

Canaryseed News

News from the Canaryseed Development Commission of Saskatchewan (CDCS)
& the Canaryseed Association of Canada (CAC)



Message from the Chair

by David Nobbs

Another harvest, another crop in the bin, thankfully. While lentil yields on our farm in southwest Saskatchewan were close to last year's record, canary yields seem to be all over the map from bumper crops in the 40 bu/ac range to 15 bu/ac crops.

Stats Canada has pegged the current crop at approximately 1,071 lbs/ac, down from 1,375 lbs/acre in 2013. This gives the trade roughly 160,000 MT to export versus last year's program of 190,000 MT. As Stats Canada numbers are often extremely suspect, time will tell if Canada again ships into negative carryover territory.

Current bids of approximately 25 cents/lb give Canadian growers about \$267/ac of revenue by growing canary. The question that your board continues to work on is how do we increase those returns, either via yield increases (or the year to year consistency of yield) and value of the commodity?

Two major areas of interest are food use and breeding and agronomy work. In July, we toured Bill May's plots at Indian Head. Bill is doing a lot of interesting work on fertilizer response of canary and we hope to see some solid results to discuss at the canaryseed meeting during Crop Production Week in January.

We are also continuing to move forward in the novel food use area, but some details are still holding the application back at Health Canada. Hopefully some positive information comes on this front in the near future.

The more I learn about the mature use of canaryseed in bird food markets, the more it simply makes sense to try and move into the human food markets. Canaryseed definitely has some attributes that are showing potential.

Have a great holiday season and see you in Saskatoon!

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The Canaryseed News

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Canaryseed Development Commission of Saskatchewan Annual Meeting

Monday, January 12, 2015
Canadian Room, Saskatoon Inn
No charge to attend

As usual, the annual meeting for the Canaryseed Development Commission of Saskatchewan will be the Monday afternoon of Crop Production Week in Saskatoon. The meeting will once again be at the Saskatoon Inn, but please note the change in our meeting room from last year.

To access the Canadian Room, go down to the bottom of the ramp and turn left. The Canadian Room has more space and everyone will be able to sit at a table.

- 12:30 p.m. Registration
- 1:00 p.m. Opening remarks and announcements
Lance Stockbrugger, CDCS Director
- 1:05 p.m. Hon. Lyle Stewart, Saskatchewan Minister of Agriculture
- 1:10 p.m. Micronutrients, Aphids and Leaf Mottle
Bill May, AAFC, Indian Head
- 1:40 p.m. On the Cusp of Food Use Approval
Carol Ann Patterson, Pathfinders Research & Management
- 2:10 p.m. CDCS Annual Business Meeting
- 2:40 p.m. Coffee
- 3:00 p.m. Payment Security and Moisture Testing
Murdoch MacKay, Canadian Grain Commission
- 3:30 p.m. Canaryseed Value Chain: From Field to Birdcage
David Nobbs, Canpulse Foods
- 4:00 p.m. Canaryseed Market Outlook
Alyssa Mistelbacher, FarmLink Marketing Solutions
- 4:30 p.m. Canaryseed Association of Canada Annual Meeting

Annual Meeting Topics Explained

Micronutrients, Aphids and Leaf Mottle

Bill May of Agriculture and Agri-Food Canada has several agronomic projects in various stages on each of these topic areas. We'll hear the latest updates on his work.

Food Use Approval

It has taken a long time and a lot of money from canaryseed growers and from government, but human food approval for canaryseed is making progress. Health Canada wants more evidence showing specific canaryseed proteins are not similar to wheat allergenic proteins. Canaryseed is gluten-free, but people can be allergic to wheat proteins irrespective of gluten intolerance.

The original protein data will be re-examined to see whether it holds the required information. Otherwise, some amino acid sequencing may be required. This issue seems to be the only significant barrier to human food approval from Health Canada. Dr. Carol Ann Patterson has been spearheading the process for the commission and she'll provide an update on the situation.

