



Saskatchewan
Mustard
Development
Commission

Annual General Meeting

January 12, 2011
Saskatoon Inn, Saskatoon



Mandate

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

THE SMDC VISION

Investing in the future for mustard grower profitability.

THE SMDC MISSION

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

www.saskmustard.com

2011 Board & Staff

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Office Hours:

Monday to Friday
8:30 a.m. to 4:00 p.m.

Agenda

SMDC Annual General Meeting

January 12, 2011 ~ Ballroom C, Saskatoon Inn
Saskatoon, Saskatchewan

- | | |
|------------|---|
| 8:30 a.m. | Registration |
| 9:00 a.m. | Welcome
Patrick Ackerman, Chair

Greetings from Saskatchewan Ministry of Agriculture
Minister Bob Bjornerud |
| 9:10 a.m. | Chairman's Address
Patrick Ackerman |
| 9:20 a.m. | Mustard 21 Canada Inc. Update
Pete Desai, President & CEO |
| 9:40 a.m. | Mustard Meal as an Antimicrobial
Dr. Rick Holley, University of Manitoba |
| 10:00 a.m. | Mustard Agronomy Demos
Bryan Nybo, Wheatland Conservation Area |
| 10:20 a.m. | Current Mustard Issues
Venkata Vakulabharanam, Provincial Oilseed Specialist,
Saskatchewan Ministry of Agriculture |
| 10:40 a.m. | Coffee |
| 11:00 a.m. | SMDC Annual Business Meeting |
| Noon | Lunch |
| 1:00 p.m. | Processor Profile: GS Dunn of Hamilton
Don Henry, GS Dunn |
| 1:30 p.m. | The European Market Situation
Michael Kemperdick, Schluter & Maack GmbH,
Hamburg, Germany |
| 2:15 p.m. | Mustard Market Outlook
Bob Waldbauer, Lakeside Global Grains |

State of the Industry

Patrick Ackerman, PAg, Chair

The mustard industry is entering a new frontier. Over the last 1,000 years, there has not been as much research money spent on this crop as there is today thanks to the support of Saskatchewan growers, the federal and provincial governments, and industry. This collaboration is allowing us to make great strides in breeding, herbicide and agronomy.

Nothing ever happens fast enough today. The condiment industry is in another demand/supply situation, which will reverse itself in a matter of time with prices swinging the other way. That's all the more reason to diversify this crop and its markets.

In a matter of three to four years, we will have a synthetic hybrid yellow mustard with more consistent yield and better agronomics. We will have a hybrid brown and oriental in the same period.

Within a short three to four years, an industrial mustard platform will hit the market revolutionizing the mustard industry as we know it. We will see industry start making jet fuel, bio-lubricants, antimicrobial products and green insecticides.

We are entering a period of drastic change in the mustard industry. We are diversifying a 1,000-year-old crop to bring it into the 21st century with more marketing choices and competition.

These are exciting times, buckle up and hang on because we are about to enter a new era at a pace that has not been seen before.





Agenda

SMDC Annual Business Meeting

January 12, 2011

11:00 a.m.

Call to Order and Opening Remarks

Approval of Agenda

Approval of Minutes

Financial Review, D. Pederson
Approval of Budget

Annual Report 09/10 and Proposed Activities 10/11
State of the Industry, Patrick Ackerman, PAg, Chair

Resolutions

New Business

Adjourn Meeting

Motions to be Presented

SMDC Annual Business Meeting

January 12, 2011 ~ Saskatoon Inn
Saskatoon, Saskatchewan

That the Agenda be approved as presented.

That the Minutes of the January 13, 2010 meeting be approved as presented.

That the SMDC audited financial statements for the year ending July 31, 2010 be approved as presented.

That the SMDC Budget for 2011/2012 be approved as presented.

That the SMDC appoint Twigg & Company as auditor for the year ending July 31, 2011.

That the State of the Industry report be approved as presented.



