

# ANNUAL REPORT

## 2022-2023



**SASK MUSTARD**

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

**Annual General Meeting**

**Thursday, January 11, 2024**

**World Trade Centre, Hall E | Saskatoon, SK**



## MANDATE

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

## VISION

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Investing in the future for mustard grower profitability.

## MISSION

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



# 2022-2023 BOARD & STAFF

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## **Moriah Andrews**

Chair  
Hazlet, SK

## **Bill Wilson**

Vice-Chair  
Kincaid, SK

## **Dean Haack**

Treasurer  
Gravelbourg, SK

## **Baine Fritzler**

Govan, SK

## **Norm Hall**

Wynyard, SK

## **Kirsten Theaker**

Eatonia, SK

Executive Director

Rick Mitzel  
Saskatoon, SK  
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TLC Management Group  
Tanya Craddock, Office Manager  
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Ministerial Contact  
Samantha Marcino  
Provincial Specialist - Oilseed Crops  
SK Ministry of Agriculture  
T: 306-787-0428  
samantha.marcino@gov.sk.ca

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



@GrowMustard





# Chair Report

## Moriah Andrews



In 2023 there was over 630,000 acres of mustard seeded in the province of Saskatchewan, an 80,000 acre increase over the previous year and over a 300,000 acre increase from just a few short years ago. It is great to see the wide implementation of mustard into crop rotations throughout the province, and the large adoption of hybrid mustard varieties. Every year more acres are being seeded to a hybrid variety over a conventional, which is great as there is larger potential in the hybrids. With a promising new hybrid coming for the 2024 season, AAC Brown Elite (brown mustard), I am excited to see what is to come of it and hoping as a province we get back to more normal rainfall conditions. If planning on

having a hybrid mustard variety on your farm for the 2024 season, make sure to call and book your seed at participating seed distributors.

On the Saskatchewan Mustard Development Commission (SMDC), we annually review aspects of growing and producing mustard in Saskatchewan - from seed to proper fertilizer regimes; weed, disease, and insect control; best management practices at harvest time; and where mustard can be utilized in the culinary, industrial, and agricultural settings. The mustard industry is constantly evolving, and as the voice for Saskatchewan producers, SMDC keeps farmer's best interests top of mind.

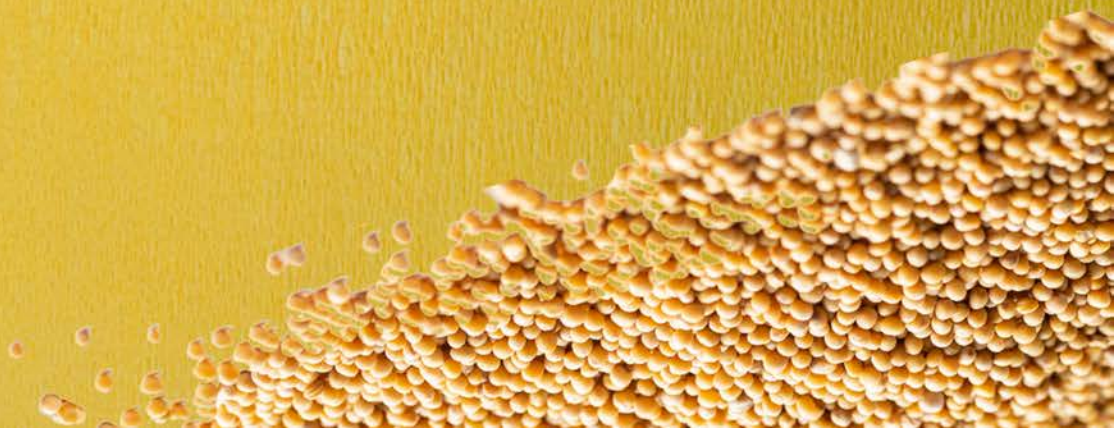
As time draws near to one year of being the chair of SMDC, I want to thank my fellow board members, our SMDC staff, and all of you mustard producers in Saskatchewan. It was another successful year for the commission and that is largely due to your check-off dollars. So once again, thank you.

I am excited for the future of mustard in Saskatchewan, and am looking forward to more years as the SMDC chair.

Cheers to the 2023 season and welcome to 2024, see you all at our AGM in January.

A handwritten signature in black ink, appearing to read 'Moriah Andrews'. The signature is stylized and cursive.

