

Alberta *is* Barley Country.

This province grows more barley than any other province, and Alberta's output typically accounts for half of Canada's annual crop. Barley production for feed, malt, and food is an important economic activity in Alberta.

See *Barley Country* at www.albertabarley.com

Barley Country is published quarterly by the Alberta Barley Commission to inform producers of new technology and developments affecting barley production and to promote new markets for Alberta barley growers. Opinions expressed in any article(s) are the opinions of the author and may or may not reflect the official position of the Alberta Barley Commission.

Barley Country is circulated to more than 38,000 producers, agrologists, researchers, and grain industry representatives. One year subscription rates for non-members are \$15 within Canada, and \$20 outside Canada.

Barley Country is printed on recycled paper using canola-based inks. Printed in Calgary, Alberta.

Editor: Terry Bullick,
Terry Bullick Writing &
Communications

Design/Layout: Sherry Mumford,
Connections Desktop Publishing

Contributor: Stuart Gradon

Alberta Barley Commission
#200, 3601A - 21 Street NE
Calgary, AB T2E 6T5

ISSN: 1188-8911

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A prudent approach to reporting our plans and progress

This issue of *Barley Country* includes the Alberta Barley Commission's Annual Report 2005 - 2006. Starting on page 5, you'll find highlights and financial summaries for the year ending July 31, 2006.

Given the less than ideal conditions Alberta's barley producers have contended with for several years, we have opted for a prudent approach to informing our members and partner organizations about our activities and achievements throughout the past year.

By combining our annual report with *Barley Country*, we've vastly reduced our annual report production, printing and mailing costs. Our decision also dovetails with our efforts to make *Barley Country* to make more relevant, timely and informative for our readers.

A complete set of the Commission's audited financial statements is available by contacting us toll free (in Alberta) at (800) 265-9111 or by visiting our website at www.albertabarley.com.

Our organization has changed considerably in the past

year. We have stepped up our efforts to "advance the interests of Alberta barley farmers through leadership and investment." From negotiating rooms in Geneva, Switzerland - where World Trade Organization talks were underway this summer - to test plots at the Lacombe Field Crop Development Centre, our Board, delegates and staff oversee a wide array of initiatives spanning an equally wide territory.

The Commission is proud to represent the interests of barley producers across the province. And we're working collaboratively with our members as well as with individuals and organizations from across the spectrum of agriculture and other industries to ensure the viability and sustainability of one of Canada's most valuable and nutritious grains.

Your thoughts about our plans and progress are important. We encourage you to share them with us. You can contact us at the toll free number above or at barleyinfo@albertabarley.com.

WTO suspends trade talk; 18 ag countries push for new rounds

Worldwide grain prices are expected to remain low and access to global markets remain static following the World Trade Organization's July suspension of the Doha round of international trade negotiations.

For numerous grain producers from around the world – including Alberta's barley producers – the negotiations were seen as a way of “leveling the playing field” and reducing the substantial supports and protective measures countries such as the U.S.A. and those in the European union give their domestic producers.

In June, a team representing Alberta agriculture producers (among them the Alberta Barley Commission) and government representatives travelled to Geneva, Switzerland to press for changes in WTO rules to reduce quota tariffs and trade-distorting subsidies. Among one of the major changes the team advocated was to the U.S. Farm Bill, which has put more than \$10 billion into the hands of American corn growers but has driven down world feed-grain prices – including Alberta barley's – to record lows.

Only possible course

But at the end of July, Pascal Lamy, the WTO's director-general and chairman of the Trade Negotiations Committee, called off the talks. He issued a statement saying “that there were no significant changes in the negotiators' positions and the gaps remained too wide.” He also said the only possible course of action was to “suspend the negotiations across the round as a whole to enable the serious reflection by participants which was clearly necessary.”

“It is clear that the main blockage is on the agriculture legs of the triangle of issues the G6 has been trying to address,” Lamy said on July 24. “Despite some improvement on numbers which were informally floated and in particular on market access for developed countries, the gap in level of ambition between market access and domestic support remained too wide to bridge.”

Similar gaps have existed – and been bridged – before, said Mike Leslie, the general manager of the Alberta Barley Commission. Previous rounds have taken longer to complete and been

equally complex. “We should not expect this one to be any less circuitous,” said Leslie.

Indeed, the WTO says this “time-out” is temporary and that negotiations should be back on track as soon as possible, but no date has been set.

Coalition urges revival

In late September, the Cairns Group met in Cairns, Australia to see how negotiations could move from impasse to revival. The Cairns Group is a coalition of 18 agricultural exporting countries, including Canada, Australia, Brazil, New Zealand, Pakistan, South Africa and Thailand, formed in 1986 to influence change in international agriculture. The group wants to see the talks restarted by November 2006.

“There were no significant changes in the negotiators' positions and the gaps remained too wide”
– Pascal Lamy, WTO director-general

“Farmers worldwide urgently need relief from the costly support and protection in the markets of the major agricultural subsidizers.” The group felt failure to resume the talks would seriously undermine – if not eliminate – the gains made and the momentum gathered to date. As well, the group said farmers and rural communities are carrying the weight of these delays.

Modest reform insufficient

“We reiterate our view that genuine and deep policy reforms in both pillars are necessary in this round to deliver real change in global agricultural markets,” said the group. “The plain negotiating reality should also be clear: modest reforms in these areas will simply be insufficient to conclude a deal on agriculture or to unlock the benefits of the broader Doha agenda.”

Representing Canada at the Australian meeting were Leonard Edwards, deputy minister of Agriculture and Agri-Food; Steve Verheul, Canada's chief agriculture negotiator; and Donald Stephenson, Canada's ambassador to the WTO.

Following the meeting, Canada's minister of Agriculture and Agri-Food, Chuck Strahl, echoed his support for the Cairns Group stance.

“Canada has a major stake in the success of the Doha Round, and the recent suspension of the negotiations was a setback for Canada,” said Strahl. “By working with the Cairns Group and other WTO Members, Canada's new government will continue to press for a strong result for our agriculture sector, which includes both export-oriented and supply-managed industries.”



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Bringing Alberta barley's energy, nutrition and opportunities to the world.

Meeting signals changes to market access

A quiet July meeting is being hailed as the first tentative step to giving back Canadian grain farmers market choice for their international sales.

Chuck Strahl, minister of Agriculture and Agri-Food and minister for the Canadian Wheat Board, and David L. Anderson, Parliamentary secretary for the Canadian Wheat Board, met July 27 with representatives of select western Canadian grain associations to discuss ideas and options for marketing their barley and wheat. Among those at the

Saskatoon meeting were Doug Robertson, chairman, and Brian Otto, vice chairman, of the Alberta Barley Commission.

"We're not trying to get rid of the [Canadian] Wheat Board - we're trying to make it a matter of choice and to give farmers a variety of markets," said Robertson, who has been calling for changes to the Wheat Board for more than 25 years.


"I was impressed that this past fall the Conservatives had campaigned for changes to the Canadian Wheat Board and that they are going

forward with it," said Otto. "The Wheat Board has to compete in the world market and be accountable . . . competition will make the Wheat Board a better marketer."

Long a topic of debate, moving from a "single desk" system or monopoly to a "dual marketing" system now seems a distinct possibility.

In a statement following the meeting, Strahl said: "By working with supporters of dual marketing, Canada's new government will develop a road map for the transition to a new marketing environment while maintaining a strong and

Continued on page 4...




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JOHN DEERE

Meeting signals changes to market access

...continued from page 3

profitable Wheat Board that benefits western Canada's farm families. This will allow Canadian farmers to clearly choose marketing options for wheat and barley in which the Canadian Wheat Board will thrive and serve the needs of western Canadian grain producers."

Otto said whatever happens reactions could range from mild resistance to impassioned legal challenges.

To date, neither the minister nor the government have committed to any changes, although in an interview with CBC Strahl did rule out a producer plebiscite. For now, Strahl and Anderson are gathering views on possible restructuring to the Wheat Board, how changes can be adopted, and new

or additional funding and marketing tools for producers and the Wheat Board.

One notion Robertson and Otto are pressing for on behalf of Alberta's barley farmers is a no-cost export license that's transferable. "In effect, there would be no buy-back cost and you wouldn't need to dramatically change the Wheat Board," said Robertson. "Barley farmers could test a model for this."