2010 Minutes

SMDC Annual Business Meeting

January 13, 2010 ~ Saskatoon Inn
Saskatoon, Saskatchewan

1. Meeting called to order at 10:30 a.m.
2. Approval of Agenda:
Motion #1
That the agenda be approved as presented.
Goslin / deMoissac / Carried
3. Minutes of the January 12, 2009 Annual General Meeting
Motion #2
That the minutes of the January 12, 2009 AGM be approved as circulated.
Ackerman / Pederson / Carried
4. **Financial Report**
Treasurer Pederson reviewed the financial statements in detail and provided an overview of the budget for 2010/2011.

Motion #3
To accept the financials as presented.
Pederson / Meinert / Carried

Motion #4
To accept the draft budget as reviewed.
Pederson / deMoissac / Carried
5. **Annual Report:**
State of the Industry: Fritzler first provided an overview of a number of the events the SMDC was involved in for 2009 including
 - Prairie Grain Development Committee;
 - Canadian Mustard Association;
 - Special Crops Value Chain Roundtable;
 - Adopt Application submitted.

He continued by providing the State of the Industry Report which addressed issues ranging from production to marketing to working with various agencies on improving input options for Mustard.

Motion #6
To accept the 2010 State of the Industry Report as submitted.
Goslin / Meinert / Carried

2010 Minutes

SMDC Annual Business Meeting

January 13, 2010 ~ Saskatoon Inn
Saskatoon, Saskatchewan

6. **Resolutions:**

No resolutions were presented.

7. **Research Report:**

Tom Burwell, Chair of Mustard 21 summarized the research report.

Motion #7

To adjourn the January 13, 2010 Annual General Meeting.
Simington

TWIGG & COMPANY
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SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

AUDITORS' REPORT AND FINANCIAL STATEMENTS

for the year ended July 31, 2010

Management's Responsibility

To Saskatchewan Mustard Producers:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors (the "Board") is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Twigg & Company, an independent firm of Chartered Accountants, is appointed by the Board to audit the financial statements and report directly to the members, their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 18, 2010



Management



Management

TWIGG & COMPANY
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

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

We have audited the statement of financial position of Saskatchewan Mustard Development Commission as at July 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The commission collects a check-off fee from Saskatchewan producers through buyers of mustard. It was not practical for us to verify whether all buyers of mustard produced in Saskatchewan have collected and remitted the required check-off fee to the commission. Accordingly, our verification of check-off fee revenue was limited to the amounts recorded in the accounts of the commission. As such, we were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets, liabilities, net assets and cash flows of the commission.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the completeness of check-off fee revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the commission as at July 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**Saskatoon, Saskatchewan
November 18, 2010**

**"Twigg and Company"
Chartered Accountants**

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF FINANCIAL POSITION

as at July 31, 2010

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT:		
Cash	\$ 479,354	\$ 622,747
Guaranteed investment certificate	101,440	100,784
Accounts receivable	95,927	69,138
Prepaid expenses	<u>709</u>	<u>861</u>
	677,430	793,530
INTERNALLY RESTRICTED INVESTMENTS (Note 4)	<u>261,146</u>	<u>226,499</u>
	<u>\$ 938,576</u>	<u>\$1,020,029</u>

LIABILITIES

CURRENT:		
Accounts payable	\$ 24,790	\$ 41,977
DEFERRED REVENUE	<u>8,000</u>	<u>186,973</u>
	<u>32,790</u>	<u>228,950</u>

NET ASSETS

INTERNALLY RESTRICTED (Note 5)	316,123	256,140
UNRESTRICTED	<u>589,663</u>	<u>534,939</u>
	<u>905,786</u>	<u>791,079</u>
	<u>\$ 938,576</u>	<u>\$1,020,029</u>

COMMITMENTS (Note 8)

APPROVED BY THE BOARD:

"Patrick Ackerman"

"David Pederson"

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF OPERATIONS
for the year ended July 31, 2010

