

Lakeside Leader (Slave Lake, AB)			Order/Commande
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Money given for feed research dollars

Theresa Seraphim
Spotlight Staff

Alberta livestock producers should benefit from money being put into researching livestock feed.

In May 2009, the Alberta Beef Producers (ABP), the **Alberta Barley Commission (ABC)** and the Alberta Crop Industry Development Fund (ACIDF) invested \$6.25 million over five years to develop barley and triticale varieties better suited to the silage and feed grain needs of Alberta's cattle feeding industry.

Of that amount, \$1.5 million came from ABP and \$1.25 million from **ABC** (both using producer check-off dollars), with the remainder from ACIDF.

Recently, the Alberta Livestock and Meat Agency kicked in another \$8 million for the project.

ABP chair Chuck MacLean said the initiative is multi-year because seeing the results of research always takes

time, especially since three or four crops are needed. But the current state of the industry made it imperative to act.

"It's better to do something than to do nothing," said MacLean.

The idea, he said, is to improve not only the yield but also the quality of the grain, to allow producers to be more self-sufficient.

"Nobody likes to live off the back of anybody."

Area ABP representative and Valleyview resident Roland Cailliau said the research is vital because of the cost of feed.

"Feed can make up to 80 per cent of a feedlot's expense, not counting the original cost of the animal," said Cailliau, adding a cow/calf operator has less feed expense.

"Greater volume and value (quality and quantity of energy and protein) in the feed should increase profitability and efficiencies of both (grain and livestock) producers."

Cailliau said through the project, grain producers will hopefully be able to produce more feed grain and yet be profitable by doing so with new varieties, and livestock producers hope higher grain volumes and qualities will make them more efficient and profitable.

MacLean said hopefully the research will be good for the industry in the long term.

"We were happy to see that ALMA would step up to the plate."

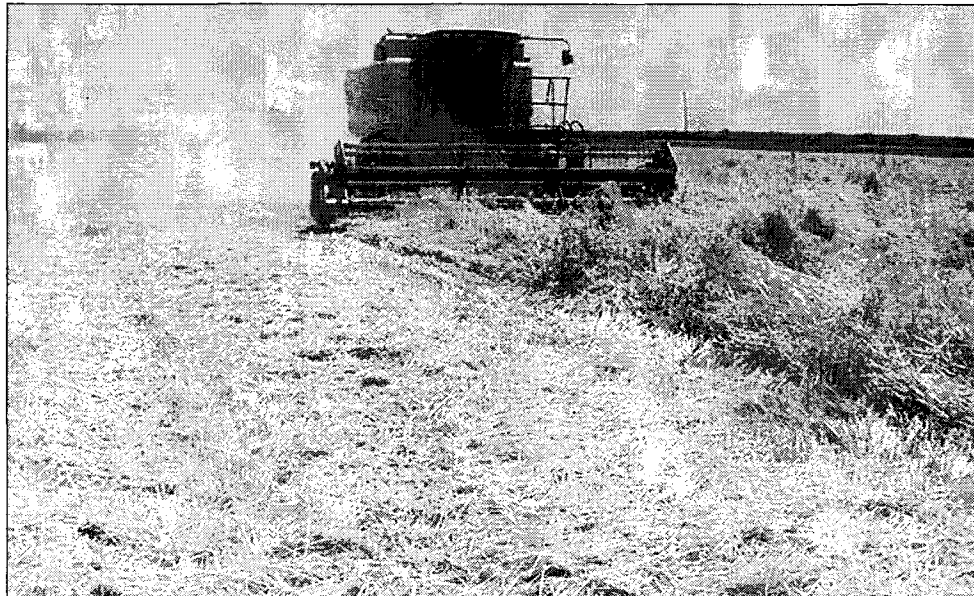
Cailliau agreed, saying provincial and federal governments have provided little or no money into grain research while in the U.S. – with whom Canada's producers are competing – major inroads have been made.

"As livestock producers, we are always glad when funds are made available for research that will ultimately help our industry," he said.

"ABP has identified this as a major problem of our industry."



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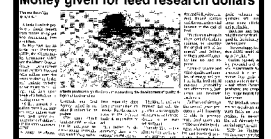
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Sheriff work offers plenty of variety



Money given for feed research dollars





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New Alta. agriculture minister knows about farm challenges



JACK HAYDEN

ALBERTA AGRICULTURE MINISTER

BY BARBARA DUCKWORTH
CALGARY BUREAU

Alberta's new agriculture minister, Jack Hayden, is taking over one of the province's largest portfolios and knows the challenges he faces in the coming months.

Hayden replaced George Groeneveld, who was dropped from cabinet in a Jan. 13 shuffle by Alberta premier Ed Stelmach. Hayden was first elected in 2007 and appointed minister of infrastructure in 2008. Prior to his election, he was chair of the Alberta Association of Municipal Districts and Counties.

He owns a 100-year-old farm in Endiang, Alta., an area hard hit by drought.

"I was ground zero for the drought. My hay crop was 10 percent of what it should be," he said.

Hayden wants more action from Alberta Farm Financial Services when it comes to delivering timely crop insurance programs and farm safety nets.

"If the farmer and primary producer is not doing well, nothing up the value chain is going to do well either," he said.

Hayden called many farm leaders within hours of his appointment to set up meetings, including Chuck McLean, chair of Alberta Beef Producers.

