



Saskatchewan wheat and barley commissions

Creating a Stronger Voice for Wheat and Barley in Saskatchewan

November 2012



When Bill C-18, the *Marketing Freedom for Grain Farmers Act*, became law in August 2012, Western Canada's wheat and barley industries entered a new era. The act is a catalyst for change and provides wheat and barley producers new opportunities to keep their respective industries competitive and growing.

This has led existing provincial commissions, provincial farm groups and Western Canadian farm associations to call for new leadership of Saskatchewan's wheat and barley industries. Subsequently, two steering committees have been formed to launch Saskatchewan wheat and barley commissions in 2013.

The proposed Saskatchewan Wheat Development Commission (SWDC) and Saskatchewan Barley Development Commission (SBDC) would be producer-elected and -directed. They would ensure producers have the resources, leadership and provincial, national and international representation to strengthen Saskatchewan's competitive advantage and to ensure producers' and Saskatchewan's interests are protected.

More specifically, the commissions would:

- (a) Assist in developing and promoting domestic and international markets;
- (b) Encourage, conduct and disseminate research on production, market development, processing and consumption;
- (c) Advise governments on wheat and barley policy, research and development;
- (d) Communicate knowledge about wheat and barley production, promotion, consumption, market development and policy initiatives;
- (e) Encourage the development and production of market-driven products;
- (f) Promote equitable partner and stakeholder relationships in the wheat and barley industries;
- (g) Initiate and implement marketing communications and consumer education programs;
- (h) Establish a check-off system and organizational policies to support the above activities;
- (i) Cooperate with individuals and organizations with like-minded objectives.

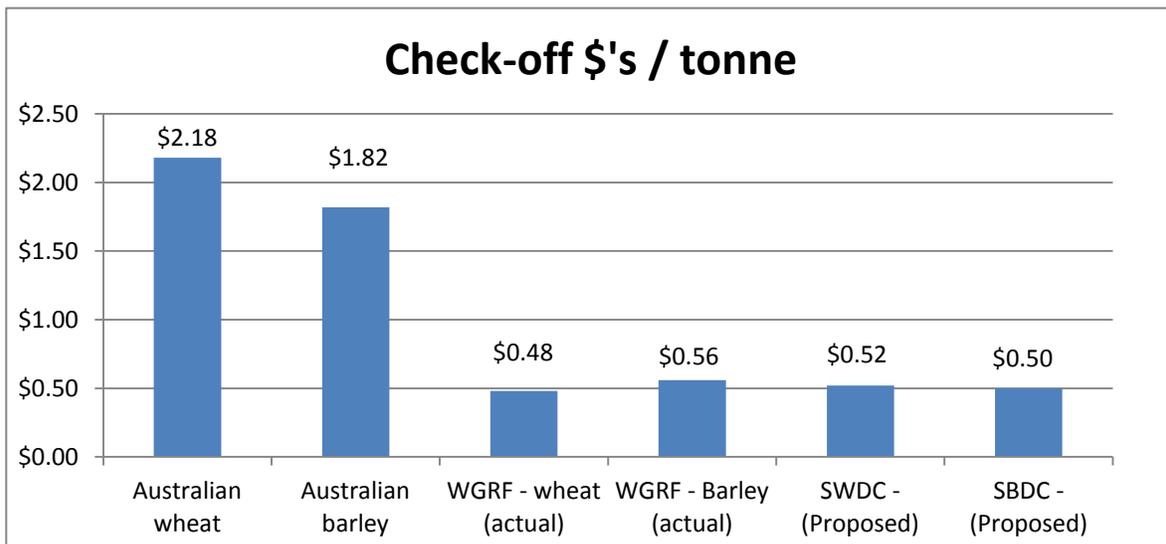
More than 14 million acres of wheat and barley are in production every year in Saskatchewan, about one-third of the province's total annual cropped acreage. Saskatchewan also ships, on average, 6.5% of the world's wheat exports and 5.6% of its barley exports. The wheat and barley acreage is important in helping producers manage production risk across their full crop rotations. All of these factors make it critical for wheat and barley to remain a competitive option for producers and valued commodities by domestic and international end users.



Remaining competitive requires ongoing investment in research and market development, and going forward it is expected that producers will play a larger role. In some jurisdictions producers are already playing a larger role. Australia is a case in point. Like Western Canada, Australia is a major exporter of wheat and barley. Unlike Canada, however, Australia is closer to the world's growing wheat and barley markets.

Even with this strategic advantage, Australian producers have an aggressive investment strategy for wheat and barley, which is fueled by a producer check-off rate of almost 1% of farm gate revenues. To show a comparison we have assumed per bushel farm gate prices of \$6.00 (\$220.46 / tonne) and \$4.00 (\$183.72/ tonne) a bushel for wheat and barley, respectively. At these prices Australian producers would contribute \$2.18 per tonne on wheat and \$1.82 per tonne on barley. In contrast, the Western Grains Research Foundation has a fixed producer check-off rate of \$0.48 per tonne for wheat and \$0.56 per tonne for barley regardless of the actual commodity price. The wheat and barley steering committees are also proposing fixed check-off rates of \$0.52 for and \$0.50 for wheat and barley, respectively.

Comparison of Australian and actual Western Grains Research Foundation and the proposed Saskatchewan wheat and barley commission check-off rates.



Based on the proposed check-off levels, financial forecasts estimate annual revenues in excess of \$4.0 million for wheat and \$1.0 million for barley.



On average, about 85% of the revenues, or \$4 million to \$4.5 million, would be invested annually into wheat and barley research and market development priorities. These funds could be leveraged with funding from other organizations such as the Western Grains Research Foundation, other provincial commissions, public research organizations and the private sector. Leveraging funds would generate a significant return to Saskatchewan's wheat and barley producers.

U.S. Wheat Associates forecasts a 42% increase in global demand for wheat by 2050, driven by population growth, changing diets and wider industrial use. Similar demand forecasts can be made for barley. Earning a share of new markets will mean competing not just with Australia, but new global exporters such as Russia and the Ukraine. The view is increased producer research investment will deliver the productivity gains that will go a long way to ensuring Saskatchewan producers remain successful market participants into the future.

For more information, please contact any member of the wheat and barley steering committees:

Wheat Steering Committee

Norm Hall

Phone: (306) 554-3122

Cell: (306) 530-3886

president@apas.ca

David Marit

Phone: (306) 476-2600

Cell: (306) 476-7754

dmarit@sasktel.net

Gerrid Gust

Phone: (306) 567-2152

Cell: (306) 567-7120

ggust@wheatgrowers.ca

Joan Heath

Phone: (306) 827-2289

Cell: (306) 827-7715

aidrafarms@sasktel.net

Barley Steering Committee

Bill Cooper

Phone: (306) 477-2050

Cell: (306) 370-9107

farmwestholdings@sasktel.net

Bill Copeland

Phone: (306) 378-2823

Cell: (306) 378-7888

alcopeland@sasktel.net

Tom Hewson

Phone: (306) 538-4572

Cell: (306) 736-3130

hewws@sasktel.net

Dennis Fuglerud

Phone: (306) 867-8903

Cell: 306-867-3813

fuglerudranch@yourlink.ca



Cherilyn Nagel

Phone: (306) 354-2517

cnagel@wheatgrowers.ca

Todd Lewis

Phone: 306-738-4414

Cell: 306-537-6561

president@apas.ca