	<u>2010</u>	<u>2010</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUE:			
Producer check-off fees (<i>Note 7</i>)			
Fees	\$ 360,000	\$ 284,250	\$ 452,227
Refunds	<u>(27,000)</u>	<u>(10,569)</u>	<u>(22,972)</u>
Net	333,000	273,681	429,255
Sponsorships	1,000	785	1,200
Unrealized gain (loss) on investments		(5,229)	10,445
Interest and other income	9,100	12,267	148,858
Agriculture and Agri-Food Canada		115,839	487,593
CAFI/ADF Project Income	29,250	29,826	51,977
Industrial Partner Contributions	<u> </u>	<u>165,397</u>	<u>18,217</u>
	<u>372,350</u>	<u>592,566</u>	<u>1,147,545</u>
EXPENSES:			
Mustard 21 project			515,332
Administration contracts (<i>Note 9</i>)	71,000	79,239	71,007
Research development projects	97,500	97,530	63,576
Research contributions Mustard 21 Canada Inc. (<i>Note 8</i>)	40,000	170,000	
Board of directors	25,000	15,468	17,049
Communications	85,000	83,674	107,719
General and administration	45,000	24,579	48,226
Annual meeting	5,500	7,237	8,240
Market facilitation			218
Election	<u> </u>	<u>132</u>	<u> </u>
	<u>369,000</u>	<u>477,859</u>	<u>831,367</u>
EXCESS OF REVENUE OVER			
EXPENSES FOR THE YEAR	\$ <u>3,350</u>	\$ <u>114,707</u>	\$ <u>316,178</u>

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF CHANGES IN NET ASSETS
for the year ended July 31, 2010

	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>2010 Total</u>	<u>2009 Total</u>
BALANCE – BEGINNING OF YEAR	256,140	534,939	791,079	474,901
Excess of revenue over				
Expenses for the year	5,247	109,460	114,707	316,178
Transfer (<i>Note 5</i>)	<u>54,736</u>	<u>(54,736)</u>	<u> </u>	<u> </u>
BALANCE – END OF YEAR	<u>\$ 316,123</u>	<u>\$ 589,663</u>	<u>\$ 905,786</u>	<u>\$ 791,079</u>

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

STATEMENT OF CASH FLOWS
for the year ended July 31, 2010

	<u>2010</u>	<u>2009</u>
OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ <u>114,707</u>	\$ <u>316,178</u>
Changes in non-cash working capital		
Balances related to operation:		
Accounts receivable	(26,789)	84,572
Interest receivable		3,372
Prepaid expenses	152	(71)
Accounts payable	(17,187)	(135,357)
Deferred restricted contributions	<u>(178,973)</u>	<u>186,973</u>
	<u>(222,797)</u>	<u>139,489</u>
Total from operating activities	<u>(108,090)</u>	<u>455,667</u>
INVESTING ACTIVITIES:		
Purchase of investments	<u>(34,647)</u>	(20,693)
Total from investing activities	<u>(34,647)</u>	(20,693)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR THE YEAR	(142,737)	434,974
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>723,531</u>	<u>288,557</u>
CASH AND EQUIVALENTS, END OF YEAR	\$ <u>580,794</u>	\$ <u>723,531</u>
CASH AND EQUIVALENTS CONSISTS OF:		
Cash	479,354	622,747
Guaranteed investment certificate	<u>101,440</u>	<u>100,784</u>
	\$ <u>580,794</u>	\$ <u>723,531</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Interest paid	142	435
Income taxes paid	<u>NIL</u>	<u>NIL</u>

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

as at July 31, 2010

1. AUTHORITY:

The Saskatchewan Mustard Development Commission ("SMDC") was established on October 3, 2003, pursuant to The Saskatchewan Mustard Development Plan Regulations ("Regulations"), under the authority of The Agri-Food Act, 2004. The purpose of SMDC is to assist in growing the mustard industry through research, communications and market development programs. The activities of SMDC are funded primarily by a check-off fee charged on mustard sales from mustard production in Saskatchewan.

