

Canaryseed News

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



Message from the Management Team

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and
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As you read this issue of the CDCS Newsletter, you may already be seeding or at least getting close. One of the main reasons for sending the newsletter now, is to provide some timely market outlook information on canaryseed.

As a follow-up to the Market Outlook presented by Winnipeg-based Greg Kostal of Kostal Ag Consulting to our 2010 CDCS Annual General Meeting in January, this issue of the CDCS Newsletter features a template from Greg with which you can gauge the seeding intentions information released on April 26 by Statistics Canada. We hope you find this useful in your seeding and marketing plans.

As you know, too many canaryseed acres can result in too much production, which can cause depressed prices. Canaryseed demand is relatively stable from one year to the next and Canada (Saskatchewan) has more than 80

per cent of the world export market. The supply side of the equation - how much we produce - has a huge impact on price levels.

With the depressed price outlook for durum, wheat, barley and many other crops, canaryseed at the current prices of 15 to 17 cents a pound may look like a good cropping option. Unfortunately, a significant increase in canaryseed acreage could cause prices to drop below 15 cents for an extended period of time.

The CDCS, with financial support from Advancing Canadian Agriculture and Agri-Food Saskatchewan (ACAAFS), continues to work towards human food uses of canaryseed. There is still significant research to be done in this area. The CDCS is excited by the medium to long-term prospects; but in the short term, the market will remain almost exclusively birdseed.



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DIRECTOR PROFILE

Larry Frisky

Hello, my name is Larry Frisky and I, along with my wife and five children, operate a family farm in the Arborfield district.

My wife Sharon works in health care as a facility manager and as a nurse practitioner. Our children are now grown and have left home. Three of them are actively involved in the operation of the farm to varying degrees of time.

I have served as a coach, player and referee in hockey; umpire and coach in baseball and softball; have over 16 years in education as a board member; and have served on many boards in Arborfield and larger district. Our small communities can not survive without many volunteers. The same holds true for the Canaryseed Commission.

I volunteered to be a Canaryseed board member because the commission is very involved in developing canaryseed as a human food and in developing better agronomic practices for the crop. Both of these ventures will play a significant role in the future of canaryseed within the province of Saskatchewan and on my farm.



Canaryseed Outlook Contingent on Production Outcome

By Greg Kostal
Kostal Ag Consulting

Canaryseed is the one stand-out commodity whose price discovery is predominately supply driven. That's because demand is relatively stagnant around 175-200,000t a year. Efforts by the Canaryseed Development Commission of Saskatchewan will in the long term help elevate core demand, but right now offshore canaryseed demand is still reeling from the hangover of two year ago high prices and recent global economic malaise. Stated another way, demand is at bottom end of historical range, needing a period of price stability and sustained cheapness before it can return to the upper end of this range.

As seeding decisions are being made, there is a concern that prairie farmers may oversupply the canaryseed market. While yield outcome is unpredictable, there is a concern that farmers may modestly boost canaryseed acreage. Main reasons include (1) existing canary price signal pencils better than \$4-4.50/bu spring wheat or durum, (2) Saskatchewan Crop Insurance price support of 19 cts/lb essentially ensures a break-even outcome in the event a grower is in a claim position.

Production is the multiple of yield times acreage. Below is a table that lists various canaryseed production outcomes.

CANARY PRODUCTION (000 tonnes)

Ratio of Harvested to Seeded 0.98		Yield lb/ac					
		800	900	1000	1100	1200	
Seeded 000 acres	350	124	140	156	171	187	
	400	142	160	178	196	213	
	450	160	180	200	220	240	
	500	178	200	222	244	267	
	550	196	220	244	269	296	
	600	213	240	267	296	320	
	650	231	260	289	318	347	

There is a fear that 2010 seeded acreage may reach 500,000 (versus 315,000 in 2009), when Statistic Canada unveils preliminary planting intentions on April 26th. You can use that acreage estimate and tables in this article to help determine potential production outcome. This can be leveraged to better understand price probability. Average yield is about 1,000 lbs/acre. Equipped with this knowledge and risk assessment, you can then make a more informed decision on fine tuning canary seeding intentions.