The Alberta Barley Commission is also recommending the Wheat Board get out of the business of transporting wheat and barley because it has too many regulations and penalties.

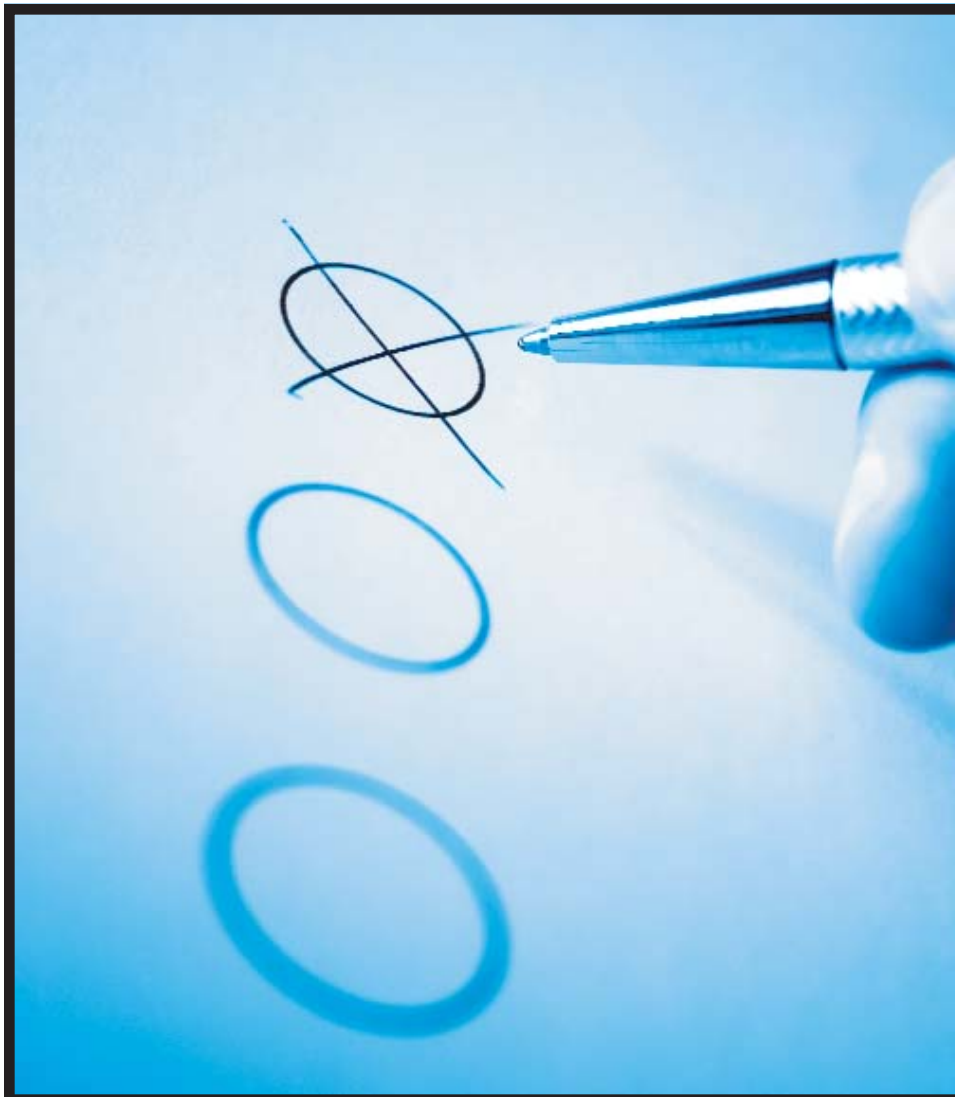
"We'd like to see the Wheat Board operate like any other grain company," said Otto.

Encouraged by the government's commitment

to change, both Robertson and Otto said the July meeting was "one of the best" they had attended in years. The Commission has long lobbied for giving farmers the freedom to sell their product where they want, when they want and to whom they want.

At the same time, the Commission has worked cooperatively with the Wheat Board on many issues and initiatives to better serve the interests and viability of Canadian barley and wheat producers, said Mike Leslie, the Commission's general manager.

"However the future unfolds for the Wheat Board, we see our organizations working together in the future to improve Canada's place in the world market," said Leslie.



Canadian Wheat Board 2006 Election

**BE A
PART OF
THE
FUTURE**

Nominations are now being accepted for the 2006 Canadian Wheat Board directors election this fall. In Alberta, elections will be held in CWB Districts 1, 3 and 5.

Nominations for eligible candidates close Oct. 23, 2006. Ballots will be mailed to voters on Oct. 30, 2006. Returned ballots must be postmarked on or before Dec. 1, 2006.

For information on candidate and voter eligibility, district boundaries and election details, contact:

www.cwbelection.com
1-800-446-0890
questions@cwbelection.com

This message is presented by the Alberta Barley Commission.

Pushing for changes on political and public agendas – here and around the world

By nature, agriculture is constantly changing and adapting, and as it does so do farmers, the Alberta Barley Commission and its members. As barley producers, we've had to contend with low prices, trickling cash flows, uneven international subsidies and barriers to prime markets around the world. In turn, the Commission has pushed for changes on both public and political agenda, here in Alberta, across Canada and around the world. We have gone well beyond seeking survival solutions to tide farmers over for one more year. We feel farmers – an in particular, our members – must be given the freedom and opportunities to prosper and grow their operations.

This belief is one of the reasons the Commission directed so much energy to World Trade Organization talks this year. Without a good set of rules to govern every country's agriculture trade, we will never see a reduction in the U.S. subsidies that have hurt Canadian farmers. Nor will we see any meaningful market access into the European Union and other protectionist regions and countries.

Working with the Canadian Agri-Food Trade Alliance, the Grain Growers of Canada and a number of Alberta agricultural associations, we sent representatives to WTO meetings and discussions in Geneva, Ottawa and Edmonton. Ideally, we wanted the federal government to give Canadian agricultural negotiators the freedom to broker major deals at the WTO talks. Some of the results of our efforts may not be known for some time, if at all. Such negotiations take years to complete and sometimes deals and concessions are reached behind closed doors. But just because we aren't a part of closed negotiations, doesn't mean we shouldn't be part of the preliminary ones.

Our lobbying efforts on behalf of our members paid off much faster when it came to improving the "safety net" for farmers. We presented a number of ideas to senior officials with Agriculture Financial Services Corporation and Canadian Agricultural Income Stabilization program, such as putting CAIS only and increasing advances to \$100,000 were subsequently adopted. Our objective is to see crop insurance become a true risk reduction program that farmers can tailor to their own needs - in effect, individualized risk insurance programs. Ultimately, it comes back to giving farmers freedom and opportunities in planning and managing their own finances.

The theme of freedom and opportunity was also central in our continued stance for marketing choice for our members and, indeed, all prairie farmers. After submitting a brief to the Honourable Chuck Strahl, the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, the Commission was invited to participate in roundtable discussions about the future of the Canadian Wheat Board in Saskatoon. In my view, these discussions were the federal government's first positive steps towards a voluntary Canadian Wheat Board and a sign of goodwill that the Conservative government will honour an election promise to farmers to examine the CWB's purpose and structure.

Certainly the Commission welcomes a shift in the hotly contested debate about the CWB from if market choice is ever going to be offered to how it will be offered.

Being globally competitive is more than being able to sell our products when we want and to whom we want. It also means our product has to change and adapt. In many cases, research and self-directed policies are needed to achieve this. The Commission's Directors have put considerable time and effort into better understanding and appreciating what researchers need to conduct their work and what consumers around the world want from our grain. We worked to keep the focus on food quality not safety, since grains and oilseeds already have safety protection measures in place.

I would like to thank our entire Board and our delegates for the commitment they've demonstrated in addressing the issues and activities we undertake on behalf of barley farmers in Alberta. I hesitate to single out any director, but do want to acknowledge the contributions and legacies of two.

The untimely passing of long-time Region 5 director Ed Armstrong in early February shocked and saddened our organization. Ed had forgotten more about safety net programs than most of us ever knew, and his guidance helped get many of our present federal and provincial crop insurance programs off the ground.

