

## WHAT'S IN A BRAND?



**Victoria Russell**  
**Communications**  
**Specialist**

**T**he Canadian wheat brand is gaining momentum on the world stage. Traditional markets such as Japan, Indonesia, Italy and Mexico regularly purchase wheat from Canada, and emerging markets such as South America, West Africa, Southeast Asia and the Middle East have growing capacity to become regular customers.

Brand building is a key aspect of capturing new market opportunities, as well as ensuring that existing markets continue to thrive.

So what's in a brand? In the marketing and advertising sense, it's about capturing the unique selling point of your product and delivering on that uniqueness through messaging to your customers. The best-case scenario of strong branding is that your customers will become brand loyal.

Branding Canadian wheat is no different than any other product—and it's a huge effort that involves our entire value chain. One of the major initiatives integral to this effort is the new crop missions led by Team Canada. This group of organizations works together each year to develop international markets.

Team Canada's mission is twofold: 1) to develop new and existing markets by promoting our brand's uniqueness by showcasing the new crop; and, 2) to garner market intelligence about our customers that acts as industry feedback for the Canadian brand.



Team Canada involves Cereals Canada, which connects members from the entire wheat value chain including the Alberta Wheat Commission, which represents producers; the Canadian International Grains Institute (Cigi), which offers technical expertise; and the Canadian Grain Commission, which provides quality-control measures to ensure that brand standards are consistently met. Representation from across the wheat value chain ensures that the new crop missions are beneficial from farmer to end-user.

The uniqueness of the Canadian wheat brand is our quality and reliability. This year, an effort was made to build on that with messaging around good farming practices with a theme of clean air, water and land.

Throughout November and De-

cember, Team Canada travelled on new crop missions to regions around the world—with representatives visiting all of the aforementioned regions with existing and emerging markets. They showcased the uniqueness of the new crop, sharing with our international customers the value that Canadian wheat delivers for its multiple end uses.

Thanks to strong branding efforts, markets like Japan are now loyal to wheat grown in Canadian fields. Our involvement in new crop missions speaks to our commitment to building a strong brand that ensures that Canadian wheat remains competitive on the world stage with an end goal of brand loyalty. In turn, this goal leads to the long-term profitability of Canadian farmers and the entire agriculture industry.

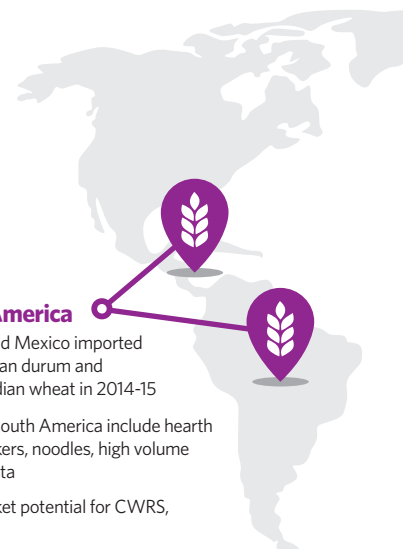
# Team Canada New Crop Mission 2015



## Central and South America

Peru, Ecuador, Colombia and Mexico imported **200,000 tonnes** of Canadian durum and **3.9 million tonnes** of Canadian wheat in 2014-15

- Main uses for wheat in South America include hearth breads, flat breads, crackers, noodles, high volume pan bread and some pasta
- South America has market potential for CWRS, CPSR and CWAD



CPSR - Canadian Prairie Spring Red | CWRS - Canadian Western Red Spring | CWAD - Canadian Western Amber Durum



### Caalen Covey

Business Development and Markets  
Manager | AWC - Central and South  
America

South America (SA) is a major importer of CWRS wheat with many companies using 45 to 100 per cent in their blend with the balance being wheat such as U.S. SW, HRS, HRW or Black Sea wheat. CPSR and CWAD imports are gaining ground in SA as millers and pasta producers learn about the functionality of these classes. Peru and Colombia currently import CPSR for noodles and bread but face the challenge of not enough supply to cover their demand. CWAD is being used in Ecuador, Mexico and Colombia where they are discovering that Canadian durum does not need a colour additive to create their desired pasta.

As for quality concerns, gluten strength and pesticide residues were brought to our attention as there has been need to blend CWRS with other wheat to improve the overall gluten strength. Growing concerns over pesticide residue limits in Asia and Europe is making its way to SA, which creates the need for increased maximum residue limit (MRL) awareness.



