

SASKATCHEWAN
pulse
Growers



RESHAPING THE ROAD AHEAD

ANNUAL REPORT

2021-2022

CHAIR'S MESSAGE



Saskatchewan Pulse Growers (SPG) is reshaping the road ahead for pulses with revived investments, renewed focus, and new approaches to tackling the pulse industry's greatest challenges.

As I have spoken about at our last few annual general meetings and in my last Chair's letter, SPG has been carefully crafting a new vision for pulse breeding in Saskatchewan. As the landscape for pulse breeding has shifted over the past years, new models and partners have emerged and SPG has been hinting towards new collaborators with both public and private breeding organizations. This past July we were able to publicly announce the first new breeding collaboration for pulses, with Limagrain Field Seeds, focused on pea and lentil breeding in Saskatchewan. This new partnership is focused on addressing farmers' greatest challenges with priorities including additional herbicide tolerance in lentils, resistance to root disease in peas and lentils, increased protein content, and overall improvements in yield performance under varying conditions. I am very excited about this new program and partner - both SPG and Limagrain are farmer-led with farmer-based Board of Directors, an important pillar of alignment for SPG highlighting shared values and goals driven by farmers. SPG is also optimistic about the speed of this program to deliver new and better varieties to growers on their farms more quickly, increasing competition and improving innovation to enhance farmers' profitability. This is only the beginning and we are continuing to develop new projects and potential partners on breeding for other pulse crops and to address other production gaps and challenges.

SPG strives to amplify the voices of Saskatchewan pulse growers and has begun working more collaboratively this past year to advocate on behalf of growers on broad policy issues alongside other crop commissions under a new group name, SaskCrops. SaskCrops is made up of SPG, SaskWheat, SaskCanola, SaskBarley, SaskFlax, and SaskOats

and strives to provide feedback and drive priorities for Saskatchewan growers to provincial and federal governments and other entities, including topic areas like environment and climate change policy. SaskCrops jointly submitted recommendations to the federal government on several occasions, including the government's fertilizer emissions reduction target consultations. Grain contracts were also an area of focus this year. SaskCrops commissioned a review of grain contracts which highlighted the elements that lack balance for growers as a discussion starter to meet with the grain handling sector urging a more equitable structure. SaskCrops also pressed for AgriStability Program changes, which was improved with increased coverage to 80% starting in 2023. SPG, SaskWheat, and SaskCanola also worked together to produce new timely resources to ensure growers had the information they needed to make decisions taking into account heightened herbicide carryover concerns this year following last year's drought. These are just a few examples of ways SPG has been working collaboratively to address broad agriculture issues for farmers and ensure their voices are heard and amplified to drive change.

There has been a lot of excitement and important steps forward this year, but we know change does not happen overnight, it builds over time, and I believe we have made necessary steps to lead change and set Saskatchewan pulse growers up for future success.

Shaun Dyrland
BOARD CHAIR



EXECUTIVE DIRECTOR'S MESSAGE

Over the last year, SPG charted new courses in a number of areas, not the least of which is in a core, longstanding focus area – funding research. SPG has created a new vision for pulse breeding, launched a new breeding partnership, and made new investments in market development and communicating with growers.

One major focus for reshaping the road ahead is rebuilding investments, particularly in research. As part of that rebuild, SPG and other Canadian pulse groups developed a [national pulse research strategy](#). This strategy is guiding current and future investments in pulse research and ensuring we keep focused on the areas of research of highest priority to growers.

Collaboration with other groups and leveraging Saskatchewan growers' research dollars are key components of SPG's approach to rebuilding research investments. We are currently in the final year of a five-year pulse research cluster program and staff have been working closely with other organizations to develop the next 2023-2028 pulse science research cluster. Taking the national pulse research strategy as the guide, we are developing a research cluster targeting growers' highest priorities, including enhancing yields, mitigating the effects of root disease, and improving pulses' resilience to biotic and abiotic stresses. SPG has also been actively involved in examining research investment opportunities in integrated crop agronomy and soybean research clusters. Success in these research clusters is essential to SPG's research investment rebuild for 2023 and beyond and in ensuring growers' levy dollars go further.

While our research investment rebuild is well underway, it is not yet complete. In 2021-22, SPG committed \$10.6 million in new research investments across 21 new projects, which were leveraged for a total of \$17 million in new

research on pulses. SPG also has an additional \$10 million of potential new research investments at various stages of the development and review pipeline currently.

These new investments take us well on our way to a sustained, baseline of \$6 million per year in research and development investments, with additional investments above and beyond that made possible through SPG's strategic investment reserve. We know that SPG revenue is at the high end of historical levels, driven by higher-than-average pulse prices and seeded acres. We have built a plan for a level of annual research and development (R&D) investment that can be sustained in revenue downturn cycles, and to make additional investments in R&D from surpluses generated in high revenue years. SPG's 2022-23 workplan is set up to increase R&D investment by \$1.9 million (29% increase year-over-year) and utilize approximately \$3 million of SPG's strategic investment reserve.

SPG continues to lead the way in pulse research. We are excited for our new vision for pulse breeding and for our new breeding collaboration we launched with Limagrain Field Seeds in 2022. We look forward to the exciting year ahead, with a better 2022 production year in many areas of the province and many new and exciting initiatives at SPG.

Carl Potts
EXECUTIVE DIRECTOR

2021-2022 BOARD MEMBERS



Left to right: Winston van Staveren from Creelman, **Jason Hennes** from Eatonia, **Trent Richards** - Vice Chair from Assiniboia, **Corey Loessin** from Radisson, **Shaun Dyrland** - Chair from Kyle, **Terry Youzwa** from Nipawin, **Brad Blackwell** from Dinsmore, **Mario Gaudet** from Melville, **John Bumbac** from Assiniboia

2021-2022 STAFF MEMBERS



Carl Potts
Executive Director



Sarah Anderson
Agronomy Manager



Amanda Carlson
Communications Manager



Allison Fletcher
Research Project Manager



Laurie Friesen
Seed Program Manager



Cheryl Gore
Senior Administrative
Assistant



Jasmine Hanson
Marketing &
Communications
Coordinator



Amber Johnson
Director of Marketing &
Communications



Jeff Juhnke
Director of Finance &
Operations



Anna Ladynska
Administrative Assistant



Margaret Parsons
Senior Accounting
Technician



Sherrilyn Phelps
Director of Research &
Development



Meagan Reed
Agronomy Manager



Shelly Weber
Levy Manager



OUR MISSION

To provide leadership and create opportunities for profitable growth for Saskatchewan pulses

OUR VISION

Nourishing the world with profitable pulse production

KEY RESULT AREAS



BUILDING DEMAND by expanding the use of pulses through increased exports and new market opportunities

- The Canadian pulse industry is working together to build new use markets for at least 25% of Canada's pulse production by the year 2025. To do this, we must demonstrate the value pulses and pulse ingredients have to offer food companies and end-users, including their nutritional benefits, and the role pulses can play in sustainable food production.

