term investments (Note 3)	103,044	312,424
Long-term internally restricted investments (Note 3)	<u>209,108</u>	<u>205,084</u>
	<u>312,152</u>	<u>517,508</u>
	<u>\$ 1,322,615</u>	<u>\$ 1,386,715</u>

LIABILITIES

<b>CURRENT:</b>		
Accounts payable (Note 5)	\$ <u>50,681</u>	\$ <u>51,780</u>

NET ASSETS

<b>INTERNALLY RESTRICTED</b> (Note 6)	417,866	410,671
<b>UNRESTRICTED</b>	<u>854,068</u>	<u>924,264</u>
	<u>1,271,934</u>	<u>1,334,935</u>
	<u>\$ 1,322,615</u>	<u>\$ 1,386,715</u>

COMMITMENTS (Notes 9, 10)

APPROVED BY THE BOARD:

\_\_\_\_\_

\_\_\_\_\_



SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF OPERATIONS

for the year ended July 31, 2017

*With comparative information for 2016*

	<u>2017</u> <u>Budget</u> <i>(unaudited)</i> <i>(Note 7)</i>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>REVENUE:</b>			
Producer check-off fees <i>(Note 8)</i>			
Fees	\$ 400,000	\$ 421,314	\$ 446,341
Refunds	<u>( 17,000)</u>	<u>( 14,469)</u>	<u>( 10,926)</u>
Net	383,000	406,845	435,415
Sponsorships	1,000	-	-
Grants	-	-	16,602
Interest income	12,000	11,736	16,089
Agriculture Marketing Program (AMP) funding	30,000	62,511	28,016
Miscellaneous	1,000	1,571	1,307
Other project income	<u>100,000</u>	<u>-</u>	<u>-</u>
	<u>527,000</u>	<u>482,663</u>	<u>497,429</u>
<b>EXPENSES:</b>			
Market development	305,000	242,575	110,881
Administration contracts <i>(Note 10)</i>	90,000	88,695	89,095
Research contributions Mustard 21 Canada Inc. <i>(Note 9)</i>	100,000	100,000	125,000
Board of directors	28,000	23,974	27,906
Communications	20,500	46,396	57,961
General and administration	40,700	33,201	28,944
Annual meeting	8,500	10,598	8,478
Election	<u>7,000</u>	<u>225</u>	<u>-</u>
	<u>599,700</u>	<u>545,664</u>	<u>448,265</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	\$ <u>( 72,700)</u>	\$ <u>( 63,001)</u>	\$ <u>49,164</u>



SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF CHANGES IN NET ASSETS

for the year ended July 31, 2017

*With comparative information for 2016*

	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
BALANCE – BEGINNING OF YEAR	\$ 410,671	\$ 924,264	\$ 1,334,935	\$ 1,285,771
Excess (deficiency) of revenue over expenses for the year	<u>7,195</u>	<u>( 70,196)</u>	<u>( 63,001)</u>	<u>49,164</u>
BALANCE – END OF YEAR	\$ <u>417,866</u>	\$ <u>854,068</u>	\$ <u>1,271,934</u>	\$ <u>1,334,935</u>



SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF CASH FLOWS

for the year ended July 31, 2017

*With comparative information for 2016*

	<u>2017</u>	<u>2016</u>
<b>OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$( 63,001)	\$ 49,164
Changes in non-cash working capital		
Balances related to operation:		
Accounts receivable	( 13,222)	26,245
Prepaid expenses	( 11,677)	12,769
Accounts payable	( <u>1,099</u> )	( <u>36,172</u> )
	( <u>25,998</u> )	<u>2,842</u>
Total from operating activities	( <u>88,999</u> )	<u>52,006</u>
<b>INVESTING ACTIVITIES:</b>		
Net disposals (purchases) of investments	( <u>112,824</u> )	<u>86,287</u>
Total from investing activities	( <u>112,824</u> )	<u>86,287</u>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR THE YEAR</b>	( 201,823)	138,293
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<u>409,827</u>	<u>271,534</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	\$ <u><u>208,004</u></u>	\$ <u><u>409,827</u></u>
<b>CASH AND EQUIVALENTS CONSISTS OF:</b>		
Cash	<u>208,004</u>	<u>409,827</u>
	\$ <u><u>208,004</u></u>	\$ <u><u>409,827</u></u>



## SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

### NOTES TO FINANCIAL STATEMENTS

for the year ended July 31, 2017

#### 1. AUTHORITY:

The Saskatchewan Mustard Development Commission ("the Commission") was established on October 3, 2003, pursuant to The Saskatchewan Mustard Development Plan Regulations ("Regulations"), under the authority of The Agri-Food Act, 2004. The purpose of the Commission is to assist in growing the mustard industry through research, communications and market development programs. The activities of the Commission are funded primarily by a check-off fee charged on mustard sales from mustard production in Saskatchewan.

#### 2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

##### a) Revenue recognition:

Producer check-off fees are recognized upon receipt of the Buyer's report. Refunds are recognized when refund applications are received from producers and the requested refund has been agreed to check-off fee records.

The Commission follows the deferral method of accounting for contributions, which include government funding and grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred contributions. 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.

Interest, dividends, and other revenue are recognized as earned.

##### b) Research and development projects:

Expenses are recognized when projects are approved and the recipient has met eligibility criteria. Funds advanced to recipients prior to eligibility criteria being met are recorded as advances. The Commission receives reimbursement from Agriculture and Agri-Food Canada for eligible costs incurred for certain projects.