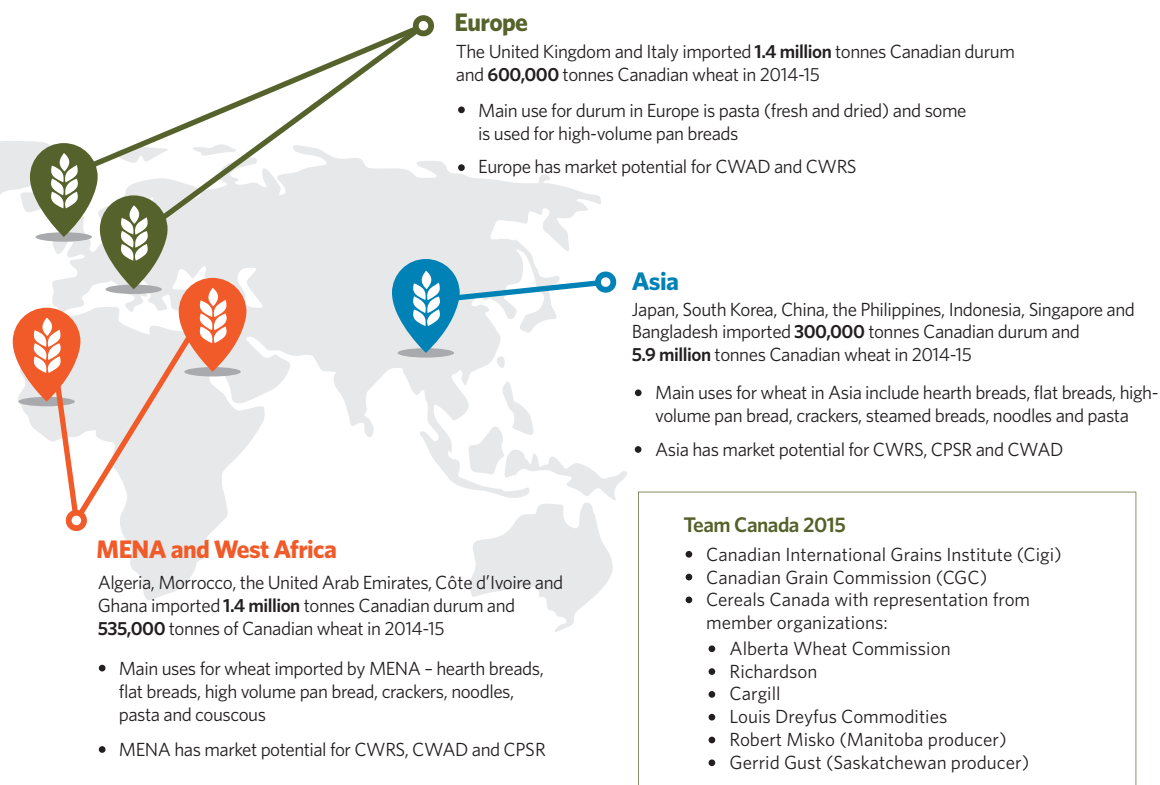
### Henry Vos

Director | AWC - U.K. and Italy

Canadian wheat serves well in this high-value European market demanding high quality.

1842 was the first year the U.K. imported wheat from Canada and is a long and loyal customer. They have specific uses for their flour and our wheat fits well into some of these uses. Mainly used in bread products, CWRS is their main import.

Italy is a large global pasta maker and imports a lot of CWAD wheat for making quality pasta. Canadian durum supplements their local production. In addition, they import some CWRS for bread products. There are many specialty flour millers and they supply specific flour blends to the many customers making different bread and pasta products.



# SPOTLIGHT ON MARKETS

## Growth opportunities in foreign markets



**Caalen Covey**  
**Business**  
**Development**  
**and Markets**  
**Manager**

**W**hen we look at opportunities for sustainable growth in agriculture, particularly in the western Canadian wheat industry, we see a need for diversification. Canada has established regular buyers for Canadian Western Red Spring and durum classes, and will continue to strengthen relationships with buyers from these markets. We do this through Team Canada, comprised of Cereals Canada members, including producer representatives, exporters and life science companies, along with the Canadian Grain Commission (CGC) and the Canadian International

Grains Institute (Cigi). Recent interest and investment from the value chain towards Canadian Prairie Spring Red (CPSR) wheat has also become apparent.