INCREASING YIELDS OF ESTABLISHED PULSE CROPS by unlocking yield potential and reducing agronomic constraints growers are facing

- On-farm yield gains for growers come from continued enhancement of genetic yield potential and from reducing the agronomic constraints to achieving that maximum economic yield. To support this work, we must invest in furthering genetics and undertake work to reduce the impact of weeds and diseases on peas and lentils.

DEVELOPING NEW PULSE CROP OPTIONS with the goal of at least one viable pulse crop option for every acre of land in Saskatchewan

- To ensure pulses are a profitable and sustainable crop option for all growers in Saskatchewan, we are striving to ensure at least one pulse crop is available for every acre of arable land in Saskatchewan. Fostering the development of soybeans, faba beans, chickpeas, dry beans, and fenugreek is key to achieving our goal.

EXPANDING MARKET ACCESS by ensuring growers have access to a high functioning transportation system and that trade barriers are resolved

- Being viewed globally as reliable and consistent suppliers of pulse crops directly affects the ability for growers across Canada to be successful. That is why we, along with other provincial pulse organizations, provide funding to our national association Pulse Canada to lead work in market access and transportation that impacts pulse farmers at a national level.

ENGAGING WITH GROWERS to ensure we understand and are meeting the needs of pulse growers in Saskatchewan

- SPG seeks out engagement opportunities with growers to gather feedback and receive input to ensure we are providing relevant, timely, practical, and research supported information. Through interactive engagement we also aim to demonstrate the value SPG is providing to growers in our efforts focused on market development, transportation, and market access.

2021-2022 MILESTONES THROUGHOUT THE YEAR

SEPTEMBER

Nominations closed in September for three seats on the 2022 Board of Directors. Three individuals sought nomination and were therefore acclaimed to the Board.

OCTOBER

In response to elevated **herbicide carryover issues** going into the 2022 growing season due to the 2021 drought, SPG worked closely with SaskWheat and SaskCanola to develop a comprehensive [fact sheet](#) (227 downloads) and [podcast](#) episode (330 listens) for growers and agronomists to better understand and assess their risk and considerations.

NOVEMBER

SPG held a two-day virtual **Pulse Agronomy Workshop** in November with 320 agronomist and grower attendees. Attendees were updated on best management practices and latest research results on root rots, integrated pest management, and fertility in pulses.

DECEMBER

SPG collaborated with Alberta Pulse Growers (APG), Manitoba Pulse & Soybean Growers (MPSG), Ontario Bean Growers (OBG), and Pulse Canada to develop, finalize, and present a [National Pulse Research Strategy](#) to researchers in December. This new national strategy is an opportunity to coordinate a collaborative approach and priorities in pulse research to ensure maximum leveraging opportunities industry-wide. The strategy targets pulses as an important component of profitable crop rotations for enhanced farm sustainability, ensuring safe, reliable, and consistent supply of pulses with desirable quality.

JANUARY

SPG's **Annual General Meeting** (AGM) was held virtually on January 10 with 60 voting growers in attendance. At the meeting Bunyamin Tar'an, Chickpea Breeder with the Crop Development Centre, was recognized with the **Pulse Promoter Award**.

Eleven **new pulse-specific research projects** were announced for co-funding through Saskatchewan's Agriculture Development Fund (ADF) where SPG's investment of over \$1.8 million was leveraged for a total of over \$2.7 million in total funding.

An SPG-led project evaluating control options for strobilurin insensitive anthracnose was presented to the 18-member **Anthracnose Task Force** at a meeting in January. With fields showing upwards of 87% having some level of resistance, it was important that recommendations be developed and shared in a new [fact sheet](#) to help guide fungicide choices for 2022 growing season.

FEBRUARY

A **new study** evaluating outcomes of adding raw and de-flavoured lentil flour at varying inclusion rates into batter, breading, and coating systems for fried products including bone-in chicken thigh, chicken fillet tenders, white fish fillet, and coated potato french fries was completed showing improved colour, texture, and hold time, as well as reduced cook times, and potential removal of allergens in the wash step. A [whitepaper](#) was developed to share these results to foodservice operators and manufacturers of foodservice products and was presented in two industry webinars.



MARCH

SPG staff participated in the **Big10 Chef's Summit** where campus foodservice executive chefs from the midwestern U.S. region of universities came together to share insights and solutions for their dining programs. Staff presented and worked in the kitchen with each chef who produced inspired lentil recipes that were then compiled and released to the entire industry as a tool and recipe inspiration resource.

APRIL

SPG released a new pulse agronomy video on [Managing Root Rot](#) that communicated the importance of rotation as a management tool for Aphanomyces root rot in pulse crops. This video was targeted towards growers and agronomists and has received 246 views on YouTube.

MAY

May marked the kick-off to the **Pulse Quality Program** being undertaken at the Saskatchewan Food Industry Development Centre to evaluate pulse varieties and how environment impacts quality parameters such as protein content, seed colour, size, and weight. Over 3,000 samples of seed from various locations across Saskatchewan Regional Variety Trials will provide data for evaluations.

JUNE

A two-day virtual **Root Rot Rodeo** was held in June in collaboration with SPG, APG, and MPSG with the purpose to bring together researchers and experts in the Northwestern U.S. and Western Canada to identify knowledge and research gaps, opportunities, and tools required for mitigating root rots in peas and lentils.



JULY

22 U.S. foodservice operators and manufacturers attended a **farm tour** in Saskatchewan to learn about the story behind the journey of lentils from farm to plate. The tour featured stops including research plots, full-scale farm, primary and secondary processing, food product innovation, culinary demonstration, and a hands-on kitchen activity, all highlighting lentils.

SPG launched a new decision making tools for growers. [The Regional Variety Trial portal](#) is powered by pulse data which helps growers make informed decisions by comparing pulse variety yield data across locations and years. Better performing varieties mean better profits, and growers can now access years of detailed trial data on any device.

AUGUST

A new **testing program** was announced by Pulse Canada in collaboration with SPG for farmers, allowing for voluntary submission of grain samples to evaluate the range in glyphosate residue across Saskatchewan pulses. This new program will help growers and agronomists understand residue levels and application parameters on pulses at the farm level to protect pulse quality and marketability into the future.

BUILDING DEMAND

Expanding the use of pulses through increased exports and new market opportunities

Commercial Foodservice Menu Launches

As a result of direct outreach to the U.S. foodservice sector, there were two significant menu launches in the past year. Casual dining chain, Twin Peaks with 92 units in the U.S., launched a Chicken Street Corn Salad featuring lentils in Spring 2022. The dish was initially intended to be launched as a limited-time offer, however, after overwhelming success during testing in seven markets across the U.S., where the dish outsold the rest of the salad menu altogether, the decision was made to launch this dish as a permanent “signature” menu item. The chain is now looking to replace quinoa with a lentil/brown rice mix across their menu to overcome cost and supply challenges. The second launch was with prepared meal delivery company Freshly, which serves 1 million meals per week, where they initially launched five menu offerings featuring lentils and will continue to evolve and change over time, but lentils are now one of their key pantry ingredients to innovate with. Some of the Freshly offerings included a Middle Eastern Falafel Bowl, Three-Grain Harvest Bowl, and a Hearty Veggie Bolognese.

