



WHEAT REPORT

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CHAIRMAN'S MESSAGE



Kent Erickson
Chairman

As the chairman of the board of directors of the Alberta Wheat Commission (AWC), as well as a wheat producer, I am working with two perspectives: my accountability to the long-term support of the wheat industry in Alberta, and the best interests of my family's farm.

But with AWC's strategic priorities, these two perspectives work together. Take transportation, for example—one of the age-old challenges we face in the wheat industry. For producers, this can be a frustrating topic because it's a step removed

from us individually. But with AWC's support through investment, as well as advocating for the grower, we can look forward to progress.

The "step removed" characteristics of the transportation issues come into play after the grower has made a grain sale. When the transportation system is hampered, it impacts producers' ability to market their grain. Since the logistical responsibilities belong to someone else, it can seem like there's little chance of creating change in the process. Long-term solutions are needed so growers can increase capacity, and Canada can increase its share of the world market.

AWC is working to bring the grower's voice to these solutions.

One way we are doing this is through the investment of producer funds into a long-term study, *Enhancing the Competitiveness of the Agriculture Supply Chain Initiative*.

Spearheaded by Pulse Canada, the purpose of this study is to provide tools to hold railroads accountable for their service, as well as study the supply chain to find real solutions for the future. The project's main focus will build on industry capacity to obtain more predictable and reliable service, identify critical opportunities for improvement in the agriculture supply chain, and measure performance to determine where efforts are best placed.

An efficient and effective transportation system is vital to the growth of Canadian agriculture, and that is why studies like this one are important steps to creating change. The Alberta Wheat Commission is proud to be working toward solutions by investing in work on behalf of our growers. But our role extends beyond investment—we recognize the stake that producers have in keeping the supply chain functioning smoothly, and thus our advocacy always includes the grower's opinions and solutions.

GENERAL MANAGER'S MESSAGE



Tom Steve
**General
Manager**

Have you heard the story of the farmer who finds a genie in a bottle in his field? The farmer picks up the bottle and the genie appears offering two wishes to be granted one year apart. The farmer immediately says, "This harvest I want the price of wheat to be \$9.00/bu and my yield to be 100 bu/ac." "DONE," says the genie, and disappears in a poof. The following year, the genie appears and asks

the farmer for his second wish. Smiling shyly, the farmer says, "I'd like 100 bu/ac yield on my wheat and \$9.00/bu." The genie exclaims, "but that's what you wished for last year!" "I know," says the farmer, "but when wheat got to \$9.00/bu, I held out for \$9.50."

Often, growers market based on emotion rather than using a strategic marketing plan that fits their operational needs. Our story illustrates the need for effective price discovery. The wheat market offers confusion even for a veteran marketer.

The confusion begins with wheat futures based on U.S. delivery points and currencies. Add lacking information about sales volumes, or where demand is coming from, and assessing whether now is a good time to sell becomes even more challenging.

Better access to information for marketers and growers alike is a recognized need for action. Market information is available but accuracy is questionable and timing is often too late to be useful.

Canadian growers are disadvantaged compared to growers south of the 49th parallel because of Americans' access to weekly price and volume reporting.

The AWC is in the early stages of a project that will address market information gaps. This project will work to bring greater transparency to the market for western Canadian growers, and will be applicable to wheat as well as all other flat priced or futures based commodities.

The more information we can provide growers, the better the decisions that can be made, making for a stronger industry. AWC is proud to be taking the lead on this initiative, and we are working hard with our sister organizations in other commodities and provinces to bring value to our growers.

Tom Steve

WHEAT WORLD

**GROWTH.
INNOVATION.
RESULTS.**

Follow the Alberta Wheat Commission on Twitter (@albertawheat) and Facebook (Alberta Wheat Commission).



SAVE THE DATES

Regional meetings make a great forum for producers to come together to share ideas and information, tackle industry challenges and take in sessions with respected speakers.

The Alberta Wheat Commission is partnering with Alberta Barley and the Alberta Pulse Growers to ensure that regional meetings bring the greatest possible value to our producers.

Check www.albertawheat.com for regular updates.

Alberta Wheat Commission Regional Meetings

Date	Region	Location
Nov. 12	Region 5	Westlock
Nov. 13	Region 5	Grande Prairie
Nov. 17	Region 4	Camrose
Nov. 19	Region 2	Three Hills
Nov. 20	Region 1	Bow Island
Nov. 25	Region 3	Lacombe

Elections:

This year, the Alberta Wheat Commission will be holding elections in Regions 2 and 4, for 2 directors and 3 regional representatives.

MARKET CENTS



Jeff Jackson
Markets
Manager

Western Canadian growers are renowned for their resilience. Every spring, they invest significant dollars with no guarantee of any return. While growers can control how they manage their land and cash flow, as well as cropping and agronomic decisions, many additional factors that determine their profitability are beyond their control—weather, world markets and currency fluctuation, for example.

For other factors, while not having control, *per se*, growers can still influence outcomes. Using the strength of numbers, producer groups like the Alberta Wheat Commission (AWC) can influence policy outcomes that are a step removed from individual operations. Policy can significantly influence profitability and is an area where grower influence is not only needed, but also encouraged.

In reality, policy is the government's role, but government must look to industry to direct it. Producer voices need to be heard as part of the wheat industry. As Kent Erickson said in his Chairman's Message, as a producer-funded and -governed organization, AWC is a strong voice for growers for policy related to wheat.

