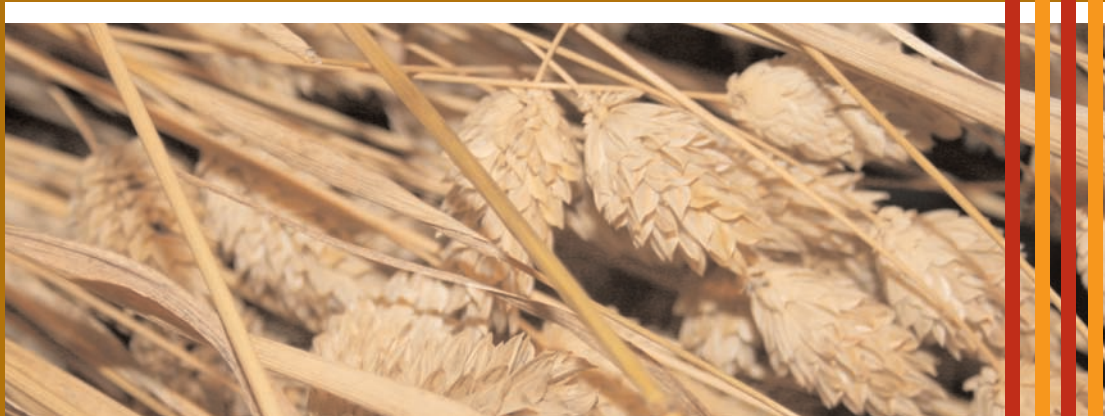


Canaryseed News

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



Message from the Management Team

Kevin Hursh,
Executive Director
and
Adele Buettner,
General Manager

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The board of directors of the Canaryseed Development Commission of Saskatchewan met March 27 in Saskatoon. A lot of time was spent reviewing the progress of the New Uses Project led by Dr. Carol Ann Patterson. The marketing side of the project is working to identify possible uses for canaryseed within the human food market. Livestock feed uses and pet food uses are also being explored.

Meanwhile, the safety assessment side of the project is kicking into high gear. Carol Ann has further information in her report within this newsletter.

At the board meeting, directors also passed a motion to contribute \$7,000 to the Grains Innovation Laboratory being built as part of Crop Science Field Lab located at Preston Avenue and 108th Street in Saskatoon.

When complete, the Grains Innovation Laboratory will house all of the Crop Development Centre's quality laboratory functions. The new building will give expanded and more efficient space to screen and test breeding lines in order that they meet the quality needs of industry. The lab is slated to be commissioned in October of this year.

The Crop Development Centre is well known for its varieties of wheat, durum, peas, lentils, chickpeas, barley, oats and flax. Some 300 new varieties have been released since the inception of the CDC back in 1971.

The CDC is also home to the canaryseed breeding work of Dr. Pierre Hucl. New varieties coming out of Pierre's program will be central to the plan for expansion of the crop into the food industry.

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The Canaryseed News

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Message from the Management Team Continued

Producer organizations representing pulses, oats and flax have also contributed to the \$7.7 million project, as have agricultural businesses.

This newsletter is being written in advance of the April 24 seeding intentions report from Statistics Canada. It'll be interesting to see the intended acreage for Canadian canaryseed, the vast majority of which is grown in Saskatchewan. Our seeded acreage, combined with growing season weather conditions will determine the price direction.

A market analysis report by Brian Clancey of Stat Publishing is contained within this newsletter.

Good luck with your seeding operations and here's hoping for a good growing season.



DIRECTOR PROFILE

Jack Carlson

Background and Farm Operations

I began farming in 1975 when I moved to Kyle from Stewart Valley with my wife Vickie and our family. I joined the Matador Farming Pool, a cooperative. It's a group of members owning together and labouring together for a successful operation.

We have a mixed farming operation of cattle and cultivated land. The crops we grow are durum, lentils, peas and canaryseed.

We had two cleaning plants. The plant in Kyle cleaned canaryseed and the plant in Swift Current cleaned lentils and peas for export. I managed both plants for 18 years, we sold both plants in the fall of 2008.

Involvement

I have been involved in the Canaryseed Development Commission of Saskatchewan since the beginning. I am confident that there is a market for human consumption of canaryseed. I am excited to see how the crop can evolve as we move forward.

The effect of potassium and chloride on canaryseed yields

By W.E. May, Y. Gan S.S., Malhi and G.P. Lafond

The Canaryseed Development Commission of Saskatchewan has been assisting with funding a fertility research project led by Bill May of AAFC in Indian Head. The first two years of work show a strong yield response to chloride when chloride levels are low in the soil.

