



Annual Report

2024-2025

2024-2025 Board & Staff

Norm Hall**Chair**

Wynyard, SK

Bill Wilson**Vice-Chair**

Kincaid, SK

Trevor Martin**Treasurer**

Flaxcombe, SK

Shawn Fraser

Pambrun, SK

Dean Haack

Gravelbourg, SK

Kirsten Theaker

Eatonia, SK

Executive Director

Rick Mitzel

Saskatoon, SK

306-914-5164

rick@saskmustard.com

Sask Mustard Office

Tanya Craddock, Office Manager

Box 37026 North Park PO

Saskatoon, SK S7K 8J2

T: 306-975-6629

info@saskmustard.com

saskmustard.com

Office Hours

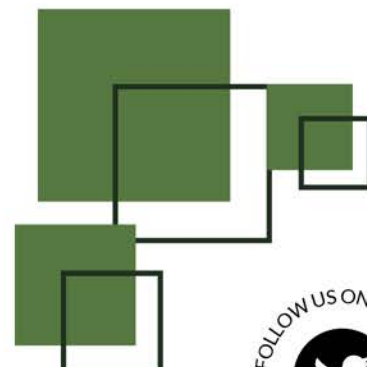
Monday to Friday – 8:30 a.m. to 4:30 p.m

OUR MISSION

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

OUR VISION

Investing in the future for mustard grower profitability.



@GrowMustard

spreadthemustard.com
saskmustard.com

Chair's Message

Norm Hall



On behalf of the Board of Directors, I want to thank you for your continued support of Sask Mustard and for your commitment to growing one of Saskatchewan's most globally recognized specialty crops. As producers, you face no shortage of challenges, and it is the responsibility of your board to ensure that your interests are represented, your voice is heard, and your levy dollars are put to work effectively.

The past year has been another reminder of how quickly circumstances can change in agriculture. Market conditions, input costs, weather variability and regulatory pressures continue to influence decision making on your farms.

Mustard remains a valuable rotation crop with strong long term demand, but realizing that value depends on stable markets, sound agronomy and fair treatment of producers throughout the value chain.

One of the most significant issues facing mustard producers this year has been the situation surrounding BASF's InVigor Gold and the resulting impacts on mustard acres and market confidence. The Sask Mustard board recognizes the seriousness of this issue and the frustration and uncertainty it has caused for producers. From the outset, your board has been actively engaged, seeking information, pressing for accountability, and working with industry partners to ensure producer concerns are clearly understood and addressed. We remain committed to advocating for outcomes that protect mustard growers, maintaining market access, and prevent similar issues in the future.

Beyond this immediate challenge, your board continues to focus on long-term priorities that strengthen the mustard industry. These include investment in research and variety development, agronomic support, market development, and strong collaboration with national and international partners. We also continue to work closely with government, researchers, and value chain stakeholders to ensure mustard remains competitive and well positioned in both the domestic and export markets.

I would like to thank my fellow directors for their dedication and thoughtful leadership on behalf of producers. I also want to recognize staff and partners who support Sask Mustard's day-to-day operations and strategic initiatives. Most importantly, I want to thank you, the registered producer of Saskatchewan, for your engagement, feedback and trust. Your board remains committed to working for you, especially when challenges arise. Together, we will continue to protect and advance the interests of Saskatchewan mustard producers and ensure a strong future for this industry.

Executive Director's Message

Rick Mitzel, P.Ag



It's hard to believe another year has gone by. This past year was as interesting for weather as any other year. This season brought varied conditions across the province again this summer, with both dry areas and wet areas. This year's crop came off in good condition for most of the mustard-growing areas, and I am looking forward to seeing the yield results for 2025.

This past season was the last of a three-year study with AAC Yellow 80 for seeding rates and fertility. The trials were displayed at the Wheatland conservation tour in mid-July. Initially, the trials were lacking moisture, but the rain that eventually came helped the trials succeed. Once the data from these trials has been collected and the results analyzed, we will determine the proper seeding rate as well as the proper fertility rate.