As well, my thanks to the Commission's longest serving director, Don Cox of Region 4. He has sat on Commission Boards since inception (save 18 months) and brought varietal and crop breeding research expertise to the Board table that was much appreciated.

The Board also thanks our new general manager Mike Leslie and the team he has put together since joining us in the fall of 2005. We're proud to work with each of you and impressed by what you have achieved so quickly.

And, finally, thanks our members for their support. It is a privilege to represent you and work toward a stronger future in agriculture. The Commission's Board, delegates and staff will continue to work together to provide leadership and innovation for our members, the vast majority of Alberta's barley farmers.

*Doug A. Robertson
Chairman of the Board
Alberta Barley Commission*

2005 - 2006
Annual Report



Alberta Barley
Commission



General Manager's Message

Helping Alberta's barley farmers be more competitive, productive and profitable

As Chairman Doug Robertson said in his message: agriculture and farmers are constantly changing and adapting.

Change is not always enough. To succeed in today's vast and complex industry of agriculture, farmers must know how and when to change and be able to judge the pros and cons of making that change. Our primary purpose at the Alberta Barley Commission is to help Alberta's barley farmers be more competitive, productive and profitable.

When I joined the Commission this past fall, these overarching goals formed the foundation of a new operational plan for our organization. The plan focuses on four key areas where we see the most potential of putting more money in our producers' pockets:

- Developing new products for feed, food and non-food uses of barley
- Developing new export and domestic markets for barley and barley products
- Addressing issues that affect Alberta barley farmers' operations, such as environmental policies, fuel costs, and access to fertilizer and chemicals
- Researching and developing new barley varieties, processes and extracts.

Doug touched on several of the activities we've pursued in the past year. Others include:

- Supporting the Lacombe Field Crop Development Centre's annual barley breeding and development programs for feed and malt barley and the development of tools to capture more revenue from these crops
- Assisting in June 2005 in the large sale of selected barley to a Japanese shochu (spirits) producer. Additional sales have followed and more are expected in 2006
- Sponsoring the Ultimate Barley Baking Contest at the Southern Alberta Institute of Technology, which increased the commercial and consumer profile of barley's distinct taste, nutritional value and benefits
- Working with Schroeder Milling, Byblos Bakery, Calgary Co-op and the Leduc Food Processing Centre to develop barley recipes and barley products for a growing array of foods sold to health conscious consumers.

Throughout the year, we have worked closely with barley users (including feedlots operators, commercial bakers, maltsters, distillers and consumers), other industries and governments to promote the quality, value, benefits and potential of Alberta barley as well as its role in Canadian agriculture.

In January, we met with Alberta Agriculture, Food and Rural Development Minister Doug Horner to outline a complete value-added agriculture system for Alberta. Such a system would see farmers able to participate at several points along the value chain, rather than just at the lower end, where we traditionally are. We also discussed Canadian Agriculture Income Stabilization Program and crop insurance issues and have seen positive changes come out of those meetings with the minister and follow up meetings with Agriculture Financial Services Corporation.

At a second meeting with the minister in May, we discussed our concerns about governments pulling out of critical agricultural research in areas such as agronomics and plant breeding. This was hand in hand with the Commission adopting a much more collaborative approach to research funding. We have joined a number of other agricultural commissions and organizations to leverage and pool our finite resources in these areas. Once again, our goal is to give barley producers the "biggest bang for their buck" (check-off dollars).

Of course, to give producers the biggest bang for their buck, we need to work closely with them to understand their needs, challenges, obstacles and hopes. We have taken significant steps to engage all of Alberta's barley producers as well as our member producers at a variety of events, including our delegate meetings. Whatever your interest or association with barley, I urge to participate in a delegates' meeting and tell us your views. We're there to listen – and to help find innovative solutions and approaches.

In the coming months, we will finalize a business plan for the Commission's activities in 2007. Its goals and activities will be based on those in our 2006 operational plan. They will also outline how we will measure our success and the value we bring to our members. I look forward to sharing it with you.

In closing, I would like to thank the many people who have welcomed me to the Alberta Barley Commission and contributed to our many achievements. The Commission has an exceptional Board of Directors and roster of delegates, dedicated to making agriculture in Alberta a stronger industry. They all bring vision, experience and leadership to this organization. My sincere thanks also go to the Commission's staff, all of whom have been hired since January 2006. They have made and are continuing to make the Commission more efficient and productive.

My last thanks go to Alberta's barley producers, in particular those producers and grain buyers who collect the check off funds that allow us to do the work we do. Your support of our organization demonstrates your faith in the work we undertake and the belief that by working together we can unlock the full potential and profit of barley.

*Mike Leslie
General Manager
Alberta Barley Commission*



Management Discussion and Analysis

The fiscal year August 1, 2005 to July 31, 2006 saw significant changes at the Alberta Barley Commission. One of the most notable was the retirement of general manager Clifton Foster in September 2005. Several other key staff also left the Commission in 2005; a number of Commission directors stepped into operational roles until the new general manager, Mike Leslie arrived in mid-November. This resulted in an increase of \$28,462 in director fees and expenses over 2004/2005.

Similarly, a number of staff projects were contracted out, such as drafting the Commission's strategic plan. For the first time ever, we organized a planning retreat with key staff members and the Board of Directors. For two days, a business expert led our team through a thorough examination of the Commission's vision, mission and responsibilities – and how we could better serve the needs of our members, stakeholders and industry. During the retreat, we established priorities and guidelines for the strategic plan for the next three years. Our strategic planning costs increased to \$12,802 in 2005/2006 from \$4,823 in 2004/2005, but were an invaluable investment in the Commission's future.

On the revenue side of our 2005/2006 operations, check off dollars fell by about \$70,000 from 2004/2005 levels. In addition, refund levels rose slightly (by \$1,800), but remained within the 12-year average of 7.5%. With the decline in the check off collections, we reduced our expenditures in the fourth quarter to compensate. Nonetheless, annual expenses exceeded revenues by \$44,000 or 3.4%.

Our cash position going into year end was somewhat high due to commitments expected in the first quarter of the 2006/2007 fiscal year such as investing in the Lacombe barley program and a number research projects.

During 2005/2006, the Commission focused on four key areas: research, market development, policy development and technology transfer. Our goal in each area was to provide more efficient, relevant and timely services to our stakeholders and producer members.

During the year, we shifted some resources from market development to provide those services to our members and stakeholders. For example, we adopted a computerized process to streamline our systems for check off payments and refunds. The system also clarifies voter eligibility for elections and meeting attendance.

We took a number of steps to make the Commission more consultative and collaborative. In 2005/2006 we attended many agricultural events and we're planning more for 2006/2007.

We invested \$200,000 in funding consortium research projects in 2005/2006, knowing that we must prove the viability of new uses, value and benefits of barley if we are going to develop new products and access new markets on behalf of Alberta's barley producers.

Alberta Barley Commission Governance

The Alberta Barley Commission was formed in 1991 by the Province of Alberta under the Marketing of Agricultural Products Act to represent the interests of Alberta's barley producers and barley production. The Commission is a non-profit, producer-funded organization.

The Commission operates as a corporation and is governed by a nine-person Board of Directors. Six directors are elected by eligible barley producers; each represents one of the Commission's six regions. The remaining Board members are directors-at-large elected by eligible barley producers from throughout the province. The commission's chairman and vice chairman are elected by the directors. The Commission also has no less than 32 delegates – with a minimum of three per region – who are elected for two-year terms. To be eligible to vote in Commission elections, Alberta barley producers must pay check off dollars (service fee) to the Commission.

The Board of Directors works with the Commission's general manager to advise and consult on the organization's policies, strategies and direction. The general manager and the Commission's staff are responsible for carrying out the Board's directives and for day-to-day Commission operations. Plus, they prepare the annual business plan and strategy, and accompanying budget. Once approved by the Board, management executes the plan.

Eligible barley producers who support the Commission are entitled to:

- (a) attend annual and region meetings and any special meetings
- (b) make barley-related presentations to the Board
- (c) vote at regional, annual and special meetings or producer plebiscites
- (d) become a Commission delegate, director or director at large (representing the region where he/she produces barley).

Producers who chose not to support the Commission may request a refund of their service charge. The refund request must be made within six months from the end of the month of the deduction, and the Commission must refund the service charge within 120 days of the request.