2. SIGNIFICANT ACCOUNTING POLICIES:

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

a) Revenue:

Producer check-off fees are recognized upon receipt of the Buyer's report. Refunds are recognized when refund applications are received from producers and the requested refund has been agreed to check-off fee records.

The deferral method of accounting is used for any externally restricted contributions.

b) Research and development projects:

Expenses are recognized when projects are approved and the recipient has met eligibility criteria. Funds advanced to recipients prior to eligibility criteria being met are recorded as advances. SMDC receives reimbursement from Agriculture and Agri-Food Canada for eligible costs incurred for certain projects.

c) Administration contract expense:

Administration contract expense is a fee charged by the Agriculture Council of Saskatchewan Inc. ("ACS"), a related party, to SMDC for administering the check-off fee program. The fee includes a charge for time spent by ACS staff and a share of ACS's overhead costs. The expense is recognized as the service is received.

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

as at July 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) Financial Instruments:

The Commission has classified its financial instruments as follows:

Cash, guaranteed investment certificates, and investments are classified as held-for-trading and accordingly carried at their fair values.

Accounts receivable are classified as loans and receivables, and accordingly carried at their amortized costs.

Accounts payable and accrued liabilities and long-term debt were classified as other financial liabilities and are currently at their amortized cost.

e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

f) Income taxes:

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

3. FINANCIAL INSTRUMENTS:

The Commission as part of its operations carries a number of financial instruments. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

SMDC is exposed to credit risk from potential non-payment of accounts receivable. All of the accounts receivable were collected shortly after year-end.

Fair value of financial instruments

SMDC's financial instruments include cash, guaranteed investments certificates, accounts receivable, investments, and accounts payable. The fair value of accounts receivable and accounts payable approximates their carrying value due to the short-term maturity.

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

as at July 31, 2010

4. INTERNALLY RESTRICTED INVESTMENTS:

		<u>2010</u>		<u>2009</u>	
	Years to Maturity	Market value \$	Yield to Maturity %	Market value \$	Yield to maturity %
Provincial		NIL		NIL	
Corporate	1-3	<u>261,146</u>	1.40 – 5.04	<u>226,499</u>	3.93 - 5.04
		<u>261,146</u>		<u>226,499</u>	

The market value of bonds and strip bond instruments is determined by reference to closing year-end sale prices from recognized security dealers.

On October 23, 2009 the Board of Directors passed a motion to internally restrict the investment account. Accordingly, the net investment income earned on these investments of \$5,247 has been allocated to the internally restricted net asset balance.

5. INTERNALLY RESTRICTED NET ASSETS:

SMDC has internally restricted net assets for completion of certain projects and to refund the check-off fees to producers in the event of disestablishment of SMDC. The Board approved a transfer of \$54,736 (\$85,851 – 2009) to the restricted net assets during the year. The transfer represents 20% of the current year's net check-off revenue. Management requires the Board of Directors' approval to use the money from these restricted assets.

6. BUDGET:

The Board approved the 2009/2010 fiscal year budget at the annual meeting on January 13, 2009.

7. PRODUCER CHECK-OFF FEES:

Under the Regulations, each buyer of mustard is required to remit to SMDC a check-off fee of 0.5% of the gross value of mustard marketed upon final settlement to producers. Producers can request a refund of check-off fees paid from August 1 to January 31 by submitting a refund application by February 28. Producers can request a refund of check-off paid from February 1 to July 31 by submitting a refund application by August 31.

SASKATCHEWAN MUSTARD DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

as at July 31, 2010

8. RESEARCH CONTRIBUTIONS MUSTARD 21 CANADA INC.

On May 28, 2009 Mustard 21 Canada Inc., a related party, was incorporated to continue the research activities that began as the Mustard 21 Project which was administered by Saskatchewan Mustard Development Commission.

On August 19, 2009 the Board approved a motion to contribute a maximum of \$480,000 over four years to the Innovate Mustards DIAP project administered by Mustard 21 Canada Inc.