Moriah Andrews





# Executive Directors Report

## Rick Mitzel, PAg



I always start my reports by thanking growers for their check-off dollars because without that we would not be able to develop an effective research plan for mustard growers. This support allows the Saskatchewan Mustard Development Commission (SMDC) and Mustard 21 (M21) to work on new uses for mustard. One of the ways SMDC and M21 have used check-off dollars was by developing new higher-yielding mustard varieties along with better agronomic characteristics to benefit growers.

The search for new uses for mustard is an ongoing process with SMDC and M21 and currently, we are working with the Saskatchewan Food Industry Development Center in Saskatoon on potential new uses of mustard. M21 will keep the mustard growers updated as we go along. New uses are key to maintaining and growing the mustard industry and keeping the demand strong for mustard, that's why it is a key initiative for SMDC and M21.

### **Seed Varieties Update:**

Mustard 21 is set to launch a new brown mustard called AAC Brown Elite and it will eventually be a replacement for AAC Brown 18. Elite is about three days later in maturity than AAC Brown 18 and offers better milling characteristics which is something the buyers have been looking for. For yellow mustard, we are building a lot of brand support for the AAC Yellow 80 composite variety and the feedback from growers has been excellent. The next upcoming project for M21 is a hybrid oriental variety and we hope to have it available for mustard growers in the spring of 2025.

### **Research Activities:**

SMDC is adding more trials this summer and this time they are testing seeding rate and fertility rates for AAC Yellow 80. The goal of these trials is to develop better recommendations on fertility and seeding rates for AAC Yellow 80 for growers to maximize their profitability. Again, this year we will be testing our seed varieties under irrigation to see how they perform under above-normal moisture conditions. More growers are testing AAC Brown 18 and AAC Yellow 80 under irrigation and it's important for M21 and SMDC to have the experience with irrigation to make solid agronomic recommendations to mustard growers.

In summary, you can see that SMDC and M21 have a lot going on, which allows us to learn every day about how we can improve the mustard market for growers and processors.

All the best in 2024 to all the mustard growers!

A handwritten signature in black ink, appearing to read "Rick Mitzel". The signature is stylized and cursive.

Rick Mitzel





# AGM AGENDA

THURSDAY, JANUARY 11, 2024

World Trade Centre, Hall E | Saskatoon, SK

9:00 a.m.

8:30 a.m.	<b>Registration</b>
9:00 a.m.	<b>Chair Address</b> Moriah Andrews
9:15 a.m.	<b>Mustard Research</b> Samantha Marcino, Saskatchewan Ministry of Agriculture
9:45 a.m.	<b>Update on condiment mustard breeding and research</b> Dr. Bifang Cheng, Condiment Mustard Breeder, Agriculture and Agri-Food Canada
10:15 a.m.	<b>Break</b>
10:30 a.m.	<b>Mustard research projects for 2024 and beyond and update on seed varieties</b> Rick Mitzel, Mustard 21 Canada Inc.
11:00 a.m.	<b>Mustard Research</b> Amber Wall, Wheatland Conservation Area
11:30 a.m.	<b>Lunch</b>
12:30 p.m.	<b>Annual Business Meeting</b>
1:00 p.m.	<b>Mustard Market Outlook</b> Chuck Penner, Leftfield Commodities *could be earlier or later depending on the length of the annual business meeting



# ANNUAL BUSINESS MEETING AGENDA

THURSDAY, JANUARY 11, 2024

World Trade Centre, Hall E | Saskatoon, SK

12:30 p.m.

Call to order and Opening Remarks

Approval of the Agenda

Approval of the Minutes

Financial Review

Max Lingard, Lingard + Dreger

Approval of the Budget

Annual Report 2022-2023 and Proposed Activities 2023-2024

Resolutions

New Business

Adjourn Meeting





# ANNUAL BUSINESS MEETING

## MOTIONS TO PRESENTED

- That the Agenda be approved as presented.
- That the minutes of the January 12, 2023 meeting be approved as presented.
- To appoint an Audit Chair.
- That the SMDC audited financial statements for the year ending July 31, 2023 be approved as presented.
- That the SMDC Budget for 2023/2024 be approved as presented.
- That SMDC appoint Lingard + Dreger as auditor for the year ending July 31, 2024.
- To adjourn the January 11, 2024 Annual Business Meeting.