The Saskatchewan Mustard Development Commission (Sask Mustard) received an update from Mustard 21 on the status of the pet food study. The funding application is a two-step process. The first step has been completed and funding from Mitacs has been approved. The next step was to apply for funding from NSERC, for which an application has been submitted. We are waiting for the results and are very hopeful that we will receive NSERC funding. We realize that new uses are important for increasing demand for mustard, thus studies like the pet food project remain a high priority for SMDC and Mustard 21.

Once again, I would like to thank the registered mustard growers for their contributions through the checkoffs. The money collected is what we use to fund mustard research.

Annual General Meeting Agenda

Thursday, January 15, 2026
Prairieland Park, Hall A

| | |
|------------|--|
| 8:30 a.m. | Registration |
| 9:00 a.m. | Chair Address Norm Hall |
| 9:15 a.m. | Final Results: Establishing Nitrogen and Seeding Rate Recommendations For Composite Yellow Mustard Production in Saskatchewan Amber Wall, Wheatland Conservation Area Inc. |
| 9:45 a.m. | Condiment Mustard Breeding Update Dr. Bifang Cheng, Condiment Mustard Breeder, Agriculture and Agri-Food Canada |
| 10:15 a.m. | Break |
| 10:30 a.m. | Mustard Research Projects for 2026 and Beyond and Update on Varieties Rick Mitzel, P.Ag, Sask Mustard & Mustard 21 Canada Inc. |
| 11:00 a.m. | Safeguarding the Future of Mustard Rick Mitzel, P.Ag, Sask Mustard & Mustard 21 Canada Inc. |
| 12:00 p.m. | Lunch |
| 1:00 p.m. | Annual Business Meeting |
| 2:00 p.m. | Mustard Market Outlook Chuck Penner, Leftfield Commodity Research *could be earlier or later depending on the length of the annual business meeting |

Annual Business Meeting Agenda

Thursday, January 15, 2026
Prairieland Park, Hall A

| |
|--|
| 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 2024-2025 and Proposed Activities 2025-2026 |
| Resolutions |
| New Business |
| Adjourn Meeting |

2025 AGM Meeting Minutes

Thursday, January 16, 2025
Prairieland Park, Hall E, Saskatoon, SK

Call to Order and Opening Remarks

Chair Moriah Andrews acknowledged that there were enough registered producers in the room to meet quorum and called the meeting to order at 1:03 p.m.

Chair Andrews called for resolutions to be handed into our resolutions committee consisting of Norm Hall and Bill Wilson.

Approval of Agenda

Motion #1: to approve the agenda as presented.

Norm Hall/Shawn Fraser/Carried

Approval of Minutes

Motion #2 To approve the January 11, 2024 annual business meeting minutes as presented.

Trent Dewar/Bill Wilson/Carried

Financial Review

Motion # 3: To appoint Dean Haack as the audit chair.

Norm Hall/Kirsten Theaker/Carried

Max Lingard from Lingard + Dreger LLP noted that it has been a clean audit and he reviewed the 2023-2024 audited financial statements.

Motion # 4: To approve the audited financial statements for the year ending July 31, 2024 as presented.

Dean Haack/Shawn Fraser/Carried

Approval of Budget

Rick Mitzel reviewed the 2024-2025 budget.

Motion #5: To approve the 2024-2025 budget as amended.

Curtis Dunnington/Shawn Fraser/Carried

Motion #6: To approve Lingard + Dreger as the auditor for the 2025 year end.

Dean Haack/Kirsten Theaker/Carried

Chair Andrews made a second call for resolutions to be handed into our resolutions committee consisting of Norm Hall and Bill Wilson.

Annual Report 2022-2023 and Proposed Activities 2023-2024

Rick Mitzel reported on the 2023-2024 activities and proposed new activities for 2024-2025.

Rick noted over the last year, our focus has been to develop new uses for mustard. For new mustard varieties, Mustard 21 has launched AAC Brown Elite and is working on a hybrid oriental.

Research priorities continue to be herbicide tolerance, club root resistance, saline tolerance and pod shatter.

