



August 28, 2006

Minister Chuck Strahl
Attention: Laurie Throness
Chief of Staff Agriculture and Agri-Food Canada
930 Carling Avenue, Sir John Carling Building
Ottawa, ON
K1A 0C5

Dear Minister Strahl,

The Alberta Barley Commission is one of your key stakeholders, representing the interests of the 17,500 farmers who produce over 5,000,000 MT of barley, 31 % of Canada's 2005 production. We produce a product destined for domestic feeding industries that is the base for the livestock sector as well as a feedstock for domestic and offshore malting plants and millers. My members' operations are efficient, productive and innovative. They are also very highly dependent on international markets and the research decisions made by government.

We would like to thank you for your comprehensive and thoughtful report "Science and Innovation Strategy" for Agriculture and Agri-Food Canada. It was reassuring to see the Department looking forward to the future with clearer goals and more direction than we have seen in a long time. The desire to partner and collaborate across governments and with industry was especially rewarding to read. The look to new sectors such as bio-fuels, biomass and other non-traditional crop and product options is what we need for our future growth and success.

Generations of Canadian farmers have survived through the decades by maintaining their competitive edge, by being some of the most efficient crop producers in the world. Canadian Farmers, when enabled with advanced production tools are early adopters of technology allowing them to maintain their competitiveness in a distorted global marketplace. We welcome the opportunity to work with the Canadian and Provincial governments in new research and innovation areas and encourage you, as well as our provincial partners to ensure adequate funds and resources (especially science positions) are in place to take up these new challenges.

To cut the current crop management research or breeding programs to pursue new ventures would be detrimental and counter productive. We as producers welcome new crop options

but require agronomic research to ensure we can grow those new crops economically. We welcome new value added uses for existing crops but require production and processing research to ensure we play a role in the value added sector of the new opportunity and are not just raw material suppliers to US or offshore processors. We welcome new non-traditional uses such as bio-fuel but recognize new variety development and corresponding agronomics will be required to ensure we have the best feedstock suited to weather and disease challenges in that new crop opportunity.

We welcome the move forward but caution that if we lose the crop management and breeding science programs within AAFC our sector will not be able to participate in the new ventures proposed. Of recent interest to all producers is bio-fuel for example. If barley is to play a role we have potential within some of the new varieties currently being developed, they are more disease resistant when compared to wheat, more competitive than triticale in the field thereby requiring little to no pesticide use and resulting in decreased costs for cultivation. Some of the new varieties under consideration may even be winter seeded to provide additional environmental benefits and alternative feed supplies for our cattle producers. They provide biomass and per acre yields equal to, or in excess of, other sources of feedstock. Research into genetics may even provide enzymes required to improve fuel yields as part of the seed itself!

However we need to ensure this package of qualities inherent in the new varieties being developed, that those varieties can be commercialized and can also be grown agronomically and economically by producers. These new feed stocks need to then be processed in new ways to enhance returns for the end user or customer. It is all tied together; cutting one area only harms the total package. To remove resources from one section of the value chain to focus on another piece of the chain is not acceptable if it provides no method of transferring the benefits of that technology or opportunity to the producer who is expected to provide the feedstock for that opportunity.

Our competitors, particularly Australia, have been increasing their R & D in breeding and agronomy to position their producers for success in the long term. As new competitors enter the commodity grains business, and if we in Canada are to compete with Argentina and Brazil, we need the best plant genomics and agronomics available. In 2005 Australia formed Barley Breeding Australia to take a national approach to barley breeding and development. There are now just under 2,900 Agriculture Scientists in Australia compared to Canada's estimated 1,150 positions. In a recent study commissioned by AAFC Canada ranked # 15 out of 39 countries for agriculture R & D and # 29 out of 39 countries in terms of agriculture R & D growth since 2000 despite our top 5 ranking in most cereal and oilseed export markets.

The Alberta Barley Commission asks that the federal and provincial governments work collaboratively to ensure this new strategy moves forward with new resources and is not merely a transfer of people and financial resources from one pocket to another with no net gain for agriculture producers in Canada. We must ensure that this innovative strategy

serves to benefit Canadian producers and Canada's rural communities in the long term and that the entire process from breeding, agronomics, to seed, to crop, to processor to customer is served for mutual benefit.

Sincerely,

Mike Leslie
General Manager

CC Hon. Doug Horner
Hon. Rona Ambrose