

## 2011 Feed Grain Summit Overview

*Announcing a new era of collaboration between the livestock/food and feed grain industries that will create values and sustainability for all groups.*

On Friday, December 9, 2011 over 60 people gathered from across the Feed Grain value chain to identify how the industry can begin to collectively align and take meaningful action. While previous Feed Summit's focused on planning and analysis, this year's summit was a "harvesting" of action items designed to create industry wide momentum.

A critical action item identified during this year's summit was the ***recognition that the sector requires strong leadership and a collaborative approach*** across the industry in order to create aligned, meaningful action.

To this end, four industry focus teams were created that involve a number of industry leaders and key champions. These are:

<b>Focus Area</b>	<b>Industry Champions</b>
• Creating Strategy, Structure and Mechanism for Industry Collaboration	✓ Darcy Kirtzinger – Alberta Barley ✓ Lisa Skierka – Alberta Barley ✓ Bryan Walton – Alberta Cattle Feeder's Association
• Increasing Industry Cost Efficiency	✓ Darcy Fitzgerald – Alberta Pork ✓ Bill Hoar - AFSC ✓ Stu McKie – AFSC
• Collaboration to Leverage and Drive Research and Innovation capacity.	✓ Garth Patterson – Western Grains Research Foundation ✓ Colleen Christensen – Western Canada Feed Innovation Network ✓ Greg Van Varenbergh – Grandview Feeders
• Increasing Industry Revenue	✓ A "National" Barley Commission

These focus areas have a plan in place and will be reporting back on progress in the first quarter of next year. For more details on each Focus Area see the detailed Summit Notes attached.

I want to personally acknowledge and recognize the leadership demonstrated by all participants and specifically those Focus Area Champions identified above. It is folks like this that keep our industry moving forward.

Thank you everyone who participated and as always we welcome your participation in moving the industry forward in a collaborative and meaningful way.

Very best,

Don Macyk  
2011 Feed Summit Chair

# 2011 Feed Summit Notes

December 9, 2011, Banff Park Lodge

## Identification of Key Industry Opportunities and Threats

(✓ - indicate strength of agreement)

Threats	Opportunities
<ul style="list-style-type: none"> <li>▪ Government regulations and programs that distort. (8) ✓✓✓✓✓✓✓✓</li> <li>▪ Loss of customers – decrease in meat demand and loss of customer in supply chain. (8) ✓✓✓✓✓✓✓✓</li> <li>▪ Consumer education/information/buy-in (or lack there of). (5) ✓✓✓✓✓</li> <li>▪ Human resources (labour). (5) ✓✓✓✓✓</li> <li>▪ Buyer competitiveness – paid for it. (5) ✓✓✓✓✓</li> <li>▪ Competition among sectors in the value chain. (4) ✓✓✓✓</li> <li>▪ Cheap feed grains. (3) ✓✓✓</li> </ul>	<ul style="list-style-type: none"> <li>▪ More research (collaborative/interdisciplinary) – genetics, processing, nutrition. (11) ✓✓✓✓✓✓✓✓✓✓✓✓</li> <li>▪ Market access development and diversification. (11) ✓✓✓✓✓✓✓✓✓✓✓✓</li> <li>▪ Increase private and public investment in industry. (9) ✓✓✓✓✓✓✓✓✓✓</li> <li>▪ Value chain transparency and cooperation. (9) ✓✓✓✓✓✓✓✓✓✓</li> <li>▪ Multi lateral trade. (8) ✓✓✓✓✓✓✓✓</li> <li>▪ Vertical integration/value chain development for steady profitability. (8) ✓✓✓✓✓✓✓✓</li> <li>▪ We need to learn how to use social media to get the agriculture message out. (5) ✓✓✓✓✓</li> <li>▪ Sound scientific solutions. (5) ✓✓✓✓✓</li> <li>▪ Adoption of available technology and innovation/transfer of new. (4) ✓✓✓✓</li> </ul>

## **What gets in our way from achieving progress as an Industry?**

- Lack of collaboration across sectors.
- Lack of direction from end users.
- Producer output.
- Let the economics flow to influence production.
- Press release, communication to consumer. F.E.A.R. – False evidence appearing real.
- Analyze consumer perception and fix it.
- Understand how buyers add value.
- Lack of leadership in the value chain – eg. Feed mills missing today.
- Start with a pilot project with willing grain producers and hog and cattle sectors to build trust.
- Collaboration between wheat and barley.
- Understanding the value per acre and what determines value – consumer.
- Transparency of market signals.
- \$ left on the table.
- Trust.
- The supply demand chain – convincing consumer to pay for quality.
- Struggling to work effectively together.
- Leadership.
- Research improved quality and money to producers.
- Don't know how to lower costs and increase revenue.
- We are at the 30,000 feet level. We need to talk lower on specifics that increase profit.
- Individual level missing.
- Need to share pie.