"It was a short conversation but it was a good one and I look forward to

working with him," said McLean.

Groeneveld introduced controversial legislation to create the Alberta Livestock and Meat Agency and an amendment to make all commodity group checkoffs refundable.

"Everybody inherits some baggage but that doesn't necessarily mean you can't get it sorted through. There are some things you can fix and some things you can work around," said McLean.

"We're not happy with what happened previous, but that is water under the bridge. We're going forward from here."

Herman Simons, chair of Alberta Pork, wants the new minister to present a strong voice at federal-provincial meetings about the hog sector financial crisis.

"We hope to openly discuss where we are at and feel out his position in doing something for the industry," he said.

Hayden has inherited ongoing policy changes that include the land use framework, water allocation, electric transmission line construction and environmental care.

"I want to make sure the ag producers are receiving what they should be receiving for the stewardship of the land they have now," said Hayden. "I want to make sure the land-use plan-

ning and the people we work with there, make sure the things that go into place do not hamper the ag industry."

Bill Hanson, president of the Western Stock Growers Association, is pleased with the new minister.

"I am glad he recognizes environmentalism. That is a challenge we would like to educate the government on. We are the original environmentalists and want recognition that we do a lot for the land."

Hanson said Groeneveld moved agriculture to a new state.

"He broke it loose from the stagnant state that it was in. Now we have some tools to get producers re-engaged and get this industry back on track and improve this economy of Alberta," he said.

Leo Meyer, vice-chair of the **Alberta Barley Commission** and member of the Canadian Triticale Biorefinery Initiative, wants the new minister to communicate better with producers and reform AFSC programs. Farmers with failed crops waited up to three months to hear from crop insurance officials last summer, he said.

"I think we have not been served by AFSC as well as we could have been," Meyer said.



MARKETS | FROM FRONT PAGE

U.S. report shocks market

"If this continues, and it probably will, we can either adopt other crops or learn to do something else."

The problem, say analysts and farmer representatives, is that western Canadian cereal crops just can't compete with U.S. Midwest corn yields.

In the days following the report, corn dropped from about \$4.15 US per bushel on the Chicago March futures contract to just above \$3.70.

Kansas winter wheat futures fell about 54 cents by the end of the week. U.S. winter wheat acres actually fell more than expected, but the corn production and stock numbers overwhelmed the bullish factor of that news.

The Minneapolis hard red spring wheat futures March contract fell about 60 cents to \$5.20 by the end of last week.

The report stunned analysts. After early snow and frost in some areas, which followed a cool summer that delayed crops, many analysts predicted that production would shrink by about two percent from the December report.

But the USDA found American farmers had produced more than what most had guessed.

The huge U.S. crop demonstrated how much corn has improved. Analysts attributed the gains to variety development brought on by genetic modification and investments.

Average yield rose to 165.2 bu. per cent from 153.9 bu. last year.

"I blame Monsanto," said noted agricultural commodities expert Dennis Gartman in an interview with Bloomberg radio.

For American farmers, the yield gains from the new varieties help

offset the lower market price, analysts say. But the extra corn bushels drive down cereal grain prices overall, and that makes it tough for western Canadian wheat, barley and oat growers.

Lackluster yield gains for these staple crops mean western Canadian farmers feel the price plunge more acutely.

"We are seeing the early stages of (farmers turning to other crops) in Canada with higher yielding, more profitable crops like GM canola and special crops such as pulses," said **Alberta Barley Commission** chief executive officer Mike Leslie.

Rob Brunel, a farmer from Ste. Rose du Lac, Man., who chairs the Keystone Agricultural Producers' grains and oilseeds committee, said the price plunge caused by the big U.S. corn crop highlights the need for governments and companies to invest in wheat and barley breeding.

"We need more research in wheat, period. What form that it takes is another question," said Brunel.

Leslie said farmer funding and money from agencies such as the **Alberta Barley Commission** have made improvements, such as 10 to 20

percent yield gains and improved characteristics for buyers.

"Canadian barley gains in the past 10 years using traditional breeding are not insignificant," said Leslie.

But many plant breeders have shunned wheat and barley to focus on more lucrative opportunities with easier-to-breed, large acreage crops like corn and soybeans. Because wheat and barley are more difficult to genetically modify, and because most research is for other crops, the prairies' big cereals will have trouble keeping up, let alone catching up,

Martin said.

"The trend in both (corn and soybean yields) is up and the trend in wheat is flat at best. We just keep getting farther and farther behind."

Southern Alberta feed grain broker Doug Chambers of Quality Grain said the USDA finding of extra corn hasn't badly depressed the prairie barley market, because it was already down.

But it will stop barley prices from recovering, since cattle feeders can easily bring in trainloads of cheap corn if western barley becomes comparatively expensive.

"Corn always has a capping effect and the cap just came down a bit," said Chambers.

While the USDA report had a major negative short-term effect, Bruce Burnett of the Canadian Wheat Board said it does not change underlying supply and demand fundamentals. U.S. farmers will have to grow another large crop next year to meet demand, regardless of a bigger-than-expected crop and bigger stockpiles than expected.

"They are going to need to plant that crop," said Burnett.

If this continues, and it probably will, we can either adopt other crops or learn to do something else.

LARRY MARTIN
GEORGE MORRIS CENTRE