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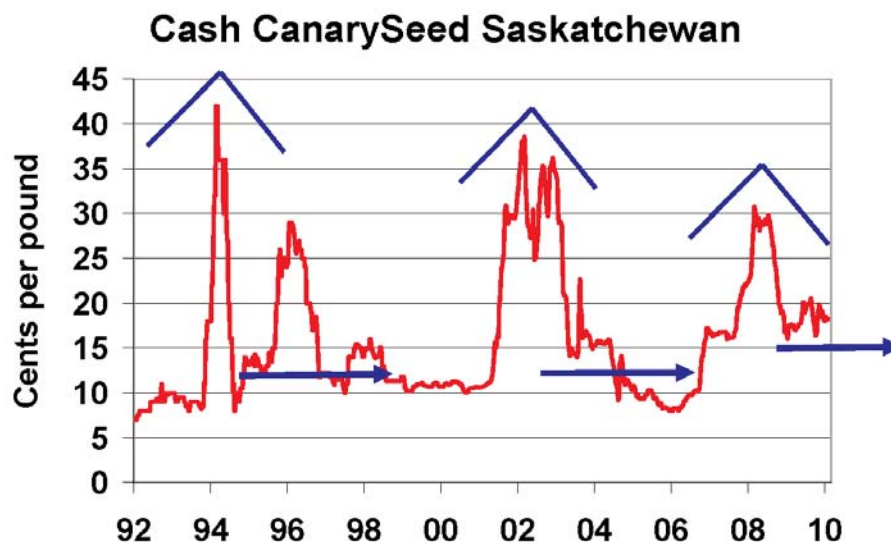
Canadian Canaryseed Supply & Demand

Price Ideas Generic Sask (cts/lb)	15	12	20	
000 tonnes	09/10	Normal 10/11	Good 10/11	Bad 10/11
Supply				
Carry in	83	45	45	45
production	142	200	250	150
Total Supply	225	245	295	195
Demand				
Total Domestic	20	22	22	22
Exports Grain	160	175	190	140
Total Demand	180	197	212	162
Ending Stocks	45	48	83	33

This supply & demand table provides an estimate of potential price with 3 generic production outcomes. A 150,000t crop size would suggest demand-rationing. But a normal or good crop outcome would suggest that canaryseed could be at a price level that is comparable to wheat returns - basically where price and trend grinds.

Source: Stat Can with forecasts by Greg Kostal

Price Cycles: After price spikes, and if replicated in 10/11, history suggests canaryseed may be in for period of sideways trade. It's likely that price can grind at a higher floor level than previous instances, thereby avoiding 10 cts/lb again; that's unless 2010 brings about an unusual jump in production. Upside price blow-offs can be better contained now by users learning from previous spurts (substitution, patience), underscoring that price extremes and short term profit windfalls to farmers are no good in long term.



Source: Government of Saskatchewan

Food Applications for Canaryseed

by Dr. Carol Ann Patterson

After much mouth-watering anticipation, the results are in! Dehulled, hairless canaryseed can be made into delicious breads, crackers, muffins and nutrition bars.

The Canadian International Grains Institute (Winnipeg, MB), Manitoba Food Development Centre (Portage la Prairie, MB) and the Guelph Food Technology Centre (Guelph, ON) were engaged by the CDCS to develop and test the use of whole grain canaryseed flours and whole groats in bakery and snack foods.

Whole grain flours from brown and yellow canaryseed varieties were evaluated in a range of products including pan bread, tortillas, crackers, pasta and muffins. Unroasted and roasted canaryseed groats were tested as toppings for pan breads and crackers, and incorporated into snacks such as "snaps" and energy/nutrition bars.

In all the foods tested, the canaryseed flour or whole groats was used to replace some other ingredient, whether it was refined wheat flour (in breads, crackers, tortillas and muffins) or quick cooking oats (energy bars). Up to 35% replacement of canaryseed flour produced acceptable food products. For bread-like products, yellow canaryseed flours gave a more appealing colour than brown flours. Minimal ingredient and processing changes were required to make the foods. 100% substitution of conventional seed top-



Snaps - Brown and Yellow

pings or sesame seed with roasted canaryseed (brown or yellow) was done for bread toppings, crackers, snaps and cereal and fruit bars illustrating the potential to use whole canaryseed groats as alternatives to seeds or nuts. The canaryseed groats could replace flax or sesame seeds which are often added for visual appeal, while reducing the food's fat and calorie content.