##### c) Administration contract expense:

Administration contract expense is a fee charged by the Agriculture Council of Saskatchewan Inc. ("ACS"), to the Commission for administering the check-off fee program. The fee includes a charge for time spent by ACS staff and a share of ACS's overhead costs. The expense is recognized as the service is received.



SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
for the year ended July 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued):

d) Financial instruments:

The Commission initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash, and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable. The fair value of the cash, accounts receivable, and accounts payable approximates their carrying value due to their short-term nature.

e) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates include, but are not limited to, the valuation of deferred contributions, and accruals for certain revenues and expenses.

f) Income taxes:

The Commission qualifies as a tax exempt organization under section 149 of the *Income Tax Act*.

g) Contributions in-kind:

Contributions in-kind are recorded at fair value for goods or services used in the normal course of operations that would otherwise have been purchased.

h) Internally generated intangible assets:

The development costs related to internally generated intangible assets are expensed as incurred.

i) Cash and cash equivalents:

Cash and cash equivalents consist of balances with banks and short-term investments with maturities of three months or less.



SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
for the year ended July 31, 2017

3. INVESTMENTS:

		2017		2016	
	Months to Maturity	Market Value (\$)	Yield to Maturity (%)	Market Value (\$)	Yield to Maturity (%)
<b>Operating investments:</b>					
Short-term guaranteed investment certificates	1-12	524,493	1.20 - 1.91	209,484	1.30 - 1.55
Long-term guaranteed investment certificates	12-24	103,044	1.40	312,424	1.76 - 1.91
		<b>627,537</b>		<b>521,908</b>	
<b>Internally restricted investments:</b>					
Short-term term deposit	10	208,758	1.75	205,587	1.75
Long-term term deposit	22	209,108	1.60	205,084	1.75
		<b>417,866</b>		<b>410,671</b>	

4. ACCOUNTS RECEIVABLE:

The accounts receivable balance consists of the following:

	2017		2016	
Levies receivable	\$	37,673	\$	31,097
Grants receivable		11,646		5,000
	\$	<b>49,319</b>	\$	<b>36,097</b>

5. ACCOUNTS PAYABLE:

The accounts payable and accrued liabilities balance consists of the following:

	2017		2016	
Trade payables	\$	36,431	\$	40,980
Levy refunds payable		8,478		5,080
Accrued liabilities		5,772		5,720
	\$	<b>50,681</b>	\$	<b>51,780</b>

6. INTERNALLY RESTRICTED NET ASSETS:

The Commission has internally restricted net assets for completion of certain projects and to refund the check-off fees to producers in the event of disestablishment of the Commission. Management requires the Board of Directors' approval to use the money from these restricted assets.



## SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

### NOTES TO FINANCIAL STATEMENTS

for the year ended July 31, 2017

#### 7. BUDGET:

The Board approved the 2016/2017 fiscal year budget at the meeting on October 28, 2015. The budget figures included in the accompanying financial statements are unaudited.

#### 8. PRODUCER CHECK-OFF FEES:

Under the Regulations, each buyer of mustard is required to remit to the Commission a check-off fee of 0.5% of the gross value of mustard marketed upon final settlement to producers. Producers can request a refund of check-off fees paid from August 1 to January 31 by submitting a refund application by February 28. Producers can request a refund of check-off paid from February 1 to July 31 by submitting a refund application by August 31.

#### 9. RESEARCH CONTRIBUTIONS MUSTARD 21 CANADA INC.:

On May 28, 2009 Mustard 21 Canada Inc., a related party, was incorporated to continue the research activities that began as the Mustard 21 Project which was administered by Saskatchewan Mustard Development Commission.

On July 10, 2012 the Board approved a motion to contribute \$100,000 annually to the Innovate Mustards DIAP project administered by Mustard 21 Canada Inc.

#### 10. ADMINISTRATION CONTRACTS:

The Agriculture Council of Saskatchewan Inc. charged the Commission \$9,315 (2016 - \$10,030) for administering the check-off fee program and the business activities of the Commission of which \$819 (2016 - \$770) is included in accounts payable. During the year the Commission entered into a contract with ACS for administering the check-off fee program and the business activities of the commission. The Commission agreed to pay a minimum of \$9,899 for levy collection activities for the period August 1, 2017 to July 31, 2018.

Subsequent to year-end the Commission entered into a contract with Hursh Consulting & Communications Inc. and AgriBiz Communications Corp. for management services and rent. The contract began on September 1, 2017 and will continue for twenty four months with the option to renew by any or all parties. Annual payments due in each of the next three years are as follows:

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Year ending July 31:	
2018	88,305
2019	89,985
2020	12,705

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SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

for the year ended July 31, 2017

**11. FINANCIAL INSTRUMENTS:**

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

**Credit risk**

The Commission is exposed to credit risk from potential non-payment of accounts receivable. Most of the accounts receivable were collected shortly after year-end.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Commission is not exposed to significant interest rate risk on its investments.

**12. COMPARATIVE FIGURES:**

Certain July 31, 2016 comparative figures have been reclassified to conform to the presentation adopted for the current year.



# TWIGG & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

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## AUDITORS' REPORT

To the Board of Directors of  
Saskatchewan Mustard Development Commission

We have audited Saskatchewan Mustard Development Commission's compliance, as at July 31, 2017, with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities during the year ended July 31, 2017.