**Annual Business Meeting Minutes  
Thursday, January 12, 2023  
Hall E, Prairieland Park**

**Call to Order and Opening Remarks**

Chair Derek Dewar called the meeting to order at 1:00 p.m. Chair Dewar provided opening remarks, directions for voting for registered producers and introduced the SMDC board of directors and staff.

**Approval of Agenda**

**Motion #1:** to approve the agenda as presented.  
Baine Fritzler/Dean Haack/Carried

**Approval of Minutes**

**Motion #2:** To approve the minutes  
Baine Fritzler/Reg Hurtz/Carried

**Financial Review**

**Motion # 3:** To appoint Dean Haack as the audit chair.  
Norm Hall/Reg Hurtz/Carried

The first call for resolutions was made.

Max Linguard from Lingard + Dreger LLP reviewed the audited financial statements.

**Motion # 4:** To approve the financial statements as presented.  
Norm Hall/Kirsten Theaker/Carried

**Approval of Budget**

Rick Mitzel reviewed the 2022-2023 budget.

**Motion #5:** To approve the 2022-2023 budget as presented.  
Kirsten Theaker/Norm Hall/Carried

**Motion #6:** To approve Lingard + Dreger as the auditor for the 2023 year end.  
Dean Haack/Trent Dewar/Carried

**Annual Report 2021-2022 and Proposed Activities 2022-2023**

Rick Mitzel and Chair Dewar reported on the 2021-2022 activities and proposed new activities for 2022-2023.

**Resolutions**

None were identified.

**New Business**

No new business was identified.

**Adjourn Meeting**

**Motion # 7:** To adjourn the annual general meeting.  
Reg Hurtz



**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**

**Financial Statements**

**For the Year Ended July 31, 2023**



Independent Auditor's Report to the Directors of Saskatchewan Mustard Development Commission  
(continued)

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Saskatoon, Saskatchewan  
November 29, 2023**

*Lingard + Dreger*

**Chartered Professional Accountants**





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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Saskatchewan Mustard Development Commission

### Qualified Opinion

We have audited the financial statements of Saskatchewan Mustard Development Commission (the Commission), which comprise the statement of financial position as at July 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

### Basis for Qualified Opinion

The Commission collects a levy from Saskatchewan producers through buyers of mustard, the completeness of which is not susceptible to satisfactory audit verification. It was not practical for us to verify whether all buyers of mustard produced in Saskatchewan have collected and remitted the required levy to the Commission. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Commission. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses and cash flows from operations for the year ended July 31, 2023, current assets as at July 31, 2023 and July 31, 2022, and net assets at both the beginning and end of the July 31, 2023 and July 31, 2022 years.

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 qualified audit opinion.

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

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

In preparing 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.

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**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**  
**Statement of Financial Position**  
**As at July 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 559,652	\$ 345,427
Short-term investments (Note 3)	525,395	432,506
Short-term internally restricted investments (Note 3)	-	307,540
Accounts receivable (Note 4)	80,072	93,837
Prepaid expenses	-	815
	1,165,119	1,180,125
<b>LONG-TERM INVESTMENTS (Note 3)</b>	<b>316,051</b>	<b>-</b>
<b>INTERNALLY RESTRICTED INVESTMENTS (Note 3)</b>	<b>473,844</b>	<b>155,544</b>
	<b>\$ 1,955,014</b>	<b>\$ 1,335,669</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 42,563	\$ 46,671
Deferred contributions (Note 6)	19,576	-
	62,139	46,671
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	<b>1,419,031</b>	<b>825,914</b>
<b>INTERNALLY RESTRICTED (Note 7)</b>	<b>473,844</b>	<b>463,084</b>
	<b>1,892,875</b>	<b>1,288,998</b>
	<b>\$ 1,955,014</b>	<b>\$ 1,335,669</b>

