



AGRICULTURE COUNCIL  
OF SASKATCHEWAN INC.

2011/2012

Annual Report





## MESSAGE FROM THE MINISTER

GERRY RITZ, PC, MP

The Harper Government's focus remains squarely on jobs, growth and long-term prosperity in the agricultural industry. We are helping farmers capture new market opportunities on the world stage by focusing on innovation and promoting our great Canadian food products in global markets.

The Harper Government has provided over \$3 million to the Agriculture Council of Saskatchewan for 41 projects through the Canadian Agricultural Adaptation Program (CAAP), and Saskatchewan farmers have been well-served by these initiatives. These investments include the Lentil Pilot Project which focuses on obtaining the information necessary to increase the retail sales and consumption of Canadian lentil products across Canada.

Thank you for your work in support of Canada's agriculture industry.

**Agriculture Minister Gerry Ritz, PC, MP**



Le gouvernement Harper maintient résolument le cap sur l'emploi, la croissance et la prospérité à long terme dans l'industrie agricole. Nous aidons les agriculteurs à saisir les nouveaux débouchés commerciaux qui s'ouvrent sur la scène internationale en mettant l'accent sur l'innovation et en faisant la promotion de nos excellents produits alimentaires canadiens sur les marchés mondiaux.

Par l'entremise du Programme canadien d'adaptation agricole (PCAA), le gouvernement Harper a versé plus de 3 millions de dollars à l'Agricultural Council of Saskatchewan pour 41 projets, et les agriculteurs de la Saskatchewan ont été bien servis par ces initiatives. Une partie de ces investissements est allée au Lentil Retail Pilot Project (Projet pilote sur la vente au détail des lentilles) dont le principal objet est de recueillir l'information nécessaire pour augmenter les ventes au détail et la consommation des produits dérivés de la lentille canadienne au Canada.

Merci pour le travail que vous accomplissez afin d'aider l'industrie agricole du Canada.

**Le ministre de l'Agriculture Gerry Ritz, C.P., député**



## MESSAGE FROM THE CHAIR

ALLEN KUHLMANN

CHAIR OF THE ACS BOARD OF DIRECTORS

In my role as Chair of the Agriculture Council of Saskatchewan (ACS), it is with mixed feelings that I present the 2011-2012 annual report. The past year was defined again by success in the realm of project development but also by disappointment. On April 11, 2012, the Agriculture Council of Saskatchewan (ACS) Inc. was verbally notified by staff at Agriculture and Agri-Food Canada that the Canadian Agricultural Adaptation Program (CAAP) will not be renewed or extended beyond March 2014 at which time programs will be delivered centrally from Ottawa.

Although the impact of this decision will not be felt immediately, it remains that the regional model of program delivery has been compromised. ACS membership is worried that the decision to abandon regional council delivery of future federal funding is more than a little disheartening. Canada's agriculture and agri-food industry is hugely diverse and widely based, in terms that are both geographic and product based in nature. Because the requirements of each region and commodity are different, agricultural program delivery is effectively and efficiently served through local agencies as funding is then directed to sound investments based on real and current needs in the industry.

This reality is reflected in the facts: in the 16 years of regional delivery of adaptation programming on behalf of AAFC, \$44.76 million has been committed to 1309 projects; in 2011-2012 alone, under CAAP, 42 projects were approved for \$3,255,075. A 2008 economic impact study of federal funding distributed through ACS estimated that for each million dollars spent on funding, 19.2 jobs were created in the sector and several million dollars more were leveraged. In fact, investment in agriculture research can have a very high rate of return, between 50 and 70%, according to Dr. Richard Gray of the Department of Bioresource Policy, Business and Economics at the University of Saskatchewan.

The Levy Central program has expanded to eleven clients with the addition of the Alberta Barley Commission this past year. Levy Central manages the collection of a levy collected on each of the crop member organizations that in turn is directed to research, market development and education activities through each commodity organization.

The ACS annual general meeting for 2012 included a tribute to retiring board member, Jason Dean, who represented the Saskatchewan Cattle Feeders Association. Jason served on the board for six years and with his insight and experience made many valuable contributions to ACS.

Another change announced at the AGM is the resignation of Laurie Dmytryshyn. Laurie served ACS for 16 years, the last twelve as ED and the Board wishes to thank Laurie for her dedication not only to ACS but to the agriculture sector in the province. Former Senior Project Officer, Blair Goldade, has been appointed as Executive Director.

Thanks to my fellow directors and the staff of ACS for their hard work over the past year. I would also like to extend a thank you to the Industry Liaison Officers from the Saskatchewan Ministry of Agriculture and AAFC for their assistance and direction.

ACS delivered programming has a positive impact on Saskatchewan's agriculture and agri-food sector as new and novel opportunities become evident and more important to its health and stability. To build a sustainable, knowledge based and invigorated industry, it is necessary to focus on unique regional characteristics in order to move forward.







## MESSAGE FROM THE EXECUTIVE DIRECTOR

**LAURIE DMYTRYSHYN**

**EXECUTIVE DIRECTOR**

The Agriculture Council of Saskatchewan (ACS) faced a noteworthy challenge this 2011/2012 fiscal year. Despite being informed April 11, 2012 that the federal funding supporting the agency would not be continued past March of 2014, the team at ACS and its project proponents were able to make important contributions to Saskatchewan's agriculture and agri-food sector. ACS will continue to support the sector over the next two years to the best of its ability.

In this past year, ACS committed \$3.3 million in funding to 42 projects under the Agriculture and Agri-Food Canada (AAFC) funded Canadian Agricultural Adaptation Program (CAAP), bringing the total to \$8.68 million committed 94 projects over the first three years of this program.

An ACS initiated program, launched through CAAP, the Saskatchewan Grocery Retail and Foodservice Value Chain Initiative continues to thrive. Run by Value Chain Specialist Bryan Kosteroski, the program brings immediate benefits and assistance to burgeoning and established value chains within Saskatchewan, allowing them to gain a foothold with restaurants and foodservice or within grocery and retail outlets. This year, 91 students were involved in assisting clients with 8 marketing plans and 12 business plans through the SK Agri-Food Concept Evaluation Program with the Department of Bioresource Policy, Business and Economics.

The Levy Central program continues to be a success with the addition of the Albert Barley Commission as its eleventh client. The Levy Central Advisory Group (LCAG) has representatives from all organizations, and two ACS Board members sit on the group. Along with the ACS Board of Directors and Levy Central staff, the LCAG works toward supporting the needs of clients and buyers while at the same time positioning the organization to grow and take on future opportunities.

The team at ACS experienced another busy, successful year with respect to projects initiated. Nonetheless, the announced funding cuts have meant some changes for the ACS. It is with no small amount of regret that I announce that I will step down as executive director following the AGM in June.

Blair Goldade has been appointed to take over the role of Executive Director at that time. Also, Dallas Carpenter, communications manager has resigned to take on a new position. Nonetheless, the team at ACS will continue to be responsive to industry needs through funding and support for timely and important projects into the near future.

