

ANNUAL REPORT

2021-2022



CBRC

Canadian Barley Research Coalition

MESSAGE FROM THE CHAIR



Cody Glenn, Chair

Since its inception in 2020, the Canadian Barley Research Coalition (CBRC) has firmly established itself as a leader for barley research in Canada. The CBRC is a national not-for-profit organization that was founded by the Alberta Barley Commission, Saskatchewan Barley Development Commission and Manitoba Crop Alliance. This partnership allows a collaborative approach to barley research investment and maximizes research value and return on investment (ROI) to producers and the barley industry.

Over the past year the CBRC took on the management and funding of numerous significant research initiatives including the Barley Cluster and Core Breeding Agreements (CBAs), facilitation of the next Barley Cluster application to the Sustainable Canadian Agriculture Partnership (SCAP) program, and extensive communications related to barley research in Canada. These research initiatives provide financial support for the majority of barley research in Canada and speak to the importance of the CBRC to the industry.

Maximizing the ROI on Canadian barley research investment is a key goal for the CBRC. An important component is communication of the research outputs to ensure adoption of new technology and knowledge. On this front the CBRC has continued to build its communication presence through the CBRC website, Twitter and in-person events such as the Barley Committee meeting.

By working together, the research investment is strategic, efficient and delivers value to stakeholders. I would like to thank the founding members of CBRC: Alberta Barley Commission, Saskatchewan Barley Development Commission and Manitoba Crop Alliance, and the addition of new funding partners collaborating under the next Barley Cluster. Finally, I would like to acknowledge the dedication and time invested by the CBRC Board of Directors leading to the success of the CBRC!

BOARD OF DIRECTORS



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Core Barley Breeding Agreements

The core breeding agreements (CBAs) provide long-term foundational support for barley breeding first put in place by the Western Grains Research Foundation (WGRF) in 1995. In 2020 CBRC signed five-year CBAs with Agriculture and Agri-Food Canada (AAFC) and the University of Saskatchewan's Crop Development Centre (CDC), valued at \$1.5M and \$2.7M, respectively. The funding is used by the breeding programs to carry out field-based activities, disease nurseries, molecular marker assisted breeding, winter nursery support and end use quality evaluation. Every year these programs register and commercialize new varieties that enhance the profitability of growing barley for producers.

The following barley varieties developed with support from the CBAs are undergoing commercialization in 2021-22:

CDC Churchill is a high yielding (103% of AAC Synergy), strong strawed 2-row malting barley with lower grain protein and an overall excellent agronomic package. CDC Churchill has low enzyme activity making it ideally suited to the craft brewing industry. It has a good disease resistance package with moderate resistance to netted and spotted net blotch, other smuts and stem rust. The FHB rating is moderately susceptible and this will need to be taken into account when it is being grown. This variety is presently undergoing market development trials with maltsters and brewers and has been licensed to SeCan.

CDC Valdres is a two-row, high beta-glucan, waxy starch barley developed for the food industry. CDC Valdres is licensed and commercialized by Tomtene Seed Farms.

CDC Renegade is a two-row smooth awn barley with excellent forage yields and great barley grain yields. It averaged 97% of CDC Austenson for grain yield potential and 104% for forage yield potential making it a perfect fit for both grain and forage production. It has a good disease package with moderate resistance to Fusarium head blight (FHB), stem rust and surface smut. CDC Renegade is licensed to SeCan.

CDC Durango is a two-row, hulled, feed barley with excellent grain yield (7% higher than CDC Austenson) and lodging resistance with similar height to and later maturity than CDC Austenson. CDC Durango shows good resistance to the surface smuts and net-form net blotch, and intermediate resistance to FHB, spot blotch and stem rust. CDC Durango has been licensed to SeCan.

AAC Prairie is a two-row hulled malting barley that is widely adapted to western Canada. It has an attractive malting profile for the adjunct malt industry due to its high enzymes. Marketing rights have been licensed to CANTERRA SEEDS.