In the past, the grain yield of canaryseed has been lower than expected. The reason could not always be explained. In research conducted in 2000 and 2001, there was a significant response to KCl at two sites near Indian Head in two years with a soil residual level of 310 to 660 lbs /acre of K₂O. The beneficial effects of KCl was reflected in seed set and head size. At four other locations with over 500 lbs /acre of K reported in the soil test, there was no response to KCl fertilizer. Unfortunately, chloride levels in the soil were not monitored. Therefore a project was initiated to determine if K or Cl could be having an effect on the seed yield of canaryseed with the following objectives:

- 1) To determine the responsiveness of canaryseed seed yield to K and Cl
- 2) To provide better recommendations to producers on the use of KCl in canaryseed from soil test results

In 2007, this trial was conducted at five locations in Saskatchewan, Melfort, Stewart Valley, Regina and two locations south of Indian Head on Vale Farms. In 2008, the Indian Head research farm was added as a location.

In 2007, the yields were on the low side due to temperature and moisture stress during seed development. At two of the five locations, both sites south of Indian Head, a strong yield response occurred when chloride was applied and a moderate yield response to chloride occurred at Regina. The yield components most affected were seeds m⁻² and seeds head⁻¹. This means that the addition of chloride prevented seed abortion from occurring. Grain yield was not affected by chloride or potassium applications at Melfort or Stewart Valley in 2007.

In 2008, yields varied as moisture conditions varied across the province. Both locations south of Indian Head had a chloride response in 2008 which followed a similar pattern seen in 2007. One important difference is that the yield response at the Vale farm site occurred when yield conditions were quite good (40 to 50 bu/acre) (Table 1). The hairy and hairless cultivars all responded to Cl. The Melfort site was lost when the site was accidentally sprayed with glyphosate by the land owner. There was no response at the other locations to K or Cl in 2008.

These preliminary results indicate that Canaryseed growers need to measure chloride when doing soil tests. The response to chloride occurred when the canaryseed was under stress and under high yielding conditions. No response has been observed to K. This research will be conducted for one more growing season. For more information please call or email William May. email: William.may@agr.gc.ca phone: 306-695-5225

Table 1. The effect of Potassium and Chloride nutrition on Canaryseed at Vale Farms in 2008 (08-755)

Form	Potassium	Chloride	Grain Yield		Plant Density	Head Density	Seed Density		Kernel Weight
	kg ha ⁻¹	kg ha ⁻¹	kg ha ⁻¹	lb acre ⁻¹	plantm ²	heads m ⁻²	seeds head ⁻¹	seeds m ⁻²	g 1000 kernels ⁻¹
none	0	0.0	1533	1365	234	835	22.6	18785	8.1
KCl	10	9.1	2342	2086	214	745	39.4	29325	7.9
KCl	20	18.2	1884	1678	205	699	38.0	25341	7.5
KCl	30	27.3	1794	1598	239	780	28.7	22643	7.9
K ₂ SO ₄	10		1567	1396	249	840	23.9	19700	7.8
K ₂ SO ₄	20		1704	1517	210	786	27.7	21628	7.8
K ₂ SO ₄	30		1315	1171	217	810	22.7	17889	7.3
CaCl ₂		9.1	2345	2089	199	830	33.3	27186	8.6
CaCl ₂		18.2	1922	1712	190	800	31.1	24760	7.8
CaCl ₂		27.3	2322	2068	259	768	36.0	27473	8.4
		LSD	540	481	NS	NS	8.4	5520	0.7
		CV	20		19	14	19.0	16	6.3

Canaryseed Market Outlook

By Brian Clancey of Stat Publishing

Canaryseed markets have spent most of the past 29 months rationing demand. Export markets set new record high trading levels during that period, peaking at U.S. \$38 per 100 pounds. That happened while the Canadian dollar was worth more than a dollar, with the result the bids growers remained well off the record high of 42 cents per pound set in 2002.

Markets have backed off considerably in recent weeks, with grower bids falling 21 per cent since October, while export asking prices plunged 36 per cent. Export markets fell faster because the Canadian dollar has also fallen 10 per cent since October. Despite the size of the price declines, both markets remain at the upper half of their long term, historic ranges. Grower bids were lower 70 per cent of the time during the past 20 years, while export markets have been lower 68 per cent of the time.

For the sake of argument, you could say price does not influence demand when markets are at the mid-point of their long term range. To the extent that is true, by the middle of March, markets were still high enough to discourage people from accumulating inventory. Exports markets were U.S. \$4.60 per 100 pounds higher and grower bids were five cents higher than average.

This all sounds like an academic exercise until you realize that price is the only tool all the people involved in a market can use to turn opinion into action. If buyers believe there is a greater chance prices will decline than rise, they tend to buy as little as possible. This is clearly a factor in this season's canaryseed market.