As I look back over my time as ED for the ACS, I would like to express my appreciation to the members, supporters and dedicated Board of Directors, and especially to the committed staff. All of the tremendous work and loyalty you have displayed on behalf of ACS is greatly appreciated. I wish you and the organization all the best for the remaining time you have together. I have appreciated the special opportunity to lead you all for the past few years. Good luck in your future endeavours.





## ACS Programs 2011/2012

Following are the programs administered by the Agriculture Council of Saskatchewan on behalf of Agriculture and Agri-Food Canada's (AAFC)

**Canadian Agricultural Adaptation Program (CAAP)**  
**Advancing Canadian Agriculture and Agri-Food Program (ACAAF)**  
**Canadian Adaptation and Rural Development (CARD)**  
**Biofuels Opportunities for Producers Initiative (BOPI)**  
**Grocery Retail and Foodservice Value Chain Initiative**  
**Saskatchewan Agri-Food Concept Evaluation Program**  
**Agriculture Mentorship Initiative**  
**Levy Central**

### Canadian Agricultural Adaptation Program (CAAP)

CAAP is a five year, \$163 million Agriculture and Agri-Food Canada national funding program with the objective of facilitating the ability of the agriculture, agri-food and agri-based products sector to seize opportunities, to respond to new and emerging issues and to pathfind and pilot solutions to new and ongoing issues in order to adapt and remain competitive. CAAP is administered in Saskatchewan by the Agriculture Council of Saskatchewan.

Launched in 2009 as a successor to the Advancing Canadian Agriculture and Agri-Food program (ACAAF), CAAP continues supporting industry-led initiatives at the national, regional and multi-national levels. Saskatchewan's share of CAAP was \$3.42 million in the first year (2009/2010) then reduced to \$2.77 million per year in the remaining four years with two years left in the program. Uncommitted funds will be returned to the Government of Canada at the end of the program in March 2014.

In **2011/2012**, the ACS Board approved **41 CAAP projects** for a commitment of **\$3,107,851**. **To date, 111 CAAP projects** have been funded for a commitment of over **\$10.02 million**. Applications are received at specified deadlines during the year. The ACS Board of Directors reviews proposals requesting over \$20,000 approximately five times per year and the ACS Executive Committee reviews proposals requesting \$20,000 and under on a monthly basis. For-profit corporations can request 50% of eligible cash activities. Non-profit corporations can request 85% of eligible cash costs. Projects must be completed by **December 31, 2013**.



## AGRICULTURE COUNCIL OF SASKATCHEWAN PROGRAMS 2011/2012

### Examples of CAAP Projects:

- Ag-West Bio Inc. – *Drop in Renewable Jet Fuel Opportunity for Saskatchewan Dedicated Industrial Oilseed Crops*
- Saskatchewan Alfalfa Seed Producers – *Adaptation of Technology for Control of Alfalfa Leafcutter Bee Parasites and Disease*
- POS Pilot Plant Corp. – *Expanding Western Canada’s Extraction and Concentration Process to Enhance the use of Botanical Higher value Components in the Herb, Fruit and Vegetable Industry*
- Bioriginal – *Improvement of Borage Crop for Nutraceutical Markets*
- Emerald Seeds – *Incorporating New Technology to Capture New Opportunities for Fenugreek*
- Tuberosum Technologies - *Development of Hybrid True Potato Seed (TPS) Varieties and Standardized Technologies for Commercial Production of Ware Potatoes from TPS*

### **Expansive Blue of Flax Fields Coming to Northern Canada**

A truly western-based collective outcome project is the Northern Flax Variety Development Project approved this year through CAAP funding. Led by the ACS, the Saskatchewan Flax Development Commission, together with Viterra, have been working hard to develop flax varieties adapted to our northern climates. With the cooperation of BCGPA, AAFC (Melfort) and AITF, and financial support from CAAP, SGRF, ADF and ARDI efforts to date have been very positive.

Flax Canada 2015 has identified that an increase in national flax production to 5 million acres as its most important objective to meet future demands for the human food, animal feed, fibre and industrial oil markets.

The objective is to develop new flax varieties better adapted to the northern prairie region of Western Canada through traditional breeding methods and field testing. Some characteristics targeted for attention include: early maturity and daylength sensitivity; tolerance for seeding into cooler soils (extending the growing season with increase in yield); determinant flowering (to resist reflowering caused by autumn rains) and rapid natural dry down to facilitate harvest.

An agronomic study focused on factors that may limit adoption of flax in the northern prairie region is a vital part of the project. A broadened genetic and geographic base will reduce the likelihood of losses due to environmental extremes; epidemics of pathogens and pests, and will also enable this system of renewable resource production to react and adapt to world market demands.







## AGRICULTURE COUNCIL OF SASKATCHEWAN PROGRAMS 2011/2012

### Advancing Canadian Agriculture and Agri-Food Saskatchewan (ACAAFS)

ACAAFS is a five year, \$240 million program designed to position Canada's agriculture and agri-food sector at the leading edge to capture new opportunities. Funding for the ACAA program is provided by Agriculture and Agri-Food Canada (AAFC). Saskatchewan's share of the ACAA program is delivered by the Agriculture Council of Saskatchewan Inc. (ACS).

ACS has some uncommitted funds remaining under the ACAA program funded by AAFC. As a result, the ACS Board will be issuing a call for proposals in the next few months for potential projects that could be funded under ACAA. Projects funded under ACAA must still meet CAAP eligibility criteria.

Since program inception, the ACS Board of Directors has approved **289** ACAAFS projects, for a total ACAAFS funding commitment of **\$15,954,288**.

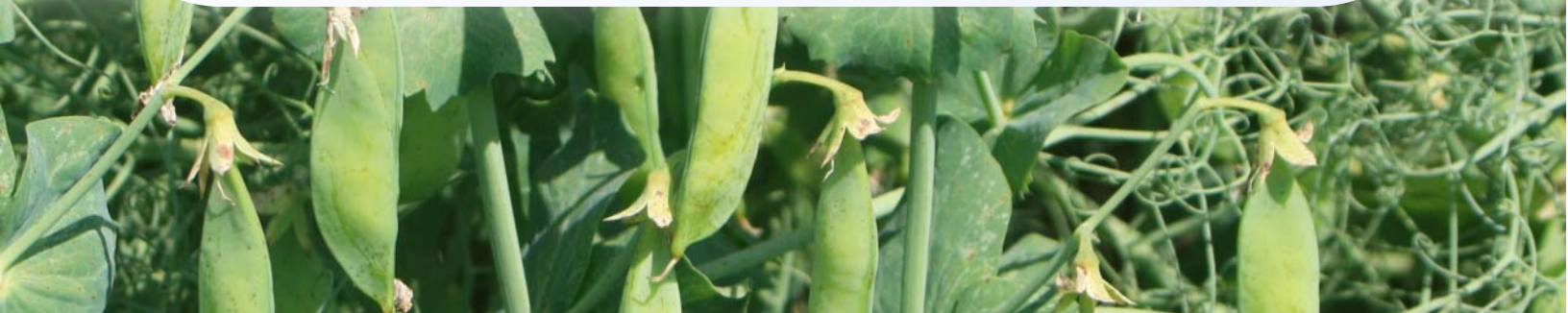


### ***Beware Wheat Midge: Educated Growers are on Your Tail***

*A fight between Prairie wheat growers and the orange blossom wheat midge can be costly and always result in reduced yield and lower grade for harvested grain. In 2006 alone, western farmers lost \$40 million due to wheat midge damage which manifests into \$20 to \$75 per acres in losses for individual growers. A cooperative project between ACS and Agriculture and Food Council of Alberta and led by the WGRF is the recently completed "Producer Education for the Responsible Stewardship of Wheat Midge Tolerance".*