**COMMITMENTS (Notes 9, 10)**

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director

See notes to the financial statements



**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**

**Statement of Operations**

**For the Year Ended July 31, 2023**

	Budget (Note 12) 2023	2023	2022
<b>REVENUE</b>			
Producer check-offs (Note 8)			
Fees	\$ 480,000	\$ 899,917	\$ 575,381
Refunds	(25,000)	(11,444)	(18,017)
	455,000	888,473	557,364
Agriculture Marketing Program (AMP) funding	16,500	-	-
ADOPT program	40,000	-	-
Interest	6,000	39,418	12,826
	517,500	927,891	570,190
<b>EXPENSES</b>			
Research contributions Mustard 21 Canada Inc. (Note 9)	150,000	150,000	150,000
Administration contracts	72,500	69,031	69,707
Market development	83,000	30,093	22,406
Board of directors (Note 13)	35,000	27,933	18,192
General and administration	30,650	28,968	27,072
Communications	15,000	11,746	12,667
Annual meeting	10,000	5,988	855
Election	7,000	255	835
ADOPT expenses	42,000	-	-
	445,150	324,014	301,734
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 72,350</b>	<b>\$ 603,877</b>	<b>\$ 268,456</b>

See notes to the financial statements



**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**  
**Statement of Cash Flows**  
**For the Year Ended July 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 603,877	\$ 268,456
Changes in non-cash working capital:		
Accounts receivable	13,765	(46,664)
Accounts payable and accrued liabilities	(4,110)	26,394
Deferred contributions	19,576	-
Prepaid expenses	815	-
	<b>30,046</b>	<b>(20,270)</b>
Cash flow from operating activities	<b>633,923</b>	<b>248,186</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of investments	175,607	544,844
Purchase of investments	(561,107)	(544,980)
Reinvested interest	(34,198)	(12,187)
Cash flow used by investing activities	<b>(419,698)</b>	<b>(12,323)</b>
<b>INCREASE IN CASH</b>	<b>214,225</b>	<b>235,863</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>345,427</b>	<b>109,564</b>
<b>CASH - END OF YEAR</b>	<b>\$ 559,652</b>	<b>\$ 345,427</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 559,652	\$ 345,427

See notes to the financial statements



**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**  
**Statement of Changes in Net Assets**  
**For the Year Ended July 31, 2023**

	Unrestricted	Internally restricted	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 825,914	\$ 463,084	<b>\$ 1,288,998</b>	\$ 1,020,542
Excess of revenue over expenses	603,877	-	<b>603,877</b>	268,456
Transfers (Note 7)	(10,760)	10,760	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,419,031</b>	<b>\$ 473,844</b>	<b>\$ 1,892,875</b>	<b>\$ 1,288,998</b>

See notes to the financial statements



## SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

### Notes to the Financial Statements

For the Year Ended July 31, 2023

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#### 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.

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#### 2. SUMMARY OF 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.

##### **Cash and cash equivalents**

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

##### **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 revenue is recognized as earned on a time proportion basis.

Dividends and other revenue are recognized as earned.

##### **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.

##### **Income taxes**

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

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**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**

**Notes to the Financial Statements**

**For the Year Ended July 31, 2023**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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.

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

**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.

**Internally generated intangible assets**

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

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**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**  
**Notes to the Financial Statements**  
**For the Year Ended July 31, 2023**

**3. INVESTMENTS**

	Maturity	2023	Yield	2022
<b><u>Unrestricted</u></b>				
Mutual funds		\$ 121,532		\$ 117,223
Term deposits	<one year	403,863	3.50% - 4.30%	315,283
		525,395		432,506
Term deposits	>one year	316,051	3.40% - 4.60%	-
		\$ 841,446		\$ 432,506
<b><u>Internally restricted</u></b>				
Term deposits		\$ -		\$ 307,540
		-		307,540
Term deposits	>one year	473,844	2.90% - 4.20%	155,544
		\$ 473,844		\$ 463,084

**4. ACCOUNTS RECEIVABLE**

	2023	2022
Levies receivable	\$ 80,072	\$ 93,837

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
Trade payables	\$ 28,997	\$ 20,330
Levy refunds payable	5,796	18,849
Accrued liabilities	7,770	7,492
	\$ 42,563	\$ 46,671

**6. DEFERRED CONTRIBUTIONS**

The Commission receives funding from the Ministry of Agriculture related to the Saskatchewan Agriculture Demonstration of Practices and Technologies (ADOPT) program to be held, administered, and distributed in accordance with the related program funding agreement.

	2023	2022
<i>Contributions and revenue received during the year</i>		
ADOPT Program	\$ 19,576	\$ -
	\$ 19,576	\$ -



**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**  
**Notes to the Financial Statements**  
**For the Year Ended July 31, 2023**

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**7. 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. The Commission increased the internally restricted net assets by \$10,760 (2022 - \$8,728) as a result of interest earned on the internally restricted investments.