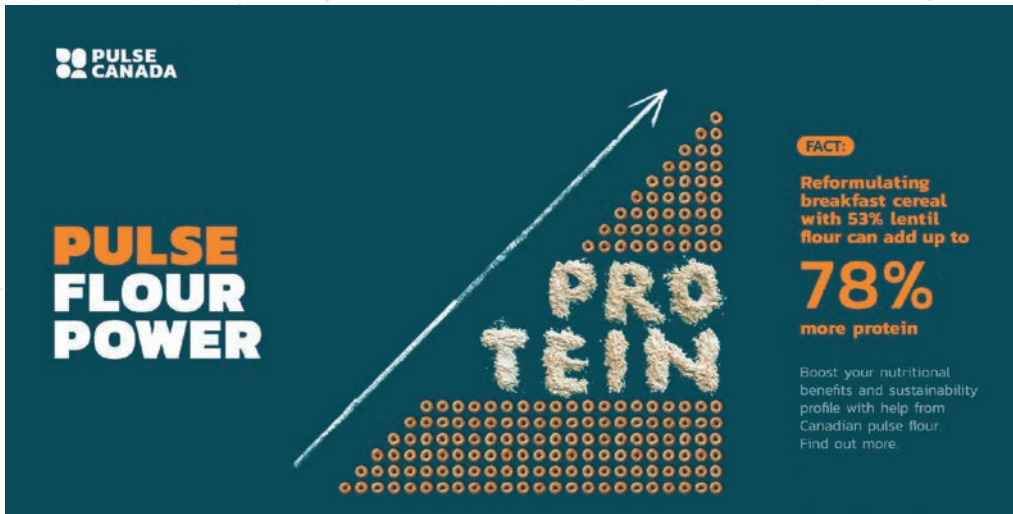


Lentils.org Learning Hub Course Launch

A free, online, self-paced [training course](#) for foodservice chefs was launched this year. The program offers learning opportunities outside of in-person group offerings but closely mimicking the topics and takeaways from the in-person training program which was unable to be delivered during the pandemic. The course includes nine modules including video learning covering consumer insights and cooking demonstrations, supplementary readings, and quizzes, as well as a final assessment to receive a completion certificate. The course is also certified through the American Culinary Federation to receive continuing education hours for members. Since the February 1, 2022 launch there have been 273 course sign-ups, and 125 full course completions.

Pulse Flour & Sustainability Digital Marketing Campaigns

Pulse Canada launched two digital marketing campaigns this year. One focused on pulse flours, targeting end-use manufacturers in the pasta, bakery, and snack food categories to highlight the advantages of pulse flour inclusion in meeting consumer demands for better nutrition and high-quality plant-based protein. The pulse flour campaign saw over 19,000 video views and 119 views of the [campaign landing page](#). The second campaign was focused on the sustainability advantages of sourcing Canadian-grown pulses, targeted at ingredient processors and end-users to help achieve corporate and consumer sustainability goals. The sustainability campaign saw over 215,000 video views, 1,900 views of [campaign web pages](#), 155 downloads of life-cycle assessments, and 58 webinar attendees.



Pulse Flour, Fibre & Faba Bean Micro Summits

Pulse Canada led three virtual Micro Summits this year focusing on providing access to expertise and the latest technical information on pulses and pulse ingredients. One session on pulse flours was targeted to end-use manufacturers of cereal-based food products and flour milling companies to highlight the benefits of pulse flour inclusion on nutrition, as well as marketing opportunities, which drew 72 attendees and generated 25 new food and ingredient contacts. Another session on pulse fibre was targeted towards meat manufacturers highlighting the advantages of using pea fibre in meat applications – this session saw 80 participants and 47 new industry contacts. The third session was all about faba bean, targeting North American food manufacturers across all end-use categories focused on increasing the awareness of faba bean functionality, applications, and the benefits of Canadian sourcing. That session attracted 164 attendees and generated 72 new ingredient and feed industry contacts. New contacts will now receive new information and updates on technical information and events and are added to the outreach pipeline for more direct interaction, meetings, and project support.

THIS YEAR:



3% growth of pulses used in food products



>12,000 newly launched food products globally containing pulses and pulse ingredients



22 Foodservice operators and manufacturers attended July 2022 farm tour, representing 15 businesses that collectively serve over **226,000 MEALS PER DAY.**



7 RESEARCH PUBLICATIONS authored or co-authored from SPG and Pulse Canada-funded projects



11 PRESENTATIONS at industry events to stakeholder groups



7 HOSTED VIRTUAL EVENTS

INCREASING YIELDS & DRIVING ADOPTION

To support yield potential and new crop adoption, we continue to invest in furthering genetics and reducing the impacts of agronomic constraints.

SPG Launches New Direction & Vision For Pulse Breeding

SPG is driving a new direction and vision for pulse breeding investment and approach to developing new pulse crop varieties for Saskatchewan growers. Future innovation opportunities in breeding will come from several partners, from both public and private organizations. In July, SPG formally launched a new collaboration on pea and lentil breeding in Saskatchewan with Limagrain Field Seeds. This new program brings additional breeding capacity for pulses to Saskatchewan and focuses on addressing solutions to farmers' greatest challenges including additional herbicide tolerance in lentils, resistance to root disease in peas and lentils, increased protein content, and overall improvements in yield performance under varying conditions. The first lines of both pea and lentil were harvested in 2022 and six new lines were already put forward for registration this year, meaning growers can expect to see new varieties out of this collaboration in the next couple of years.

Pulse Weed Research Program

The five-year, \$2 million Pulse Weed Research Program wrapped up this year, led by Dr. Chris Willenborg at the University of Saskatchewan, targeting integrated solutions to weed issues in pulse crops to improve productivity while reducing the development and spread of herbicide resistance issues. The program consisted of 23 field projects across multiple locations, and included topics such as optimum seeding rates, critical weed-free periods, pre-emergence and post-emergence herbicide options, as well as weed seed predation by carabid beetles. Results of these projects drive improved weed control options for faba beans, chickpeas, lentils, and

other pulse crops with findings and recommendations currently being compiled for release to growers and agronomists in the upcoming fiscal year.

Root Rot in Peas & Lentils

While root rot complex continues to pose serious challenges for Saskatchewan growers, SPG is committed to driving new approaches in tackling this disease. In 2021-22, SPG committed \$2.6 million for seven new projects that was leveraged for a total of \$3.4 million in new funding towards tackling root rots in peas and lentils. Projects will target improved resistance in varieties and provide tools for breeding, a predictive mapping tool for growers and agronomists, as well as integrated strategies and products to control *Aphanomyces*. Results from these projects will drive potential solutions for pea and lentil growers to help mitigate risk of root rot in Saskatchewan. SPG also led the development of a new Root Rot Task Force in collaboration with APG and MSPG to drive solutions across Western Canada. This group established the new rootrot.ca website and held the first Root Rot Rodeo event in June with 40 researchers to collaborate on future solutions and tools. Root rot mitigation is also a key priority of the National Pulse Research Strategy.