*New wheat midge tolerant varieties were first available to growers in 2010. crop tolerance for these pests reduce the need for insecticide applications and provide cropping alternatives in the field for rotation and seeding dates. Because the tolerance originates from a single gene (the Sm1) using traditional wheat breeding techniques, the chance for resistance to build becomes imminent. A method of extending the tolerance window was introduced through this project in a new form using interspersed refuge (varietal blend), the first time such a method was used in the commercial production of wheat and so an education component become an integral part of the system. The project saw development of a communication strategy through the developing logos, key messages, definitions, taglines and the design of the web site: [www.midgetolerantwheat.ca](http://www.midgetolerantwheat.ca).*

*Through dissemination of information pertinent to the success of maintain tolerance could extend the life of the tolerant varieties from 10 to 90 years. Increase in grower awareness is essential to the success and the Midge Tolerant Stewardship Team has developed a plan that will see communications on this important part of the agriculture sector continue.*





## AGRICULTURE COUNCIL OF SASKATCHEWAN

### PROGRAMS 2011/2012

#### Canadian Adaptation and Rural Development Saskatchewan (CARDS)

The **Canadian Adaptation and Rural Development Saskatchewan (CARDS)** program was the predecessor to the ACAAFS program. The goal of CARDS was to assist the agriculture and agri-food sector to adapt to new challenges and opportunities, and to support new ways of doing business. The six priority areas under CARD included: innovation, marketing, environmental sustainability, food safety and quality, rural development and human resource development.

Saskatchewan's share of CARD I was \$8,830,000 and \$14,479,370 under CARD II. To date, ACS has approved **917** CARDS projects for a total CARDS funding commitment of **\$24,935,268**.

#### Biofuels Opportunities for Producers Initiative (BOPI)

The Government of Canada has established targets of five percent average renewable content by 2010, and two percent renewable content in diesel by 2012. The **Biofuels Opportunities for Producers Initiative (BOPI)** was created to help agricultural producers in the development of sound, well documented business plans for biofuels projects that have significant producer ownership, as well as aiding to undertake feasibility or other studies to support the creation and expansion of the biofuel production capacity.

The Biofuels Opportunities for Producers Initiative (BOPI) supported this commitment as a two year \$20 million program aimed to assist producers to take advantage of these new market opportunities by providing opportunities for greater involvement in biofuel production facilities through development of viable business cases for making transportation fuels that includes agricultural inputs. This initiative allowed agricultural producers to increase their share of the benefits from renewable fuels production beyond delivering feedstock by becoming participants in the value chain. The initiative was designed to help farmers and rural communities hire experts to assist in developing business proposals and feasibility and other studies that were necessary to create and expand biofuels production capacity by agricultural producers.

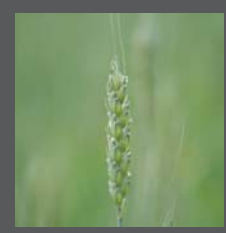
BOPI funds were provided nationally through Agriculture and Agri-Food Canada's Advancing Canadian Agriculture and Agri-Food fund, with Saskatchewan based projects being delivered by ACS. During the two years of BOPI funding in Saskatchewan the 2006-2007 fiscal year saw ACS approve a total of **11** BOPI projects for a BOPI funding commitment of **\$1,888,863**. In the 2007-2008 fiscal year, ACS approved a total of **six** BOPI projects for a BOPI funding commitment of **\$1,101,750**. The Biofuels Opportunities for Producers Initiative ended on March 31, 2008. Currently ACS has two BOPI approved projects ongoing and scheduled for completion on or before March 31, 2013.

#### Summary Table for all Program Totals

Program	Amount Committed (\$)	Number of Projects	Client Financial Contribution* (\$)
CAAP	10,024,654	111	8,583,403**
ACAAFS	15,854,288	289	9,409,918
CARDS	24,935,268	917	36,795,566
BOPI	1,999,013	17	531,621
<b>TOTAL</b>	<b>52,813,223</b>	<b>1334</b>	<b>55,320,508</b>
*cash only **projected			







## VALUE CHAIN INITIATIVES

The Agriculture Council of Saskatchewan Inc. launched the Grocery Retail and Foodservice Value Chain Initiative with funding provided through AAFC's CAAP. The aims of the program are to assist Saskatchewan's agri-food industry become more competitive and to provide solutions for today's consumer.

### **Saskatchewan Grocery Retail Value Chain Initiative**

Headed by Bryan Kosteroski, Value Chains Specialist at ACS, the Saskatchewan Grocery Retail Value Chain Initiative continues to grow across Saskatchewan with continued growth in all programming.

Within the **2011-2012** year the Canadian Grocery Retail Guide conference calls were very well attended with 48 Industry representatives participating within two conference calls focusing on discussions from Category Management practices to Brand Programming development.

Another growth area is the Grocery Retail Value Chain Roundtable meetings with both Canadian Retailer representation and Industry participants meeting and developing collaboration methods in bringing solutions to the associated Category Managers.

Over the past nine months, three meetings have been held and more are scheduled for the next year. Program activities include two National Value Chain projects, presently nine Grocery Retail Value Chain projects and have attended over 50 meeting across the province developing the structure to implement Value Chain programming

### **Saskatchewan Foodservice Value Chain Initiative**

The Saskatchewan Foodservice Value Chain Initiative with a goal of expanding the participation of the Saskatchewan Agri-Food Industry to play a more prominent role in the supply of Saskatchewan & Canadian Food products.

In 2011-2012, the Saskatchewan Foodservice Value Chain conference calls have been very well attended with 51 Industry representatives participating within two conference calls discussing topics from trends, distribution and operational challenges within the Saskatchewan & Canadian Foodservice Industries.

Two Foodservice Value Chain Roundtable meetings were held with associated Chefs collaborating and discussing their operational challenges and also focusing on meeting today's consumer demands on the menu, presently six Foodservice Value Chain projects are have attended over 30 meetings across the province to assist in the growth within the Saskatchewan Foodservice Industry.

**Saskatchewan**  
**GROCERY RETAIL & FOODSERVICE**  
**VALUE CHAIN INITIATIVE**

*Adapting to Consumers Demands and  
Capturing New Market Opportunities*

Canada

Canada



## VALUE CHAIN INITIATIVES

### Saskatchewan Concept Evaluation Program

The SK Agri-Food Concept Evaluation Program provides opportunities for Saskatchewan companies to request marketing and/or preliminary business plans completed by fourth year Agricultural Economics students at the College of Agriculture and Bio-resources, University of Saskatchewan.

This past year, students worked on **eight** marketing plans and **twelve** business plans for Saskatchewan companies. In total, **91** students worked in collaboration with industry representatives.