Since the start of the marketing year in August, Canadian canaryseed exports have fallen well behind anything we have seen since 2002. Between August and January, Canada exported almost 70,000 metric tons (MT) of canaryseed, compared to over 97,000 last year and over 88,000 MT in the first half of the 2006-07 marketing year.

Canaryseed markets tend to be very disciplined, with around half of what will be exported in any given season, shipped in the first half of the marketing year. If this pattern remains intact, we will export around 75,000 MT of canaryseed between February and the end of July, down from roughly 107,000 MT last season and down from almost 90,000 MT in 2006-07.

As much as one would like to argue that this year will be an exception to the pattern, there is one big problem: the buying power of our customers is declining.

Looking at the export data for the first half of the current marketing year, there has been a general decline in import demand compared to same period last season.

Shipments to northern Europe are down 6,000 tons, while shipments to the Mediterranean are off 4,000; South America has bought 15,000 tons less than last year; and sales to the United States, Mexico and central America are down 3,000 tons. Some European demand was covered by eastern European canaryseed, while other customers may have increased the proportion of millet and other seeds in their mixes.

We may also be paying a price for last season's success. Last season's exports were 34,000 tonnes above the previous five-year average. Exports this season could be 35,000 tonnes below the most recent five-year average. This suggests our customers are drawing their inventories down to the lowest possible level and only buying when they are close to running out.

The recession and tight credit should continue to affect the pace of demand through the beginning of 2010. While this may limit the height of demand spikes, there is every reason to believe canaryseed export demand will return to more normal levels in 2009-10, rebounding from just 145,000 MT this season to 176,000 next season.

Continued on Page 5...

Canaryseed Market Outlook Continued

Whether improving demand means better prices is less certain. Canaryseed still needs to maintain a competitive relationship to other commodities, which affects the eagerness of importers to participate in markets. But, prices cannot drop to levels which are deemed to be unprofitable by growers -- whether or not values seem good relative to wheat or durum -- without affecting how much canaryseed is available to the market at any given time. In simple terms, Saskatchewan growers still set the tone for canaryseed prices in most of the world outside Europe.

Canadian Canaryseed Supply-Demand Estimates
(acres, metric tons)

Year	2005	2006	2007	2008	2009
Acreage	475,000	337,200	440,000	415,000	458,000
Yield (lbs)	1,064	875	812	1,039	910
Production	229,200	133,800	162,000	195,600	189,000
Carryin	168,000	190,000	120,000	67,000	100,000
Stocks	397,200	323,800	282,000	262,600	289,000
Disappearance					
Aug-Jan Exports	87,693	88,077	97,371	69,439	N/A
Percent of Forecast	47.3 %	49.5%	47.7%	48.0%	N/A
North Europe	36,086	32,607	38,828	24,700	33,600
Mediterranean	21,138	23,671	25,475	18,200	22,400
Americas	118,364	112,042	128,950	90,200	109,300
Pacific Rim	4,724	4,849	5,248	4,600	4,900
Arab/Africa	4,930	4,757	5,765	7,100	5,900
Total Export	185,242	117,924	204,266	144,800	176,100
All Domestic					
Usage	21,958	25,875	10,734	17,800	18,900
Carryover	207,200	203,799	215,000	162,600	195,000
Usage/Stocks	190,000	120,000	67,000	100,000	94,000
	91.7 %	58.9%	31.2%	61.5%	48.2%

Forecasts by STAT Market Research based on data from Statistics Canada
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Brian Clancey is the Editor and Publisher of the www.statpub.com market news website and President of STAT Publishing.

New Uses Project Update

Collaboration, coordination and innovation.

by Dr. Carol Ann Patterson

Attaining regulatory approval for a novel food like glabrous canaryseed takes time, effort, money and people.

There are many challenges ahead but the CDCS feels that the process outlined in January's annual meeting will allow the Commission to provide Health Canada with the evidence to support canaryseed approval as a new food grain.

The CDCS is fortunate to have acquired the funding from ACCAFS to assist the canaryseed industry in pursuing this goal. However, it is the people - in universities, commercial laboratories, research institutes and industry that are already, or will be, engaged in the process who are truly helping the canaryseed industry.

People are excited about introducing a new crop to the food industry. This hasn't really been done since canola! There's been lots of discussion of just what canaryseed could be used in, either as a whole seed or as a milled product. Its unique oil profile and high protein levels could find a niche in innovative food products.

But first the approval!