Resolutions

Chair Andrews made a last call for resolutions to be brought to the resolutions committee consisting of Norm Hall and Bill Wilson.

New Business

No new business was identified.

Chair Moriah Andrews thanked everyone for attending.

Adjourn Meeting

Motion #8: To adjourn the annual general meeting at 1:22 p.m.

Bill Wilson

Independent Auditor's Report

For the year Ended July 31, 2025

To the Directors of Saskatchewan Mustard Development Commission:

We have audited Saskatchewan Mustard Development Commission's ("the Commission") control as of July 31, 2025, 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.

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.

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, 2025 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, 2025, 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 October 31, 2025 which is the same date as the date of the report on the effectiveness of internal controls.

Lingard + Dreger

Saskatoon, SK | October 31, 2025



Legislative Compliance Auditor's Report

For the year Ended July 31, 2025

To the 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, 2024 to July 31, 2025, 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.

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, confidentiality and professional behavior.

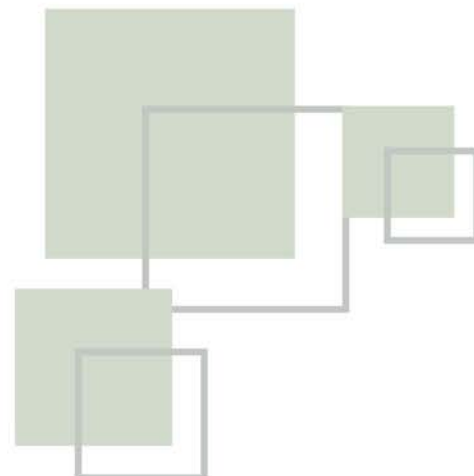
The firm applies the Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding 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, 2024 to July 31, 2025, in all significant respects. We do not provide a legal opinion on the Saskatchewan Mustard Development Commission's compliance with the specified requirements.

Lingard + Dreger

Saskatoon, SK
October 31, 2025



Financial Statements

For the year Ended July 31, 2025

Management's Responsibility for Financial Reporting

The financial statements of Saskatchewan Mustard Development Commission have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances.

These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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

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

The financial statements have been audited on behalf of the directors by Lingard + Dreger LLP, in accordance with Canadian accounting standards for not-for-profit organizations.



Management



Management

Independent Auditor's Report

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, 2025, 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, 2025, 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, 2025, current assets as at July 31, 2025 and July 31, 2024, and net assets at both the beginning and end of the July 31, 2025 and July 31, 2024 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.

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.

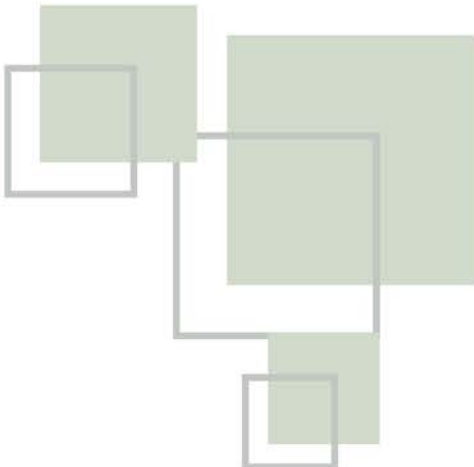
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

Lingard + Dreger



Saskatoon, SK
October 31, 2025



Statement of Financial Position

As at July 31, 2025

| | 2025 | 2024 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 339,480 | \$ 466,187 |
| Short-term investments (Note 3) | 122,587 | 353,287 |
| Short-term internally restricted investments (Note 3) | - | 160,053 |
| Accounts receivable (Note 4) | 102,532 | 73,642 |
| Prepaid expenses | 5,978 | 978 |
| | 570,577 | 1,054,147 |
| LONG-TERM INVESTMENTS (Note 3) | 1,645,234 | 1,040,903 |
| INTERNALLY RESTRICTED INVESTMENTS (Note 3) | 477,399 | 313,782 |
| | \$ 2,693,210 | \$ 2,408,832 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 34,566 | \$ 30,630 |
| NET ASSETS | | |
| UNRESTRICTED | 2,181,245 | 1,904,367 |
| INTERNALLY RESTRICTED (Note 6) | 477,399 | 473,835 |
| | 2,658,644 | 2,378,202 |
| | \$ 2,693,210 | \$ 2,408,832 |
| COMMITMENTS (Notes 9, 10) | | |