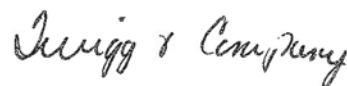
- The Agri-Food Act, 2004
- The Saskatchewan Mustard Development Plan Regulations
- Commission Orders #07/14 to #12/14

Compliance with the aforementioned legislative and related authorities is the responsibility of the management of the Saskatchewan Mustard Development Commission. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with the Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Saskatchewan Mustard Development Commission complied with the provisions of the aforementioned legislative and related authorities. Such an audit includes examining on a test basis evidence supporting compliance, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, as at July 31, 2017, the Saskatchewan Mustard Development Commission is in compliance, in all material respects, with the aforementioned legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities.

Saskatoon, Saskatchewan  
January 11, 2018



Chartered Professional Accountants



L.D. SAFINUK *B. Comm., C.A.*

M. LINGARD *B. Comm., MPAcc., C.A.*

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### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Saskatchewan Mustard Development Commission:

We have audited Saskatchewan Mustard Development Commission's control as of July 31, 2017 to express an opinion as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

#### **Management's Responsibility**

The Organization's management is responsible for maintaining effective control over the objectives stated above.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion based on our audit as to the effectiveness of its control related to the following objectives:

- (1) To safeguard agency resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- (2) To prepare reliable financial statements.
- (3) To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

(continued on next page)



L.D. SAFINUK B. Comm., C.A.

M. LINGARD B. Comm., MPAcc., C.A.

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### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Saskatchewan Mustard Development Commission:

(continued from previous page)

We used the control framework developed by The Chartered Professional Accountants of Canada ("CPA Canada") to make our judgments about the effectiveness of Saskatchewan Mustard Development Commission's control. We did not audit certain aspects of control concerning the effectiveness, economy and efficiency of certain management decision-making processes.

CPA Canada defines controls as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

We conducted our audit in accordance with the standard for audits of internal control over financial reporting set out in the CPA Canada Handbook – Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance as to the effectiveness of Saskatchewan Mustard Development Commission's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance, and not absolute assurance, the objectives referred to above may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

#### **Opinion**

In our opinion, based on the limitations noted above, Saskatchewan Mustard Development Commission's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2017 based on the CPA Canada criteria of control framework.



**TWIGG & COMPANY**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Saskatchewan Mustard Development Commission:

(continued from previous page)

We have also audited, in accordance with Canadian generally accepted auditing standards, the financial statements of Saskatchewan Mustard Development Commission, which comprise the statement of financial position as at July 31, 2017, and the statements of operations, change in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. We have issued our report dated January 8, 2018 which is the same date as the date of the report on the effectiveness of internal controls.

Saskatoon, Saskatchewan  
January 8, 2018

*Twigg & Company*

Chartered Professional Accountants



# Draft Budget 2018/2019

## Saskatchewan Mustard Development Commission

### REVENUE

AMP FUNDING	68,910.00
PROJECT INCOME - OTHER	0.00
CHECK OFF INCOME	400,000.00
COOKBOOK SALES	0.00
GRANTS	0.00
INVESTMENT/INTEREST INCOME	15,000.00
MISCELLANEOUS INCOME	1,000.00
REFUNDS	-15,000.00
SPONSORSHIP INCOME	1,000.00
<b>TOTAL REVENUE</b>	<b>470,910.00</b>

### EXPENSES

New Uses	
OTHER RESEARCH PROJECT	0.00

Market Development	
AMP PROGRAM	137,820.00
CULINARY/MARKETING PROJECTS*	130,000.00
Mkt Dev -North Am	
Consumer Outreach	
General Branding & Promotion	
Social Media	
Education Initiatives	
STRATEGIC INITIATIVE -	
<b>Total Market Development Expenses</b>	<b>267,820.00</b>

Research	
MUSTARD 21 CANADA INC. - GF II	100,000.00
<b>Total Research Expenses</b>	<b>100,000.00</b>

Website Development	0.00
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Industry Communications	
ANNUAL MEETING	9,000.00
MEETINGS, SHOWS, FIELD DAYS	3,000.00
NEWSLETTER	12,000.00
SPONSORSHIPS	3,000.00
WEBSITE	2,000.00
<b>Total Industry Communication Expenses</b>	<b>29,000.00</b>

Director Per Diem and Expenses	
DIRECTOR EXPENSES	10,000.00
DIRECTOR PER DIEM	16,000.00
<b>Total Director Expenses</b>	<b>26,000.00</b>

Administration	
AUDIT AND ACCOUNTING FEES	7,000.00
BANK SERVICE CHARGES	250.00
BOARD MEETING EXPENSE	2,500.00
ELECTION	7,000.00
INSURANCE	1,250.00
LEGAL FEES	2,000.00
MEMBERSHIPS/SUBSCRIPTIONS	2,500.00
MISCELLANEOUS EXPENSES	200.00
OFFICE EXPENSE	5,000.00
RENT	7,500.00
SERVICE CONTRACT - BOOKKEEPING	9,700.00
SERVICE CONTRACT - LEVY CENTRAL	10,500.00
SERVICE CONTRACT - MANAGEMENT	86,000.00
STAFF TRAVEL	2,000.00
<b>Total Administration Expenses</b>	<b>143,400.00</b>

<b>Total Expenses</b>	<b>566,220.00</b>
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<b>Net earnings (loss) for period</b>	<b>-95,310.00</b>
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# Payee List

## Saskatchewan Mustard Development Commission August 1, 2016 - July 31, 2017

### Personal Services (Threshold \$2,500)

#### Honorariums

Costley, I.	\$ 2,840.00
Dewar, D.	\$ 3,650.00
Haack, D.	\$ 3,200.00
Horkoff, M.	\$ 800.00
Marleau, R.	\$ 4,450.00