## **Potential Areas for Industry Collaboration**

- Regional supply chain meeting – together, face-to-face with producers and consumers.
- Value per acre/yield/quality/ - inform buyer.
- Technology/research/communication.
- Reduce group size <15 people to make decisions – all understanding each other – include a diverse group of producers and consumers.
- Share information and look for synergies
- Educate consumer on safety and benefits for health.
- Be clear on what the value is.
- Grower and customer
- Need a strong price discovery mechanism to determine what is planted and what is bought.

## **Based upon discussion the following Focus Areas were identified:**

- Creating Strategy, Structure and Mechanism for Industry Collaboration
- Increasing Industry Revenue
- Increasing Industry Cost Efficiency
- Collaboration to Leverage and Drive Research and Innovation capacity.

## DETAILED PLANNING AND ACTION ITEMS FOR FOCUS AREAS

#	Action Item	Due Date	Accountable
<b>Focus Area #1 Develop a Strategy, Structure and Mechanism for Industry Collaboration</b> <b>Champions:</b> ✓ Darcy Kirtzinger – Alberta Barley ✓ Lisa Skierka – Alberta Barley ✓ Bryan Walton – Alberta Cattle Feeder’s Association			
1	<b>Goal:</b> To create a collaborative network to improve the competitive position of feed grain-livestock supply chain.  Suggested Delegates: <ul style="list-style-type: none"> <li>• ABC/Wheat Commission – 2 delegates</li> <li>• Livestock Industry – 4 delegates (Pork, Beef, Poultry, Dairy)</li> <li>• Commercial Feed – ANAC – 1 delegate</li> <li>• Malt/Food – 1 delegation</li> <li>• Innovation and Technology – Lacombe researchers – 1-2 delegate</li> <li>• Facilitator/Coordinator – 1</li> </ul>	Invites sent mid-late February, 2012	<b>Champions:</b> Darcy Kirtzinger – Alberta Barley Lisa Skierka – Alberta Barley Bryan Walton – Alberta Cattle Feeder’s Association
2	Convene initial delegates meeting.	Meeting to be held Mid March.	Invitations sent out by mid to late February by Darcy Kirtzinger and Lisa Skierka.
3	Convene Summit Follow Up Meeting/ Conference Call with all Focus Areas	Prior to end March, 2012	Bryan Walton

#	Action Item	Due Date	Accountable
<b>Focus Area #2 Collaboration for Cost Efficiency</b> <b>Champions:</b> ✓ Darcy Fitzgerald – Alberta Pork ✓ Bill Hoar - AFSC ✓ Stu McKie – AFSC			
4	<p><b><i>Alberta Pork, ACFA, ACIDF and ALMA invite industry experts to identify the required livestock feed ingredient needs and available crop products to meet those needs. This becomes the building block for a new collaborative feed grain business model that will improve the cost efficiency in both the livestock and feed grain industries in Western Canada.</i></b></p> <p>What research <u>exists</u> that we can use?            What research do we want? (Different people need different characteristics and quality in their products).</p> <ul style="list-style-type: none"> <li>• Communicate about it and about how it is available to the industry members</li> <li>• True profitability</li> <li>• Negotiate</li> <li>• Arbitrage a price</li> <li>• Yield penalty</li> <li>• Barley centric</li> <li>• Feed substitutes</li> </ul>	January, 2012	Darcy Fitzgerald - working with ACFA, ALMA and ACIDF
5	<p><b><i>Develop risk management products.</i></b></p> <ul style="list-style-type: none"> <li>• Futures marketing</li> <li>• Develop our own industry in Alberta</li> <li>• Flow price contracting</li> <li>• Barley - non-existent</li> <li>• Wheat -</li> <li>• Customize for Alberta and get a critical mass to support it</li> </ul>	March 1, 2012	Stu McKie will get information on a) what is the risk exposure now b) what tools already exist c) what is the pricing structure. They will begin with AFSC and find an expert by March 1, 2011.
6	<p><b><i>Research on crops and livestock</i></b>            Funded through a levy mechanism with the Wheat Board changes it's a chance to try new things a National program that provides benefits across the country.</p>	August, 2012	Brian Rossnagel and Bill Hoar will identify commodity groups, connect with them and invite a dialogue (keep this group informed) by August 2012.