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**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.

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**9. RESEARCH CONTRIBUTIONS AND RELATED PARTY TRANSACTIONS WITH 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 December 6, 2017 the Commission committed to contribute a maximum \$200,000 annually to the Canadian Agricultural Partnership Program administered by Mustard 21 Canada Inc.

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**10. ADMINISTRATION CONTRACTS**

The Agriculture Council of Saskatchewan Inc. charged the Commission \$6,818 (2022 - \$8,602) for administering the check-off fee program and the business activities of the Commission of which \$1,689 (2022 - \$850) 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 \$7,956 for levy collection activities for the period August 1, 2023 to July 31, 2024.

The Commission entered into a contract with TLC Management Group for management services. The contract expires on October 1, 2023.

The Commission has entered into a contract with Denise Winslow for bookkeeping services. The contract expires on October 1, 2023 with the option to renew by any or all parties.

The Commission has entered into a contract with BlueSky IDEas Consulting Inc. for marketing support services. The contract began on December 1, 2020 and will continue for thirty-six months with the option to renew by any or all parties.

The Commission has entered into a contract with Survivor AgVentures Ltd. for executive services. The contract began on April 1, 2022 and will expire on March 31, 2025 with the option to renew by any or all parties.

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

**Year ending July 31:**

2024	\$	48,495
2025		16,100
		<u>64,595</u>

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**SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION**

**Notes to the Financial Statements**

**For the Year Ended July 31, 2023**

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**11. 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 July 31, 2023.

**Credit risk**

The Commission is exposed to credit risk from potential non-payment of accounts receivable. Most of the accounts receivable were collected after year-end. As at July 31, 2023 the largest three customers accounted for 66.47% (2022 - 80.87%) of accounts receivable.

**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. In seeking to minimize the risks from interest rate fluctuations, the Commission manages exposure through its normal operating and financing activities. The Commission is exposed to interest rate on its fixed income investments.

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**12. BUDGET**

The Board approved the 2022/2023 fiscal year budget at the meeting on January 12, 2023. The budget figures included in the accompanying financial statements are unaudited.

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**13. RELATED PARTY TRANSACTIONS**

During the year ended July 31, 2023 members of the Commission's elected Board of Directors received payments for per diems and expenses of \$27,933 (2022 - \$18,192). All related party transactions are measured at carrying amounts.

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**14. COMPARATIVE FIGURES**

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

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## INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

### To the Board of Directors of Saskatchewan Mustard Development Commission

We have undertaken a reasonable assurance engagement of Saskatchewan Mustard Development Commission's compliance during the period August 1, 2022 to July 31, 2023, with the provisions of the following legislative and related authorities ("the Agreements") pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities.

- The Agri-Food Act, 2004
- The Saskatchewan Mustard Development Plan Regulations
- Commission Orders No. 07/14 to 12/14

### Management's Responsibility

Management is responsible for Saskatchewan Mustard Development Commission's compliance with the specified requirements of the Agreements. Management is also responsible for such internal control as management determines necessary to enable Saskatchewan Mustard Development Commission's compliance with the specified requirements.

### Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Saskatchewan Mustard Development Commission's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Canadian Standard on Assurance Engagements 3531, *Direct Engagements to Report on Compliance*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements.

The nature, timing and extent of procedures selected depends on our professional judgement, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

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

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**INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON  
COMPLIANCE**

To the Board of Directors of Saskatchewan Mustard Development Commission  
(continued from previous page)

**Our Independence and Quality Control**

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentially and professional behavior.

The firm applies the Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Opinion**

In our opinion, the Saskatchewan Mustard Development Commission has complied with the specified requirements established in the Agreements during the period of August 1, 2022 to July 31, 2023, in all significant respects. We do not provide a legal opinion on the Saskatchewan Mustard Development Commission's compliance with the specified requirements.

Saskatoon, Saskatchewan  
November 29, 2023

*Lingard + Dreger*

Chartered Professional Accountants





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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 ("the Commission") control as of July 31, 2023, 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 Commission'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.

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

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of Saskatchewan Mustard Development Commission

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The 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 effectiveness of the 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, the Commission's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2023 based on the CPA Canada criteria of control framework.