CDCS Annual Business Meeting

A resolution will be presented requesting an increase in the per diem expenses claimed by directors. Currently, the per diem is \$150 a day for directors and \$175 per day for the chair. The proposal would increase the per diem to \$300 per day for all directors including the chair.

Only two director nominations were received: Gene Lahey and Lance Stockbrugger. Gene and Lance were already serving as directors and now their term will be renewed for another three years. Larry Frisky has served the maximum number of terms as a CDCS director. His time as director will end at the annual meeting.

Payment Security and Moisture Testing

The Canadian Grain Commission was working on an insurance-based system to guarantee producers payment for their grain. However, this has not been achievable and the industry is still using the bonding system that has long been in place. Canaryseed is not a regulated crop under the Canadian Grain Commission, so it is not included under the licencing and bonding provisions. If a buyer has a financial failure, there's no protection for unpaid canaryseed. Should canaryseed have payment protection and what would this entail? A representative from the Canadian Grain Commission will address this issue.

We've also asked for moisture testing to be discussed. Some canaryseed buyers still use the flax charts when measuring canaryseed moisture. Others use the canaryseed chart developed by the Canadian Grain Commission. The charts are quite different and there can be considerable differences from one buyer to the next on what they consider dry.

From Field to Birdcage

As a producer, buyer and exporter, CDCS chair David Nobbs is in a unique position to share his observations on how canaryseed is shipped around the world and how it's being sold to end-use consumers.

Crop Production Week



Crop Production Week will occur at three different venues in 2014. In addition to the Saskatoon Inn, there will be meetings at TCU Place and at Prairieland Park. Prairieland is also the site for the Western Canadian Crop Production Show.

Crop Production Week has initiated a scheduled shuttle service, Monday - Thursday, from the Saskatoon Inn to TCU and to Prairieland and back. There's no charge to take the shuttle, but users will need to call to register in advance to take the shuttle.

Producers and industry people can stay at the Saskatoon Inn and access the activities at TCU and Prairieland without driving their own vehicles and trying to find parking. A block of rooms has been reserved at Saskatoon Inn for Crop Week guests. See www.cropweek.com for more information.

Friday, January 9

Saskatchewan Agricultural Grads - curling

Saturday, January 10

Saskatchewan Agricultural Grads - hockey/banquet, TCU Place

Sunday, January 11

No scheduled events

Monday, January 12

Prairieland Park

- Crop Show, noon-6 PM
- Saskatchewan Soil Conservation Association

Saskatoon Inn

- Sask Winter Cereals AGM
- Canaryseed AGM

TCU Place

- Sask Wheat, Sask Barley, SaskFlax and Sask Pulse AGMs

Tuesday, January 13

Prairieland Park

- Crop Show - 9-5

Saskatoon Inn

- No scheduled events

TCU Place

- CropSphere
- Sask Oats AGM

Wednesday, January 14

Prairieland Park

- Crop Show - 9-5

Saskatoon Inn

- Seed Growers AGM

TCU Place

- CropSphere
- SaskCanola AGM

Thursday, January 15

Prairieland Park

- Crop Show - 9-5
- Agri-ARM Applied Research

Saskatoon Inn

- Sask Mustard AGM
- Seed Growers

Friday, January 16

Saskatoon Inn

- CWB
- Sask Fruit Growers

Saturday, January 17

Saskatoon Inn

- Sask Fruit Growers

Comparison of 2014 Crop Returns

by Kevin Hursh

Crop	Yield	Price	Gross/Ac	Expense/Ac	Net/Ac
HRSW	38	5.50	209	210	(1)
Durum	37	9.00	333	210	123
Oats	82	2.75	226	197	29
Barley	58	3.00	174	207	(33)
Canaryseed	1174	.24	283	202	80
Flax	23	12	276	205	71
Canola	31	9.20	285	277	8
Mustard	1069	.29	310	190	120
Peas	34	6.50	221	220	1
Lentils	1371	.25	343	242	101

How do returns from the various 2014 cropping options compare in Saskatchewan? Of course, it all depends upon the assumptions you use, so let me explain where the numbers come from in the table above.

