Welcome to the October issue of GrainsWest, and my final message to you as the chairman of Alberta Barley.

First of all, I’d like to say that it’s been an honour to serve Alberta’s barley farmers, and I’ve been very grateful for the opportunity. As I move on to the next phase of my life, I will always recall my time as chairman with fond memories. I’m proud of the work we’ve done together, and I’m excited to see what the future holds for this great organization.

As I reflect on my time here, one of the most important things I’ve learned is that nothing is more critical to the success of a commission than the trust it builds with its members.

The way we establish and deliver on that trust is by showing you, the farmer, how we are spending your money. At Alberta Barley, we take no other responsibility more seriously than that of investing your provincial check-off dollars.

I’ve said it many times before, but it still rings true: what we do would not mean anything without the support of Alberta’s barley farmers.

Our members’ interests determine everything we fund. That is why we believe in grassroots democracy, and constantly solicit opinion on our priorities and direction. We have heard your voice, and are spending money in the areas that you believe in.

For this reason, the majority of our dollars go towards research and market development. These are the areas that establish and secure the agricultural future of the barley industry. In order to create a brighter future for ourselves, we have to invest in it.

Over the next couple of pages in this update, you will read about Alberta Barley’s finances, including details of our financial management structure and how we allocate funds for important initiatives like trade missions. As you’ll see from these updates, we take every opportunity to be transparent and open about everything we do. That’s how you build trust, and that’s how we plan to keep yours.

Thank you for letting me serve you all. I look forward to connecting with you down the road.

Sincerely,

Matt Sawyer
Chairman

albertabarley.com
GENERAL MANAGER’S MESSAGE

Lisa Skierka
General Manager

Over the past few years, the staff at Alberta Barley have worked diligently to provide greater accountability and clarity to our farmer members.

Under the leadership of our board of directors, and in conjunction with our finance and audit committee, we have developed extremely strong best practices and accounting standards. However, our accuracy and accountability would mean very little if we were not open and straightforward about the work we do, and the model we do it under.

In the past three years, we have gone from a staff of six, supported by contractors, to a staff of 17 who handle the majority of our projects and priorities in house.

This seems like a lot of people, but that’s where our model gets interesting: three of our accounting staff are shared employees with the Alberta Wheat Commission (AWC), as are the two staff who work on GrainsWest magazine. We also share staff with the Barley Council of Canada (BCC) and the Western Canadian Deduction (WCD), while running two major federal grants totaling more than $11 million. No one in our office does just one job—instead, we look at supporting projects and priorities as sensibly as possible.

We do this while also supporting the Canadian Agri-Food Trade Alliance, the Feed Coalition and Grain Growers of Canada—three groups we work with closely in order to better represent your interests regionally, nationally and internationally.

Our top financial team also supports the AWC, the BCC, the Feed Coalition, GrainsWest and the WCD. Most recently, they have taken on our AgriMarketing Program grants, as well as the national barley research cluster.

Questions and comments are always welcome, as we want our work to make good financial sense to you. That said, with refund requests decreasing to five per cent for the past fiscal year, it looks like the word is already out.

TRADE MISSIONS

Building Markets and Relationships

Canadian agriculture depends on international trade—in fact, nine out of 10 farms across Canada rely on export markets.

With that in mind, it’s important that organizations like Alberta Barley serve current markets and work to establish relationships in new and emerging ones.

“Trade missions allow us to gain valuable knowledge about export markets and increase opportunities for farmers,” explained Alberta Barley Region One director-at-large Glenn Logan, who attended the Gulfood trade show in Dubai, United Arab Emirates, in January of this year.

While this seems like a simple process on paper, establishing relationships and contracts with international partners takes many trips between countries and requires an effective use of resources.

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FINANCE UPDATE

Syeda Khurram
Finance and Human Resources Manager

Here in the finance department, our number-one priority is always to responsibly and accountably handle your check-off dollars, while giving you the most “bang for your buck” when it comes to your valuable investment. As a not-for-profit organization run by farmers, for farmers, it is our obligation to keep you informed of how your check-off dollars are being put to work to fuel important barley research and market development.

To that end, I would like you to rest easy knowing that our team of accredited professionals and financial experts are continuously working hard to add value to barley production, and we are proudly accountable for every dollar spent.

We have been running the Western Canadian Deduction (WCD) program successfully for the last two years now. In just the past year, we have seen a decrease in refund requests as this temporary program started earning the respect of farmers. This demonstrates the excellent communication we have had with farmers and grain dealers from across Western Canada. Through active engagement, we continue to talk openly with farmers about the importance of the WCD program and the three organizations the WCD supports.

This success echoes Alberta Barley’s efforts provincially. Over the past three years, our refunds have decreased from eight per cent in 2011 to five per cent in 2014. I believe this is because all of our external communications initiatives are focused on demonstrating that by supporting farmer-focused research, supported by a strong market development plan, we are moving our industry forward. The reduced refund rate is a testament to how effectively we have communicated that value.