21 NEW PROJECTS



\$10.6 MILLION
in new SPG research &
development investment



SPG DOLLARS LEVERAGED FOR A TOTAL OF
\$17 MILLION IN NEW PULSE RESEARCH



New & Novel Pulse Crops

New and novel pulse crops present exciting opportunities for the future to diversify rotations for growers in Saskatchewan. SPG co-funded, with the Saskatchewan Ministry of Agriculture, through their Agricultural Demonstration of Practices and Technologies (ADOPT) program, a demonstration at eight AgriARM locations showcasing up to 10 different pulse crops at field days. New and novel pulse crops such as fenugreek, lupin, mungbean, adzuki bean, and cowpea were compared to more traditional pulses such as pea, lentil, chickpea, faba bean, dry bean, and soybean. This showcase provided growers with an introduction to these crops and a demonstration of how they may or may not be currently suited to their specific growing region, now and into the future.

EXPANDING MARKET ACCESS

Ensuring growers have access to a high functioning transportation system and that trade barriers are resolved.

Transportation & Container Availability Advocacy

With ongoing transportation and container availability challenges as a result of the global pandemic, the pulse value chain was struggling to gain access to containers and rail service necessary to move pulses to market this past year. Pulse Canada led a coalition of grain sector organizations to address these challenges including the development of a letter writing campaign to the federal cabinet to push for action from government to address this challenge. The coalition and its initiatives were instrumental in the creation of the Supply Chain Task Force, which was created to identify solutions to alleviate the harm being caused by the container shortage. Without access to timely and predictable transportation, Canadian pulses will not draw top dollar value. With one third of Canadian pulses exported via shipping container, the pulse industry is disproportionately impacted by the container crunch, which is why Pulse Canada continues to work toward practical solutions on growers' behalf.



**IT'S TIME FOR
CANADA
TO FIX TO THE
CONTAINER CRUNCH**

Visit containercrunch.ca to speak up.

Targeted Review of the Pest Control Products Act

As part of the Pest Management Regulatory Agency's (PMRA) transformation agenda, a consultation was launched on the targeted review of the Pest Control Products Act (PCPA) to determine whether legislative changes would be needed for the PMRA to further strengthen human health and environmental protection, improve transparency, and increase access to real-world data. Pulse Canada was an active participant during the consultation and provided important feedback on behalf of the Canadian pulse industry to ensure any potential changes to the PCPA do not limit farmers' access to crop protection products.



**92% MORE CONTAINERS ARE LEAVING
CANADA EMPTY**

Visit containercrunch.ca to speak up.



Keep it Clean

Access to markets is vital for the pulse industry to thrive and continue to grow, and Canadian pulse crops must meet the standards set by export markets to maintain market access. In some cases these standards differ from what is established in Canada, such as missing and misaligned maximum residue limits (MRLs) for crop protection products. Pulse Canada continuously monitors MRLs in major export markets and works to ensure these do not cause trade concerns. If trade concerns are identified they are communicated through the Keep it Clean program, which also includes important general awareness around proper use and timing of crop protection product application. SPG is also working to amplify messaging around proper glyphosate use and timing, and Pulse Canada recently launched a free and confidential glyphosate testing program for growers and agronomists to evaluate and better understand their residue levels.



ENGAGING WITH GROWERS

To ensure we understand and are meeting the needs of pulse growers in Saskatchewan.



Grower Engagement Opportunities

SPG strives to seek feedback and new opportunities for engagement with growers. With COVID-19 still impacting SPG's ability to hold in-person events for part of the 2021-22 year, all efforts were explored to continue to allow for engagement with pulse growers.

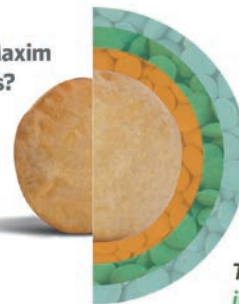
A grower engagement survey was undertaken in November to gather quantitative and qualitative feedback from growers, with 299 individuals completing the internally administered survey. SPG's AGM was held on January 10, with time allocated for an open forum question and answer period, where all growers were encouraged to bring forward any questions on their mind on any topic for Board and staff to address. While the AGM was held virtually due to restrictions, 60 growers still participated in the meeting proceedings. Winter pulse meetings continued in virtual, hybrid, and in-person formats throughout the winter and spring season, which saw a total of 194 growers and 153 agronomists attending. Live question and answer periods as well as facilitated feedback sessions on how SPG reaches and communicates with growers were also incorporated where possible.

New Variety Campaign & RVT Portal Launch

SPG has invested heavily in pulse variety development over the years, however many growers are still growing historical varieties of pulse crops in Saskatchewan. Two initiatives were newly launched this year to drive


grower adoption of new and better performing pulse varieties and to increase transparency into variety performance across Saskatchewan. SPG launched a new variety campaign in October 2021 highlighting recently released and higher performing varieties of yellow peas, small red lentils, and large green lentils. The campaign leveraged messaging through a press release and emails, as well as radio, newspaper, captive, and social media advertising. The campaign drove 3,500 sessions to the campaign landing page and encouraged growers to utilize Saskatchewan Seed Growers Association's (SSGA) Interactive Seed Guide to find out where they can purchase seed of these new varieties. SPG also launched an interactive [Regional Variety Trial \(RVT\) portal](#) in the spring of 2022 to provide transparency into pulse RVT data and provide a decision-making tool for growers and agronomists to assess and compare variety performance in differing regions across Saskatchewan. The RVT Portal saw over 1,300 sessions in the last month of the 2021-22 year alone and will continue to be updated and promoted alongside future new variety campaigns to drive the informed adoption of new and better performing pulse varieties moving forward.


Are you still growing CDC Maxim small red lentils?



Try a new variety to increase your yields



83% of 
growers believe SPG provides good or excellent value in return for their levy contribution

70% of 
pulse growers occasionally to frequently access information in SPG's bi-weekly email newsletter

60,365 
unique website users (up 22.9%) & 166,594 website pageviews (up 4%)



11 NEW PULSE AGRONOMY FACT SHEETS AND ARTICLES



4 NEW RESEARCH SUMMARIES



18 PULSE MARKET REPORTS



12 PODCASTS



4 WEBINARS

INDUSTRY PARTNERSHIPS & COLLABORATIONS

SPG actively partners and collaborates with a number of organizations to ensure that pulse growers have an amplified voice for their issues and concerns in strategic and priority areas key to the success of the pulse and agriculture industries.



SPG prioritizes work in the areas of market access and market development through a long-standing strategic partnership with Pulse Canada. Pulse Canada is focused on increasing value for Canadian-grown pulses and, in turn profitability for Canadian growers. Pulse Canada's work is focused in the areas of market access including trade, transportation, and crop protection products, and active outreach on market development and sustainability.