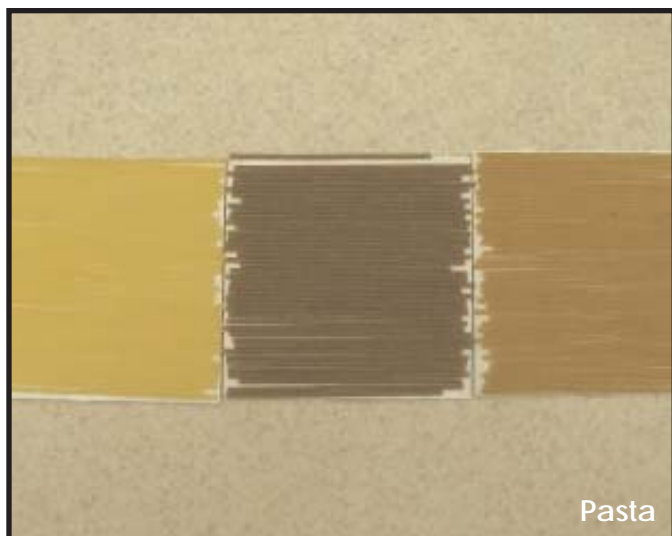


Canaryseed Tortillas Yellow

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Taste and colour of both yellow and brown canaryseed flour spaghetti were acceptable compared to whole wheat and multigrain pasta products. Spaghetti made with canaryseed flour had a slightly firmer cooked texture than the control spaghetti.

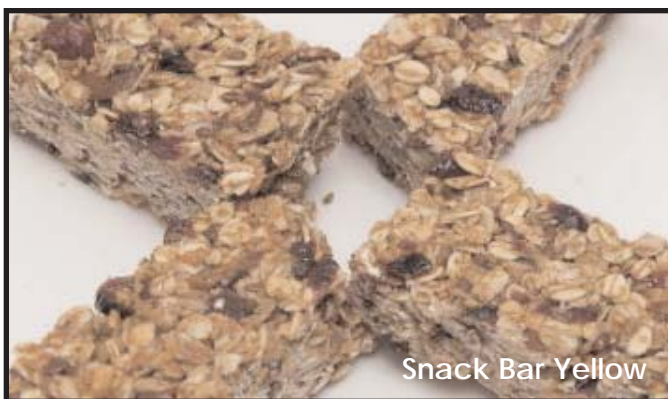


Pasta

In energy bars, roasted canaryseed (either yellow and brown) was preferred over unroasted canaryseed because of its full flavour and light, crunchy texture.

Canaryseed contributed visual and textural interest and had an appealing "nutty" flavour when roasted.

This project definitely provides the CDCS with some ideas of what is possible with canary-



Snack Bar Yellow

seed. While processing effects, sensory and shelf life evaluations on roasted and unroasted canaryseed groats and flours require further investigation, the developed products form a strong portfolio to engage food industry interest.

This project was funded by the CDCS check-off program and the financial support of the Agriculture Council of Saskatchewan through the Advancing Canadian Agriculture and Agri-Food Saskatchewan (ACAAFS) program. Funding for the ACAAFS program is provided by Agriculture and Agri-Food Canada.

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

Canaryseed Website Coming

In the very near future, CDCS will launch our new website. This new service will feature the list of buyers, news items, archived newsletters, contact information and links to other informative sites.

www.canaryseed.ca

Agra Canex Ltd.
PO Box 669
Eston SK S0L 1A0
T: 866-962-4990
F: 306-962-4494

Agricom International Inc.
213-828 Harbourside Dr.
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F: 604-983-6923

All Commodities (AC)
Trading Ltd.
70 Beaudry Bay
Winnipeg MB R3X 1Y6
T: 204-339-8001
F: 204-339-8002

Alliance Pulse Processors
Inc.
PO Box 30029
Regina SK S4N 7K9
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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.
PO Box 637
153 1st Street SE
Carrot River SK S0E 0L0
T: 306-768-3566
F: 306-768-3599

Commodious Trading Inc.
1205 Maple Road North
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F: 866-565-1027

Export Packers Co. Ltd.
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FNA Foods
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Saskatoon SK S7K 3R2
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F: 306-665-4513

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Horizon Agro Inc.
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Lakeside Global Grains
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F: 306-554-3010

Mavigna N.A., Inc.
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Naber Specialty Grains
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PO Box 1390
Melfort SK S0E 1A0
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F: 306-752-2909

Parkland Pulse Grain Co.
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North Battleford SK
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F: 306-445-1650

Parrish & Heimbecker,
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Paterson Grain
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Provalcid inc.
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Roy Legumex Inc.
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F: 204-758-3260

S.S. Johnson Seeds Ltd.
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Arborg MB R0C 0A0
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F: 204-376-2201

Sedley Seeds (2007) Ltd.
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F: 306-885-2035

Simpson Seeds Inc.
PO Box 1136
Moose Jaw SK S6H 4P8
T: 306-693-2132
F: 306-693-4489

Ventures West Processors
Ltd. (dba Canpulse Foods)
PO Box 280
Kinderley SK S0L 1S0
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F: 306-463-4494

Vigro Seed & Supply (A
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Walker Seeds Ltd.
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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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