With a shift in focus towards CPSR, commitment from the value chain is needed in order to build value in the export marketplace. The Alberta Wheat Commission (AWC) recently initiated a CPSR market development strategy initiative wherein AWC and Cereals Canada value chain members will develop a strategy to gain access to emerging CPSR wheat markets.

Cereals Canada will facilitate a stakeholder committee that includes AWC and the Canadian wheat value chain that will review market opportunities for CPSR with one key question in mind: As an industry, what do we need to do differently to differentiate CPSR quality from that of other wheat classes? This is where the value of the new crop missions comes into play.

This past fall, Team Canada presented the 2015 wheat crop to prospective buyers around the world. These new crop missions give the industry a chance to hear buyer concerns in order to direct breeding programs and resolve trade and marketing issues (such as maximum residue limits of pesticides or low-level

presence of genetically modified material) to maintain and build relationships with these buyers.

The missions also give Canada a chance to showcase the industry's focus moving forward. Cereals Canada members were able to gather information on the needs and wants of foreign buyers. This knowledge will facilitate attention towards targeted CPSR markets where Canada can communicate the benefits of CPSR. The ability to bring value to our customers and return it back to the Canadian industry will be vital for future development and success of CPSR.

Producers can help by submitting CPSR samples each fall during the CGC and Cigi Harvest Sample Program. This will help Team Canada showcase CPSR qualities and milling attributes to prospective buyers.

Developing a third stream of export wheat for Canada will not happen overnight. Without clear objectives and attention from the supply chain, it may be difficult to expand into CPSR markets as quickly as the industry would like. The Cereals Canada committee is a good start to the journey of developing CPSR markets for Canada and will aid in a strategy to overcome some of the hurdles it has faced in the past. With 80 per cent of CPSR acres grown in Alberta, market development for this class is a must.

## PDQINFO.CA MAKING MARKETS WORK BETTER

9,584  
4,467  
2,882  
3,975

### Timely, Accurate, Transparent Cash Grain Price Information

- ✓ Daily spot and forward bid prices for CWRS, CPSR, CWAD, canola and yellow peas provided by grain companies.
- ✓ Regional price averages across nine zones covering Western Canada.
- ✓ Futures market closing prices, average wheat grade and protein spreads, local weather and foreign ex-change rates.

PDQ aims to be a complete and unbiased resource for cash grain market prices and important crop data. PDQ will improve farmers' ability to make well-informed marketing and planning decisions and maximize the value of their crops.

Watch for more to come in **Phase 2**.

PDQ is owned and operated by the Alberta Wheat Commission and is provided as a service to all market participants.





# ALBERTA BARLEY FOCUSES ATTENTION ON MALT BARLEY INSURANCE

By Ellen Cottee

**W**ith Alberta's craft beer industry expanding, the province's grain producers continue to take advantage of the opportunities this market provides. Thanks to the strong demand for malt barley, a key ingredient in beer, Alberta farmers will be including this high-value crop in their rotations in the years to come.

Existing barley insurance is currently designed for feed crops and does not recognize the malt price premium producers receive for a successful crop, a gap that can leave farmers wary of committing to the input process required to grow malt barley. With this in mind, Alberta Barley has begun working directly with the industry to make this process more farmer-friendly than ever before.

The idea for malt barley insurance was about as grassroots as you can get.

In early 2014, a farmer from Paradise Valley approached his Alberta Barley region director, Bernie Klammer. As a malt barley producer, the farmer found there was no malt-specific insurance to protect himself from potential losses.

"He was quite concerned he couldn't select malt barley versus feed barley insurance because of the high risks involved, the input costs and the potential of greater return," Klammer recounted.

When grown and sold specifically for malting, barley can be worth up to 30 per cent more than feed, according to Klammer. However, malting barley must meet specific requirements in order to be selected.

As Klammer explained, malt barley can be fickle. Despite the hard work



farmers put into the crop, a bad growing season or extreme weather can damage the malt barley beyond malting or general purpose use, which is a big loss for farmers.

Alberta Barley identified malt barley insurance as a priority after it was submitted as a resolution during 2014 regional meetings. This resolution was then carried forward and approved at the Alberta Barley AGM in December 2014. Almost immediately thereafter, Alberta Barley staff began working with the Agriculture Financial Services Corporation (AFSC) to explore an insurance program that would cover the price premium for malt.

Alberta is the first province in Canada to tackle insurance for malt barley, according to Jesse Cole, a research analyst at AFSC. The U.S. Department of Agriculture recently started

offering an insurance product for malt barley, providing some guideposts in the exploration process. The USDA product indicated that it was feasible, but designing a new program is a demanding job. It requires doing research, identifying stakeholders and evaluating the viability of the proposed program.