SPG advocates for pulse growers on key national issues at the federal government level through partnership with Grain Growers of Canada (GGC). GGC represents over 65,000 grain growers from coast to coast under one united voice to advocate and influence federal policy and take decisions that support the competitiveness and profitability of Canadian agriculture, especially in areas like business risk management programs, sustainability, and transportation.



SPG works with Soy Canada to advance issues pertinent to removing barriers and growing markets for Canadian-grown soybeans. Soybeans are a relatively new and smaller acre crop in Saskatchewan, but through Soy Canada, soybean growers have national representation uniting the full soybean value chain from farm to marketplace on issues like trade policy and market access, industry profile building, and coordination of soybean research and innovation.



SPG works to cultivate public trust and education around agriculture and pulses through partnership and support of Agriculture in the Classroom (AITC) Saskatchewan. AITC works with school-aged children across Saskatchewan, creating agricultural educational resources and delivers content to students in which they learn where their food comes from and an appreciation for and importance of the land, animals, and the farmers that sustain it.



SPG works to cultivate public trust, respect, and understanding of agriculture and Canadian-grown pulses to urban Saskatchewan communities through partnership and support of Farm & Food Care (FFC) Saskatchewan. FFC brings together farmers, ranchers, and everyone involved in food production to help connect consumers with the food on their plates and the science-based farming practices behind it.



SPG supports breaking the stigma around mental health in agriculture through support of The Do More Agriculture Foundation (Do More Ag). Do More Ag works to educate the agriculture industry on mental health, breaking the stigma that currently exists, creating a community of belonging, support and resources, and ensuring research in this field can continue.

ADVOCACY INITIATIVES



SaskCrops Collaboration

Saskatchewan crop development commissions began working more collaboratively in 2021-22 to advocate on behalf of growers on broad policy issues under the group name SaskCrops, which includes SPG, SaskWheat, SaskCanola, SaskBarley, SaskFlax, and SaskOats. Environment and climate change policy was a primary topic of focus this year, along with grain contracts and other broad policy issues of importance to all growers.

Grain Contracts

SaskCrops commissioned a [review](#) of grain contracts through Mercantile Consulting Venture which highlighted the elements of grain contracts that lack balance for growers. The review was and will continue to be used as a discussion starter to meet with the grain handling sector to raise concerns regarding this lack of balance and transparency in grain contracts on behalf of growers in hopes to urge a more equitable structure in the future.

Carbon Policy

SaskCrops jointly submitted recommendations to the federal government on several occasions, including the government's fertilizer emissions reduction target consultations. Twelve meetings with federal and provincial government officials to advocate on behalf of growers on ongoing environmental and climate change policy were executed this past year and will continue in order to advocate for growers' concerns.

AgriStability

In 2021, SaskCrops groups pressed for improvement to the Agristability Program including increasing the compensation rate for growers to 80%. In July 2022, federal and provincial agriculture ministers announced that the coverage level for AgriStability would be increased from 70% to 80% starting in 2023.

DISCUSSION OF SPG FINANCIAL RESULTS FOR 2021-22

SPG's operations in 2021-22 resulted in a surplus of \$3.6 million which exceeded the budgeted surplus of \$1.9 million due to much stronger than budgeted pulse prices during the year.

Setting the Scene

Prior to 2019-20, SPG's levy revenues declined significantly resulting in a combined deficit totaling almost \$12.9 million between the 2016-17 and 2018-19 fiscal periods. During this period, SPG aimed to be fiscally responsible and limited additional commitments for projects beyond those commitments that had already been put in place. Over time, the commitments were fulfilled but uncertainty around pulse prices and demand made it difficult for SPG to create new commitments leading into the 2019-20 fiscal year. In 2019-20, commodity prices rebounded creating a surplus for the first time since 2015-16 for SPG. The SPG-CDC Breeding agreement spending ended in 2019-20 reducing research expenditures for 2020-21. The combination of strong prices and starting the rebuild the research expenditure portfolio contributed to a significant surplus in 2020-21.

2021-22 Results Discussion

The budget for 2021-22 was built with a \$1.9 million surplus based on lower yields due to drought, strong pulse prices, and continued rebuilding of the research and development project portfolio in strategic areas. The 2021-22 budget also increased investment for both market development and communications program work. The overall expenditures budget was increased by almost \$3 million from the 2020-21 budget. Meeting this budget would increase expenditures by \$5.2 million from actual 2020-21 spending, which was almost double the prior year. Even with this significant increase in expenditures, operations were expected to be in a surplus position due to strong pulse prices driving levy revenues, even with expected lower productions levels.

The 2021 crop production was negatively and severely impacted by widespread drought conditions which lowered crop available for sale during the 2021-22 year. This lower supply was more than offset by significantly higher pulse prices than those used in the budgeting process. This generated levy revenues that were over budget by almost \$1.5 million.

On the expenditure side, research and development expenses increased by \$3.8 million from the prior year to \$6.7 million – about \$80,000 over budget. Market development and communications expenditures were increased by \$1 million combined over 2020-21 and ended under budget by \$186,000. Overall expenditures were up \$4.8 million from 2020-21 spending but ended about \$380,000 under budget.

The result of the high pulse prices throughout the year resulted in a surplus of \$3.6 million - \$1.7 million over the budgeted surplus.

INDEPENDENT AUDITORS' REPORT



To the Members of Saskatchewan Pulse Crop Development Board

Qualified Opinion

We have audited the financial statements of Saskatchewan Pulse Crop Development Board ("SPG"), which comprise the statement of financial position as at August 31, 2022, 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.

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 Saskatchewan Pulse Crop Development Board as at August 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

SPG collects a levy from Saskatchewan producers through buyers of pulses, the completeness of which is not susceptible of satisfactory audit verification. It was not practical for us to verify whether all buyers of pulses produced in Saskatchewan have collected and remitted the required levy to SPG. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of SPG. 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 year ended August 31, 2022, current assets as at August 31, 2022 and August 31, 2021, and net assets at both the beginning and end of the August 31, 2022 and August 31, 2021 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of SPG in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance to these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

In preparing financial statements, management is responsible for assessing SPG's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate SPG or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatements 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 SPG'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 SPG's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause SPG to cease to continue as a going concern.