9. ADMINISTRATION CONTRACTS:

The Agriculture Council of Saskatchewan Inc. charged SMDC \$11,790 (2009 - \$12,377) for administering the check-off fee program and the business activities of SMDC of which \$238 (2009 - \$714) is included in accounts payable.

Hursh Consulting & Communications Inc. and AgriBiz Communications Corp. charged SMDC \$67,449 (2009 - \$58,630) for management services of which \$5,460 is included in Accounts payable.

AgriBiz Communications Corp. charged SMDC \$28,602 (2009 - \$35,928) for bookkeeping and general office expenses. These costs are included in the general and administration, communications and research and development program expenses.

The contract with Hursh Consulting & Communications Inc. and AgriBiz Communications Corp. began on September 1, 2009 and will continue for twelve months with the option to renew by any or all parties.

10. CAPITAL MANAGEMENT:

The Commission has no formal capital management policy.

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AUDITORS' REPORT

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

We have made an examination to determine whether the Saskatchewan Mustard Development Commission complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding agency resources, spending, revenue raising, borrowing and investing activities during the year ended July 31, 2010.

- The Agri-Food Act, 2004
- The Saskatchewan Mustard Development Plan Regulations
- Commission Orders #01/03 to #06/03

Our examination was made in accordance with the Canadian generally accepted auditing standards and, accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the Saskatchewan Mustard Development Commission has complied, in all material respects, with the provisions of the aforementioned legislative and related authorities during the year ended July 31, 2010.

Saskatoon, Saskatchewan
November 18, 2010

"Twigg and Company"
Chartered Accountants

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AUDITORS' REPORT

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

We have audited the Saskatchewan Mustard Development Commission's control as of July 31, 2010 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.

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

The CICA 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.

The Saskatchewan Mustard Development Commission's management is responsible for effective control related to the objectives described above. Our responsibility is to express an opinion on the effectiveness of control based on our audit.

(continued on next page)

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AUDITORS' REPORT

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

(continued from previous page)

We conducted our audit in accordance with standards for assurance engagements established by the CICA. Those standards require that we plan and perform an audit to obtain reasonable assurance as to effectiveness of the Saskatchewan Mustard Development Commission's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

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.

In our opinion, based on the limitations noted above, the Saskatchewan Mustard Development Commission's control was effective, in all material respects, to meet the objectives stated above as of July 31, 2010 based on the CICA criteria of control framework.

Saskatoon, Saskatchewan
November 18, 2010

"Twigg and Company"
Chartered Accountants

Draft Budget 2011/2012

Saskatchewan Mustard Development Commission

	Draft Budget 2011-2012
Revenue:	
CHECK OFF INCOME	300,000.00
REFUNDS	(15,000.00)
INVESTMENT/INTEREST INCOME	3,000.00
AAFC PSRMP INCOME	-
CAFI / ADF PROJECT INCOME	30,000.00
MISCELLANEOUS INCOME	1,000.00
VARIETY DEVELOPMENT INCOME	
SPONSORSHIP INCOME	1,000.00
	<u>320,000.00</u>
Market Development	
NEW INITIATIVES MARKET FACILITATION	15,000.00
CONSULTANT EXPENSES	2,500.00
	<u>17,500.00</u>
Research (Agronomic, Breeding and New Uses)	
MUSTARD 21 CANADA INC - DIAP	90,000.00
	<u>90,000.00</u>
Communications	
ANNUAL MEETING	8,000.00
BROCHURES ETC.	5,000.00
FIELD DAYS	1,500.00
NEWSLETTER	16,000.00
SPONSORSHIPS	1,000.00
WEBSITE	3,000.00
NEW INITIATIVES CSCA CAFI	60,000.00
NEW INITIATIVES COMMUNICATIONS	-
CONSULTANT FEES	500.00
CONSULTANT EXPENSES	500.00
	<u>95,500.00</u>
Director Per Diem and Expenses	
DIRECTOR PER DIEM	10,000.00
DIRECTOR EXPENSES	8,000.00
	<u>18,000.00</u>
Administration	
MEMBERSHIPS/SUBSCRIPTIONS	2,000.00
LEGAL FEES	1,500.00
AUDIT AND ACCOUNTING FEES	5,000.00
INSURANCE	1,200.00
BANK SERVICE CHARGES	300.00
BOARD MEETING EXPENSE	1,500.00
ELECTION	7,000.00
MISCELLANEOUS	500.00
OFFICE EXPENSE	5,000.00