#### Reimbursement for Expenses

Costley, I.	\$ 1,451.00
Dewar, D.	\$ 3,036.00
Haack, D.	\$ 3,341.00
Horkoff, M.	\$ 1,100.00
Marleau, R.	\$ 105.00

<b>Total Personal Services</b>	<b>\$ 23,973.00</b>
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### Research and Development (Threshold \$5,000)

Mustard 21 Canada Inc.	\$ 100,000.00
The Pathfinders	\$ 17,850.00
Misc. expenses under \$5000	\$ 2,678.00

<b>Total Research and Development</b>	<b>\$ 120,528.00</b>
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### Extension (Threshold \$5,000)

AgriBiz Communications Corp	\$ 50,230.00
BlueSkyIdeas Communications Corp.	\$ 7,560.00
Canadian Culinary Federation	\$ 6,200.00
Farm & Food Care Saskatchewan	\$ 18,772.00
IFEC	\$ 18,048.00
Mooseworld	\$ 6,261.00
Renee Kohman	\$ 9,850.00
Saskatoon Fastprint	\$ 32,256.00
Sask Polytechnic	\$ 10,100.00
Something Nutrishus	\$ 28,320.00
The Culinary Institute of America	\$ 37,262.00
Thrive 360	\$ 5,650.00
Misc. payments under \$20,000	\$ 59,390.00

<b>Total Extension</b>	<b>\$ 289,899.00</b>
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### Supplier Payments (Threshold \$20,000)

Ag. Council for Saskatchewan	\$ 9,315.00
Hursh Consulting & Communications	\$ 79,380.00
Misc. payments under \$20,000	\$ 22,567.00

<b>Total Supplier Payments</b>	<b>\$ 111,262.00</b>
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### Other Payments (Threshold \$20,000)

Refunds	\$ 14,469.00
Misc. payments under \$20,000	

<b>Total Other Payments</b>	<b>\$ 14,469.00</b>
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<b>Total Payments</b>	<b>\$ 560,131.00</b>
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# Message from the Chair

## Sask Mustard Annual Report 2017

Greetings,

I have known for a while that I had to prepare this Message from the Chair to meet the given deadline but that did not stop me from starting to type it after supper on the day it was required. There can be some benefits to waiting till just before things are required like finishing up other tasks and collecting more timely information. Whether it is worthwhile waiting or not waiting for the information depends.

On the worthwhile side the ledger for waiting the Sask Mustard election process is over and two directors were acclaimed. I am able to welcome back returning director Ivan Costley of Mossbank SK, and new director Mark Caswell of Bracken SK, to the board. I am also able to thank Peyton Gill of Leader SK for his contributions to the board over the past three years. When one does the addition and subtraction the Sask Mustard board is still one director short. This has been the case for last two years and I look forward to suggestions on how to fill this position.

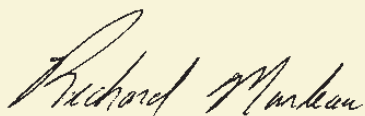
As for mustard markets, good information is always valuable whether it is worthwhile waiting or not depends. Last year at this time mustard spot prices were at a steep discount to production contract prices and new crop production contract price indications were not very enticing for growers. There typically was ample subsoil moisture, plenty of harvest yet to be completed and pulse crop prices were shining very brightly in the producer's eye. Today, mustard spot prices are well above most production contract levels with deferred months showing a premium. Subsoil moisture is variable, but in the traditional mustard growing region a bit concerning, and pulse crop prices, particularly lentils, have fallen quite hard. As the day length decreases going into winter and starts to increase again through spring, growers will be pondering their seeding intentions for next year keeping in mind market, agronomic, cash-flow and other considerations. Looking forward from here mustard acreage is likely to increase over last year and hopefully production and profits will be adequate for both the farmer and end user.

I want to thank Kevin Hursh, Adele Buettner and their staff for looking after Sask Mustard's day to day operations. I also want to thank all



the other individuals that help contribute to the mustard industry, including: fellow board members, Mustard 21 staff and consultants, Agriculture Canada and Agrisoma breeders, researchers, lab techs and managers, Canadian Grain Commission graders and quality assurance personnel and Canadian Mustard Association members.

Sincerely,

A handwritten signature in black ink, reading "Richard Marleau". The signature is fluid and cursive, with the first name being more prominent.

Richard Marleau  
Chairman of the Board







# Management Report

Kevin Hursh, Executive Director

Adele Buettner, General Manager

High prices are the cure for high prices and low prices are the cure for low prices. That certainly seems to describe the year-to-year rollercoaster of the mustard growers' experience.

The large mustard crop in 2016 led to lower prices that fall and contract prices for 2017 production were less than attractive for many growers. As a result, the seeded acreage of Canadian mustard declined by 23% in 2017, dipping to an estimated 405,000 acres. Harvested area was 375,000 acres.

Yields also declined due to the extremely dry conditions in the main mustard growing areas of south central and southwestern Saskatchewan as well as southern Alberta. Whereas 2016 saw an average yield of 1044 pounds per acre, the 2017 average is pegged at 678 pounds; a 35% drop.

With acreage and yield both dropping, Canadian production in 2017 is estimated at just 115,000 tonnes, roughly half of the previous year. However, due to relatively large carry-in stocks, total supply is only down by 22% and exports are expected to remain about the same. Lower supplies have translated into better prices, particularly for brown mustard which is in the shortest supply.

Both producers and buyers have long mused about the possibility of long-term production contracts to take some of the boom and bust out of mustard acreage and prices, but so far no one has come up with an agreeable formula.