### Industrial Research Assistance – Small and Medium Sized Enterprises (IRAP-SME) Program

With funding support provided by the National Research Council (NRC) through the Industrial Research Assistance Program (IRAP), ACS successfully applied for and implemented a new pilot program this past year.

The objective of the program was to pilot a new service delivery approach that would assist our agricultural Small and Medium Sized Enterprises (SME's) to address specific marketing challenges in order to build their innovative capacity. Funding assistance was designated at a maximum per company of \$20,000. Assistance was provided to four companies to be used for external consultant fees to look at specific challenges that could be addressed through a market assessment and/or financial analysis.

Based on positive short term outcomes experienced by participating companies, ACS is in discussion with IRAP regarding continuation of this pilot.

### Agriculture Mentorship Initiative

The Agriculture Mentorship Initiative pairs entrepreneurs with experienced business owners, establishing a relationship whereby the protégé learns from the mentor's experience and industry knowledge. Six individuals participated in the second pilot orientation workshop which was held on **April 18, 2011**.

One of the mentorship pairs has continued the relationship and meets once a month.

*The mentor indicated it has been an opportunity for him to learn a new business and stretch beyond his borders. The protégé indicated her mentor is from a totally different world than her and he makes her think. She feels safe talking to him and he has lots of expertise in various business issues that go beyond what she originally indicated were areas she wanted help in. She leaves the session feeling like she has been listened to.*





## LEVY CENTRAL

### Levy Central

On February 1, 2010, Levy Central moved from SaskCanola to the Agriculture Council of Saskatchewan Inc. (ACS). ACS operates levy collection services for Saskatchewan, Manitoba and Alberta commodity organizations and regional check-offs through the Levy Central program. The levy collected pays for research, market development and education activities through the commodity organizations.

Activity over the **2011/2012** year focused on marketing the program to other commodity groups and expanding the suite of services offered to clients. As a result, the program grew to eleven commodity organizations and two check-off programs. The increasing workload led to the hiring of additional personnel.

The organizations that collect levies through Levy Central include:

- Saskatchewan Canola Development Commission
- Saskatchewan Flax Development Commission
- Saskatchewan Mustard Development Commission
- Canaryseed Development Commission of Saskatchewan
- Saskatchewan Oat Development Commission
- Manitoba Oat Growers Association
- Saskatchewan Winter Cereals Development Commission
- Winter Wheat Manitoba Inc.
- Alberta Wheat Commission
- Alberta Barley Commission
- Alberta Oat Growers Commission
- Western Canadian Wheat Check-off
- Western Canadian Barley Check-off



The Levy Central Advisory Group (LCAG) was established through ACS and is made up of members from the commodity organizations and two directors from the ACS Board. LCAG continues to provide input and recommendations to the ACS Board. The ACS Board are reviewing options to ensure Levy Central has an efficient and effective structure in place to accommodate the growth strategy after March 31, 2014.







## ACS MEMBERSHIP SUPPORTERS AND STAFF

ACS membership remained constant at 39 provincial organizations for **2011/2012** with 39 member organizations and 14 supporters as of April 2012. In comparison, membership was at 39 member organizations and 15 supporters (April 2011), 40 member organizations and 15 supporters (June 2010) and 35 member organizations (June 2009).

ACS lost two members this past year due to closures but gained two new members:

Saskatchewan Irrigation Projects Association  
The Saskatchewan Alfalfa Seed Producers Commission

### Full ACS Members:

Agricultural Producers Association of Saskatchewan  
Agriculture In The Classroom Saskatchewan Inc.  
Ag-West Bio Inc.  
Canaryseed Development Commission of Saskatchewan  
Chicken Farmers of Saskatchewan  
Farm Animal Council of Saskatchewan Inc.  
POS Bio-Sciences  
Provincial Council of ADD Boards for Saskatchewan Inc.  
Saskatchewan 4-H Council  
Saskatchewan Alfalfa Seed Producers Development Commission  
Saskatchewan Association of Rural Municipalities  
Saskatchewan Beekeepers Association  
Saskatchewan Bison Association  
Saskatchewan Canola Development Commission  
Saskatchewan Cattle Feeders Association Inc.  
Saskatchewan Cattlemen's Association  
Saskatchewan Economic Development Association  
Saskatchewan Egg Producers  
Saskatchewan Flax Development Commission  
Saskatchewan Food Industry Development Centre Inc.  
Saskatchewan Food Processors Association Inc.  
Saskatchewan Forage Council  
Saskatchewan Fruit Growers Association  
Saskatchewan Herb and Spice Association  
Saskatchewan Horse Federation Inc.  
Saskatchewan Irrigation Projects Association  
Saskatchewan Meat Processors Association  
Saskatchewan Milk Marketing Board  
Saskatchewan Mustard Development Commission  
Saskatchewan Oat Development Commission  
Sask Pork  
Saskatchewan Pulse Growers  
Saskatchewan Seed Potato Growers Association Inc.  
Saskatchewan Sheep Development Board  
Saskatchewan Soil Conservation Association  
Saskatchewan Urban Municipalities Association  
Saskatchewan Winter Cereals Development Commission  
SaskCentral  
University of Saskatchewan, College of Agriculture and Bioresources

### ACS Supporters:

Affinity Credit Union - 8th Street Branch, Saskatoon  
Agriculture and Agri-Food Canada  
Alberta Winter Wheat Producers Commission  
East Central Development Corporation  
Genome Prairie  
Partners for Rural Family Support  
Regina Exhibition Association Ltd.  
Sagehill Community Futures Development Corporation  
Saskatchewan Ministry of Agriculture  
Saskatchewan Trade & Export Partnership  
Saskatchewan Watershed Authority  
Saskatoon Prairieland Park Corporation  
Saskatchewan South East Enterprise Region  
Winter Cereals Manitoba Inc.

### ACS Staff

Laurie Dmytryhsyn, Executive Director  
Dallas Carpenter, Communications Manager  
Laura Mychan, EA/Privacy Officer  
Blair Goldade, Senior Project Officer  
Ann M. Smith, Senior Project Officer  
Bev Magill, Project Officer  
Bryan Kosteroski, Value Chain Specialist  
Christine Colborne, Levy Manager  
Koren Hebig, Levy Assistant  
Lisa Sauer, Levy Assistant  
Nicole Yip, Levy Assistant (Maternity Leave)  
Amanda Shea, Levy Assistant  
Judy Riou, Finance Manager





## COMMUNICATIONS AND OPERATIONS

### Communications

Communications will remain a priority for ACS through the wind-down period until March 2014. Electronic activities and social media participation have gone very well with 386 Twitter followers and six YouTube video uploads.

Six news releases:

- Government of Canada Helps Saskatchewan Forage Industry Fight Off Pests.* April 19, 2012
- Successful Levy Central Program Adds Second Alberta Client.* March 1, 2012
- Two new Directors named to ACS Board at Annual General Meeting.* June 28, 2011
- Government of Canada Investing to Keep Bee Industry Buzzing.* August 24, 2011
- Government of Canada Helps Raise Western Canada's Agricultural Profile Abroad.* November 25, 2011
- Government of Canada Helps Create New Opportunities for Flax Producers.* December 7, 2011

Two funding announcements were held this past year:

- Saskatoon-Rosetown-Biggar MP Kelly Block announced \$370,000 of CAAP funding to the Saskatchewan Beekeepers Association at an event held at the Saskatoon Farmers Market on August 24, 2011.
- On November 25, 2011, Minister of Agriculture Gerry Ritz announced \$690,000 in CAAP funding to the livestock and forage sectors at the Canadian Western Agribition in Regina.