Draft Budget 2011/2012 Continued

SERVICE CONTRACT (Management)	68,000.00
SERVICE CONTRACT (Financial)	9,000.00
SERVICE CONTRACT (Levy Central)	9,600.00
STAFF TRAVEL	<u>4,000.00</u>
	<u>114,600.00</u>
Total Expenses	<u>335,600.00</u>
Net earnings (loss) for period	<u><u>(15,600.00)</u></u>

Payee List

Saskatchewan Mustard Development Commission

Payee Report

August 1, 2009 - July 31, 2010

Cash Basis

Personal Services (Threshold \$2,500)

Honorariums

Burwell, T.	1,688
Fritzler, B.	2,075
Pederson, D.	1,595
Simington, E.	1,728
Ackerman, P.	1,970

Reimbursement for Expenses

Burwell, T.	302
Fritzler, B.	2,612
Pederson, D.	862
Simington, E.	890
Ackerman, P.	1,746

15,468

Research and Development (Threshold \$5,000)

Mustard 21 Canada Inc.	170,000
University of Saskatchewan	54,250
Dr. A.K. Dalai	20,000
Misc. expenses under \$5000	3,491

247,741

Extension (Threshold \$5,000)

Saskatoon Fastprint	15,973
AgriBiz Communications Corp	28,695
Toma & Bouma Management	41,000
Dani VanDriel	12,300
Canada Post	5,561
Misc. payments under \$20,000	13,861

117,390

Supplier Payments (Threshold \$20,000)

Hursh Consulting & Communications	67,979
Misc. payments under \$20,000	29,282

97,261

Other Payments (Threshold \$20,000)

Refunds	10,569
Misc. payments under \$20,000	

10,569

488,428

Management Report

Kevin Hursh, Hursh Consulting & Communications, Executive Director

Adele Buettner, AgriBiz Communications Corp., General Manager

Knowledge was the common ingredient in the accomplishments of the Saskatchewan Mustard Development Commission (SMDC) during 2010. SMDC's activities to benefit Saskatchewan producers involved the collection of facts and the dissemination of information.


Monitoring of the challenges Canadian mustard is facing in the European Union continued throughout the year. In many cases, mustard produced by eastern European nations is displacing seed grown in Saskatchewan. This is the biggest reason our mustard prices remain disappointing.

While continuing its observation of European markets, SMDC once again provided updates on mustard research. Producers attending the Mustard Field Day had an opportunity to discover more about such topics as disease evaluation, mustard registration trials, brown and oriental replicated yield trials, and Brassica carinata, an industrial mustard for the future. We appreciate the flexibility of Agriculture and Agri-Food Canada (AAFC), which moved the event from its rain drenched research farm east of Saskatoon to its station at the University of Saskatchewan.

Further to the south, mustard enthusiasts enjoyed original and flavorful culinary delights created by chefs from some of Regina's most reputable restaurants. The fourth annual 'Great Saskatchewan Mustard Festival' attracted hundreds of guests, double 2009 attendance. SMDC, with the co-operation of five participating restaurants, created a 'Great Saskatchewan Mustard' recipe book to encourage participants to cook with tangy mustard at home. Cook books have proven popular, with SMDC still receiving requests for 'Inspired by Mustard.'