Fortunately, producers and the industry do work collaboratively to fund Mustard 21 (M21), which continues to be the vehicle for investing in new mustard varieties, conducting agronomic research and investigating new food uses. With assistance from M21, mustard breeder Dr. Bifang Cheng of Agriculture and Agri-Food Canada continues to make great strides in the development of new varieties with enhanced yields. She hopes to have the first brown mustard hybrid variety submitted for registration in 2018.

Under the guidance of Dr. Pete Desai, M21 is one of seven smaller acreage crops participating in the Diverse Field Crop Cluster which is seeking significant new funding through the Canadian Agriculture Partnership (the previous five-year agreement was known as Growing Forward 2) to continue its market development and agronomic research.



# Spreading the Mustard

Sask Mustard ramped up its North American promotional efforts on many fronts in 2017, focusing on chef engagement, culinary promotions and social media. Based on the Sask Mustard's Marketing Plan, which focuses on strategic opportunities for advancing mustard use in the North American marketplace, Sask Mustard continued to focus on improving some of our existing programs and expanding our partnerships in the culinary arena, with priority on high volume organizations with significant reach. After each activity, we evaluate its success and identify ways we can enhance our efforts and improve the return on our investments.

## **SPREAD** **MUSTARD**

Spread the Mustard, a new consumer-targeted brand, was rolled out at the end of 2017. It started off as a promotion, in conjunction with Canada's Sesquicentennial, and a campaign to "Spread the Mustard across Canada." The office identified mustard manufacturers of all sizes across the country and sent each a box of our *Mustard Makeovers & More* cookbooks and requested they distribute them to their customers, friends and family to help "Spread the Mustard."

This was accompanied by a social media promotion from June to September 2017, partnering with the YXE Chefs Association to increase awareness of the various uses of mustard with **#SpreadTheMustard**. Chefs were asked to promote the hashtag in social media accounts as well as in their restaurants on menu boards and daily specials.

Our brand package includes a suite of bold and fun logos and the new tag lines "Instant Food Bling" and "Instant Food Zing," playing on the idea that mustards rich golden hue and versatile flavour profile adds both color and zip to the everyday dish. This new brand was applied to Sask Mustard's consumer website and various social media profiles in October 2017, including: Instagram, Twitter, Facebook, YouTube and Pinterest. Followers on these platforms are primarily culinary industry, nutrition professionals and foodies and the content is on sharing recipes, tips and tricks for cooking with mustard and nutritional information.

Sask Mustard will be designing the SpreadTheMustard.com consumer website in the New Year and SaskMustard.com will revert to solely grower information. There is also a dedicated Twitter account for agronomic and producer related information and events. Please follow **@GrowMustard** for updates on field days, producer meetings and production stats.







## WORKING WITH CHEFS, DIETITIANS AND FOOD INFLUENCERS

Sask Mustard's main audience for the "Spread the Mustard" campaign includes food influencers, chefs and foodies. The category 'food influencers' refers to those who have notable influence over other people's food choices and encompasses registered dietitians, home economists, food communicators and celebrity chefs, all with significant followings. Through our attendance at culinary events, relationships with food communicators and social media, we continue to expand our network of these influential individuals.

Sask Mustard continues to work with Judy Scott Welden (also known as 'Judy Foodie,' a Kitchener area TV personality), and we expanded our TV reach to Toronto and Vancouver by engaging other prominent dietitians and home economists such as:

- Marilyn Smith of Toronto – a very reputable home economist, TV personality and cookbook author
- Michele Jaelin of Toronto – a registered dietitian, nutrition consultant, media communicator, and frequent guest on CHCH Morning Live Toronto and Daytime York Region.
- Patricia Chuey of Vancouver – voted one of the top dietitians in Canada and a respected TV personality and author of *Chuey on This* blog
- Zennant Reza, food expert often seen on CBC National, CTV Morning show (national) and regularly featured in the *Toronto Star*, she is currently working for Canadian Lentils, Barley Council of Canada, Dairy Farmers of Canada and others.

### ■ Chefs Cooking With Mustard Videos

Sask Mustard worked with four prominent Saskatoon chefs to create an endorsement video and six demonstration videos that can be used at international marketing events and through our social media channels to deliver messaging about mustard's flavour, versatility and ease of use.

We were excited to work with some of the best chefs in Saskatoon, many of whom are award winners and nationally recognized, and all very keen to cook with mustard. In addition to helping Sask Mustard with our marketing efforts, this project is building champions among these respected spokespeople.

The videos can be found on the Spread the Mustard YouTube channel.



### ■ Hands and Pans Videos for Social Media

Sask Mustard worked with Dorothy Long and her team at BlueSky Ideas to produce 10 short videos in the popular social media format featuring the ingredients, cookware and hands of the preparer and demonstrating various recipes from our *Mustard Makeovers & More* cookbook. These videos are featured on our website and promoted through Facebook, Instagram, YouTube and Twitter.

### ■ Partnership with Saskatchewan Polytechnic Culinary Arts Program

Saskatchewan Polytechnic (formerly the Saskatchewan Institute of Applied Science and Technology or SIAST) is Saskatchewan's preeminent technical education and skills training institute. Their Culinary Arts program is the only two-year advanced chef and culinary training program in Saskatchewan.

Sask Mustard has established a partnership with SaskPoly that teaches these future chefs about mustard as a key ingredient through classroom exercises, event experience and program activities. Graduates will go on to work at fine establishments throughout North America and the world and they will be well-versed in cooking with mustard!