APPROVED ON BEHALF OF THE BOARD

Director 

Director 

Statement of Operations

For the Year Ended July 31, 2025

| | Budget (Note 12) 2025 | 2025 | 2024 |
|--|-----------------------------|-------------------|-------------------|
| REVENUE | | | |
| Producer check-offs (Note 8) | | | |
| Fees | \$ 550,000 | \$ 479,734 | \$ 677,531 |
| Refunds | (15,000) | (1,301) | (5,648) |
| | 535,000 | 478,433 | 671,883 |
| Agriculture Marketing Program (AMP) funding | 17,100 | 15,601 | 17,940 |
| ADOPT program | - | - | 24,252 |
| Interest | 20,000 | 101,536 | 80,668 |
| Services | - | 2,072 | - |
| | 572,100 | 597,642 | 794,743 |
| EXPENSES | | | |
| Research contributions Mustard 21 Canada Inc. (Note 9) | 100,000 | 100,000 | 100,000 |
| Administration contracts (Note 10) | 78,000 | 73,804 | 72,434 |
| ADOPT expenses | - | - | 34,420 |
| Market development | 34,200 | 34,163 | 33,593 |
| General and administration | 40,450 | 46,860 | 32,777 |
| Board of directors | 35,000 | 31,670 | 15,771 |
| Communications | 29,500 | 19,823 | 10,240 |
| Annual meeting | 10,000 | 10,625 | 9,951 |
| Election | 7,000 | 255 | 230 |
| | 334,150 | 317,200 | 309,416 |
| EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR | \$ 237,950 | \$ 280,442 | \$ 485,327 |

Statement of Changes in Net Assets

For the Year Ended July 31, 2025

| | Unrestricted | Internally restricted | 2025 | 2024 |
|---|---------------------|--------------------------|---------------------|---------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 1,904,367 | \$ 473,835 | \$ 2,378,202 | \$ 1,892,875 |
| Excess of revenue over expenses | 280,442 | - | 280,442 | 485,327 |
| Transfers (Note 6) | (3,564) | 3,564 | - | - |
| NET ASSETS - END OF YEAR | \$ 2,181,245 | \$ 477,399 | \$ 2,658,644 | \$ 2,378,202 |

Statement of Cash Flows

For the Year Ended July 31, 2025

| | 2025 | 2024 |
|--|------------|-------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses for the year | \$ 280,442 | \$ 485,327 |
| Changes in non-cash working capital: | | |
| Accounts receivable | (28,890) | 6,430 |
| Prepaid expenses | (5,000) | (978) |
| Accounts payable and accrued liabilities | 3,935 | (11,933) |
| Deferred contributions | - | (19,576) |
| | (29,955) | (26,057) |
| Cash flow from operating activities | 250,487 | 459,270 |
| INVESTING ACTIVITIES | | |
| Proceeds on disposal of investments | 335,584 | 506,938 |
| Purchase of investments | (635,590) | (1,006,938) |
| Reinvested interest | (77,188) | (52,735) |
| Cash flow used by investing activities | (377,194) | (552,735) |
| DECREASE IN CASH | (126,707) | (93,465) |
| CASH - BEGINNING OF YEAR | 466,187 | 559,652 |
| CASH - END OF YEAR | \$ 339,480 | \$ 466,187 |
| CASH CONSISTS OF: | | |
| Cash | \$ 339,480 | \$ 466,187 |

Notes to the Financial Statements

For the Year Ended July 31, 2025

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. 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*.

(continues)

Notes to the Financial Statements

For the Year Ended July 31, 2025

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.