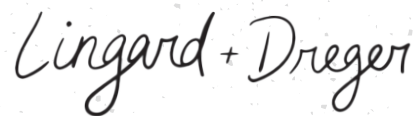
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Saskatoon, Saskatchewan
December 8, 2022**



Chartered Professional Accountants

BOARD OF DIRECTORS EXPENSES 2021-22

(unaudited)

	Honoraria	Expenses	Total
	\$	\$	\$
Brad Blackwell	6,620	3,822	10,442
Chad Doerksen	4,684	1,280	5,964
Corey Loessin	12,834	3,618	16,453
Jason Hennes	13,178	8,122	21,299
John Bumbac	13,748	9,214	22,962
Mario Gaudet	5,763	6,470	12,233
Shaun Dyrland	11,330	4,604	15,934
Terry Youzwa	13,070	8,548	21,618
Trent Richards	6,726	3,024	9,750
Winston van Staveren	12,302	9,892	22,194
	100,255	58,594	158,849

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

STATEMENT OF FINANCIAL POSITION

as at August 31, 2022

ASSETS	2022	2021
CURRENT	\$	\$
Cash	2,488,706	2,413,126
Investments (Note 3)	10,752,277	12,598,098
Accounts receivable (Note 4)	2,803,302	2,466,435
Prepaid expenses	245,528	198,974
Accrued interest receivable	79,055	55,441
Breeder seed inventory	318,383	406,679
	16,687,251	18,138,753
INTERNALLY RESTRICTED INVESTMENTS (Note 3)	1,600,000	1,600,000
INVESTMENTS (Note 3)	13,927,749	8,974,617
TANGIBLE CAPITAL ASSETS (Note 5)	655,487	654,738
	32,870,487	29,368,108
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	1,035,211	1,074,400
Deferred revenue	—	87,500
	1,035,211	1,161,900
NET ASSETS		
INVESTED IN TANGIBLE CAPITAL ASSETS	655,487	654,738
INTERNALLY RESTRICTED (Note 10)	20,000,000	15,700,000
UNRESTRICTED	11,179,789	11,851,470
	31,835,276	28,206,208
	32,870,487	29,368,108

COMMITMENTS (Notes 7, 8, and 9)

Approved by the Board:


Board Chair


Vice Chair

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

STATEMENT OF OPERATIONS

for the year ended August 31, 2022

	2022 Budget <i>(Unaudited) (Note 13)</i>	2022 Actual	2021 Actual
REVENUE			
INDUSTRY REVENUE			
	\$	\$	\$
Levy	13,000,000	14,478,170	14,713,354
Variety commercialization	545,200	357,733	585,351
Sponsorship	35,000	20,000	7,000
	13,580,200	14,855,903	15,305,705
GOVERNMENT FUNDING			
Government of Saskatchewan	35,000	54,820	35,106
Canadian Agriculture Human Resource Council	—	7,500	—
INVESTMENT INCOME <i>(Note 11)</i>	165,000	280,245	206,984
UNREALIZED GAINS (LOSSES)	—	(108,659)	234,924
EXPENSE REIMBURSEMENTS	375,000	471,633	263,519
OTHER REVENUE	349,407	266,372	289,138
	14,504,607	15,827,814	16,355,376
EXPENSES			
RESEARCH AND DEVELOPMENT			
Pulse breeding	3,174,131	3,268,141	756,160
Agronomy and sustainability	1,704,859	1,164,435	903,538
Genetic improvement	161,648	636,875	166,295
Processing	649,729	611,122	249,923
Health outcomes	—	—	(7,885)
Strategy development and support	902,075	991,781	803,817
	6,592,442	6,672,354	2,871,848
MARKET DEVELOPMENT			
Canadian lentil promotion	1,000,000	915,553	523,846
Market development – External <i>(Note 8)</i>	925,000	925,000	664,145
Other promotion and support	123,660	139,200	115,849
	2,048,660	1,979,753	1,303,840
COMMUNICATION			
	858,670	741,161	600,249
MARKET ACCESS <i>(Note 8)</i>			
	775,000	775,000	558,191
VARIETY COMMERCIALIZATION			
	713,500	610,423	597,714
LEADERSHIP AND MANAGEMENT			
Board of directors	339,870	230,007	225,423
Management and administration	1,250,450	1,190,048	1,175,287
	1,590,320	1,420,055	1,400,710
	12,578,592	12,198,746	7,332,552
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	1,926,015	3,629,068	9,002,824

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

STATEMENT OF CHANGES IN NET ASSETS

for the year ended August 31, 2022

	Invested in capital assets	Internally restricted	Unrestricted	2022 Total	2021 Total
	\$	\$	\$	\$	\$
NET ASSETS, BEGINNING OF YEAR	654,738	15,700,000	11,851,470	28,206,208	19,203,384
EXCESS OF REVENUE OVER EXPENSES	—	—	3,629,068	3,629,068	9,002,824
TRANSFER TO RESTRICTED NET ASSETS <i>(Note 10)</i>	—	4,300,000	(4,300,000)	—	—
ADDITION OF TANGIBLE CAPITAL ASSETS	11,360	—	(11,360)	—	—
AMORTIZATION	(10,611)	—	10,611	—	—
NET ASSETS, END OF YEAR	655,487	20,000,000	11,179,789	31,835,276	28,206,208

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

STATEMENT OF CASH FLOWS

for the year ended August 31, 2022

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
EXCESS OF REVENUE OVER EXPENSES	3,629,068	9,002,824
CHANGES TO INCOME NOT INVOLVING CASH:		
Amortization	10,611	7,284
Loss on disposition of tangible capital assets	—	6,751
	3,639,679	9,016,859
CHANGES IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS:		
Accounts receivable	(336,867)	(140,717)
Inventory	88,296	63,631
Prepaid expenses	(46,554)	66,804
Accrued interest receivable	(23,614)	14,372
Accounts payable and accrued liabilities	(39,190)	(836,833)
Deferred revenue	(87,500)	(87,500)
	(445,529)	(920,243)
TOTAL FROM OPERATING ACTIVITIES	3,194,250	8,096,616
INVESTING ACTIVITIES		
Proceeds from sale of tangible capital assets	—	1,056
Purchases of tangible capital assets	(11,360)	—
Net purchases of investments	(3,107,310)	(12,423,894)
TOTAL USED BY INVESTING ACTIVITIES	(3,118,670)	(12,422,838)
INCREASE (DECREASE) IN CASH DURING THE YEAR	75,580	(4,326,222)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	2,413,126	6,739,348
CASH AND EQUIVALENTS, END OF YEAR	2,488,706	2,413,126

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2022

1. DESCRIPTION OF BUSINESS

The Saskatchewan Pulse Crop Development Board ("SPG") is a non-profit organization which was established in 1984 under the Agri-Food Act of Saskatchewan. The mission of SPG is to provide leadership and create opportunities for profitable growth for the Saskatchewan pulse industry.

The Saskatchewan Pulse Crop Development Board collects a mandatory, non-refundable levy of 0.67% of the gross value of sales of pulse crops.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the CPA Handbook – Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

(a) Revenue recognition:

SPG 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.

Levy revenue is recognized at the time of settlement.

Industry revenue including industry partnership, advertising and sponsorship are recognized as related activities occur and related costs are incurred.

Variety commercialization revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the selling price to the buyer is fixed, and collection is reasonably assured.

Interest revenue is recognized as earned on a time proportion basis.

Dividends and other revenue are recognized as earned.

(b) Cash and cash equivalents:

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

(c) Inventory:

The inventory balance consists of harvested beans, faba beans, peas, chickpeas and lentils and is measured at the lower of cost and net realizable value. Costs are determined using the weighted average method using only input costs. Input costs include labour, registration, and other direct costs. Net realizable value is the estimated selling price in the ordinary course of business, less any provisions for impairment. SPG recognized \$409,348 of inventories as an expense during the year (2021 - \$410,321).