## MEMBERSHIPS, CONFERENCES AND NETWORKING

### ■ Culinary Institute of America

The CIA's professional chef training events provide an opportunity to elevate and encourage usage of mustard among a leading audience of food influencers and menu decision makers. Sask Mustard attended two events at the CIA in 2017: the Healthy Kitchens, Healthy Lives conference and the Flavour, Quality & American Menus leadership retreat.

Healthy Kitchens Healthy Lives (HKHL) is a conference that hosts faculty members from Harvard Medical School and the Harvard T.H. Chan School of Public Health along with nutrition researchers from other prestigious institutions to discuss the science of diet and nutrition. Sask Mustard networks with these top-level attendees and disseminates information that endorses mustard as a healthy ingredient.

The Flavour, Quality & American Menus (FQAM) symposium brings together menu planners, executive chefs and hospitality industry representatives from across North America to network and discuss trends in menu creation. Sask Mustard was a presenting sponsor which enabled us to present information on the quality and nutritional value







of Saskatchewan mustard, show one of our recent endorsement videos and host two tables during the networking breaks. Our showcase, networking and conversations led to several opportunities to engage influential attendees about utilizing mustard.

### ■ **International Foodservice Editorial Council**

As part of our international marketing efforts, Sask Mustard has become a member of the International Foodservice Editorial Council (IFEC). This group brings top editors and marketing professionals together to exchange ideas and confer on editorial content for food-engaged readers. Member editors are the voices of the leading print and digital magazines and PR members represent food boards, manufacturers, restaurants, non-commercial, trade groups, research firms and other organizations that drive foodservice.

The \$425.00 IFEC membership gives Sask Mustard access to networking opportunities, a valuable directory of foodservice communicators and other members' editorial calendars and factsheets. Two networking events included the IFEC member reception during the National Restaurant Association Annual Show in Chicago in May, and the IFEC Conference in Boulder, Colorado in October.

### ■ **International Association of Culinary Professionals**

Sask Mustard is a member of the International Association of Culinary Professionals (IACP) which is made up of writers, photographers, stylists, bloggers, marketers, nutritionists, chefs, restaurateurs, culinary tour operators, artisan food producers and academia across the world. This membership allows us access to its membership directory of nationally recognized culinary professionals, easy networking and its annual conference in 2018.

### ■ **Women Chef and Restaurateurs**

The Women Chef and Restaurateurs association connects women in all areas of the food and beverage business, including chefs, sommeliers, restaurateurs, manufacturers, farmers and industry executives who unite to promote women in all areas of the culinary world. WCR brings together women from across the prairies, building a strong network among industry peers.

Sask Mustard joined this organization and attended their annual conference in September. WCR's membership include many influential chef and food professionals who are very interested in learning more about mustard.



## FESTIVALS AND EVENTS

### ■ Chef's Series at Taste of Saskatchewan

Farm & Food Care Saskatchewan's Chef Series took place at A Taste of Saskatchewan, the province's biggest food festival, July 11-16, 2017. The event was a huge success and Sask Mustard was pleased to be part of it. The Top Chef Saskatchewan culinary competition included mustard as a featured ingredient in three of the contest's black boxes. Along with using mustard in the dishes, the emcees shared mustard facts and printed information to the audience during the event. We saw a spike in social media activity during this event. French's Food Company also returned as a sponsor so mustard was well represented.

### ■ The Great Saskatchewan Mustard Festival

The Great Saskatchewan Mustard Festival was held in Regina on the shores of Wascana Lake on August 20, 2017. Close to 1,500 attendees enjoyed the festival at which 20 Regina restaurateurs featured a range of tapas-sized samples, each of which incorporated mustard as a key ingredient. Sask Mustard is a key sponsor of this event and provided complimentary cookbooks to participants.

### ■ YXEats Food Festival


Sask Mustard was the title sponsor of the sold-out Gold Table Dinner on September 9, 2017 at the YXEats Food Festival in Saskatoon. This festival, only in its third year, highlights local Saskatoon restaurants in the eclectic Riversdale neighbourhood. In addition to the Gold Table Dinner, Sask Mustard also sponsored the sold out 'Mad for Mustard' Cooking School on Friday, September 8, 2017 hosted by Chef Scott Dicks. Although a number of other groups sponsored cooking schools, Sask Mustard's was the first to sell out and generated a buzz among the participants and the chefs.

### ■ YXE Chefs' Gala

Sask Mustard sponsored the 8th annual Chefs' Gala at Prairieland Park in February. This prestigious event offers an evening of delicious foods across seven courses and great entertainment while raising funds and awareness for local theatre and music organizations. Sask Mustard was the 'Green Room Partner' and was recognized on the website, in print materials and mustard was featured in multiple dishes throughout the night. This event is attended by approximately 300 people.







### ■ WinterShines Soup Cook-Off

The PotashCorp WinterShines Festival is a weeklong event showcasing ice and snow activities held at the Saskatoon Farmers Market each year at the end of January. This was the first year Sask Mustard sponsored a local chef's entry to the WinterShines Soup Cook-Off. Chef Doug Ferguson of the Riversdale resto-bar 'The Feisty Goat' included a Sask Mustard Pickled Pickerel and Sask Mustard Maple Crème Fraîche as ingredients in his "Saskie Land & Lake" soup creation.