"We've looked at malt coverage in the past and found some sizeable hurdles," Cole explained. "We had to work toward getting over some of the issues."

Luckily, this time around, AFSC had a partner to help hash out the details.

"Alberta Barley was pretty instrumental in putting together a working group with members of the industry," Cole explained. "That's been the difference: the support from the industry. The working group has helped over-



come barriers and provided information to build a concept that will work for growers."

Alberta Barley helped AFSC bridge the gap between researchers, farmers and buyers. "Working with industry groups in the past has been a great way to hear what the needs are and how things are working for our clients. Those relationships are very important," said Cole. "They've become a focus of the Research and Product Development area here."

Going forward, partnerships like this will allow the entire agriculture value chain to align their work and find solutions that work for everyone.

"It's great that it's a group effort," said Cole. "Alberta Barley, AFSC, and some of the buyers and sellers getting together and figuring out how we can do it."

As the important work on this program continues, malt barley insurance will ideally be similar to coverage for high-protein wheat and speciality canola. Like malt barley, these varieties take more care to produce and are more likely to have a higher value at point of sale.

Klammer said the idea of malt insurance was well received, but led some farmers to worry about the specifics. "A few guys started talking about what-if scenarios," he said. "I said 'well, we shouldn't dwell on the what-ifs. At least the option will be there.'"

Klammer explained that if malt barley insurance becomes a reality for Alberta farmers, it will allow for better risk management. "Farming best-practices can take place," he said. "But risk management is an important part of the whole equation."

Currently, the program is under review with the federal government. Alberta Barley and AFSC are hopeful malt barley insurance will be available for the 2016 crop season. For more information, visit [albertabarley.com](http://albertabarley.com).

## ALBERTA BARLEY'S NEW GM EXCITED ABOUT INDUSTRY'S FUTURE

*By Ellen Cottee*

It was on his uncle's farm near Russell, MB, that Rob Davies developed his lifelong enthusiasm for all things agriculture. Davies credits summers spent on the farm with starting him off on the path that would eventually lead him to become Alberta Barley's general manager.

Davies earned a bachelor of science in agriculture at the University of Manitoba. Graduating in 1984, he began working in various crop input sales and service positions before taking on management positions with United Grain Growers.

For much of his career, Davies worked at the Weyburn Inland Terminal in Saskatchewan. While there, he spent over 15 years as chief executive officer, working directly with federal government groups and agriculture industry boards on many issues, including grain transportation and marketing issues.

"We were a relatively small player working with a lot of larger ones, so developing good relationships was important," he said. "We would identify where the opportunities were for us and work to leverage those opportunities to grow our business."

With multiple areas of focus, much of Davies' job was building relationships with various business partners and government agencies.

After Weyburn Inland Terminal was sold to a private company in March 2014, Davies spent a year at Battle River Implements in Camrose before joining the Alberta Barley team. Despite his 30-plus years in agriculture, working for Alberta Barley is a new experience Davies is eager to take



on. "Canadian agriculture is exciting, but to be able to work more directly on the farmer side, to focus more on research and market development, will be a great experience," he said. "There are some great opportunities going forward."

Already looking ahead, Davies said he is thinking about how these opportunities can be transformed into real results for farmers and consumers. He said he is most excited about advances in barley varieties designed to improve feed, malt and food barley production and processing for all value chain participants. "That's hopefully where we can provide the most value for our farmers," he explained.

Davies pointed to the opportunity to improve on the acceptance of new malting barley varieties by maltsters and brewers in order to improve returns to farmers.

Davies remains positive about the future of the barley industry.

"With Alberta Barley, I want to invest in opportunities for our farmers to be more profitable," he said.



# NEW YEAR, NEW FINDINGS

By Sydney Duhaime

**G**rowing the barley industry all comes down to research—according to Alberta Barley research manager Garson Law.

“As a farmer-funded organization, we invest in research to bring scientific advancements directly to our farmers. This is the biggest factor in maintaining long-term sustainability,” he explained.

With that in mind, it’s no wonder that Alberta Barley has made research its number-one priority. As the new year dawns, three recently completed Alberta Barley-funded projects stand out for their notable findings.

## Opportunities for food barley

Over the last year, two Canadian International Grains Institute (Cigi) researchers—Ashok Sarkar, senior adviser, technology, and Elaine Sopiwnyk, director, grain quality—have worked on their project, “Examination of milling performance and flour quality of barley and wheat blends.”