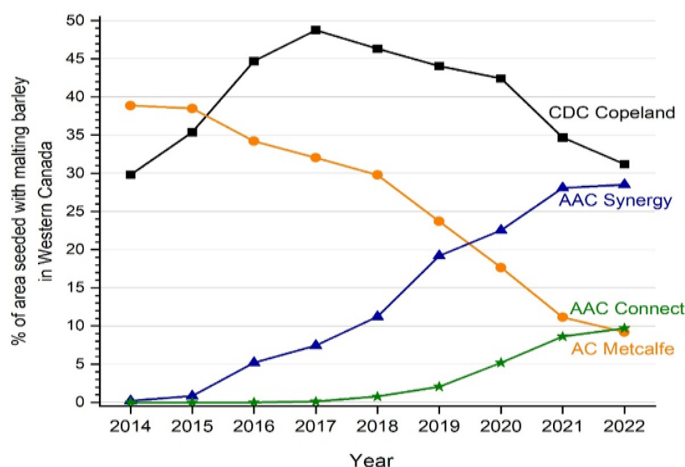
Malt Barley Variety Turnover

For many years AC Metcalfe and CDC Copeland dominated malting barley acres in Canada often with combined seeded area of over 70%. Older varieties such as these do not have the strong agronomics and higher yield of the newer varieties; therefore, it is important to have timely turn over of varieties to ensure that barley remains a profitable cropping option.

There is good news on the horizon as AC Metcalfe and CDC Copeland are now being replaced with new varieties that are higher yielding, have a good agronomic and disease package, and end use quality to meet the needs of the malting and brewing industry.

In 2022 AC Metcalfe and CDC Copeland continued to decline in seeded area in western Canada at 9% and 31%, respectively. AAC Synergy filled this gap as an established and accepted malting variety at 28% and AAC Connect is showing strong growth at 10%.

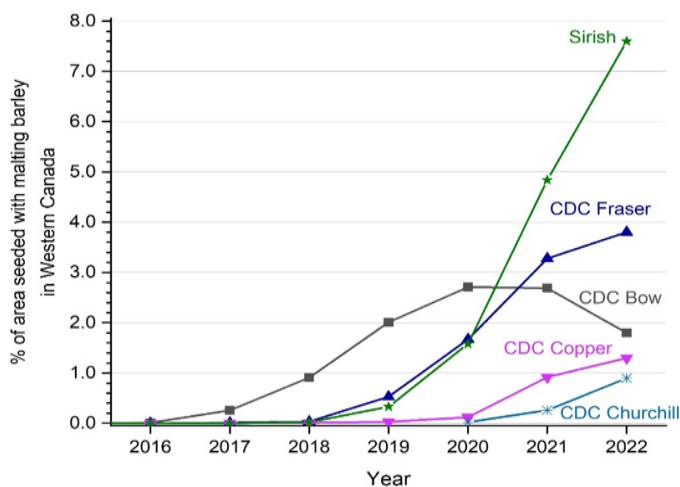
PERCENTAGE OF AREA SEEDED BY VARIETY 2022



Source: <https://www.grainscanada.gc.ca/en/grain-research/export-quality/cereals/malting-barley/2022/preliminary/>

The next generation of malting varieties include CDC Fraser (3.78%), CDC Bow (1.82%), CDC Copper (1.31%) and CDC Churchill (0.93%). Sirish is being grown on 7.55% of the total seeded area in western Canada, however, despite being registered as a malting barley it is generally grown as feed.

PERCENTAGE OF AREA SEEDED BY VARIETY 2022



Source: <https://www.grainscanada.gc.ca/en/grain-research/export-quality/cereals/malting-barley/2022/preliminary/>

CBRC Barley Committee

On July 18th, 2022, the first in-person CBRC Barley Committee meeting was held to review the progress of the barley breeding programs and to provide feedback to breeders from the barley value chain. The Barley Committee meeting was well attended and was a great opportunity for producers, maltsters and brewers, the livestock industry, and food manufacturers, to discuss their barley varietal needs. The full day meeting included presentations from the barley value chain, a field tour, and, of course, an opportunity to share a beer with friends in the industry.



Planning for the Next Barley Cluster Submission

The barley value chain has benefited from AgriScience Barley Clusters since 2010 with research investment under this program exceeding \$25M. The outputs from the Barley Clusters have shaped the industry through the development of new barley varieties grown by farmers today to development of best management practices to maximize varietal profitability and sustainability. Funding under the Barley Clusters also supports end use applications to enhance the whole value chain related to feed, forage, malting and brewing, and food uses.