#	Action Item	Due Date	Accountable
7	<b>Transportation and Storage</b> Most efficient to have direct routes and the right product in the right location is there any way to create a benchmark? Does this information exist already	March 1, 2012	Jay Burrows will look into finding or developing benchmarks for efficiency in this area this with Western Feedlots by March 1. 2012.
8	<b>Other areas identified but not yet Actioned</b> <ul style="list-style-type: none"> <li>• <i>Regulatory Environment - need clarity, get info /assessment of processes and regulations.</i></li> <li>• <i>What research do we have that can be commercialized – to be moved on immediately.</i></li> <li>• <i>Federal Government underfunded – long term infrastructure.</i></li> <li>• <i>Technology for identifying value - standardization, industry criteria, rapid on-site answers.</i></li> <li>• <i>Producers own research e.g. canola's true pricing, Australian model</i></li> </ul>		
<b>Focus Area #3 Creating Strategy, Structure and Mechanism for Industry Collaboration</b> <b>Champions:</b> <ul style="list-style-type: none"> <li>✓ Garth Patterson – Western Grains Research Foundation</li> <li>✓ Dr. Colleen Christensen – Western Canada Feed Innovation Network</li> <li>✓ Greg Van Varenbergh – Grandview Feeders</li> </ul>			
9	Synthesize other funding strategies in Canada and internationally and provide recommendations. Review what's working, and what other groups have planned to improve research funding in order to increase the size of the pie.	Fall/Oct 2012	Cornelia Kreplin Garth Patterson Shannon Scott
10	Review and communicate the research assets, creating an asset map and tool for solution finding including infrastructure and lists of experts.	April 2012	Cornelia Kreplin Colleen Christensen Shannon Scott
11	Increase funding from producer, private and public - 4P partnership	Fall Oct 2012	Garth Patterson Cornelia Kreplin Shannon Scott
12	Help all industry participants understand how the results of research translate into dollars to them. i.e. what is the financial impact from the research to me/my group to support decision making.	March 1, 2012	Bill Chapman Barry Yaremicio

#	Action Item	Due Date	Accountable
13	Establish leadership group for directing research and innovation priorities within western Canada across the entire supply chain	Jan 2012 at FarmTech  March 31, 2012	Cornelia Kreplin Colleen Christensen Thava Vasanthan Eduardo Beltranena Garth Patterson
<b>Focus Area #4 Increasing Industry Revenue</b> <i>Champions:</i>			
14	<p>Create an Industry Council that will represent the whole value chain. Good models to follow are the Canola Council or the Pulse Council. Key initiatives to include:</p> <ul style="list-style-type: none"> <li>▪ Education through Commissions and governments, social media, schools, websites, etc. Requires understanding of message and audience and goal, etc.</li> <li>▪ Lobby for more Bi-lateral Trade Agreements – the more the better. Requires that the industry identify international markets to target and then lobbying</li> <li>▪ Try to get communication efforts to “go viral” (which will support end user support, lobbying efforts, etc.)</li> </ul>	<p>First Step – December 2011</p>	<p>Discussion led by:</p> <p>Brian Otto Bernie Klammer Gerry Good Dave Guichon</p> <p>“National” Barley Commission</p>

#	Action Item	Due Date	Accountable
15	<p>Key Strategies to be examined:</p> <ul style="list-style-type: none"> <li>• Identify the market that should be targeted – local and international</li> <li>• Increase communication to the end consumer to increase demand</li> <li>• Investigate (discover and utilize) “Environmental revenues” such as systems to take advantage of carbon credits</li> <li>• Discover and investigate “Niche markets” such as animal or other protein, or energy such as oil from grain for use in aqua culture</li> <li>• Futures contract trading – develop a mechanism to access capital, track, price accurately, etc</li> <li>• Accurate price discovery mechanism – re-develop this – including better way to track exports which will develop awareness of markets, demand, etc.</li> </ul>	TBD – dependent upon meeting above	Potential project to be included within Focus Area 1