There are a number of agencies involved in this drive to get approval:

- University of Saskatchewan - breeding and growing the glabrous varieties and preparing the samples for further testing
- POS Pilot Plant: conducting many of the analyses for chemical and nutritional characterization
- University of Manitoba: investigating the bioactive factors (phenolics, enzyme inhibitors) in canaryseed
- University of Guelph Laboratory Services testing for heavy metals, organics and Mycotoxins
- Silliker Labs for vitamin and mineral analysis
- Sunwest Food Laboratories for microbiological analysis
- Agriculture and Agri-Food Canada for alkaloid analysis and market analysis
- Canadian International Grains Institute for product development- innovative products using canaryseed could be on the horizon
- Consultants who are investigating the market potential for glabrous canaryseed
- Private food manufacturers who will test canaryseed is the product formulations

Although the testing is just underway, a good portion of the chemical characterization should be complete by the end of the summer. Then we can move on to the more arduous and lengthy toxicology testing.

Over the next 2 years evidence to support the safety and market potential of glabrous canaryseed will be collected, analyzed and submitted to Health Canada. Once approval is given, the CDCS can begin to tell the world the story of hairless canaryseed.

Dr. Carol Ann Patterson of The Pathfinders Research and Management Ltd. is piloting the novel food project for the CDCS.



Canaryseed Registered Buyers

Agra Canex Ltd.
Box 669
Eston, SK S0L 1A0
T: 306-962-4990
F: 306-962-4494

Agricom International Inc.
213 - 828 Harbourside Dr.
North Vancouver, BC
V7P 3R9
T: 604-983-6922
F: 604-983-6923

Alliance Pulse Processors
Inc. (Saskcan Pulse Trading
/ Saskcan Agtech)
P.O. Box 30029
Regina, SK S4N 7K9
T: 306-525-4490
F: 306-525-4463

Bornhorst Seeds Ltd.
PO Box 71
St. Gregor, SK S0K 3X0
T: 306-366-2158
F: 306-366-2220

Clancy Seeds Ltd.
153 1st Street SE
PO Box 637
Carrot River, SK S0E 0L0
T: 306-768-3566
F: 306-768-3599

Commodious Trading Inc.
1205 Maple Road
North Saanich, BC V8L 5P7
T: 250-652-7807
F: 866-565-1027

Export Packers Co. Ltd.
107 Walker Drive
Brampton, ON L6T 5K5
T: 905-792-9700
F: 905-792-1274

Fill-More Seeds Inc.
PO Box 70
Fillmore, SK S0G 1N0
T: 306-722-3353
F: 306-722-3328

Finora Inc.
8427 160th Street
Surrey, BC V4N 0V6
T: 604-597-5060
F: 604-597-4933

Horizon Agro Inc.
RR1, PO Box 59
Morris, MB R0G 1K0
T: 204-746-2026
F: 204-746-2343

JK Milling Canada Ltd.
540 - 355 Burrard Street
Vancouver, BC V6C 2G6
T: 604-696-9955
F: 604-696-9977

Keyser Farms Ltd.
PO Box 339
Cupar, SK S0G 0Y0
T: 306-723-4949
F: 306-723-4656

Keystone Grain Ltd.
PO Box 1236
Winkler, MB R6W 4B3
T: 204-325-9555
F: 204-325-2240

Lakeside Global Grains Inc.
PO Box 430
Wynyard, SK S0A 4T0
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F: 306-554-3010

Mavigna N A Inc.
209 - 845 Broad Street
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T: 306-721-8900
F: 306-721-8988

Naber Specialty Grain Ltd.
PO Box 1390
Melfort, SK S0E 1A0
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F: 306-752-2909

Parent Seed Farms Ltd.
PO Box 36
St. Joseph, MB R0G 2C0
T: 204-737-2625
F: 204-737-2248

Parkland Pulse Grain
Company Ltd.
PO Box 848
North Battleford, SK
S9A 2Z3
T: 306-445-4199
F: 306-445-1650

Parrish & Heimbecker,
Limited
480, 220 - 4th Street S
Lethbridge, AB T1J 4J7
T: 403-320-9440
F: 403-328-8561

Prairie Pulse Inc.
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F: 306-249-9245

Prairie West Terminal Ltd.
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Plenty, SK S0L 2R0
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F: 306-932-4444

Prime Seeds International
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F: 604-990-2520

Provalcid inc.
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Varennes, QC J3X 1P7
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F: 450-652-7959

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F: 306-885-2035

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F: 306-693-4489

Vigro Seed & Supply (A
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F: 306-885-2249

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F: 306-569-4424

Walker Seeds Ltd.
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Tisdale, SK S0E 1T0
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F: 306-873-5997

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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)
& THE CANARYSEED ASSOCIATION OF CANADA (CAC)**

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