Our finance committee continues to meet three times each year. For the past two years, this committee has initiated and completed a successful annual spot audit to ensure the accuracy and transparency of the financial information that is presented to our board of directors. During the spot audit, committee members arrive at the office with a list of items for review, from credit card statements to research contracts. It is the accounting department’s responsibility to have the organization’s paperwork in order at all times, so we pull the documents and provide them to the committee members to review. I would recommend a spot audit to any not-for-profit organization that wants to have the best possible financial processes in place.

The finance committee’s membership includes chair and Region Four director Bernie Klammer, Region One director Greg Stamp, Region Two delegates Shawn Gorr and Doug Miller, General Manager Lisa Skierka, and myself (finance and human resources manager Syeda Khurram) as the staff lead. This year’s spot audit was successfully performed in March, reflecting our commitment to producing transparent financial information for our members.

Over the past two months, the FYE 2014 audit was ongoing while at the same time we were implementing the budget for the 2015 fiscal year. Our goal for the upcoming fiscal year is to invest in people. Here at Alberta Barley, the professionals in our finance department continue to prove that they are capable of great things. In addition to the Western Canadian Deduction, we have been able to successfully take on responsibilities related to the AgriInnovation Program and the AgriMarketing Program. By keeping these functions in-house, we have been able to more efficiently handle check-off dollars, protecting farmers’ money and ensuring it is spent wisely.

As of Oct. 1, we have also taken management of the Alberta Barley, Alberta Wheat Commission and Western Canadian Deduction levies in-house. After working with Levy Central out of Saskatoon for the past couple of years, we realized that we could simply provide this service at a lower cost by doing it from our own offices.

As a not-for-profit organization run by farmers, for farmers, it is our obligation to keep you informed of how your check-off dollars are being put to work.

Our financials are a living document of Alberta Barley’s performance. Each dollar and each cent tells the story of our work on your behalf. We take the responsibility of investing your check-off dollars very seriously, and this is reflected in the care and diligence we exercise while allocating those dollars to meet your goals and expectations.

I am proud to say that we have great board members, great committee members and great staff in place to work for you and to ensure that our actions reflect the organization’s vision and mission.

I look forward to continuing to invest my financial expertise and leadership skills in Alberta Barley in order to raise barley’s profile and make the industry more profitable and sustainable for the future.
of limited resources. This is why Alberta Barley works to minimize trade mission costs while maximizing the opportunities for barley farmers.

Or, as Logan put it, “When we go on trade missions, we work to give barley farmers the biggest bang for their buck.”

At Alberta Barley, this is accomplished by leveraging farmer investments with funding from other resources. These valuable resources include government programs (through initiatives such as Growing Forward 2’s AgriMarketing Program) and other organizations, including the Canadian International Grains Institute (Cigi).

For example, the AgriMarketing Program helped fund a trade mission to the Seoul Food trade show in South Korea in May 2014. This paid off, as Caitlan Carver, public relations coordinator for Alberta Barley and the Barley Council of Canada, attended the show with the aim of gathering market intelligence for barley opportunities in Korea.

“It takes years of work to develop those relationships,” said Carver, who has received many inquiries about Canadian barley following the trip. “This is why introductory trips like this are critical. It is so important to start early.”

Since the Seoul Food show occurred during seeding this past spring, we were not able to send a farmer representative. Thinking outside the box, Carver decided to bring the trade show back home by producing a video on-site. The video can be viewed online at GoBarley.com.

As you’ll in see in the video, now is the perfect time for Canadian organizations to invest in trade missions to emerging markets such as South Korea.

With the anticipated implementation of the Canada–Korea Free Trade Agreement (CKFTA) on the horizon, it is imperative that organizations like Alberta Barley have an established presence there. The CKFTA is expected to result in considerable benefits for the beef and pork industries. Canada’s barley industry will reap the rewards of this, as over 80 per cent of harvested barley goes toward feed production for livestock.

Canadian malting barley is also popular in Korea, and is known for its high quality.

The potential boom for the hulless or “food” barley market also makes South Korea an important destination for trade missions.

“South Korea is the gateway to the rest of Asia,” added Carver. “Once a product becomes popular in South Korea, a domino effect takes place in other Asian countries where demand continues to grow.”

### STANDARD TRADE MISSION COSTS

**January 2014, Gulfood show in Dubai, United Arab Emirates**

- Two flights (staff member and board member): $3,900
- Two per diems (includes all food and hotel costs): $5,600
- Two event registrations: $100

**Total:** $9,600

**March 2014, ExpoANTAD in Guadalajara, Mexico**

- Two flights (staff member and board member): $1,400
- Two per diems (includes all food and hotel costs): $4,000
- Two event registrations: $300

**Total:** $5,700

*Alberta Barley covers half of these costs; the remainder is funded through the AgriMarketing Program.