The Commission may from time to time change the service charge (currently at \$0.50/tonne), but any change must be approved by a majority of the directors and delegates present at an annual Commission meeting or a special Commission meeting.

Director/delegate compensation

Directors and delegates are entitled to claim a full or partial per diem allowance for serving at authorised Commission events.

Chairman	\$200
Director	\$150
Delegate	\$150

Board members and delegates are also eligible for a travel per diem allowance and are reimbursed for travel expenses.

During 2005/2006, the Commission focused on four key areas: research, market development, policy development and technology transfer. Our goal in each area was to provide more efficient, relevant and timely services to our stakeholders and producer members.



In spring 2006, the Commission opposed a short-lived countervail of US\$1.65/bushel on U.S.-grown corn imported to Canada. Initiated by the Canadian Corn Producers following claims of dumping and harm to Canadian corn producers, the countervail was reversed within two months. As a free trade supporter, the Commission considered the countervail a strike at a symptom (low feed grain prices), not the cause: U.S. government subsidies of \$10 billion to its corn producers.

For the second consecutive year, the Commission was part of the Agriculture Funding Consortium. Thirteen groups comprise the consortium, which allows researchers to file a single project proposal application that is reviewed by all members. The resulting streamlined process has proven helpful to applicants. In 2006, the Commission committed \$200,000 to consortium research projects.

By co-hosting the annual FarmTech event in Edmonton, the Commission gives its members a forum to learn about the latest in crop production and farm management. FarmTech is Alberta's best ag conference. Plus it connects producers to other producers as well as to national and international industry leaders and experts. The 2006 event featured dozens of timely topics, more than 100 exhibitors (including the Commission) and some 1,300 attendees from throughout Alberta.

2005/2006 Key Activities

- Pro-actively sought and supported relevant research projects
- Planned, attended and/or sponsored events such as FarmTech, Agri-Trade, Calgary Exhibition & Stampede and the Calgary and Lethbridge Aggie Days
- Represented interests of Alberta barley growers to governments and funding and regulatory agencies
- Promoted the value and benefits of barley to a variety of audiences and potential markets
- Participated in barley variety registration process
- Organized and promoted regional, Board and annual general meetings to promote member participation
- Prepared timely and regular financial statements.

Since 1993, the Commission has funded the Classroom Agriculture Program. For 22 years, this program has given Grade 4 students an opportunity to learn about farming – from farmers – and what agriculture means to the province's economy, history and heritage. The program also provides students and teachers with a variety of resources (materials, resources and representatives from a wide number of agricultural associations).

For years, the Commission has favoured market choice for barley growers. In the fall of 2005, the issue became a campaign issue in the federal election. Since then, the new Conservative government has consulted with organizations such as the Commission about giving wheat and barley producers more options for selling their crops in the international marketplace. The Commission will continue to propose new strategies that give western producers the same options as producers in Ontario and eastern Canadian.

We're helping unlock the untapped potential of barley in food uses by funding a research position at the University of Alberta for at least five years. The search is on for an assistant professor in cereal protein chemistry and technology. The appointee will develop an innovative state-of-the-art basic and applied research program that demonstrates to food processors not only barley's great taste, but its consistency, stability and nutritional benefits.

As it did in 2005, the Commission sponsored a number of informative workshops in 2006 on adopting an Environmental Farm Plan. The voluntary, self-assessment plan gives farmers and ranchers a checklist to identify environmental improvements and risks on their land. Completed (and confidential) checklists can then be used to develop action plans for management strategies and improved sustainability. More than 6,000 Alberta farmers and ranchers have participated in the program since 2003.

Since its inception, the Commission has supported various farm conferences and agricultural events in an effort to educate consumers about the benefits of barley. In 2006, the Commission was pleased to support a number of events, including Ag-Tivity in the City at the Calgary Stampede, the City Slickers event in Stony Plain, Agri-Trade in Red Deer, and both Aggie Days events in Calgary and Lethbridge.

In December 2005, the United States' Food and Drug Administration approved a health claim for barley products stating their role in reducing the risk of cardiovascular disease. As a result, in early 2006, the Commission distributed barley flour samples and a commercial baking package to numerous Albertan bakeries. The goal: to promote barley's health benefits and generate more commercial use of barley. The Commission also began working towards having the health claim approved in Canada.

With a subscription list of more than 35,000, the Barley Country newsletter has long been the voice of Alberta's barley producers and the Commission. That voice resonates with the appointment of a professional editor/communications consultant who is guiding the quarterly publication – and the Commission – through a number of changes that are bringing greater clarity and relevance to our readers. We'll continue these efforts with future editions.

A persistent problem in eastern Canada and Saskatchewan, and now Manitoba's most harmful barley disease, fusarium head blight is a major fungal disease threatening to work its way west into Alberta crops. The Commission is supporting provincial and national research projects on the prairies to control the disease. The disease which is difficult to predict and control causes vomiting in pigs and is prohibited in malt barley. The projects are examining genetic controls of fusarium and rapid assessment of the disease using infrared light.

In March 2006, the Commission and the Southern Alberta Institute of Technology Polytechnic teamed with barley processors and baking experts for the second annual Ultimate Barley Baking Contest. Nicholus Ratzlaff's Espresso Barley Biscotti won the cakes and pastries category, and Dianne LeMoal's Purple Barley Nut Bread won the bread category. The contest develops innovative great tasting commercial recipes for barley flour and promotes the many benefits and advantages of using barley in baked goods.



As a founder of the Grain Growers of Canada (GGC), the Commission plays a significant role in shaping national agriculture policy. Through GGC, we provide a united voice with other grain and oilseed producers from across the country. Throughout the past year, the GGC focused its efforts on WTO talks, changes to the Canadian Agriculture Income Stabilization program, promoting investment in renewable energy from grains and oilseeds and changes to grain marketing and transportation systems.

The Retail Value Chain Project wrapped up in 2006. In 2005, the Commission joined Calgary Co-op, Byblos Bakery and Schroeder Milling to form the first-ever grain-based retail value chain in Alberta. A line of baked goods launched in September 2005 by Byblos Bakery was sold through Calgary Co-ops, exposing consumers in Calgary to the great taste and health benefits of barley foods. Additional project support came from Alberta Agriculture, Food and Rural Development.

When ammonium nitrate (34-0-0) fertilizer was removed from the marketplace in the fall of 2005, the Commission stepped in to help ensure Alberta barley producers had a viable replacement. The Commission worked with national regulators to make sure slow-release fertilizers would be available for top dressing crops. Slow-release fertilizer also proved to be more efficient, using up to 25 per cent less nitrogen than conventional fertilizers to produce equivalent yields with a minimal environmental impact.

The Commission's five-year research project into beta glucan in barley continued in 2006. The University of Alberta is developing formulas and storage methods for beta glucan – a soluble fibre that regulates blood sugar levels and reduces cholesterol. It hopes to demonstrate that barley beta glucan is similar to oat beta glucan. Such findings would help the Commission's efforts to have Health Canada approve a health claim similar to one approved in the U.S. in 2005.

Working with elected leaders at the provincial and federal levels, and with senior officials of Agriculture Financial Services Corporation and Canadian Agricultural Income Stabilization program, we pressed for improvements to the "safety net" and crop insurance for farmers. Subsequently, the Province of Alberta and the Government of Canada announced new funding for producers struggling with raising costs and falling prices. Ultimately, we want financial supports that give producers greater ability to plan and manage their risk.

2006/2007 Priorities

- Increase the amount of Alberta production used in non-feed and non-malt products
- Leverage partnerships for maximum impacts on issues and initiatives
- Enhance opportunities by partnering with like-minded stakeholders
- Develop mechanisms for the barley industry and its producers to capture value from the Commission's investments

Each year, people from throughout Alberta's barley community attend the Lacombe Field Day at the Alberta Field Crop Development Centre. Sponsored by the Commission, the annual event brings barley producers, processors and end users together to discuss the centre's and the nearby Lacombe Research Centre's efforts in breeding programs, as well as screening disease resistance and improved agronomy trials. The two centres' tests and trials save farmers hundreds of thousands of dollars in hard costs, effort and time.

Under Canadian legislation in 2005, farmers could import glyphosphate for their own use. But when a Saskatchewan co-op was formed to import and resell the pesticide, the government threatened to cut off producers' limited access to the product. Lobbying efforts to Canada's Pest Management Regulatory Agency (PRMA) by the Commission and other similar organizations, ensured Own Use Imports (OUI) access will be a tool available to farmers in the future.