Dallas Carpenter, Communications Manager redesigned ACS website and communication materials.

### Operations

The ACS Board of Directors continues its strong governance focus. ACS advisory groups and committees of the Board have been active again this past year. Director, Heather Ryan, recently resigned to take a new position with the Saskatchewan Research Council.

ACS Directors were surprised and disheartened by the recent announcement of AAFC to terminate the CAAP and industry council third party delivery of federal government programming beyond March 31, 2014.

*In April, 2012 AAFC announced that CAAP will expire as of March 31, 2014. AAFC has informed councils, "Should the program be renewed, AAFC decided that its administration will be consolidated and centralized within the department." AAFC informed us, "This isn't about the work undertaken by the councils, but about AAFC's broader departmental approach to consolidate programming and transform operations to ensure all our resources are well aligned to achieve the national outcomes outlined in Budget 2012."*

*Funding for the last two years of the program remains as is. It will be business as usual for CAAP. Projects must be completed by December 31, 2013. Any unused funds will be returned to the Government of Canada.*

ACS Board of Directors Policy Changes incurred over the past year:

- Executive Committee funding limit increased to \$20,000; and
- Clients can claim eligible expenses from approved projects upon the **application submission** date forward.







## THE YEAR IN REVIEW

### The Year in Review

- In June of 2011, ACS moved offices to **104 – 411 Downey Road**, remaining at Innovation Place, Saskatoon.
- ACS hired Brooke Dobni and Mark Klassen of Strategian-innovationLogik to undertake an industry needs assessment survey and two roundtable sessions. ACS thanks Innovation Saskatchewan for partial funding assistance towards the roundtable sessions and the networking reception. A summary of the report findings can be found in the next section.
- CAAP project approvals and commitments up significantly this year for 42 projects at \$3.6 million in funding.
- A growth strategy is in place for Levy Central to double capacity. Over the past two years, it has already expanded to eleven agencies from eight (when they joined ACS in 2010) plus two check-off programs.
- The Value Chain Programs expand and evolve in response to industry needs. Success is measured through participation:
- The Grocery Retail and Foodservice Value Chain Initiative saw over 50 industry participants and resulted in 15 projects,
- SK Agri-Food Concept Evaluation Program saw 20 plans evaluated in 2011/2012 by Agricultural Economics students as they assist new businesses; this brings the program totals to 56 business plans and 63 marketing plans,
- IRAP-SME pilot program seeking continuance, and
- Unfortunately, the Ag Mentorship Initiative will be wound down due to lack of participants this year but can be renewed when interest returns.
- New website, presentation templates and social media strategy for ACS designed by Communications Manager, Dallas Carpenter. Dallas resigned to take a new position in May.

Needless to say, ACS Board, members, staff and the Saskatchewan agriculture and agri-food sector are disappointed with AAFC's announcement that CAAP will expire as of March 2014 and that any future programming will be centralized and delivered from Ottawa.

Regional participation and distribution of funding is especially important in this sector as the diversity of both products and geography is endemic. In a letter to the Minister, several ACS Member organizations stated their disappointment: "all of our groups believe that regional partnerships such as [Agriculture Council of Saskatchewan] have made the program effective due to the understanding of the agriculture sector in the specific region and the type of projects that will move these agricultural sectors forward".

The Board of Directors is working diligently on planning for a future that will see ACS and Levy Central continue.







## Agriculture Council of Saskatchewan: Industry Needs Assessment and Roundtable Discussions Final Report

### Summary of Agriculture Council of Saskatchewan: Industry Needs Assessment and Roundtable Discussions Final Report

In early 2012, the Agriculture Council of Saskatchewan Inc. (ACS) engaged Strategian-innovationLogik to conduct a needs assessment (online survey) and to facilitate two roundtable discussions that would:

- determine the current and future needs and challenges of the agri-food sector it services;
- understand the usefulness of the current design of the CAAP; and
- assess the potential for a new leveraged strategic innovation program.

In order to establish an aggregated data base, two phases of the assessment were undertaken: 1) online survey and 2) group discussions. Two distinct groups were identified early that needed separate attention: not-for-profit and for-profit organizations. Given the diversity of the two groups, results were broken out for discussion. Comments and Recommendations were cited for each need/challenge identified for each group. Following is a short summary of findings. The full report is available from the ACS.

#### **Not-for-Profit (NFP) Members**

Needs and challenges identified for the NFPs included:

##### **Diversity of the Group.**

Diversity was recognized in both the size of the organization and the business stage or life cycle. It was recommended that ACS continue to recognize the diversity issue in current and future funding strategies with a focus on innovation.

##### **Funding Needs Top Barrier/Challenge**

Operational requirements as well as funding to organize and grow were cited as top needs and should be noted as a gap with developing sectors of agriculture and consideration should be given to widening the funding parameters.

##### **Public Awareness / Lack of Industry Voice**

Public awareness and a lack of industry voice also scored high on the survey. Funding agencies should consider ways to fund promotion of the broader agriculture industry in ways that benefit the individual agriculture sectors.

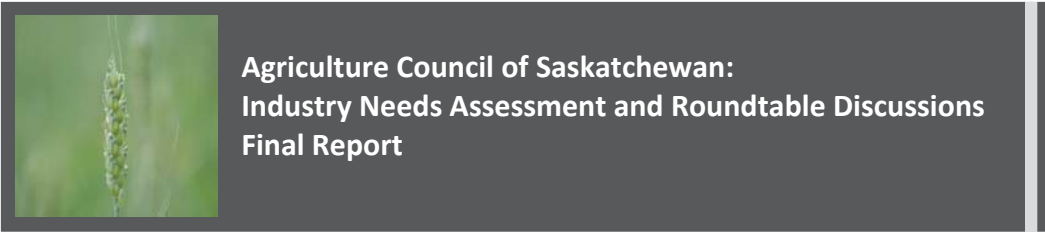
##### **Clustering of Services**

Core operational requirements and challenges are similar for management, funding applications, promotion, marketing, applying for funding and human resources. Considerations for funding could be aimed at pooling or sharing related common services.

##### **Education and Training**

Similar to the clustering of services comments, funding agencies may be able to provide funds for training programs in areas such as governance, marketing or a designated speaker series on a variety of topics. Consideration should be given to providing a speaker series or selected “in-demand” training sessions that are relevant to a cross section of not-for-profits (and for-profit)





**Agriculture Council of Saskatchewan:  
Industry Needs Assessment and Roundtable Discussions  
Final Report**

**Applying for and Administering Funds**

Lack of knowledge of the funding programs and administration effort to apply especially for smaller NFPs is a problem. Consideration should be given to further promoting program funding awareness and to adopting general process best practices to enable process efficiencies.