The current Barley Cluster will end March 31st, 2023, and the CBRC has been busy preparing the submission for the next program to be called the Sustainable Canadian Agriculture Partnership (SCAP) program. Over the past year the CBRC has worked closely with researchers communicating the priorities of the barley industry and the SCAP AgriScience Cluster Program, facilitating a call for Letters of Intent and Full Proposals, and completion of a thorough review of each activity by the Science Advisory Body, independent peer reviewers, and funders.

The SCAP program has some notable changes from the current Barley Cluster, including a reduced Government cost share ratio and research priority areas dedicated to Climate Change and the Environment, Economic Growth and Sector Resilience. CBRC has been working hard to ensure that new requirements for the program are met while not comprising on funding research that is of the highest priority to producers and the barley industry.

The Barley Cluster application is expected to be submitted in December of 2022. Pending approval, the CBRC will lead and administer the Barley Cluster on behalf of the barley industry for the period of April 1, 2023 to March 31, 2028.

National Barley Research Cluster (2018–2023)

The Barley Council of Canada (BCC) is the lead organization for the current \$10.2 million National Barley Cluster under the Federal Government's Canadian Agricultural Partnership (CAP) AgriScience Program. The five-year CAP Barley Cluster is supported by the following industry funders: Saskatchewan Barley Development Commission, Alberta Barley Commission, Western Grains Research Foundation, Brewing and Malting Barley Research Institute, Manitoba Crop Alliance and the Canadian Field Crop Research Alliance who represent the Grain Farmers of Ontario, Producteurs de grains du Québec, SeCan, and Atlantic Grains Council.

In 2021 the CBRC took on the role of managing and administering the Barley Cluster program. During this time the CBRC has put in place process for optimal oversight of the research and financial aspects of the program, built expertise in barley research and developed communications to support the program.

The overall goals of the CAP Barley Cluster research projects are to improve the quality traits of Canadian barley to satisfy the diverse and evolving needs of our customers and to ensure that barley production remains competitive with other major crops in Canada. The National Barley Research Cluster brings together twelve research activities from across Canada and include variety development, agronomic productivity, disease resistance, quality & performance, and sustainability.

For a complete list and description of the research activities within the National Barley Cluster and to learn more about the outcomes of the CAP Barley Cluster, check out the CBRC website at www.barleyresearch.ca to access links to the Building Better Barley magazine, brochures, podcasts, and research videos. You can also follow us: @barley_research



**Alberta
Barley**



**MANITOBA
CROP
ALLIANCE**



**BREWING AND
MALTING BARLEY**
Research Institute



FINANCIAL STATEMENTS

For the year ended July 31, 2022



CBRC

Canadian Barley Research Coalition

INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Barley Research Coalition

Opinion

We have audited the financial statements of Canadian Barley Research Coalition (the Coalition), which comprise the statement of financial position as at July 31, 2022, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Coalition as at July 31, 2022, 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 Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Coalition'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 Coalition or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Coalition'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:

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Independent Auditor's Report To the Directors of Canadian Barley Research Coalition (*continued*)

- 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 Coalition'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 Coalition'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 Coalition 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

Chartered Professional Accountants

**Saskatoon, Saskatchewan
January 19, 2023**

CANADIAN BARLEY RESEARCH COALITION
Statement of Financial Position
As at July 31, 2022


	2022	2021
ASSETS		
CURRENT		
Cash	\$ 57,696	\$ 31,714
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 3)	\$ 30,847	\$ 10,695
Goods and services tax payable	1,094	-
	31,941	10,695
NET ASSETS	25,755	21,019
	\$ 57,696	\$ 31,714

COMMITMENTS (Note 5)

APPROVED ON BEHALF OF THE BOARD

DocuSigned by:

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 Director

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 Director

See notes to the financial statements

CANADIAN BARLEY RESEARCH COALITION
Statement of Operations
For the Year Ended July 31, 2022

	2022	2021
REVENUE		
CDC agreement	\$ 539,396	\$ 781,594
AAFC agreement	301,525	391,417
Administration fees	57,951	-
Membership dues	45,100	46,760
Science coordination	38,251	-
Amaethon agreement	-	4,564
	982,223	1,224,335
EXPENSES		
Research	840,922	1,177,529
Service contracts	120,678	-
Administrative	6,338	4,229
Professional fees	5,266	17,007
Communications	2,623	4,551
Insurance	1,660	-
	977,487	1,203,316
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 4,736	\$ 21,019