As a leader in agriculture, the Commission continues to provide core funding for long-term research and development projects on barley agronomy, breeding, disease and germplasm development. This funding is one of the Commission's key obligations in the Alberta/Canada Development Agreement and is directed to world-class scientists working at the Alberta Field Crop Development Centre and the federal government's Lacombe Research Centre. It also contributes to greater innovation, productivity and food safety in Alberta's barley industry.

The Eugene Boyko Memorial Scholarship was established by the Commission in 2002 following the death of long-time director Eugene Boyko in 2001. Each year through the province's scholarship program, the Commission awards \$500 to an agriculture student focusing on crop production and/or crop processing at a post-secondary institute. In 2006, the scholarship was given to Jennifer M. Geddes of Lethbridge. Geddes is a graduate of the University of Lethbridge.



September 20, 2006

Auditors' Report

**To the Directors of
Alberta Barley Commission**

We have audited the balance sheet of Alberta Barley Commission as at July 31, 2006 and the statements of operations and 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.

In common with similar organizations, the Commission derives much of its revenue through "check-off" service charges to producers, the completeness of which could not be satisfactorily verified through our audit. Accordingly, our verification of these revenues was limited to the amounts noted in the Commission's records and we were not able to determine whether any adjustments might be necessary to service charge revenue, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of service charges revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants


Balance Sheet

As at July 31, 2006

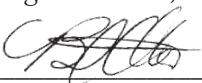
	2006	2005
	\$	\$
Assets		
Current assets		
Cash and short-term investments	572,918	204,453
Accounts receivable	116,696	218,256
Prepaid expenses	10,242	12,992
	699,856	435,701
Investments (note 3)	1,121,770	1,308,260
Capital assets (note 4)	30,476	30,214
	1,852,102	1,774,175
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	85,623	11,556
Grants payable (note 5)	687,712	549,738
Unearned revenue (notes 2 and 6)	457,059	546,542
	1,230,394	1,107,836
Net assets	621,708	666,339
	1,852,102	1,774,175

Commitments and contingency (notes 7 and 8)

Approved by the Board of Directors



Doug Robertson, Chairman



Brian Otto, Vice Chairman

Statement of Operations and Net Assets

For the year ended July 31, 2006

	2006	2005
	\$	\$
Revenue		
Service charges (note 2)	1,335,674	1,404,742
Less: Refunds	112,007	110,200
Net service charges	1,223,667	1,294,542
Other income	91,017	93,732
	1,314,684	1,388,274
Expenditures		
Market development	358,323	388,061
Producer services	520,138	430,266
Policy development	115,982	96,996
Directors fees and expenses	63,600	35,138
Other donations and grants	100	15,000
	1,058,143	965,461
Excess revenue before general and administrative expenses	256,541	422,813
General and administrative		
Amortization	8,826	9,411
Computer system development	9,645	8,874
General expenses	20,316	16,413
Interest and bank charges	2,532	1,485
Office rent	20,250	20,191
Postage and delivery	3,754	4,740
Professional fees	33,924	8,704
Salaries and benefits	173,923	174,922
Stationery and supplies	7,017	5,592
Strategic planning expenses	12,802	4,823
Telephone	6,891	7,187
Travel	1,292	2,289
	301,172	264,631
Excess of (expenses) revenue before the following	(44,631)	158,182
Loss on disposal of computer equipment	-	5,003
Excess of (expenses) revenue for the year	(44,631)	153,179
Net assets - Beginning of year	666,339	513,160
Net assets - End of year	621,708	666,339

Statement of Cash Flows

For the year ended July 31, 2006

	2006	2005
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of (expenses) revenue for the year	(44,631)	153,179
Items not affecting cash		
Amortization	8,826	9,411
Loss on disposal of computer equipment	-	5,003
	(35,805)	167,593
Changes in non-cash working capital items		
Accounts receivable	101,560	(78,957)
Prepaid expenses	2,750	(3,517)
Accounts payable and accrued liabilities	74,067	(19,415)
Grants payable	137,974	141,849
Unearned revenue	(89,483)	(122,933)
	191,063	84,620
Investing activities		
Purchase of long-term investments	(341,746)	(479,002)
Proceeds on disposition of investments	528,236	282,469
Purchase of capital assets	(9,088)	(11,448)
	177,402	(207,981)
Increase (decrease) in cash	368,465	(123,361)
Cash and equivalents - Beginning of year	204,453	327,814
Cash and equivalents - End of year	572,918	204,453

Notes to Financial Statements

July 31, 2006

1 Nature of the Commission

The Alberta Barley Commission (the Commission) is a non-profit, producer funded organization formed August 1, 1991 under the Province of Alberta's Marketing of Agricultural Products Act. Its mandate is to give producers an organization for developing new markets for barley and for influencing the direction of research dedicated to barley production. The Commission's nine directors, who serve fixed terms, are elected at producer meetings.

Funding for the Commission is achieved by way of a check-off system, whereby a service charge is deducted from the proceeds of producers' barley sales and remitted on a periodic basis. These service charges are refundable to producers within six months of the sale transactions, on request.

The Commission, being a non-profit organization, is exempt from income tax under Paragraph 149(1)(l) of the Income Tax Act.

2 Accounting policies

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

Cash and short-term investments

Cash and short-term investments include investments with maturities of up to three months from date of purchase.

Revenue recognition

Service charges collected (net of refunds paid) are recorded as unearned revenue until the available six month refund period has expired. Accordingly, the statement of operations for the year ended July 31, 2006 reflects only those service charges and refunds pertaining to producer transactions occurring from February 1, 2005 to January 31, 2006.

Interest revenue and revenues from sponsorships and advertising are recognized as earned.

Capital assets

Capital assets are recorded at cost, and are amortized on a declining balance basis at the following annual rates:

Office furniture and equipment	20%
Promotion equipment	33%
Computer equipment	33%

Computer software costs are fully expensed in the year incurred.

Investments

Investments are stated at the lower of cost and market value where the decline in value is of a permanent nature. They have been classified as a long-term asset in accordance with the nature of the investment.

Measurement uncertainty

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these amounts are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods, could be significant.

3 Investments

	2006	2005
	\$	\$
Coupon Bond of Ontario Hydro earning interest of 3.39%, maturing August 18, 2010	302,405	-
Coupon Bond of Province of British Columbia earning annual interest at 4.42%, maturing September 5, 2005	-	290,254
Coupon Bond of Nova Scotia Power Inc. earning annual interest at 4.50%, maturing July 25, 2006	-	225,942
Bank of Montreal Guaranteed Investment Certificate earning annual compound interest at 4.40% per annum, maturing November 26, 2007	94,537	90,553
Coupon Bond of Bank of Montreal earning annual interest of 3.47% per annum, maturing December 20, 2008	270,746	261,605
Coupon Bond of Bank of Nova Scotia earning annual interest of 3.12% per annum, maturing September 27, 2007	155,865	151,159
Coupon Bond of CIBC earning annual interest of 3.84% per annum, maturing October 31, 2009	298,217	288,747
	1,121,770	1,308,260

Market value of these investments is approximately \$1,091,397.

4 Capital assets

			2006	2005
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
Office furniture	65,107	55,875	9,232	11,295
Promotion equipment	19,509	16,892	2,617	3,669
Computer equipment	40,064	21,437	18,627	15,250
	124,680	94,204	30,476	30,214

5 Grants payable

Research project grants committed to in the year are expensed when the grant contract is approved and a corresponding liability is set up for the amount of funds committed. As grant funds are disbursed the liability is reduced.

6 Unearned revenue

Unearned revenue consists of the following:

	2006	2005
	\$	\$
Service charges collected from February 1 to July 31 of fiscal year	380,296	429,413
Accrued service charges receivable	102,664	157,699
Allowance for refunds	(25,901)	(40,570)
	457,059	546,542

7 Commitments**Lease commitment**

The Commission entered into a five year lease agreement for office space effective March 1, 2003. The future minimum obligations including estimated operating costs, associated with the lease are as follows:

	\$
2007	17,738
2008	10,500
	28,238

Project commitment

The board has committed to make a total contribution of \$200,000 towards the Crop Utilization Research Centre which is Phase II of the new Agri-Food Discovery Place at the University of Alberta. Of the total, \$150,000 has been expensed to date and the remainder will be expensed next year.