We have also audited, in accordance with Canadian generally accepted auditing standards, the financial statements of the Commission, which comprise the statement of financial position as at July 31, 2023, and the statements of operations, change in net assets, cash flows, and a summary of significant accounting policies and other explanatory information. We have issued our report dated November 29, 2023, which is the same date as the date of the report on the effectiveness of internal controls.

*Lingard + Dreger*

Saskatoon, Saskatchewan  
November 29, 2023

Chartered Professional Accountants



# Proposed Budget 2023-2024

## REVENUE

AMP FUNDING	17,100.00
PROJECT INCOME - OTHER	23,380.00
CHECK OFF INCOME	600,000.00
LEVY RECEIVABLES	
INVESTMENT/INTEREST INCOME	50,000.00
MISCELLANEOUS INCOME	
REFUNDS	- 20,000.00
<b>TOTAL REVENUE</b>	<b>670,480.00</b>

## EXPENSES

### MARKET DEVELOPMENT

Market Development AMP	34,200.00
Market Development Spoiled Mustard	-
<b>TOTAL MARKET DEVELOPMENT</b>	<b>34,200.00</b>

### RESEARCH

ADOPT	34,400.00
MUSTARD 21 CANADA INC. - CAPP	100,000.00
<b>TOTAL RESEARCH</b>	<b>134,400.00</b>

### COMMUNICATIONS

ANNUAL MEETING	10,000.00
MEETINGS, SHOWS, FIELD DAYS	4,500.00
NEWSLETTER	5,000.00
SPONSORSHIPS	3,000.00
WEBSITE	7,000.00
<b>TOTAL COMMUNICATIONS</b>	<b>29,500.00</b>

### DIRECTOR PER DIEM & EXPENSES

DIRECTOR EXPENSES	10,000.00
DIRECTOR PER DIEM	25,000.00
	<b>35,000.00</b>

### ADMINISTRATION

AUDIT AND ACCOUNTING FEES	7,500.00
BANK SERVICE CHARGES	700.00
BOARD MEETING EXPENSE	1,000.00
ELECTION	7,000.00
INSURANCE	1,500.00
LEGAL FEES	2,000.00
MEMBERSHIPS/SUBSCRIPTIONS	2,000.00
TELEPHONE	2,000.00
OFFICE EXPENSE	5,500.00
SERVICE CONTRACT - BOOKKEEPING	10,800.00
SERVICE CONTRACT - LEVY CENTRAL	10,000.00
SERVICE CONTRACT - MANAGEMENT	66,000.00
STAFF TRAVEL	750.00
<b>TOTAL ADMINISTRATION</b>	<b>116,750.00</b>

**Total Expenses 349,850.00**

**Net earnings (loss) for period 320,630.00**



## Payee List 2022-2023

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

#### Honorariums

Andrews, Moriah	1,925
Dewar, D.	3,350
Haack, D.	6,400
Fritzler, B	400
Hall, Norm	4,100
Wilson, Bill	2,400
Theaker, Kristen	1,700
<b>Total Honorariums</b>	<b>20,275</b>

#### Reimbursement for Expenses

Dewar, D.	1,516
Fritzler, B	197
Haack, D.	1,256
Hall, Norm	1,975
Wilson, Bill	1,506
Theaker, Kristen	909
Moriah Andrews	298
<b>Total Reimbursement for Expenses</b>	<b>7,657</b>

### Research and Development (Threshold \$5,000)

Mustard 21 Canada Inc.	150,000
Misc. expenses under \$5000	-
<b>Total Research and Development (Threshold \$5,000)</b>	<b>150,000</b>

### Extension (Threshold \$5,000)

BlueSky Ideas	30,394
Mooseworld	5,500
Prairieland Park	5,988
Misc. expenses under \$5000	5,945
<b>Total Extension (Threshold \$5,000)</b>	<b>47,827</b>

### Supplier Payments (Threshold \$20,000)

Survivor AgVentures	25,356
TLC Management	36,855
Misc. payments under \$20,000	28,797
<b>Total Supplier Payments (Threshold \$20,000)</b>	<b>91,008</b>

### Other Payments (Threshold \$20,000)

Refunds	11,444
Ag. Council for Saskatchewan	6,818
Misc. payments under \$20,000	
<b>Total Other Payments (Threshold \$20,000)</b>	<b>18,262</b>

<b>Total Payments</b>	<b>335,029</b>
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# SASK MUSTARD

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

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