**Future Funding Needs and Gaps**

There was general consensus from participants that existing funding programs were useful and valuable. If additional funding is made available (or extended), the most common funding requirement themes identified were applied research, funds for educational purposes and funds to assist/support newer, less established organizations.

**For-profit (FP) Members**

Needs and challenges identified for the FPs included:

**Challenges and Barriers**

The FPs consider that they face typical business challenges; such as, human resource issues, supply chain issues, capital issues and regulation issues to name a few. Common barriers raised included risk mitigation, closing the commercialization gap, and regulatory and currency issues. In summary, existing funding is greatly valued; however, there was not a specific new or unique barrier or challenge gap identified.

**Diversity in For-profits**

Similar to NFPs, the FPs dominant classification of differences appears to be size and the life cycle stage of the business. Consideration should be given to having funds targeted towards promoting networking events and infrastructure that facilitates knowledge transfer across these classes.

**Funding Earlier Stage Ideas and Businesses**

Existing funding is oriented to projects that are more proven versus early stage ideas and this could be considered a funding gap. Consideration should be given to the need for funding early stage ideas and funds for early stage businesses.

**Partnering and Alliances with the Private Sector**

Funding agencies efforts to partner with private sector funding was appreciated. Shared risk alternative sources of repayment, such as royalties, are generally considered to be a good method of repayment particularly with early stage ideas. Partnering either formally or informally should be encouraged by funding agencies to increase access to capital by for-profits.

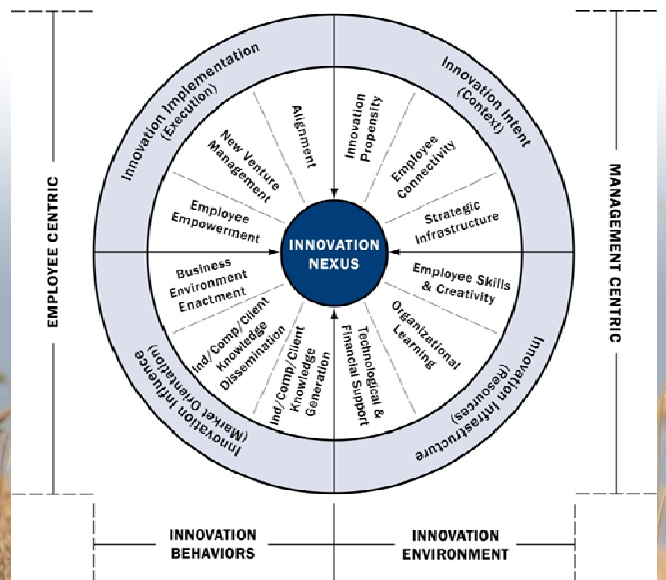
**Innovation Funds**

The group defined innovation as new product development that is multi-dimensional as indicated in the diagram at the right which outlines the drivers of innovation in an organization:

**The establishment of a strategic innovation fund would be a unique and novel idea, as it would signal a move to helping for-profit organizations become more innovative.**

**Echoing the Not-for-Profits**

**In addition to the recommendations and comments specific to the for-profits, some of the discussion in the not-for-profits also applies. For example, public awareness and lack of industry voice, clustering of services, education and training, and applying for and administering funds also applies to the for-profits.**







## ACS BOARD OF DIRECTORS AND ADVISORY GROUPS

### ACS Board of Directors

Allen Kuhlmann, Chair  
Dan Prefontaine, Vice-Chair  
Tim Wiens, Secretary-Treasurer  
Kirk Flaman  
Dr. Michael Nickerson  
Clinton Monchuk  
Joy Smith  
Nial Kuyek  
Jalil Abdul  
Dean Vey

Saskatchewan Flax Development Commission  
Saskatchewan Food Industry Development Centre  
SaskCanola  
Saskatchewan Seed Potato Growers Association  
University of Saskatchewan  
Chicken Farmers of Saskatchewan  
Saskatchewan Egg Producers  
Agricultural Producers of Saskatchewan  
Ministry of Agriculture (SMA)  
Agriculture and Agri-Food Canada (AAFC)

### CAAP Advisory Group

Mr. Allen Kuhlmann, ACS Chair, Advisory Group Chair  
Mr. Tim Wiens, ACS Secretary Treasurer  
Mr. Kofi Agblor, SK Pulse Growers  
Dr. Paul Fedec, POS Pilot Plant  
Mr. Dan Prefontaine, ACS Director  
Ms. Connie Kehler, SK Herb and Spice Association  
Mr. Bill Heinrich, Conexus Credit Union  
Mr. Bernie Zuk,  
Dr. Jalil Abdul, SMA (alternate Sidney Friesen, SMA)  
Ms. Brenda Patton, AAFC (alternate Dean Vey)

### Value Chain/Value Added Advisory Group

Mr. Dan Prefontaine, ACS Vice-Chair  
Mr. Kirk Flaman, ACS Director  
Mr. Nial Kuyek, ACS Director  
Mr. Mark Pikard, InfraReady Products  
Mr. Terry Helary, Northern Lights Foods  
Mr. Kevin Doucette, SIGA  
Ms. Elyse Proulx-Cullen, APC Ocean Ice Cream  
Mr. Jason Skotheim, Horizon Pet Nutrition  
Ms. Doris Morrow, SMA  
Mr. Dean Vey, AAFC  
Ms. Brenda Patton, AAFC

### Levy Central Advisory Group

Mr. Jason Dean, ACS Director  
Ms. Joy Smith, ACS Director  
Ms. Catherine Folkerson, SaskCanola  
Mr. Kevin Hursh, SK Mustard/SK Canaryseed Dev't Commissions  
Ms. Linda Braus, SaskFlax  
Mr. Bill Wilton, MB and SK Oat Development Commissions  
Mr. Jake Davidson, SK Winter Cereals Dev't Commission/Winter Cereals MB Inc.  
Mr. Rick Istead, Alert Winter Wheat Producers Commission  
Ms. Lisa Skierka, Alberta Barley Commission







## ACS AUDITED FINANCIAL STATEMENTS

### 2011-2012



J.H.A. Davies, CMA     Jeff Gorman, CMA  
Kirsty L. Drury, CA     Spencer Beaulieu, CA

Chartered Accountants  
Professional Corporation

#### AUDITORS' REPORT

To the Members of  
Agriculture Council of Saskatchewan Inc.

We have audited the accompanying financial statements of Agriculture Council of Saskatchewan Inc., which comprise the balance sheet as at March 31, 2012, and the statements of revenue and expenses for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Managements' Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Agriculture Council of Saskatchewan Inc. as at March 31, 2012, and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

June 5, 2012

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Email: admin@daviesdrury.com

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**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****BALANCE SHEET AS AT MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>		
CURRENT ASSETS:		
Cash (Note 3)	\$ 9,410,567	\$ 11,387,280
Accounts receivable	523,380	1,738,081
GST recoverable	4,949	3,968
	<u>\$ 9,938,896</u>	<u>\$ 13,129,329</u>

<b><u>LIABILITIES AND SURPLUS</u></b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 184,045	\$ 27,522
Deferred revenue (Note 4)	625,207	931,153
	<u>809,252</u>	<u>958,675</u>
RESERVES (Note 5)	<u>9,129,644</u>	<u>12,170,654</u>
	<u>\$ 9,938,896</u>	<u>\$ 13,129,329</u>

APPROVED BY THE BOARD:



Allen Kuhlmann - Chair



Dan Prefontaine - Vice-Chair

The accompanying notes are an integral part of the financial statements.