8 Contingent liability

The Commission, as one of a number of Plaintiffs, was unsuccessful at trial, based upon a decision rendered as of April 11, 1997, with respect to an action to challenge certain "monopoly" aspects of the Canadian Wheat Board Act ("The Charter Challenge"). The original trial judge, in his summary, made an award of "costs" to the successful defendants. However, no amount was specified.

An appeal heard in June 2000, was also unsuccessful, at which time the Plaintiffs filed for leave to appeal to the Supreme Court of Canada. The leave to appeal was dismissed in 2001 and ended the legal action.

The outcome of the cost process is not reasonably estimable at this time. Therefore, no provision for such "costs" has been recorded in these financial statements.

9 Financial instruments

The Commission's financial instruments included in the balance sheet are comprised of cash and short-term investments, accounts receivables, investments, accounts payable and accrued liabilities and grants payable. In the opinion of management, the Commission is not exposed to significant interest or currency risks arising from these financial instruments.

Fair value

In the opinion of management, the fair values of the financial instruments approximate their carrying amounts.

Credit concentration

Financial instruments that potentially subject the Commission to concentrations of credit risk consist primarily of accounts receivable. As at July 31, 2006, one dealer accounted for 43% (2005 - 55%) of the accounts receivable balance. Management believes there is minimal collection risk in respect of these amounts.

Vision

A vibrant and innovative industry that unlocks the entire potential of barley.



Mission Statement

To advance the interests of Alberta barley farmers through leadership and investment in innovation and development.

Mandate

To coordinate and sponsor research, assist with market & product development, enable technology transfer, and ensure barley producer's best interests are represented in policy development.



The Alberta Barley Commission

Board of Directors 2005 - 2006 (as of July 31, 2006)

Doug Robertson
Commission Chairman & Director at Large, Region 2
RR#2, Carstairs, Alberta T0M 0N0
Tel: (403) 337-2077 Fax: (403) 337-3063



Region 1

Brian Otto, Director & Commission Vice Chairman
Box 419, Warner, Alberta T0K 2L0
Tel: (403) 642-2134 Fax: (403) 642-2136



Delegates: Brad Berger, Nanton; Brad Dahl, Claresholm; Glenn Logan, Lomond; Gerard Oosterhuis, Bow Island; Richard Stamp, Enchant

Region 2

Doug Miller, Director
Box 337, Acme, Alberta T0M 0A0
Tel: (403) 546-2472 Fax: (403) 546-2265



Delegates: Eugene Brown, Didsbury; David Eaton, Oyen; Alex Hamilton, Olds; Warren Hilz, Vulcan; Bernie McWilliam, Blackie; Murray Marsh, Carstairs; Jeff Nielsen, Olds; Matt Sawyer, Acme

Region 3

Jesper Nielsen, Director
Box 278, Killam, Alberta T0B 2L0
Tel: (780) 385-2195 Fax: (780) 385-2218



Jesper Nielsen

Terry Young, Director at Large
RR #2, Lacombe, Alberta T4L 2N2
Tel: (403) 347-7664 Fax: (403) 347-7354



Terry Young

Delegates: Mike Ammeter, Sylvan Lake; Kevin Bender, Bentley; Wayne Hagemann, Ponoka; Norm Olsen, Killam; Trevor Petersen, Penhold; Dave Tindal, Clive

Region 4

John Wozniak, Jr., Director
Box 671, St. Paul, Alberta T0A 3A0
Tel: (780) 645-6955 Fax: (780) 645-6966



Delegates: Leo Cote, St. Paul; Dale Fodness, St. Paul; Bernie Klammer, Vegreville; Charlie Leskiw, St. Paul; Ed Persely, Bonnyville

Region 5

Albert Wagner, Director
Box 2826, Stony Plain, Alberta T7Z 1Y3
Tel: (780) 963-7753 Fax: (780) 963-8753



Delegates: Bryan Adam, Stony Plain; Darrel Hennig, Stony Plain; Tom Jackson, Killam

Region 6

Don Cox, Director
Box 572, Fairview, Alberta T0H 1L0
Tel: (780) 835-2418 Fax: (780) 835-3358



Don Cox

Leo Meyer, Director at Large
RR #1, Woking, Alberta T0H 3V0
Tel: (780) 774-2051 Fax: (780) 774-2246



Leo Meyer

Delegates: Ron Heck, Fairview; Dan Ropchan, Grimshaw

Alberta Barley Commission

#200, 3601A - 21 Street NE, Calgary, Alberta T2E 6T5
Phone: (403) 291-9111 Fax: (403) 291-0190
Toll Free in Alberta: 1-800-265-9111 Web: www.albertabarley.com

Mike Leslie, General Manager
Nikki Barnes, Manager, Office & Projects
Queena Zhang, Accountant
Audra Crump, Office Assistant

Agri-Food Discovery Place

The Alberta Barley Commission Food Processing Laboratory opened June 23, 2006, at Agri-Food Discovery Place on the University of Alberta campus in Edmonton.

“The opening of the lab reflects our willingness to be involved in all aspects of barley research and development,” said Doug Robertson, chairman of the Alberta Barley Commission. “More and more, the Commission is getting behind innovative ideas that support and promote new and wider uses of barley.”

The lab reflects our willingness to be involved in all relevant aspects of agricultural research and development

The lab’s name also reflects the Commission’s financial support of Discovery Place. In June 2004, the Commission agreed to donate \$200,000 over four years for construction of the Crop Utilization and Enhanced Materials Research Centre in Discovery Place.

The centre will carry out pre-pilot scale processing of agri-food and agri-industrial products and development of novel technologies. The first facility of its kind in the province, the centre links lab-scale re-



Dr. Feral Temelli is conducting several research projects at the new Alberta Barley Commission Food Processing Laboratory.

Photo: Cheryl Croucher/Alberta Innovation

search to prototype and pilot plant scale product development. It will also test the viability of value-added and functional food components and bioproducts from animal and plant products.

The centre strengthens Alberta’s network of agriculture and agri-food testing facilities.

The network includes: the Food Processing Development Centre and the Agri-Business Incubation Centre in Leduc; the BIO-Industrial Technologies Division of Alberta Agriculture, Food & Rural Development; federal and provincial crop development facilities at Lacombe; and product testing facilities at Olds College.

In the Alberta Barley Commission Food Processing Laboratory, researchers Drs. Thava Vasanthan and Feral Temelli are working on several Commission-funded projects. Temelli’s research focuses on application of separation processes to crops, characterization of the fractions obtained and evaluation of their product applications. Vasanthan’s research focuses on value-added processing of grains (including barley) and tubers and their potential for nutraceuticals and functional food use.

The Commission supports ongoing research at the University of Alberta with the goal of helping establish the relationship between barley-based food nutrition and health. Both the Commission and the U of A are creating and testing value-added opportunities for Alberta’s barley producers to be more profitable, sustainable and competitive in today’s multi-billion dollar global market for functional foods and nutraceuticals.

The winter edition of Barley Country will feature a tour of Agri-Food Discovery Place.

Policy

CAIS study: federal and provincial governments each offer new \$\$ to Alberta farmers

This past summer, the Government of Canada and the Province of Alberta each announced new funding programs that will give Alberta farmers some much needed financial relief.

In July, the federal government announced a one-time injection of \$900 million into the country agriculture and agri-food industry. Funds from the CAIS Inventory Transition Initiative (CITI) will be delivered to producers by recalculating how the Canadian Agricultural Income Stabilization (CAIS) program values inventory change for the 2003, 2004, and 2005 CAIS program years.

After issuing a disaster declaration in August, the Province of Alberta announced \$261 million in immediate assistance for Alberta farmers through the Alberta Margin Enhancement Program. These dollars will also be delivered through the CAIS program.

Alberta Margin Enhancement Program

Alberta farmers will begin receiving funds from the Alberta Margin Enhancement Program Funds this fall. Payments will be based on the 2004 claim year.

This funding will assist producers with rising costs and falling commodity prices,” said April Aspden, a senior field analyst for southern Alberta for Alberta Financial Services Corporation (AFSC).