In addition to connecting mustard producers with potential Saskatchewan customers, like chefs and every day consumers, SMDC made strides with chefs, food magazines and food industry employees south of the border. This year, representatives of the Commission promoted the quality and versatility of Canadian/Saskatchewan mustard at the Napa Valley Mustard Festival Awards Gala. Their promotional efforts also featured images of Saskatchewan mustard fields and dishes of mustard seed, plus copies of 'Inspired by Mustard' and SMDC brochures describing the attributes of mustard for gala guests to take home. We thank Canadian Agriculture and Food International Program for funds to enable us to travel to reach new audiences with the Saskatchewan 'Mustard is a Must' message, and do the research and planning for future communication efforts.





Like SMDC's other informative efforts, the website, which continued to be tweaked during the past year, provides information for both producers and consumers. Our focus is two-fold to enhance Saskatchewan's mustard crops and markets by supporting producers directly, and indirectly by championing their superior crops to those influential in increasing demand.

Whether monitoring European markets, providing producers with the latest agronomy research or promoting mustard seed to potential new consumers, SMDC consistently works to benefit Saskatchewan's mustard industry. We see these efforts as the recipe for a vibrant future.

M21 2010 Update

Mustard 21 Canada (M21)

Tom Burwell, Chair of M21 Board

Pete Desai, President M21

Mustard 21 Canada Inc. (M21) was established as a not-for-profit organization in 2009 to implement long-term strategic research for growing and expanding Canadian mustard opportunities. The founding members of M21 are the Saskatchewan Mustard Development Commission (SMDC) and the Canadian Mustard Association (CMA).


M21, as an initiative prior to its incorporation and working with stakeholders in 2007-08, developed a Canadian Mustard Strategy to make mustard a globally competitive crop and maintain mustard production as a viable option for producers. It became evident that the mustard industry will need to focus its limited resources on two main areas:

- i) Improve yield and agronomic aspects of production to make mustard a more viable business option for growers in common crop rotations; and
- ii) Create higher value products from mustard in addition to traditional condiment mustard and help establish an alternate market for mustard crops.

In 2009, SMDC and CMA, the founding members of M21, challenged M21 to develop a long-term action plan to implement the strategic research priorities plan that was part of the developed mustard strategy in 2008.

M21 has focused its activities on these priority areas and developed a long-term investment program to implement an action plan addressing the above two areas of focus. M21 has developed proposals to leverage SMDC and CMA investment of \$680 K over four years to secure additional funds from the Agriculture and Agri-Food Canada (AAFC) Growing Forward program, the Agricultural Council of Saskatchewan (ACS) and the Western Economic Partnership Agreement (WEPA).





The “Innovate Mustards” project, funded under the Growing Forward Program, is one such project to implement a long-term plan to address critical aspects of mustard production and new options for total mustard utilization. The “Innovate Mustards” project, ACS and WEPA funds have helped M21 to establish a long-term program that has focused resources to address priority aspects that will enhance competitiveness of the mustard industry. The long-term plan is to focus on four strategic priorities:

- i) Increasing mustard yield through improved germplasm and variety development to keep mustard competitive with other major crops so growers will continue to grow mustard as part of their crop rotation. The breeding work at AAFC over the past two years is now showing promising results to develop synthetic varieties for yellow mustard which will be evaluated over the next couple of years.
- ii) The use of mustard meal as an antimicrobial agent in processed and/or packaged foods work done in Winnipeg at the University of Manitoba and AAFC laboratory in Guelph has shown good activity as a natural antimicrobial. This work will need to demonstrate the proof of principle of antimicrobial activity in processed and/or packaged foods prior to industry partners supporting the commercial application.
- iii) A new dedicated industrial oilseed Ethiopian mustard (*B. carinata*) with erucic acid for new markets for non-food and non-traditional mustard uses. AAFC’s established breeding program is now moving forward faster to create robust varieties adapted to the prairie region.
- iv) Creating value-added products from meal and oil for non-food applications, such as biopesticide from meal and value-added products from its oil.

Please watch for updates and information on the M21 “Innovate Mustards” project and other project activities in SMDC newsletter. M21 always looks forward to your input and suggestions for improvement of the mustard industry. If you would like to discuss any ideas please feel free to contact Pete Desai or Tom Burwell.