During their research, Sarkar and Sopiwnyk examined the milling performance of three varieties of barley, CDC McGwire, CDC Ratan and CDC Fibar, in combination with Canadian Western Red Spring wheat. These varieties were milled in 80-20, 70-30 and 60-40 wheat-to-barley ratios, without any adjustments to the mill.

“Having tested this out at different levels, it was quite obvious that any flourmill could use food barley, as long as it is hullless ... and just treat it like another wheat,” said Sarkar.

With health benefits such as beta-glucan, a soluble fibre known to help lower cholesterol, as well as the ability to control glucose levels in the



Cigi researchers Ashok Sarkar (left) and Elaine Sopiwnyk (right) at the test mill in Winnipeg, MB.

bloodstream, barley is well positioned to fit into the growing health food market.

Sarkar explained that people outside of Canada are recognizing these health benefits and opportunities for barley, too. “We hear interest in parts of Asia and other countries, the Middle East, etc.,” he said.

Currently, food barley represents a mere one per cent of the industry, but growing health trends could increase that share and bring growth and profits to the barley industry.

“Eventually, there will be more focus on health and nutrition; it may give [farmers] a good return on their

product as the demand increases,” said Sarkar.

## Improving crop yields with barley

Since 2009, Kabal Gill, research coordinator with Smoky Applied Research and Demonstration Association (SARDA), has worked on a project titled, “Identification of superior crop rotations to minimize inputs, optimize crop production and maximize contribution margin.” The goal is to identify which crop rotations can provide farmers the greatest yields and best-quality with the least amount of inputs.

“We set up 10 crop rotations with canola, wheat, barley, flax and peas



plus canola and wheat monocultures,” said Gill. Each crop rotation featured three of these crops planted in rotation over the seven years.

Gill focused his attention on two main crops, wheat and canola, for comparison. Due to their high acreage, Gill explained, wheat and canola may become monocrops, with farmers planting them on the same land year after year.

Although growing a high-value crop like canola appears like an appealing option, Gill emphasized that planting monocrops does more harm than good. “Monocrops reduce yields and increase the risk of diseases, weeds and insects,” explained Gill.

However, farmers can mitigate these risks and improve their crop yields by incorporating a crop-rotation plan.

“Barley is a good stubble to use for crop rotations,” said Gill, explaining that canola or wheat planted on barley stubble showed greater yields compared to canola or wheat monocrops. “Compared to wheat monocrop, wheat planted in rotation with any other crop would result, on average,

in a 10 per cent increase in yield,” he said. As for canola, yields increased by an average of 20 per cent.

In addition to greater yields, crop rotation offers other benefits. “It will benefit farmers to improve the yield of their main crops, provide diversity in their cropping system, make their farm enterprises more economically sustainable and reduce the risk of weeds, diseases and insects,” said Gill.

### Strategic spraying

Ken Coles, general manager of Farming Smarter, knows farmers are in the business of risk management: “Farmers want to optimize their use of pesticide products to get the most bang for the buck.”

Which is why, for the past three years, Farming Smarter has worked on the aptly named project, “Night spraying: pesticide efficacy with nighttime application.” In addition to Alberta Barley, project partners include Alberta Agriculture and Forestry, Agriculture and Agri-Food Canada, Alberta Canola Producers Commission, Agriculture Opportunity Fund, Lakeland Applied Research

Association and SARDA.

The goal of this project is to identify if spraying at a certain time of day would impact the effectiveness of products such as herbicides and fungicides on crops including barley, canola, peas and wheat.

Coles’ results have shown that there is, in fact, an optimal time for spraying.

“On the herbicide end, I was quite astounded that the early-morning applications tended to have the poorest results, and that is when everybody sprays,” said Coles. Instead, he suggested spraying herbicides during the day. “We are talking a 20 per cent difference in efficacy,” he said.

As for fungicides, “Moving into July, the daytime temperatures are hotter and I would actually probably avoid daytime applications with fungicides,” Coles explained. “I would lean towards an early-morning application.”

In both cases, the results show nighttime applications as a neutral option between morning and daytime applications.

In the end, Coles hopes results like these will help farmers make the best decisions possible for their farms.



Crop rotation test plots near Donnelly, AB.



Mike Gretzinger, research coordinator with Farming Smarter, spraying a test plot field near Lethbridge, AB.