There are two notable initiatives that AWC is working on to advocate for growers and influence policy for the

betterment of industry and growers: improving transportation and reducing trade barriers.

Transportation is an issue not directly connected to growers, yet it still exerts influence on growers' abilities to market grain effectively. This past season saw the marketing efforts of many growers impeded by rail service that was notably inadequate. We saw the effects that poor service from the transportation industry had on grower profitability, as well as the future growth of the agriculture industry.

AWC's grower directors recognized a need for long-term improvement in transportation long before the transportation nightmare of 2014. At the AWC board meeting in 2013, the decision was made to help fund a study, *Enhancing the Competitiveness of the Agriculture Supply Chain Initiative*, focusing on increasing capacity for the growing demand for Canadian agricultural products. This is a step toward a transportation system based not on last year's capacity, but on demand going forward. We are efficiently leveraging AWC dollars with other grower groups, as well as the federal government, to achieve the best results to help grow capacity and meet growing demand.

Another important factor is trade barriers. Again, this represents an area where, while beyond the control of an individual grower, the grower's voice can still influence policy changes.

I'm sure we all appreciate the energy put in by the current government to reduce tariff trade barriers in many key markets, such as South Korea and the European Union. Despite these efforts, non-tariff trade barriers that can reduce the growth of the Canadian market still exist. One example is the potential for gaps in maximum residue limits (MRLs) for pesticide and herbicide active ingredients.

What is the potential risk? Let's use

the example of lentils imported into the EU. In 2010, a shipment of lentils into the EU was found to contain glyphosate residue. "No issue," you may think to yourself, "we follow the label and the residue is within accepted standards." While that may be true for North America, there was no standard limit set for glyphosate residue in lentils for the EU. The consequence is that, where no limit is set, the tolerance defaults to zero until the governing authority sets an appropriate limit. The result was significant disruption in lentil trade into the EU for more than a year.

We saw the effects that poor service from the transportation industry had on grower profitability, as well as the future growth of the agriculture industry.

Could this happen to wheat? The reality is that it could, and the subsequent disruptions in trade, while not likely permanent, could impede grower profitability and hamper our reputation and growth internationally. AWC saw the need to proactively collaborate with other commodity groups on this issue before difficulties arose. The work is just beginning, but some MRL gaps have already been noted. Our strategic goals in this area are to reduce the risk to Canadian cargo and enhance growers' access to the world market.

Effectively leveraging your AWC dollars with other commodity groups with which we share common problems, as well as with the federal government, makes sense. Speaking on behalf of growers on issues that affect your bottom line is our job. Positively influencing policy for the success of growers is our goal.

SPOTLIGHT ON RESEARCH



Lauren Comin
**Research
Manager**

The Alberta Wheat Commission (AWC) research program is structured to help support our strategic priority of investing in genetic and agronomic research initiatives that will bring value to our membership—the wheat producers of Alberta. In the 2013–14 year, AWC committed to 13 new research projects. Of these projects, five fall under the category of “genetics,” seven fall under the category of “agronomics,” and one project bridges both categories. More information on these projects can be found on the AWC website at www.albertawheat.com/research.

A large portion of AWC’s research investments are made through the Agriculture Funding Consortium (AFC), a group of commissions and other funders that review proposals from across Canada. This process begins in the early fall, with final funding decisions made in the spring.

When proposals are reviewed by the AFC, their objectives and out-

comes are compared to AWC’s priorities. Decisions are made by a committee of directors and regional representatives. For the 2014–15 crop and funding year, AWC invited members to submit the concerns they would like to see addressed through the research program via *Wheat’s Up?*, AWC’s quarterly newsletter. These concerns have helped to shape our research priorities for the upcoming funding cycle.

Submitted concerns included: fusarium resistance and prevention in all classes; effectiveness of seed treatments and variable seeding rates; fertility management; nitrogen management; quality issues in hard red spring wheat; ergot resistance and prevention; improved leaf disease resistance in all classes; non-chemical treatment alternatives for pests (wheat midge, wireworm, etc.); and resistance to abiotic stresses (especially drought, flood and cold).

These concerns will be shared with the research community to encourage work in these areas. This does not preclude work being funded in other areas—all worthwhile projects will be reviewed. AWC encourages continued involvement from its membership and welcomes producers to submit further concerns to info@albertawheat.com.

The research program looks forward to sharing information on new projects that help to address issues faced by Alberta’s wheat producers.

MEET THE AWC STAFF



Tom Steve
General Manager

Tom Steve has certainly led a diverse career. He’s moved around from broadcasting to politics and even a rock ‘n’ roll band back in the ‘70s. But he never intended to wind up back in agriculture – exactly where he started in the first place.

With his Saskatchewan farming heritage, covering ag stories in the media was a natural fit, and started his shift back to his roots.

Tom covered major events such as the debates over the future of the Canadian Wheat Board, the Crow Rate and the construction of inland grain terminals. But he officially returned to the ag industry in 1996 with the Western Canadian Wheat Growers in Saskatchewan.

Throughout his agribusiness career, Tom has held a leadership role with Agricore United, has led the grower relations program with Viterra, and most recently, he led the Saskatchewan Wheat & Barley Development Commissions as their General Manager.

Tom has worked with farmers and farm leaders throughout Western Canada and is a valuable player in the ag business. Here at AWC, staff feel lucky he chose a path leading to our organization over rock ‘n’ roll.



Variety trials at Lakeland Agricultural Research Association test plots in St. Paul.