(d) Tangible capital assets:

Tangible capital assets are recorded at cost, less accumulated amortization. SPG provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Equipment	Declining balance	20%-50%
Leasehold improvements	Straight-line	7 years

(e) Impairment of long-lived assets:

Long-lived assets, which comprise tangible capital assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS (continued)

for the year ended August 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Research and development expense recognition:

Research and development expenses are recognized in these financial statements in the period defined in the terms and conditions of the respective agreements for contract-based expenditures. Grant based expenditures are recorded when eligibility has been determined and the grant has been authorized.

(g) Income taxes:

No provision for income taxes has been made in these financial statements as SPG is exempt from income tax under Section 149 (1) of the Income Tax Act.

(h) Financial instrument classification:

Investments and internally restricted investments are recorded at fair value. Transactions are recorded on a trade basis and transaction costs are expensed as incurred.

Other financial instruments, including cash, accounts receivable, accrued interest receivable, and accounts payable and accrued liabilities, are initially recorded at

their fair market value and are subsequently measured at amortized cost, net of any provisions for impairment.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Significant estimates include, but are not limited to the valuation of accounts receivable and inventory and the useful lives of tangible capital assets.

(j) 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.

3. INVESTMENTS

The investments balance consists of the following:

	2022	2021
	\$	\$
FIXED INCOME	20,309,617	14,721,923
CASH AND CASH EQUIVALENTS	4,639,643	7,048,664
EQUITY FUNDS	1,330,766	1,402,128
	26,280,026	23,172,715
CURRENT ASSETS:		
Investments	10,752,277	12,598,098
LONG TERM ASSETS:		
Internally restricted investments	1,600,000	1,600,000
Investments	13,927,749	8,974,617
	26,280,026	23,172,715

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS (continued)

for the year ended August 31, 2022

3. INVESTMENTS (continued)

The investment balance is a result of the excesses of revenue over expenses from operations in prior years and the current year due to increased volume and value of pulse production. These investments are held in reserve and provides flexibility to cover expenditure commitments in years where operations result in a cash shortfall. SPG has set in place investment policy guidelines as to the portfolio mix in order to ensure the investments are safeguarded against large market fluctuations.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance consists of the following:

	2022	2021
	\$	\$
LEVY RECEIVABLES	1,910,599	1,757,645
OTHER RECEIVABLES	892,703	708,790
	2,803,302	2,466,435

5. TANGIBLE CAPITAL ASSETS

The tangible capital assets balance consists of the following:

			2022	2021
			\$	\$
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
EQUIPMENT	270,521	254,907	15,614	12,830
LEASEHOLD IMPROVEMENTS	207,291	205,256	2,035	4,070
	477,812	460,163	17,649	16,900
LAND	637,838	—	637,838	637,838
	1,115,650	460,163	655,487	654,738

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2022	2021
	\$	\$
TRADE PAYABLES	188,434	38,364
R&D CONTRACTS PAYABLE	673,177	913,774
GST PAYABLE	91,279	79,543
PAYROLL LIABILITIES	82,321	42,719
	1,035,211	1,074,400

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS (continued)

for the year ended August 31, 2022

7. RESEARCH AND DEVELOPMENT COMMITMENTS

SPG has approved future funding for several research and development projects. Amounts committed to these projects in each of the next five years, assuming the terms of the contracts are fulfilled, are as follows:

YEAR ENDING AUGUST 31	2023	2024	2025	2026	2027
	\$	\$	\$	\$	\$
	3,043,457	2,247,684	1,689,356	1,331,970	112,000

8. PULSE CANADA COMMITMENTS

Pulse Canada is the national industry association that represents growers, processors and traders of pulse crops in Canada. Direction and funding for Pulse Canada is provided by the Alberta Pulse Growers Commission, Saskatchewan Pulse Growers, the Manitoba Pulse and Soybean Growers Association, the Ontario Bean Growers, and the processors and exporters of Canadian peas, lentils, beans and chickpeas that are members of the Canadian Special Crops Association (CSCA). Pulse Canada's key activities include:

- Market Access: To minimize additional supply chain costs created by market access barriers such as import duties, taxes, sanitary and phytosanitary measures, regulatory and other barriers, and work to ensure no new additional trade barriers are introduced. Initiatives related to transportation and eliminating barriers associated with accessing equipment and rail service to reduce risk in transporting products.
- Market Development: Health, Nutrition, Functionality and Sustainability: Increase demand for Canadian pulses in existing and new markets by marketing health, nutritional, functional and sustainability attributes.
- Transportation: To eliminate barriers associated with accessing equipment and rail service to reduce risk in transporting products.

SPG is providing program and project funding to Pulse Canada. The total expenditures for the year ended August 31, 2022 were \$1,700,000 (2021 - \$1,222,336). The amount committed for future years are below:

YEAR ENDING AUGUST 31:	\$
2023	965,335

9. COMMITMENTS

Commitments include a five-year lease agreement with the Saskatchewan Opportunities Corporation for the premises at 207 - 116 Research Drive, Saskatoon, Saskatchewan, that expires June 2023, and multi-year agreements with various suppliers of office equipment. Annual payments due in each of the next four years are as follows:

YEAR ENDING AUGUST 31	\$
2023	226,707
2024	4,423
2025	4,423
2026	4,423

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS (continued)

for the year ended August 31, 2022

10. INTERNALLY RESTRICTED NET ASSETS

SPG has updated its reserve policy to better reflect its operations. SPG established a closure reserve to cover expected organization closure costs should the organization be wound down and holds restricted investments of \$1,600,000 to match this reserve. SPG has also increased its reserve for Revenue Variability by \$4,300,000 (2021 - \$300,000) to cover for potential shortfalls in levy revenue. This reserve has been set at \$18,400,000 (2021 - \$14,100,000) and is supported by current assets as well as unrestricted long-term investments.

11. INVESTMENT INCOME

Investment income consists of the following:

	2022	2021
	\$	\$
INTEREST	194,619	153,945
DIVIDENDS	38,726	28,459
REALIZED GAINS	46,900	24,580
	280,245	206,984

12. FINANCIAL INSTRUMENTS

Interest rate risk

SPG is exposed to interest rate risk with respect to its investments in fixed income investments and a pooled fund that holds fixed income securities and its note receivable because the fair value will fluctuate due to changes in market rates. SPG mitigates interest rate risk by investing in a diversified portfolio of fixed income investments with various maturity dates.

Credit risk

SPG is exposed to credit risk in connection with its accounts receivable and its investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge

an obligation. As at August 31, 2022 three customers accounted for 42% (2021 - 40%) of accounts receivable, representing SPG's maximum exposure associated with the collection of these receivables.

Commodity price risk

Commodity price risk is the risk that revenue will fluctuate due to changes in market prices affecting the dollar amount of pulse crops sold.