## COOKBOOKS

### ■ #MyMustard Cookbook

Sask Mustard worked with local chef and baker Renée Kohlman to develop 25 fresh new recipes featuring mustard as a key ingredient. Renée is recognized as one of the *National Post's* top 25 Canadian food bloggers, with her popular blog [sweetsugarbean.com](http://sweetsugarbean.com). She is also a regular columnist in various publications and recently released her first cookbook *All the Sweet Things* (Touchwood Editions). Recipes in #MyMustard are accompanied by images for each these books were used at several consumer outreach events in 2017. The intent behind the development of this recipe book was to develop a publication for marketing activities and new content to share online through our social media channels.

Sask Mustard worked with Chef Renée Kohlman to host a launch party for the booklet on August 5, 2017 at the Saskatoon Farmers Market in conjunction with National Mustard Day and Food Day Canada.

### ■ Mustard Makeovers & More on Amazon!

Sask Mustard listed the Mustard Makeovers & More! 100 Marvellous Recipes for Busy Families cookbook on Amazon.ca and Amazon.com in March of 2017. The cookbook has been reviewed on Amazon by Patricia Chuey, dietitian and food influencer and Judy Scott Welden, dietitian and media personality and there are steady monthly sales of the cookbook. The Amazon listing is promoted by our chef appearances on television, through social media, on the website and through paid advertising on Facebook.



## ■ **Saskatchewan Cooks Volume 2**

This spring, Sask Mustard participated in the second volume of the *Saskatchewan Cooks* recipe book project that gathers recipes featuring Saskatchewan-grown food products from thirteen prairie commodity groups and combines them in a stylish 25 page digest. Along with the delicious recipes, the book highlights facts and stories relating to the local ingredients.

## SPONSORSHIP

### ■ **Food Farms**

Sask Mustard was pleased to sponsor the Saskatchewan Ministry of Agriculture and Agriculture in the Classroom's Food Farms again this year. This project brings grade 3 and 4 students out of the classroom to experience farming and learn what's involved in growing some of their favorite foods, including burgers and fries, hummus and chips and pizza. This hands-on experience allows students to be involved with planting, harvesting and processing of gardens and crops, including mustard. There were nine locations across the province this year as the program continues to expand.

### ■ **Junior Chef Competition**


The Canadian Culinary Federation's annual conference took place in Calgary in May 2017. Students from Sask Polytech's Culinary Arts Program attended the Saputo Junior Culinary Challenge. Sask Mustard provided 100 *Mustard Makeovers & More* cookbooks for giveaways at the event.

### ■ **'Through the Mud' BBQ Team**

Sask Mustard was approached by a Saskatoon-based barbecue competition team called Through the Mud to sponsor their attendance at a national barbeque competition in Okotoks, Alberta on May 13-14, 2017. Mustard is a key ingredient in all of their rubs and sauces and exposure at a national competition was a good fit for our support. Through the Mud placed fifth out of 35 teams in the pork ribs category and garnered local media and online attention.





A vertical image on the left side of the page shows two bowls. The top bowl contains mustard seeds, and the bottom bowl contains a golden-yellow liquid, likely mustard oil.

### ■ National Mustard Museum

Sask Mustard continues to support the National Mustard Museum in Middleton, Wisconsin through an annual donation to assist with the costs of housing our interactive display. Consistent with previous years, we contributed \$1,200 towards efforts to educate visitors about Canadian mustard. The National Mustard Museum is the only such museum in the world and hosts approximately 35,000 guests annually.

### SOCIAL MEDIA

Spread the Mustard continues to expand its extensive social media presence across Facebook, Twitter, YouTube, Pinterest and Instagram. Check us out at:



@SpreadtheMustard



@SpreadMustard



Spread the Mustard



@SpreadTheMustard



Spread the Mustard

For grower events, production and agronomic updates follow @GrowMustard on Twitter.



# Mustard 21 Canada 2017 Report

## Pete Desai, President & CEO

Mustard 21 Canada Inc. (M21) will complete its five year Growing Forward 2 (GF2) project support by Agriculture and Agri-Food Canada (AAFC) funding program on March 31, 2018. This AAFC funding plus mustard value chain support has enabled M21 to execute strategic research and development (R&D) priorities.

The M21 objective is to implement strategic action plans to create a “Canadian Advantage” so that mustard is a viable, sustainable business option for the grower in the drier regions of the prairies. Significant yield increase is one of the key goals that will keep the mustard crop competitive and a viable component of the growers’ crop rotation.

### CONDIMENT MUSTARDS

The past couple of years have been very exciting. AAFC’s mustard breeding program in Saskatoon, led by Dr. Bifang Cheng, has made huge strides in improving the Ogura cytoplasmic male sterility (cms) hybrid system to develop hybrid varieties in brown and oriental mustard. The development of parental lines in the yellow mustard germplasm will deliver the new synthetic varieties in yellow mustard. These two breeding efforts are now preparing to deliver high yielding mustard varieties in the coming years. The development of mustard parental lines will allow growers to capitalize on broader diversity to create more robust, higher yielding varieties. All this good work will help mustard remain competitive with other crops (canola, pulses and cereals) and will also make Canadian mustard globally competitive as a viable business option to the grower. Delivering quality mustard will allow Canada to be a reliable and sustainable supplier and maintain its global export market.

Test hybrids of brown and oriental mustard and synthetics of yellow mustard will be produced in isolation tents in the field in Chile (winter 2017) to build supply for 2018 small field trials in Canada. Hybrid seed production is very different from the traditional open pollinated certified seed production mustard growers have used for the past decades. It will take significant resource commitment to maintain the purity and quality of parental seed multiplication. Hybrid seed production is not new as we now have almost all canola growers using this as their main technology for planting seed. The challenge M21 and the value chain have is the size of the mustard market, which is very small when compared to that of canola. We therefore need to







understand the production costs for a smaller hybrid mustard seed requirement. It is important that these high yielding hybrids are business options for the growers.