Notes to the Financial Statements

For the Year Ended July 31, 2025

3. INVESTMENTS

| | Maturity | 2025 | Yield | 2024 |
|------------------------------|------------|--------------|---------------|--------------|
| Unrestricted | | | | |
| Mutual funds | | \$ 24,823 | | \$ 24,051 |
| Term deposits | < one year | 97,764 | 4.85% | 329,236 |
| | | 122,587 | | 353,287 |
| Term deposits | > one year | 1,645,234 | 3.20% - 5.49% | 1,040,903 |
| | | \$ 1,767,821 | | \$ 1,394,190 |
| Internally restricted | | | | |
| Term deposits | | \$ - | | \$ 160,053 |
| | | - | | 160,053 |
| Term deposits | > one year | 477,399 | 3.30% - 4.20% | 313,782 |
| | | \$ 477,399 | | \$ 473,835 |

4. ACCOUNTS RECEIVABLE

| | 2025 | 2024 |
|-------------------|------------|-----------|
| Levies receivable | \$ 100,223 | \$ 73,642 |
| Other receivables | 2,309 | - |
| | \$ 102,532 | \$ 73,642 |

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2025 | 2024 |
|----------------------|-----------|-----------|
| Trade payables | \$ 22,379 | \$ 17,581 |
| Levy refunds payable | 3,085 | 5,279 |
| Accrued liabilities | 9,102 | 7,770 |
| | \$ 34,566 | \$ 30,630 |

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. The Commission increased the internally restricted net assets by \$3,564 (2024 - decreased the internally restricted net assets by \$9) in the current year.

Notes to the Financial Statements

For the Year Ended July 31, 2025

7. 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. No funding was received in the current year.

| | 2025 | 2024 |
|---|-------------|------------------|
| Deferred contributions, beginning of the year | \$ - | \$ 19,576 |
| <i>Contributions and revenue received during the year</i> | | |
| Less: | | |
| Amounts recognized as ADOPT program revenue | - | (19,576) |
| Deferred contributions, end of year | \$ - | \$ - |

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 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.

10. ADMINISTRATION CONTRACTS

The Agriculture Council of Saskatchewan Inc. charged the Commission \$6,683 (2024 - \$6,996) for administering the check-off fee program and the business activities of the Commission of which \$604 (2024 - \$621) 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 \$6,967 for levy collection activities for the period August 1, 2025 to July 31, 2026.

The Commission entered into a contract with TLC Management Group for management services. The contract expires on September 30, 2028.

The Commission has entered into a contract with Denise Winslow for bookkeeping services. The contract expires on September 30, 2028 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 was renewed on April 1, 2025 and will expire on March 31, 2028 with the option to renew by any or all parties.

(continues)

Notes to the Financial Statements

For the Year Ended July 31, 2025

10. ADMINISTRATION CONTRACTS *(continued)*

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

Year ending July 31:

| | | |
|------|----|----------------|
| 2026 | \$ | 67,564 |
| 2027 | | 60,598 |
| 2028 | | 51,323 |
| 2029 | | 5,462 |
| | \$ | <u>184,947</u> |

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, 2025.

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, 2025 the largest three customers accounted for 64.75% (2024 - 70.00%) 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.

12. BUDGET

The Board approved the 2024/2025 fiscal year budget at the meeting on January 16, 2025. The budget figures included in the accompanying financial statements are unaudited.

13. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2025 members of the Commission's elected Board of Directors received payments for per diems and expenses of \$31,672 (2024 - \$15,771). All related party transactions are measured at carrying amounts.

Proposed Budget

2025-2026

| | |
|----------------------------|-------------------|
| REVENUE | |
| AMP Funding | 17,100.00 |
| ADOPT Projects | |
| CHECK OFF INCOME | 350,000.00 |
| Levy Receivable | |
| INVESTMENT/INTEREST INCOME | 50,000.00 |
| MISCELLANEOUS INCOME | |
| REFUNDS | 15,000.00 |
| Total Revenue | 402,100.00 |

Expenses:

Market Development

| | | |
|---------------------------------|-----|------------------|
| Market Development | AMP | 34,200.00 |
| TOTAL Market Development | | 34,200.00 |