The yields (expressed in bushels per acre for most crops and in pounds per acre for canaryseed, mustard and lentils) come from the province-wide estimates in the November final crop report issued by the Saskatchewan Ministry of Agriculture.

The most contentious numbers will be the prices. I've tried to express an FOB farm price for the typical grade and class of the particular commodity. On spring wheat and especially on durum, there's a wide range in grades and prices and so an intermediate number has been used. For barley, a feed price has been assumed. On mustard, this is an average of current prices for the three different types. For peas, I've used the price for yellow. On lentils, the price of an X3 red has been used.

Contract prices that were available earlier in the year have not been factored into the equation. These are estimates of current cash prices for this year's most typical grade and the numbers were put together in early November from a number of sources. Prices may have changed by the time you're reading this. It's also important to note that prices vary by location.

The expenses per acre come from the *Crop Planning Guide* published this spring by the Saskatchewan Ministry of Agriculture. In most cases, the costs for the dark brown soil zone have been used. These are total rotation expenses including variable and fixed costs but without any consideration for return to labour and management. Everyone's expenses will be different, but using these published estimates provides a common denominator.

The numbers indicate that canaryseed generated better returns than many other crops. However, if you were able to harvest decent quality durum, those returns likely outdistanced the net return from your canaryseed.

Everyone needs to do their own calculations, but the aggregate numbers show that canaryseed was a solid cropping option this year.

Canaryseed Market Outlook

By Alyssa Mistelbacher - Market Analyst, FarmLink Marketing Solutions

The 2014/15 canaryseed harvest is essentially complete in Western Canada, with quality and yields reported as average to better than average.

The October production report from Statistics Canada showed the canaryseed production at 138,800 tonnes, down slightly from earlier estimates, and well below provincial government and private forecasts. Stats Can specified a yield of 1,074 lbs per acre, compared to 1,375 lbs in 2013. Conversely, reports from the field and the provincial government indicate average to above average yields, greater than earlier expectations. The October Stats Can report data was accumulated before much of the crop was harvested, and therefore higher revisions to yield in the December production report can be expected.

Production in both Alberta and Manitoba is not captured by the government data, and therefore additional production has been added to our estimate, taking our assessment of the 2014/15 crop to 165,000 tonnes in total. Trade estimates of total 2014/15 supply range from 150,000 tonnes to nearly 200,000 tonnes, which attests to the fact that formulating analysis on a crop with a lack of reliable supply and demand data can prove difficult, and the problem grows more complex with each subsequent report.

Statistics Canada has stopped reporting on canaryseed ending stocks, and with 2013/14 export data essentially final, the only way to reconcile the short ending stocks number is to further raise 2013 production, above the official government figure. The inconsistency in the data leads to ongoing misperception and lagged market signals, likely to carry on throughout 2014/15.

Demand remains steady and the further strengthening in values contrasts with the usual seasonal tendency, which is an additional sign that supplies are relatively tight. At the time of writing, exports so far total 14,750 tonnes which is strong for the time of year. Our 2014/15 forecast is for exports to decline from last year and become more in line with the five year average level, mainly due to the fact that there simply is not enough production to support a larger export program.

Values could firm through the winter months, depending on the deviation between actual and estimated production in 2014, as well as by any constraints on logistics that may hinder movement. Sales to south of the border have been strong, but continue to be underserved due to lack of rail capacity at this time.

Upside in values will be capped by farmer selling being adequate to satisfy ongoing buyer requirements. At the time of writing, bids are holding in the \$0.23- \$0.25 cent range. A combination of a larger actual supply figures than indicated by government reports coupled with the ability for the end user to readily substitute canaryseed for other birdfeed ingredients such as millet, (depending on price ratio and availability) will likely keep prices range bound in the medium term.

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The Canaryseed News



THE CANARYSEED DEVELOPMENT COMMISSION MISSION:

To coordinate research and market use expansion for the advancement of the canaryseed industry for the benefit of growers and other stakeholders.

The Canaryseed Development Commission of Saskatchewan was established in 2006 under the Agri-Food Act, 2004

**CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN (CDCS)
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