Aspden estimates about 60% of the Alberta

farmers who participated in the 2004 CAIS program will receive a payment. Farmers already in the program did not have to submit an application and are being advised if their benefit has increased. Throughout August and September, a series of workshops by AFSC’s 12 field analysts helped farmers complete their CAIS applications for funding support.

Farmers’ benefits will be based on the 2004 claim year and reference margins will be increased by 25% of the fuel and fertilizer costs; the general reference margin will also increase by 15%. Reference margins will be based on up to five years of direct revenues and direct expenses, using one of two methods: the federal government’s Olympic method or the Alberta government’s reference margin pilot program method.

“We recognize that farmers, especially those in the grains and oilseeds sector, are having difficulties in meeting cash flow requirements due to low commodity prices and high input costs,” said Doug Horner, minister of Agriculture, Food and Rural Development, in announcing the program. “This declaration and the resulting funds represent our commitment to support farmers who face escalating input costs at a crucial time of year with the upcoming harvest season.”

CAIS Inventory Transition Initiative

Funds from CITI were first announced in the Progressive Conservative government’s May 2 budget. The federal government pledged

\$1.5 billion in support to Canada’s agricultural producers, including one-time funding of \$900 million to retroactively shift the inventory valuation method used under the program.

This retroactive inventory valuation adjustment will result in federal payments of approximately \$900 million to 2003, 2004, and 2005 CAIS participants.

As is the case with Alberta’s Margin Enhancement Program, producers did not have to apply. Eligible CAIS participants in 2003, 2004, or 2005 will have their benefit for these program years recalculated using a new method of valuing inventory change. If their benefit for any of the program years is increased using this new method, they will receive an additional payment.

Producers will receive a statement indicating how their benefit was calculated after each payment.

Government contributions under CITI are limited to an individual payment of \$500,000 for each program year. A participant’s total payment from CITI and CAIS cannot exceed the overall CAIS payment cap of \$3,000,000 or 70% of a program year margin decline for each program year.

In Alberta, the CAIS program is administered by the provincial government. Nonetheless, producers qualifying for support for both of these funding initiatives will receive separate cheques.



Barley breeder Dr. Joseph Nyachiro was one of several presenters at the Alberta Field Crop Development Centre's Annual Lacombe Field Day in August. Photo: Terry Bullick



"It looks like a chicken with its feathers pulled off," said barley breeder Dr. Joseph Nyachiro of Dillon forage. Photo: Terry Bullick

Research

It was a real field day

"It looks like a chicken with its feathers pulled off," said barley breeder Dr. Joseph Nyachiro, as he described the Dillon forage barley growing in a small test plot at the Alberta Field Crop Development Centre to several dozen people.

Developed by Westbred Plant Breeders in Bozeman, Montana, the hooded variety (no awns) may have a high forage yield, but it looks decidedly naked. The crowd leaned in for a closer look.

The variety was one of dozens examined and highlighted at the 2006 Lacombe Field Day. The annual event was hosted by the centre and the federal Lacombe Research Centre and sponsored in part by the Alberta Barley Commission. In 2005/2006, the Commission also provided \$179,000 to support barley crop research programs at the Field Crop Development Centre.

More than 110 people from throughout Alberta's barley community gathered just outside Lacombe for the Aug. 3 event. The day's topics included:

- disease resistance screening in cereals and pulses

- the latest breeding efforts in barley, spring and winter triticale and pulses
- agronomic trials (featuring intercropping trials).

The day's presenters included Nyachiro, Kelly Turkington, Kequan Xi, Kan-Fa Chang, Patricia Juskiw, Jim Helm, Neil Harker, Don Salmon and Murray Hartman.

The social side of the Annual Lacombe Field Day is undeniable: producers, researchers, industry representatives and barley users attend the event to meet, greet and network. But science is the true focus of the day with an emphasis on better barley products and better barley production. The tests and trials carried out at the centre save farmers hundreds of thousands of dollars in hard costs, effort and time.

"I want to see the results at the end of the year," said Doug Miller, an Acme-area mixed farmer and a director (Region 2) of the Commission. "It's so expensive to plant a crop that you just can't afford to take risks (with new varieties and methods.)"

Part of the Field Crop Development Centre's mandate is to reduce producers' risk through re-

search. For example, joint collaboration between the centre and the nearby federal Lacombe Research Centre, together with other breeding programs at the University of Saskatchewan Crop Development Centre and at Agriculture & Agri-Food Canada Brandon, ensures every new variety of barley must pass a stringent set of standards and qualities before it can be registered.

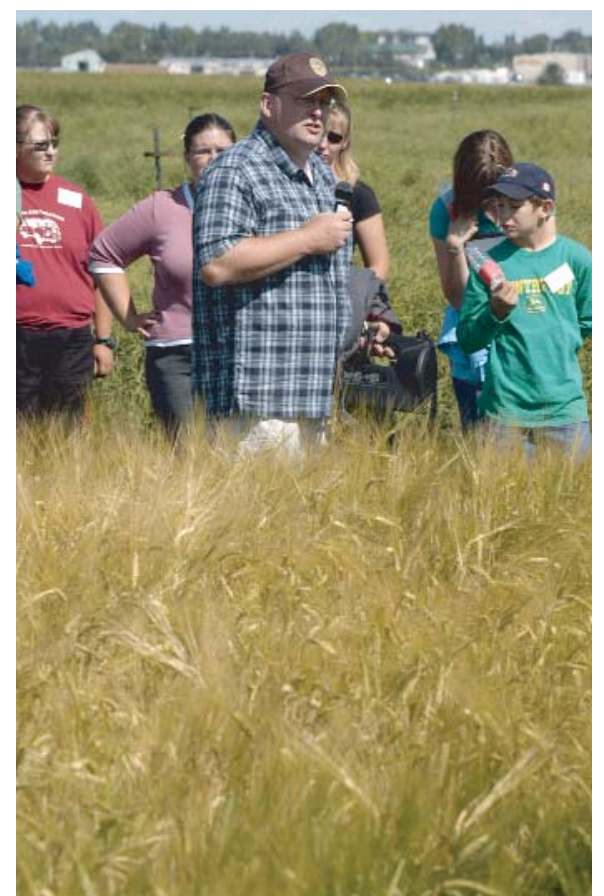
Last year, the variety Sundre – a new 6-rowed, smooth-awned hulled feed barley – met those standards and was registered. Sundre was developed at the Field Crop Development Centre and was one of the varieties featured at the field day (see April 2006 Technical Bulletin posted at: [www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/fcd10890](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/fcd10890)).

For a copy of the 2006 Cereal Research Report, which includes project overviews and varietal information, contact the Field Crop Development Centre at:

5030 - 50 Street
Lacombe, AB T4L 1W8
Phone: (403)782-8049
Fax : (403)782-5514
Email : carol.dyson@gov.ab.ca



The Annual Lacombe Field Day is a mix of social and science, with an emphasis on better barley products and better barley production. Photo: Stuart Gradon



Kelly Turkington of Agriculture & Agri-Food Canada's Lacombe Research Centre at the 2006 Lacombe Field Day. Photo: Stuart Gradon

Commission gave Acme producer the confidence to lead

At first glance, Acme's brand new community centre seems to be yet another sign of Alberta's prosperity. But it's really a symbol of a small town's efforts to rebuild a treasured gathering place.

For more than 50 years, weddings, funerals, anniversaries, service club meetings and all kinds of other events were held at the community hall. Built after the Second World War, the Acme Memorial Hall was the town's very heart.

Then it burned to the ground in March 2004. The depth of the town's shock was matched only by its determination to unite and rebuild.

"Once the momentum started, we had a lot of people coming forward," says Doug Miller, a fourth-generation farmer (barley and other grains/cow-calf/pork production) in the Acme area. Miller was one of the first people to join in the town's efforts to rebuild the community hall. He quickly became chairman of a new community centre board.

"I never would have taken on this project, but four years earlier I'd become a director with the Alberta Barley Commission," says Miller, wrapping his hands around a cup of coffee at the café in the gas station along Highway 806. "With the knowledge I learned about board structure and governance, I felt I had the understanding and the confidence to get involved – and to let everyone show their strength."

Indeed, Miller is quick to downplay his part and even faster to credit the community centre board and people throughout the community for bringing the project to life in near record time.