Research

| | | |
|------------------------------|--|-------------------|
| ADOPT | | |
| MUSTARD 21 CANADA INC. -SCAP | | 100,000.00 |
| Total Research | | 100,000.00 |

Communications

| | |
|----------------------------------|------------------|
| ANNUAL MEETING | 11,000.00 |
| MEETINGS, SHOWS, FIELD DAYS | 4,500.00 |
| NEW INITIATIVES - COMMUNICATIONS | |
| NEWSLETTER | 15,000.00 |
| SPONSORSHIPS | 5,000.00 |
| WEBSITE | 7,000.00 |
| TOTAL COMMUNICATIONS | 42,500.00 |

Director Per Diem and Expenses

| | |
|--|------------------|
| DIRECTOR EXPENSES | 10,000.00 |
| DIRECTOR PER DIEM | 27,000.00 |
| Total Per Diem & Expenses - Board | 37,000.00 |

Administration

| | |
|---------------------------------|-------------------|
| AUDIT AND ACCOUNTING FEES | 8,500.00 |
| BANK SERVICE CHARGES | 800.00 |
| BOARD MEETING EXPENSE | 1,000.00 |
| ELECTION | 7,000.00 |
| INSURANCE | 1,800.00 |
| LEGAL FEES | 2,000.00 |
| MEMBERSHIPS/SUBSCRIPTIONS | 10,000.00 |
| Telephone | 800.00 |
| OFFICE EXPENSE | 6,500.00 |
| SERVICE CONTRACT - BOOKKEEPING | 12,000.00 |
| SERVICE CONTRACT - LEVY CENTRAL | 9,000.00 |
| SERVICE CONTRACT - MANAGEMENT | 70,000.00 |
| SPONSORSHIP | 7,000.00 |
| STAFF TRAINING | 5,000.00 |
| STAFF TRAVEL | 750.00 |
| Total Administration | 142,150.00 |

| | |
|-----------------------|-------------------|
| Total Expenses | 355,850.00 |
|-----------------------|-------------------|

| | |
|---------------------------------------|------------------|
| Net earnings (loss) for period | 46,250.00 |
|---------------------------------------|------------------|

Payee List

2024-2025

Personal Services (Threshold \$2,500)

Honorariums

| | |
|------------------|---------------|
| Andrews, Moriah | 1,100 |
| Fraser, Shawn | 1,000 |
| Haack, D. | 5,000 |
| Hall, Norm | 3,500 |
| Martin, Trevor | 2,300 |
| Theaker, Kristen | 5,375 |
| Wilson, Bill | 2,800 |
| | 21,075 |

Reimbursement for Expenses

| | |
|--------------------------------|---------------|
| Andrews, Moriah | 314 |
| Fraser, Shawn | 685 |
| Haack, D. | 2,900 |
| Hall, Norm | 1,334 |
| Martin, Trevor | 617 |
| Theaker, Kristen | 3,740 |
| Wilson, Bill | 1,005 |
| Total Personal Services | 10,595 |

Research and Development (Threshold \$5,000)

| | |
|------------------------|---------|
| Mustard 21 Canada Inc. | 100,000 |
| Blue Sky Ideas | 32,044 |

Extension (Threshold \$5,000)

| | |
|-----------------------------|----------------|
| | 132,044 |
| Mooseworld | 5,550 |
| Prairieland Park | 6,090 |
| Misc. expenses under \$5000 | 17,983 |
| | 29,623 |

Supplier Payments (Threshold \$20,000)

| | |
|-------------------------------|----------------|
| Survivor AgVentures | 27,318 |
| TLC Management | 39,804 |
| Misc. payments under \$20,000 | 50,029 |
| | 117,151 |

Other Payments (Threshold \$20,000)

| | |
|-------------------------------|-------|
| Refunds | 1,301 |
| Ag. Council for Saskatchewan | 6,683 |
| Misc. payments under \$20,000 | |

318,472



Box 37026 North Park PO

Saskatoon, SK S7K 8J2

306-975-6629 | info@saskmustard.com

www.saskmustard.com | www.spreadthemustard.com