See notes to the financial statements

CANADIAN BARLEY RESEARCH COALITION
Statement of Changes in Net Assets
For the Year Ended July 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 21,019	\$ -
Excess of revenue over expenses for the year	4,736	21,019
NET ASSETS - END OF YEAR	\$ 25,755	\$ 21,019

See notes to the financial statements

CANADIAN BARLEY RESEARCH COALITION
Statement of Cash Flows
For the Year Ended July 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 4,736	\$ 21,019
Changes in non-cash working capital:		
Accounts receivable	-	372,719
Accounts payable and accrued liabilities	20,152	(5,144)
Deferred contributions	-	(356,880)
Goods and services tax payable	1,094	-
	21,246	10,695
INCREASE IN CASH	25,982	31,714
CASH - BEGINNING OF YEAR	31,714	-
CASH - END OF YEAR	\$ 57,696	\$ 31,714
CASH CONSISTS OF:		
Cash	\$ 57,696	\$ 31,714

See notes to the financial statements

CANADIAN BARLEY RESEARCH COALITION

Notes to the Financial Statements

For the Year Ended July 31, 2022

1. AUTHORITY

The Canadian Barley Research Coalition ("the Coalition") was incorporated under the *Canada Not-for-profit Corporations Act* on December 30, 2019.

The purpose of the Coalition is to coordinate key research proposals aimed at improving the relative profitability and competitiveness of barley for Western Canadian producers. In addition, the Coalition pursues research-led breakthroughs in science and agronomics that expand the relative economic competitiveness of barley.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were 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

The Coalition follows the deferral method of accounting for contributions.

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.

Membership dues are recognized in the period that the related member services are expensed. Membership dues received in advance are recognized as deferred revenue.

Administration fees and Science Coordination revenue are recognized when they are earned if the amount to be received can be reasonably estimated and collection is reasonably assured.

Research expenses

Research expenses are recognized when the current year commitment to the research project is due under terms of the research agreement. Research funding 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.

Income taxes

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

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.

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CANADIAN BARLEY RESEARCH COALITION

Notes to the Financial Statements

For the Year Ended July 31, 2022

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

Financial instruments

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

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

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

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

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Research payables	\$ 24,000	\$ 6,000
Trade payables	2,407	255
Accrued liabilities	4,440	4,440
	\$ 30,847	\$ 10,695

CANADIAN BARLEY RESEARCH COALITION

Notes to the Financial Statements

For the Year Ended July 31, 2022

4. DEFERRED CONTRIBUTIONS

The Coalition receives funding from SaskBarley, Alberta Barley and the Manitoba Crop Alliance to be held, administered and distributed in accordance with the related funding agreements. Deferred contributions related to expenses of future periods represent unspent externally restricted funding for the purposes of paying operating expenditures in future periods.

	2022	2021
Opening deferred contributions for expenses of future periods	\$ -	\$ 356,880
Contributions accrued or received during the year:		
Saskatchewan Barley Development Commission	649,182	641,447
Alberta Barley	193,441	183,533
Manitoba Crop Alliance	43,398	42,475
Less:		
Amounts recognized as membership dues	(45,100)	(46,760)
Amounts recognized as Amaethon agreement revenue	-	(4,564)
Amounts recognized as CDC agreement revenue	(539,396)	(781,594)
Amounts recognized as AAFC agreement revenue	(301,525)	(391,417)
	\$ -	\$ -

5. COMMITMENTS

(a) Administration fees

The Coalition has entered into a contract with Agribiz Communications Corporation to provide administration services to the Coalition.

(b) Research

The Coalition is committed to funding research and development projects over several years to benefit the Barley industry. The Annual payments for each of the next five years are as follows:

Year ending July 31

2023	861,943
2024	883,492
2025	501,534
	\$ 2,246,969

6. ECONOMIC DEPENDENCE

The Coalition is economically dependent upon SaskBarley, Alberta Barley and the Manitoba Crop Alliance for continued financial support to fund its ongoing operations. In the current period funding from these organizations represented 90.21% (2021 - 100%) of total funding.

CANADIAN BARLEY RESEARCH COALITION

Notes to the Financial Statements

For the Year Ended July 31, 2022

7. FINANCIAL INSTRUMENTS

The Coalition 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 Coalition's risk exposure and concentration as of July 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Coalition is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, and accounts payable and accrued liabilities.