Other price risk

SPG is exposed to other price risk through changes in market prices in connection with its investments in equity securities and pooled funds. SPG mitigates this risk by investing in a diversified portfolio of equity securities.

Liquidity risk

SPG is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities.

13. BUDGETED FIGURES

Budgeted figures are unaudited and are based on the budget approved by the Board on July 20, 2021 and presented at the Annual General Meeting. No revisions were made after this date.

14. ALLOCATION OF EXPENSES

Human resources expenses of \$1,035,837 (2021 - \$1,001,465) have been allocated based on the proportion of the employees' roles within each department as follows:

	2022	2021
	\$	\$
RESEARCH AND DEVELOPMENT	525,075	552,868
MARKET DEVELOPMENT	117,670	106,848
COMMUNICATIONS	222,527	184,608
VARIETY COMMERCIALIZATION	170,565	157,141
	1,035,837	1,001,465

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

SCHEDULE 1 – SCHEDULE OF EXPENSES

for the year ended August 31, 2022

	2022 Budget <i>(Unaudited) (Note 13)</i>	2022 Actual	2021 Actual
RESEARCH AND DEVELOPMENT			
PULSE BREEDING			
Variety improvement	3,174,131	3,268,141	756,160
AGRONOMY AND SUSTAINABILITY			
Weed management	413,753	397,658	207,638
Disease management	561,094	376,335	213,787
Rotation and plant nutrition management	6,401	6,401	—
Soil fertility	70,403	30,773	18,313
Nitrogen fixation	51,258	31,151	29,655
Sustainability	—	—	67,960
Pea yield	—	—	19,500
Demonstration, Outreach & Priorities	278,639	233,431	160,744
Other yield stability	323,311	88,686	185,941
	1,704,859	1,164,435	903,538
GENETIC IMPROVEMENT			
Breeding tools	152,185	166,963	156,833
Disease resistance	9,463	469,912	9,462
	161,648	636,875	166,295
PROCESSING AND UTILIZATION			
Pulse processing	639,115	600,508	214,709
Pulses and feed	10,614	10,614	35,214
	649,729	611,122	249,923
HEALTH OUTCOMES			
	—	—	(7,885)
STRATEGY DEVELOPMENT AND SUPPORT			
	902,075	991,781	803,817
	6,592,442	6,672,354	2,871,848

SASKATCHEWAN PULSE CROP DEVELOPMENT BOARD

SCHEDULE 1 – SCHEDULE OF EXPENSES (continued)

for the year ended August 31, 2022

	2022 Budget <i>(Unaudited) (Note 13)</i>	2022 Actual	2021 Actual
	\$	\$	\$
MARKET DEVELOPMENT			
LENTIL PROMOTION	1,000,000	915,553	523,846
MARKET DEVELOPMENT – EXTERNAL <i>(Note 8)</i>	925,000	925,000	664,145
OTHER PROMOTION AND SUPPORT	123,660	139,200	115,849
	2,048,660	1,979,753	1,303,840
COMMUNICATIONS			
GROWER COMMUNICATIONS	475,000	359,372	265,891
INDUSTRY AND EXTERNAL COMMUNICATIONS AND SUPPORT	383,670	381,789	334,358
	858,670	741,161	600,249
MARKET ACCESS <i>(Note 8)</i>	775,000	775,000	558,191
VARIETY COMMERCIALIZATION			
BREEDER SEED	500,000	409,348	409,571
EXTENSION ACTIVITIES AND SUPPORT	213,500	201,075	188,143
	713,500	610,423	597,714
LEADERSHIP AND MANAGEMENT			
BOARD OF DIRECTORS			
Election	81,800	10,490	78,864
Honoraria, benefits, and allowances	133,770	123,280	96,717
Professional fees	18,250	5,647	8,677
Travel	76,200	61,613	22,819
Other	29,850	28,977	18,346
	339,870	230,007	225,423
MANAGEMENT AND ADMINISTRATION			
Professional fees	121,000	93,408	129,830
Rent and occupancy	275,400	247,211	243,816
Salaries and benefits	554,500	554,463	538,860
Travel	26,000	11,060	(498)
Other	273,550	283,906	263,279
	1,250,450	1,190,048	1,175,287
	12,578,592	12,198,746	7,332,552

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE



To the Members of Saskatchewan Pulse Crop Development Board

We have undertaken a reasonable assurance engagement of Saskatchewan Pulse Crop Development Board's compliance during the period September 1, 2021 to August 31, 2022, 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 Pulse Crop Development Plan Regulations
- Board Orders No. 16/15 to 23/19

Management's Responsibility

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

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Saskatchewan Pulse Crop Development Board'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, confidentially and professional behaviour.

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, Saskatchewan Pulse Crop Development Board has complied with the specified requirements established in the Agreements during the period of September 1, 2021 to August 31, 2022, in all significant respects. We do not provide a legal opinion on Saskatchewan Pulse Crop Development Board's compliance with the specified requirements.

Saskatoon, Saskatchewan
December 8, 2022

A handwritten signature in dark blue ink that reads "Lingard + Dreger".

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT



To the Members of Saskatchewan Pulse Crop Development Board

We have audited Saskatchewan Pulse Crop Development Board's control as of August 31, 2022 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 reports.
3. To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue raising, spending, borrowing and investing.

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 Saskatchewan Pulse Crop Development Board'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 Pulse Crop Development Board's control was effective, in all material respects, to meet the objectives stated above as of August 31, 2022 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 Saskatchewan Pulse Crop Development Board's, which comprise the statement of financial position as at August 31, 2022, 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 December 8, 2022, which is the same date as the date of the report on the effectiveness of internal controls.

**Saskatoon, Saskatchewan
December 8, 2022**

Lingard + Dreger

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT



To the Members of Saskatchewan Pulse Crop Development Board

We have examined the financial statements of Saskatchewan Pulse Crop Development Board for the year ended August 31, 2022 and have issued our report thereon dated December 8, 2022. We have examined the system of internal control as at August 31, 2022 and have issued our report to you dated December 8, 2022. We have also made an examination to determine whether Saskatchewan Pulse Crop Development Board complied with specified legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue-raising, borrowing and investing activities during the year ended August 31, 2022 and have issued our report to you dated December 8, 2022.

Our examinations were made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. In those instances, if any, that our study and evaluation of internal control disclosed conditions indicating that internal controls were inadequate or not complied with, substantive tests were performed to detect any case in which:

1. any officer or employee of Saskatchewan Pulse Crop Development Board has willfully or negligently omitted to collect or receive public money belonging to the Crown;
2. there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person;
- and
3. an expenditure was made which was not properly vouchered or certified.

During the course of these examinations, nothing came to our attention that would indicate to us that:

1. any officer or employee of Saskatchewan Pulse Crop Development Board has willfully or negligently omitted to collect or receive public money belonging to the Crown;
2. there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person;
- and
3. an expenditure was made which was not properly vouchered or certified.

**Saskatoon, Saskatchewan
December 8, 2022**



Lingard + Dreger

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