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**

**STATEMENT OF REVENUE AND EXPENSES**

**FOR THE YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>		
General Council (Schedule 1)	\$ 456,417	\$ 433,928
Canadian Adaptation & Rural Development Saskatchewan (CARDS) (Schedule 2)	1,498	2,832
Advancing Canadian Agriculture & Agri-Food Saskatchewan (ACAAFS) (Schedule 3)	50,837	69,771
Biofuels Opportunities for Producers Initiative (BOPI) (Schedule 4)	23,797	22,263
Canadian Agricultural Adaptation Program (CAAP) (Schedule 5)	<u>1,236,322</u>	<u>3,574,914</u>
	<u>1,768,871</u>	<u>4,103,708</u>
 <b>EXPENSES:</b>		
General Council (Schedule 1)	442,433	409,492
Canadian Adaptation & Rural Development Saskatchewan (CARDS) (Schedule 2)	41,399	139,300
Advancing Canadian Agriculture & Agri-Food Saskatchewan (ACAAFS) (Schedule 3)	842,519	1,871,303
Biofuels Opportunities for Producers Initiative (BOPI) (Schedule 4)	347,443	12,237
Canadian Agricultural Adaptation Program (CAAP) (Schedule 5)	<u>3,136,087</u>	<u>1,508,944</u>
	<u>4,809,881</u>	<u>3,941,276</u>
 <b>EXCESS OF EXPENSES OVER REVENUE</b>	 (3,041,010)	 162,432
 <b>RESERVE, BEGINNING OF THE YEAR</b>	 <u>12,170,654</u>	 <u>12,008,222</u>
 <b>RESERVE, END OF THE YEAR</b>	 <u>\$ 9,129,644</u>	 <u>\$ 12,170,654</u>

The accompanying notes are an integral part of the financial statements.



Schedule 1

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****STATEMENT OF REVENUE AND EXPENSES - GENERAL COUNCIL****FOR THE YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
REVENUE:		
Interest income	\$ 5,384	\$ 4,738
Memberships	8,500	8,575
Mentorship program	629	306
Other income	40	185
CATE - CARDS	-	-
CATE - SMA	-	16,325
Industry Needs Assessment	2,500	-
IRAP Projects	60,000	-
Levy Central (Schedule 6)	234,031	223,609
ACS - ACAAFS and CAAP projects	145,333	179,219
Western Canada Value Chains workshops	-	971
	<u>456,417</u>	<u>433,928</u>
EXPENSES:		
Accounting and legal	500	500
AGM	3,010	2,427
Insurance	200	200
Memberships	66	66
Salaries and benefits	6,000	6,000
Telephone, photocopying and postage	500	500
Mentorship Program	629	306
CATE - ACS	-	23
CATE - SMA	-	16,326
Industry Needs Assessment	15,364	-
IRAP Projects	60,000	-
Levy Central (Schedule 6)	210,831	202,954
ACS - ACAAFS and CAAP projects	145,333	179,219
Western Canada Value Chains workshops	-	971
	<u>442,433</u>	<u>409,492</u>
EXCESS OF REVENUE OVER EXPENSES	13,984	24,436
RESERVE, BEGINNING OF THE YEAR	<u>297,404</u>	<u>272,968</u>
RESERVE, END OF THE YEAR	<u>\$ 311,388</u>	<u>\$ 297,404</u>

The accompanying notes are an integral part of the financial statements.

## Schedule 2

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****STATEMENT OF REVENUE AND EXPENSES****CANADIAN ADAPTATION & RURAL DEVELOPMENT SASKATCHEWAN (CARDS)****FOR THE YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
REVENUE:		
Interest income	\$ 1,498	\$ 2,832
EXPENSES:		
Project grants	7,399	49,144
Accounting and legal	300	1,400
Capital purchases	-	500
Communications	-	563
Conference/meetings attending/presenting	-	86
Courier	100	201
Committee, Board and Advisory Group	500	1,800
Insurance	100	400
Memberships and subscriptions	-	-
Office supplies and equipment leases	200	1,200
Outside expertise	500	147
Rent	1,000	9,500
Salaries and benefits	30,800	72,550
Secretariat	-	309
Telephone, photocopying and postage	500	1,500
	<u>41,399</u>	<u>139,300</u>
EXCESS OF EXPENSES OVER REVENUE	(39,901)	(136,468)
RESERVE, BEGINNING OF THE YEAR	<u>128,686</u>	<u>265,154</u>
RESERVE, END OF THE YEAR	<u>\$ 88,785</u>	<u>\$ 128,686</u>

The accompanying notes are an integral part of the financial statements.

Schedule 3

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****STATEMENT OF REVENUE AND EXPENSES****ADVANCING CANADIAN AGRICULTURE & AGRI-FOOD SASKATCHEWAN (ACAAFS)****FOR THE YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
REVENUE:		
Interest income	\$ 50,837	\$ 69,771
EXPENSES:		
Project grants	560,804	1,612,760
Accounting and legal	2,406	1,667
Capital purchases	1,003	815
Communications	534	4,938
Conference/meetings attending/presenting	1,040	363
Courier	426	464
Committee, Board and Advisory Group	12,343	4,281
Corporations Branch account	-	60
Insurance	883	159
Memberships and subscriptions	106	2
National meetings	3,051	2,942
Office supplies and equipment leases	6,395	4,558
Outside expertise	2,936	1,103
Rent	34,879	29,451
Salaries and benefits	208,092	196,291
Secretariat	1,875	1,539
Staff training	52	633
Telephone, photocopying and postage	5,694	9,277
Translation costs	-	-
	<u>842,519</u>	<u>1,871,303</u>
EXCESS OF EXPENSES OVER REVENUE	(791,682)	(1,801,532)
RESERVE, BEGINNING OF THE YEAR	<u>4,187,968</u>	<u>5,989,500</u>
RESERVE, END OF THE YEAR	<u>\$ 3,396,286</u>	<u>\$ 4,187,968</u>

The accompanying notes are an integral part of the financial statements.

Schedule 4**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****STATEMENT OF REVENUE AND EXPENSES****BIOFUELS OPPORTUNITIES FOR PRODUCERS INITIATIVE (BOPI)****FOR THE YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
REVENUE:		
Interest income	\$ 23,797	\$ 22,263
EXPENSES:		
Accounting	500	500
Office supplies, telephone and photocopying	500	700
Project grants	299,483	(34,763)
Salaries and benefits	46,960	45,800
	<u>347,443</u>	<u>12,237</u>
EXCESS OF EXPENSES OVER REVENUE	(323,646)	10,026
RESERVE, BEGINNING OF THE YEAR	<u>1,698,750</u>	<u>1,688,724</u>
RESERVE, END OF THE YEAR	<u>\$ 1,375,104</u>	<u>\$ 1,698,750</u>

The accompanying notes are an integral part of the financial statements.