The new hall opened two years to the weekend after it was destroyed. A model of planning and efficiency – right down to the scales that weigh soft drink consumption and a marketing website (www.acmecomunitycentre.ca) – the new centre seats 450 for dinner (700 for meetings), has a professional kitchen, stage (complete with backstage washrooms) and a large dividable meeting room.

The \$1.9-million building was completely constructed and outfitted without "one red cent of borrowed money," says Miller. A \$1-million insurance settlement was augmented by numerous government grants and hundreds of donations from local and area residents and businesses.

"Our hall is the backbone of our community – there's no question," say Miller.

And it also reflects the resiliency of this agricultural town.

In September, Doug Miller received Growing Alberta's Leadership Award for Community Spirit for his leadership role in rebuilding the Acme Community Centre.



Doug Miller at the Acme Hall

Barley at a glance in 2005

Barley production in Alberta

4.5 million acres planted
3.4 million acres harvested
5.6 million tonnes produced
66.7 bushels/acre yield

Barley production in Canada

11.0 million acres planted
9.6 million acres harvested
12.5 million tonnes produced
59.7 bushels/acre yield

Barley use in Canada

3.0 million tonnes exported
10.0 million tonnes domestic use

- 9,000 tonnes human food
- 358,000 tonnes seed
- 146,000 tonnes industrial
- 9.2 million tonnes feed, waste & dockage

(Not all barley used in a year is produced that year)

Sources: Alberta Agriculture, Food & Rural Development and Statistics Canada



A member-driven organization can only succeed when its members get behind the wheel.

The Alberta Barley Commission's regional meetings steer our operations. We invite you to help set future directions.

Region 1 – Nov. 2, Taber

Region 2 – Nov. 29, Three Hills

Region 3 – Nov. 24, Lacombe

Region 4 – Nov. 21, St. Paul

Region 5 – Nov. 23, Stony Plain

Region 6 – Nov. 29, Fairview

For times and places, call the Commission toll free at (800) 265-9111.

News and Events

Oct. 15, 2006 & Nov. 15, 2006 Malting Barley Quality Competition

The Barley Development Council's 10th annual Malting Barley Quality Competition, sponsored in part by the Alberta Barley Commission, recognizes western Canadian farmers who grow top quality two-row and six-row malting barley (from the Canadian Malting and Brewing Technical Centre's 2005/06 recommended list). Samples should be about one pound (or four cups) and three draws will be held for Westeel bin probes, valued at \$1,500 each, from among all the samples received - one from samples received by Oct. 15, 2006, and the other two from entries received by Nov. 15, 2006. For information, contact:

Dr. Erin Armstrong, President and CEO
Brewing and Malting Barley Research Institute
Phone: (204) 927-1401
email: earmstrong@bmbri.ca

Nov. 3 to 12, 2006 2006 Royal Agricultural Winter Fair

The largest indoor combined agricultural, horticultural, canine and equestrian event in the world is bigger than ever at the Direct Energy Centre in Exhibition Place, Toronto. For tickets and information, contact:

phone: (416) 263-3400
fax: (416) 263-3488
email: info@royalfair.org

Nov. 8 to 11, 2006 Agri-Trade Exhibition

The 23 annual Agri-Trade Exhibition at Westerner Park in Red Deer features something for the whole family, from kids' toys to grownups' display booths, including the Alberta Barley Commission's. For information, contact:

Pat Kennedy, Manager
phone: (403)347-4491
fax: (403)343-6188
email: pkennedy@reddeerchamber.com
web: <http://www.agri-trade.com>

Nov. 9 & 10, 2006 The Innovators Global Network Biofuels Conference

A two-day, global event that will bring together key industry and stakeholder groups from around the world to meet and discuss the business, environmental and political case for biofuels. A broad range of presenters will ensure a well-balanced examination of the potential and possibilities for biofuels. At the Round Up Centre, Stampede Park, Calgary. For details, contact:

phone toll free: 1 (877) 265-3350
email: reg@theinnovators.net
web: www.theinnovators.net/bioenergy

Dec. 6 & 7, 2006 Alberta Barley Commission Annual General Meeting

Meet the Commission's new management team at the members' dinner on Dec. 6 and learn about trends and patterns in barley production, marketing, policy and technology at presentations on Dec. 7. This year's featured speaker is Ted Bilyea, a former vice-president with Maple Leaf Foods and currently co-chair of the federal government's Canadian Agri-Food Marketing Council. At the Executive Royal Inn in Nisku, Alberta. For information, contact the Commission at: (800) 265-9111.

Jan. 24 to 26, 2007 FarmTech Conference 2007

The Alberta Barley Commission is one of the many hosts of this annual event, Alberta's premier crop production and farm management conference. This year's event will be at the Mayfield Inn & Suites in Edmonton and feature keynote speakers from China, Germany, the U.S.A. and Canada. To learn more, contact:

phone toll free: (866)327-6832
fax: (403) 229-3549
email: info2006@farmtechconference.com
web: www.farmtechconference.com

April 11 to 13, 2007 Growing the Margins

Subtitled Energy Conservation and Generation for Farms and Food Processors, this three-day conference and exhibit in London, Ontario will explore the technological, operating, policy, regulatory, financial and other challenges and opportunities facing farms and related food processing and rural industries as they strive to improve their energy efficiency, better utilize byproducts, and ultimately improve their bottom lines. For information and registration, contact:

First Stage Enterprises Inc.
1185 Eglinton Ave East
Suite 104, Toronto, Ont. M3C 3C6
phone: (416) 426-7029
fax: (416) 426-7280
email: info@gtmconf.ca
web: www.gtmconf.ca

June 25 to 29, 2007 Canadian Barley Symposium

The fifth Canadian Barley Symposium and the District Western Canada Master Brewers Association of the Americas presents a four-day program Winnipeg covering various aspects of feed, food and malting barley as well as presentations on production, scientific advances and barley end uses. For information or registration, contact:

The Science and Joy of Canadian Barley and Beer
Canadian Grain Commission
1404-303 Main Street
Winnipeg, Man. R3C 3G8
email: cbsmbaa@grainscanada.gc.ca

To have your event listed in Barley Country, submit it by fax to (403) 291-0190 or by email to barleyinfo@albertabarley.com.

ALBERTA BARLEY COMMISSION KEY CONTACTS

Chairman

Doug Robertson
RR 2
Carstairs, AB T0M 0N0
Phone: (403) 337-2077
Fax: (403) 337-3063
Email: dougar@telusplanet.net

Directors-at-Large

Leo Meyer
RR #1
Woking, AB T0H 3V0
Phone: (780) 774-2051
Fax: (780) 774-2246
Email: mgrain@telusplanet.net

Terry Young

RR 2
Lacombe, AB T4L 2N2
Phone: (403) 347-7664
Fax: (403) 347-7354
Email: tcyoung@yourlink.ca

Regional Directors

Brian Otto, Region 1 (Vice Chairman)
Box 419
Warner, AB T0K 2L0
Phone: (403) 642-2134
Fax: (403) 642-2136
Email: botto@telusplanet.net

Doug Miller, Region 2

Box 337
Acme, AB T0M 0A0
Phone: (403) 546-2472
Fax: (403) 546-2265
Email: odessafarms@telusplanet.net

Jesper Nielsen, Region 3

Box 278
Killam, AB T0B 2L0
Phone: (780) 385-2195
Fax: (780) 385-2218
Email: kryger@telusplanet.net

John Wozniak, Jr., Region 4

Box 671
St. Paul, AB T0A 3A0
Phone: (780) 645-6955
Work: (780) 645-5915
W Fax: (780) 645-3644
Email: wozfarm@mcs.net

Albert Wagner, Region 5

Box 2826
Stony Plain, AB T7Z 1Y3
Phone: (780) 963-7753
Fax: (780) 963-8753
Email: ajwccr@telusplanet.net

Don Cox, Region 6

Box 572
Fairview, AB T0H 1L0
Phone: (780) 835-2418
Fax: (780) 835-3358
Email: doncox@telus.net

ADMINISTRATION – (403) 291-9111

Mike Leslie, General Manager Ext. 26
Nikki Barnes, Manager, Office & Projects Ext. 25
Queena Zhang, Accountant Ext. 24
Audra Crump, Admin. Assistant Ext. 21