The 2016 and 2017 contra season seed multiplication trials in Chile and 2017 summer trials in Canada now allow Canadian field performance evaluation in the summer of 2018 to identify the best combinations of parental lines to create better hybrids suitable for Canadian conditions. Dr. Cheng will include these hybrids as part of the 2017 Chile winter field increases and the 2018 summer field trials to demonstrate as well as evaluate how these new improved mustard varieties will perform in Canada.

Developing mustard varieties is a very lengthy process, taking eight to ten years from research to launch of a commercial variety. Dr. Cheng's work since 2009 has constantly looked at ways to shorten this time line. Our biggest challenge for fast-tracking mustard varieties has been the narrow germplasm base of Canadian mustard for the past 30 years. This has been a huge hurdle to generation of the kind of mustard varieties Canada should have to maintain its advantage in the global market. Now that we have the technology for producing hybrids, the focus will be to broaden and strengthen the germplasm base to drive yields at a much faster rate than in the past decades. This, along with utilizing new technologies and/or genomic tools like molecular markers for traits of significance (e.g. disease, oil, protein, glucosinolate), will allow the improved selection of promising lines with key traits earlier in the breeding cycle to create mustard hybrids.

### **CARINATA**

Carinata variety development at AAFC and Agrisoma is ready for the emerging bio-economy opportunity as a dedicated industrial oil feedstock. A lot of the work to meet the US and EU regulatory requirements has been addressed and now there is an increased understanding of how carinata oil will be an excellent feedstock for the transportation sector. Agrisoma continues to be very diligent in ensuring that annual carinata acreage is aligned with pre-committed carinata oil demand to assure that all annual production has a market.

The transportation fuel market is huge and will need production in amounts of hundreds of thousands of acres for the end use customers to commit to carinata oil feedstock and make it a part of their supply



chain. The market for industrial oilseed is poised to grow and there will be an opportunity starting in 2018 for the growers to plant carinata, a dedicated industrial oilseed crop, in the semi-arid, brown soil regions of the prairies.

Agrisoma Biosciences Inc. (Agrisoma), M21's industrial partner, now has its own well-established breeding program. It is focused on using its large diverse germplasm collection, advanced breeding techniques such as doubled haploid (DH) technology, and hybrid seed production to develop the next generation of commercial carinata varieties. The growth in demand for carinata oil as feedstock for the emerging bio-fuel market during the past four years has been much slower than planned; however, the continued drive from EU for bio-fuels will help build carinata base acreage in the drier prairies.

AAFC's carinata breeding program is now (2017) led by Dr. Christina Eynck. Under her management, the carinata breeding activities at AAFC will focus on broadening the genetic diversity, developing germplasm with improved oil and meal traits, disease resistance, and refining the carinata hybrid system originally developed at AAFC. In collaboration with Agrisoma, AAFC has developed a large carinata mapping population that is used to identify genomic regions associated with agronomically important traits. This undertaking requires massive phenotyping and genotyping efforts and will result in the development of molecular markers that will be applied in both AAFC's and Agrisoma's breeding programs, resulting in faster and more efficient variety development. This work is also relevant to canola and condiment mustard breeding due to shared genetics among Brassica species.

## **HERBICIDES AND WEED MANAGEMENT**

*(Ken Kirkland)*

### **■ MINOR USE REMINDER:**

Use of the existing AAFC - User Requested Minor Use Label Expansion (URMULE) program is critical to registering tools to allow the use of products that help manage pests in minor crops like mustard. Thus grower help to identify weed issues or pesticide tools needed does help to pursue registration for the benefit of the growers.







#### ■ M 21 IS PURSUING:

- 1. Quinclorac and Dicamba Update:** Research continues at AAFC's Scott Research Farm in 2017 to determine the tolerance of yellow mustard to quinclorac and dicamba. Preliminary results are promising for both herbicides and future Minor Use Registrations will be pursued.
- 2. Future 2018 funding proposals** include evaluation of clomazone as pre-emergent and pre-plant treatments alone and in combination with quinclorac post-emergent, activity of quinclorac pre-emergent, and the evaluation of herbicide combinations to manage the problem species cleavers, kochia and wild mustard.

#### ■ REMINDER OF REGISTERED USES:

- 3. Roundup Weather Max Preharvest\*** use is now registered under the URMULE program on all mustard - yellow/white, brown and oriental.
- 4. Under the Growing Forward 2 (GF2) program, Authority 480 Herbicide (sulfentrazone)** registration has been received through the URMULE Program\* to add control of kochia at a rate of 219 ml/ha pre-plant or pre-emergence in mustards (yellow/white (*Sinapis alba*), brown/oriental (*Brassica juncea*) and *carinata* (*Brassica carinata*)).

\* These uses are registered under the User Requested Minor Use Label Expansion (URMULE) program. The manufacturer assumes no responsibility for herbicide performance. Those who apply these treatments do so at their own risk.

M21 is grateful for the continuing support of Agriculture and Agri-Food Canada (AAFC), the Western Grains Research Foundation (WGRF), the Canadian Mustard Association (CMA), the Agriculture Development Fund (ADF) of Saskatchewan Agriculture, the Saskatchewan Mustard Development Commission (SMDC) and Agrisoma Biosciences Inc. for their funding support to implement M21's strategic plan. M21's strategy is to maximize its R&D resources by leveraging grants to secure long-term funding to sustain the development of a very productive and robust product pipeline.



# Notes











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