Schedule 5

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****STATEMENT OF REVENUE AND EXPENSES****CANADIAN AGRICULTURAL ADAPTATION PROGRAM (CAAP)****FOR THE YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>		
Government of Canada - AAFC - Program allocation and advance	\$ 684,174	\$ 2,817,219
Government of Canada - Collective Outcome funds	466,867	694,828
Government of Canada - Translation	-	4,156
Interest income	85,281	58,711
	<u>1,236,322</u>	<u>3,574,914</u>
<b>EXPENSES:</b>		
Project allocations	2,778,264	1,181,541
Accounting and legal	2,947	1,863
Capital purchases	3,800	815
Communications	8,736	5,879
Conference/meetings attending/presenting	727	957
Courier	609	1,263
Committee, Board and Advisory Group	15,750	20,939
Corporations Branch account	-	60
Insurance	750	800
Memberships and subscriptions	140	214
National meetings	7,651	7,807
Office supplies and equipment leases	6,681	8,071
Outside expertise	5,174	2,509
Rent	32,000	28,158
Salaries and benefits	225,243	210,111
Secretariat	3,002	3,000
Staff training	456	1,300
Technical Reviewer remuneration	-	-
Telephone, photocopying and postage	9,157	6,703
Translation costs	-	1,954
Project development	35,000	25,000
	<u>3,136,087</u>	<u>1,508,944</u>
<b>EXCESS OF EXPENSES OVER REVENUE</b>	(1,899,765)	2,065,970
<b>RESERVE, BEGINNING OF THE YEAR</b>	<u>5,857,846</u>	<u>3,791,876</u>
<b>RESERVE, END OF THE YEAR</b>	<u>\$ 3,958,081</u>	<u>\$ 5,857,846</u>

The accompanying notes are an integral part of the financial statements.

## Schedule 6

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****STATEMENT OF REVENUE AND EXPENSES****LEVY CENTRAL****FOR THE YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>		
Funds from clients	\$ 208,946	\$ 193,252
Administrative fee	20,895	19,325
Interest on bank account	1,314	1,030
Other client services	2,876	10,002
	<u>234,031</u>	<u>223,609</u>
 <b>EXPENSES:</b>		
Accounting and legal	500	500
Advisory Group meetings	201	768
Computer equipment	1,872	-
Courier and postage	1,940	2,017
Database support	13,650	12,300
Equipment, supplies and start-up	-	-
Insurance	425	300
Office supplies and equipment lease	1,870	1,558
Outside expertise	2,293	828
Rent	14,000	14,632
Salaries and benefits	169,353	157,822
Telephone and photocopying	2,842	2,527
Other client services	1,885	9,702
	<u>210,831</u>	<u>202,954</u>
 <b>EXCESS OF REVENUE OVER EXPENSES</b>	 23,200	 20,655
 <b>RESERVE, BEGINNING OF THE YEAR</b>	 <u>27,825</u>	 <u>7,170</u>
 <b>RESERVE, END OF THE YEAR</b>	 <u>\$ 51,025</u>	 <u>\$ 27,825</u>

The accompanying notes are an integral part of the financial statements.

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2012**

1. NATURE OF OPERATIONS:

Agriculture Council of Saskatchewan Inc. (ACS) was incorporated under the *Non-Profit Corporations Act of Saskatchewan* on June 6, 1996. The purpose of the council is to provide leadership and programming to advance the agriculture and agri-food sector, contributing to a healthy Saskatchewan community.

2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except for property and equipment and include the following significant accounting policies:

Equipment

The purchase of equipment is treated as a period cost and is not capitalized.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Assumptions underlying deferred cost valuations are limited by the availability of reliable comparable data and the uncertainty concerning future events.

By nature, asset valuations are subjective and do not necessarily result in precise determinations. Should underlying assumptions change, the estimated net recoverable amount could change by a material amount.

Revenue recognition

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Income taxes

No provision has been made for income taxes as none of the activities carried on by the Council are subject to income taxes.

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2012**

2. SIGNIFICANT ACCOUNTING POLICIES - continued:

Financial instruments

Financial assets are classified as loans and receivables, held-to-maturity, held-for-trading or available-for-sale. Loans and receivables include all loans and receivables except debt securities and are accounted for at amortized cost. Held-to-maturity classification is restricted to fixed maturity instruments that the corporation intends and is able to hold to maturity and are accounted for at amortized cost. Held-for-trading instruments include all derivative financial instruments not included in a hedging relationship and any designated instruments and are recorded at fair value with realized and unrealized gains and losses reported in net income. The remaining financial assets are classified as available-for-sale. These are recorded at fair value with unrealized gains and losses reported directly to the related reserve; and,

Financial liabilities are classified as either held-for-trading or other. Held-for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net income. Other instruments are accounted for at amortized cost with gains and losses reported in net income in the period that the liability is derecognized.

The Council's financial instruments are classified into the following:

Cash is classified as held-for-trading.

Accounts receivable are classified as loans and receivables.

Accounts payable are classified as other liabilities.

3. CASH:

Cash is comprised of bank accounts, bearing interest at prime less 1.50%.

4. DEFERRED REVENUE:

Deferred revenue consists of contributions received for programs which are unexpended at March 31, 2012. Also included are the unexpended contributions from other councils toward ACAAFS and CAAP collective outcome projects.

	<u>2012</u>	<u>2011</u>
General Council	\$ 6,338	\$ 6,968
ACAAFS	70,373	214,358
CAAP	548,496	709,827
	<u>\$ 625,207</u>	<u>\$ 931,153</u>



**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2012**

## 5. RESERVES:

	<u>2012</u>	<u>2011</u>
<u>General Council</u>		
This fund is the general operating fund of the Council.	\$ 311,388	\$ 297,404
 <u>CARDS</u>		
This fund is used for projects that will help develop a strong, vibrant agricultural and rural economy.	88,785	128,686
 <u>ACAAFS</u>		
This fund is used to support innovative agriculture related projects that enable a sustainable, well-diversified economy for the benefit of the industry and for the people of Saskatchewan and Canada.	3,396,286	4,187,968
 <u>BOPI</u>		
This fund is used to help agricultural producers in the development of sound, well-developed business plans for projects that have significant producer ownership, as well as aiding to undertake feasibility or other studies to support the creation and expansion of the biofuel production capacity.	1,375,104	1,698,750
 <u>CAAP</u>		
This fund is used to support industry-led approaches and solutions that allow the sector to quickly adapt to changes, respond to emerging issues and seize new opportunities.	3,958,081	5,857,846
	<u>\$ 9,129,644</u>	<u>\$ 12,170,654</u>

## 6. ECONOMIC DEPENDENCE:

The Council receives substantial funding through the Government of Canada, and is therefore economically dependent upon the government for future operations.

## 7. FINANCIAL INSTRUMENTS:

As part of its operations, the Council carries a number of financial instruments. Unless otherwise noted, it is the opinion of management that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments. The estimated fair market value of cash, accounts receivable, and accounts payable and accruals is equal to the book value given the short-term nature of these items.

**AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2012**

8. STATEMENT OF CASH FLOWS:

A statement of cash flows has not been prepared as the cash flows are apparent from the statement of revenue and expenses.







# AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

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Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada