With Alberta’s craft beer industry expanding, the province’s grain producers continue to take advantage of the opportunities this market provides. Thanks to the strong demand for malt barley, a key ingredient in beer, Alberta farmers will be including this high-value crop in their rotations in the years to come.

Existing barley insurance is currently designed for feed crops and does not recognize the malt price premium producers receive for a successful crop, a gap that can leave farmers wary of committing to the input process required to grow malt barley. With this in mind, Alberta Barley has begun working directly with the industry to make this process more farmer-friendly than ever before.

The idea for malt barley insurance was about as grassroots as you can get. In early 2014, a farmer from Paradise Valley approached his Alberta Barley region director, Bernie Klammer. As a malt barley producer, the farmer found there was no malt-specific insurance to protect himself from potential losses.

“He was quite concerned he couldn’t select malt barley versus feed barley insurance because of the high risks involved, the input costs and the potential of greater return,” Klammer recounted.

When grown and sold specifically for malting, barley can be worth up to 30 per cent more than feed, according to Klammer. However, malting barley must meet specific requirements in order to be selected.

As Klammer explained, malt barley can be fickle. Despite the hard work farmers put into the crop, a bad growing season or extreme weather can damage the malt barley beyond malting or general purpose use, which is a big loss for farmers.

Alberta Barley identified malt barley insurance as a priority after it was submitted as a resolution during 2014 regional meetings. This resolution was then carried forward and approved at the Alberta Barley AGM in December 2014. Almost immediately thereafter, Alberta Barley staff began working with the Agriculture Financial Services Corporation (AFSC) to explore an insurance program that would cover the price premium for malt.

Alberta is the first province in Canada to tackle insurance for malt barley, according to Jesse Cole, a research analyst at AFSC. The U.S. Department of Agriculture recently started offering an insurance product for malt barley, providing some guideposts in the exploration process. The USDA product indicated that it was feasible, but designing a new program is a demanding job. It requires doing research, identifying stakeholders and evaluating the viability of the proposed program.

“We’ve looked at malt coverage in the past and found some sizeable hurdles,” Cole explained. “We had to work toward getting over some of the issues.”

Luckily, this time around, AFSC had a partner to help hash out the details.

“Alberta Barley was pretty instrumental in putting together a working group with members of the industry,” Cole explained. “That’s been the difference: the support from the industry. The working group has helped over-

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**ALBERTA BARLEY FOCUSES ATTENTION ON MALT BARLEY INSURANCE**

By Ellen Cottee

albertabarley.com
Alberta Barley helped AFSC bridge the gap between researchers, farmers and buyers. “Working with industry groups in the past has been a great way to hear what the needs are and how things are working for our clients. Those relationships are very important,” said Cole. “They’ve become a focus of the Research and Product Development area here.”

Going forward, partnerships like this will allow the entire agriculture value chain to align their work and find solutions that work for everyone.

“It’s great that it’s a group effort,” said Cole. “Alberta Barley, AFSC, and some of the buyers and sellers getting together and figuring out how we can do it.”

As the important work on this program continues, malt barley insurance will ideally be similar to coverage for high-protein wheat and speciality canola. Like malt barley, these varieties take more care to produce and are more likely to have a higher value at point of sale.

Klammer said the idea of malt insurance was well received, but led some farmers to worry about the specifics. “A few guys started talking about what-if scenarios,” he said. “I said ‘well, we shouldn’t dwell on the what-ifs. At least the option will be there.’”

Klammer explained that if malt barley insurance becomes a reality for Alberta farmers, it will allow for better risk management. “Farming best-practices can take place,” he said. “But risk management is an important part of the whole equation.”

Currently, the program is under review with the federal government. Alberta Barley and AFSC are hopeful malt barley insurance will be available for the 2016 crop season. For more information, visit albertabarley.com.

ALBERTA BARLEY’S NEW GM EXCITED ABOUT INDUSTRY’S FUTURE

By Ellen Cottee

It was on his uncle’s farm near Russell, MB, that Rob Davies developed his lifelong enthusiasm for all things agriculture. Davies credits summers spent on the farm with starting him on the path that would eventually lead him to become Alberta Barley’s general manager.

Davies earned a bachelor of science in agriculture at the University of Manitoba. Graduating in 1984, he began working in various crop input sales and service positions before taking on management positions with United Grain Growers.

For much of his career, Davies worked at the Weyburn Inland Terminal in Saskatchewan. While there, he spent over 15 years as chief executive officer, working directly with federal government groups and agriculture industry boards on many issues, including grain transportation and marketing issues.

“We were a relatively small player working with a lot of larger ones, so developing good relationships was important,” he said. “We would identify where the opportunities were for us and work to leverage those opportunities to grow our business.”

With multiple areas of focus, much of Davies’ job was building relationships with various business partners and government agencies.

After Weyburn Inland Terminal was sold to a private company in March 2014, Davies spent a year at Battle River Implements in Camrose before joining the Alberta Barley team. Despite his 30-plus years in agriculture, working for Alberta Barley is a new experience Davies is eager to take on. “Canadian agriculture is exciting, but to be able to work more directly on the farmer side, to focus more on research and market development, will be a great experience,” he said. “There are some great opportunities going forward.”

Already looking ahead, Davies said he is thinking about how these opportunities can be transformed into real results for farmers and consumers. He said he is most excited about advances in barley varieties designed to improve feed, malt and food barley production and processing for all value chain participants. “That’s hopefully where we can provide the most value for our farmers,” he explained.

Davies pointed to the opportunity to improve on the acceptance of new malting barley varieties by maltsters and brewers in order to improve returns to farmers.

Davies remains positive about the future of the barley industry. “With Alberta Barley, I want to invest in opportunities for our farmers to be more profitable,” he said.
Growing the barley industry all comes down to research—according to Alberta Barley research manager Garson Law.

“As a farmer-funded organization, we invest in research to bring scientific advancements directly to our farmers. This is the biggest factor in maintaining long-term sustainability,” he explained.

With that in mind, it’s no wonder that Alberta Barley has made research its number-one priority. As the new year dawns, three recently completed Alberta Barley-funded projects stand out for their notable findings.

Opportunities for food barley
Over the last year, two Canadian International Grains Institute (Cigi) researchers—Ashok Sarkar, senior adviser, technology, and Elaine Sopiwnyk, director, grain quality—have worked on their project, “Examination of milling performance and flour quality of barley and wheat blends.”

During their research, Sarkar and Sopiwnyk examined the milling performance of three varieties of barley, CDC McGwire, CDC Ratan and CDC Fibar, in combination with Canadian Western Red Spring wheat. These varieties were milled in 80-20, 70-30 and 60-40 wheat-to-barley ratios, without any adjustments to the mill.

“Having tested this out at different levels, it was quite obvious that any flourmill could use food barley, as long as it is hulless … and just treat it like another wheat,” said Sarkar.

With health benefits such as beta-glucan, a soluble fibre known to help lower cholesterol, as well as the ability to control glucose levels in the bloodstream, barley is well positioned to fit into the growing health food market.

Sarkar explained that people outside of Canada are recognizing these health benefits and opportunities for barley, too. “We hear interest in parts of Asia and other countries, the Middle East, etc.,” he said.

Currently, food barley represents a mere one per cent of the industry, but growing health trends could increase that share and bring growth and profits to the barley industry.

“Eventually, there will be more focus on health and nutrition; it may give [farmers] a good return on their product as the demand increases,” said Sarkar.

Improving crop yields with barley
Since 2009, Kabal Gill, research coordinator with Smoky Applied Research and Demonstration Association (SARDA), has worked on a project titled, “Identification of superior crop rotations to minimize inputs, optimize crop production and maximize contribution margin.” The goal is to identify which crop rotations can provide farmers the greatest yields and best-quality with the least amount of inputs.

“We set up 10 crop rotations with canola, wheat, barley, flax and peas
plus canola and wheat monocultures,” said Gill. Each crop rotation featured three of these crops planted in rotation over the seven years.

Gill focused his attention on two main crops, wheat and canola, for comparison. Due to their high acreage, Gill explained, wheat and canola may become monocrops, with farmers planting them on the same land year after year.

Although growing a high-value crop like canola appears like an appealing option, Gill emphasized that planting monocrops does more harm than good. “Monocrops reduce yields and increase the risk of diseases, weeds and insects,” explained Gill.

However, farmers can mitigate these risks and improve their crop yields by incorporating a crop-rotation plan.

“Barley is a good stubble to use for crop rotations,” said Gill, explaining that canola or wheat planted on barley stubble showed greater yields compared to canola or wheat monocrops. “Compared to wheat monocrop, wheat planted in rotation with any other crop would result, on average, in a 10 per cent increase in yield,” he said. As for canola, yields increased by an average of 20 per cent.

In addition to greater yields, crop rotation offers other benefits. “It will benefit farmers to improve the yield of their main crops, provide diversity in their cropping system, make their farm enterprises more economically sustainable and reduce the risk of weeds, diseases and insects,” said Gill.

Strategic spraying
Ken Coles, general manager of Farming Smarter, knows farmers are in the business of risk management: “Farmers want to optimize their use of pesticide products to get the most bang for the buck.”

Which is why, for the past three years, Farming Smarter has worked on the aptly named project, “Night spraying: pesticide efficacy with nighttime application.” In addition to Alberta Barley, project partners include Alberta Agriculture and Forestry, Agriculture and Agri-Food Canada, Alberta Canola Producers Commission, Agriculture Opportunity Fund, Lakeland Applied Research Association and SARDA.

The goal of this project is to identify if spraying at a certain time of day would impact the effectiveness of products such as herbicides and fungicides on crops including barley, canola, peas and wheat.

Coles’ results have shown that there is, in fact, an optimal time for spraying. “On the herbicide end, I was quite astounded that the early-morning applications tended to have the poorest results, and that is when everybody sprays,” said Coles. Instead, he suggested spraying herbicides during the day. “We are talking a 20 per cent difference in efficacy,” he said.

As for fungicides, “Moving into July, the daytime temperatures are hotter and I would actually probably avoid daytime applications with fungicides,” Coles explained. “I would lean towards an early-morning application.”

In both cases, the results show nighttime applications as a neutral option between morning and daytime applications.

In the end, Coles hopes results like these will help farmers make the best decisions possible for their farms.