

WILD ROSE NEWS

January 2009



Presidents Report



Humphrey Banack

Happy New Year to all and with that in mind a hope that it will be a successful year for everyone both in terms of personal concerns and those of our agricultural businesses. A new calendar gives us the opportunity to look back and recognize the successes and disappointments of the past year and develop a plan for the coming year.

Our annual meeting on January 6, 7 of last week provided both Board members and members in attendance the opportunity to assess the past years successes and challenges

Part of our annual meeting is the election of members to the Board of Directors. This year we had four positions that needed to be filled. These were created by the expiration of term for three members and the resignation of another. Lawrence Nicholson of Seven Persons and Don Shepert of St Brides decided to pursue other interests and declined future board involvement. Andrew Peden of Minburn and Lynn Jacobson of Enchant agreed to continue as board members. We are pleased to welcome to the Board, Dwayne Marshman a grains and oilseeds producer from Rockyford and Lee Townsend a beekeeper from Stony Plain. From the initial meetings following the AGM they will be strong advocates for producers at both our table and the committees that they will be involved with in the future.

The past year was a year of learning for me as your president and my travels across this province and country have provided myself and in turn this organization the opportunity to understand the concerns of producers and to see that these are basically the same anywhere that I travelled. Through our organization participation we were involved in a large number of committees and provided the perspective of producers on many issues of which some are high profile but there are just as many or more that are not as prolific but are of equal or greater importance to the viability of our industry. These are detailed in the Board of director's report that is included in this issue.

The past year as with most of us has both successes and frustrations. The Area/Weather based insurance program has moved forward albeit slower

In this issue of
Wild Rose News:

- ⇒ Presidents Report
January 2009
- ⇒ WRAP Convention
- ⇒ CFA A Year in Review
 - ⇒ Western Grains
Research Foundation News
- ⇒ Membership form
- ⇒ Directory of Officials
- ⇒ 2009 Resolutions

Welcome

to the new Wild Rose News. We have changed our look to better serve you the information you need and want.

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wrap@planet.eon.net

than hoped but we hope to have some type of proposal in producer's hands for the coming year. Rick McConnell at our Annual meeting demonstrated the product and the producer interest was high. This product will be on display at our booth at Farm-Tech in late January and we hope to gather more producer input then.

The contact that we have developed through our meetings with the Western Farm Leaders has been great and it provides a uniform advocacy on issues such as proposed CGC Act amendments, Rail Service and costing, input costs, livestock issues and international trade. Through these meetings we can present a stronger unified voice at the national level.

On the frustration side the membership issue still plagues us and the answer to this has not been easily forthcoming. Through the prudent management of our Board and Rod Scarlett we were able to operate and be effective but this is an issue that must be concluded.

Low returns and lack of profitability continue to plague the livestock sector and the near future does hold a lot of promise.

All the above issues will require further work this coming year some more than others. A continued effort on the Insurance proposal and future meetings with counterparts from across the country will consume a large part of our efforts in the future. But we cannot allow these to shadow the enormous amount of work needed on the other issues.

I will work with the help of the Board to address the membership issue through both individual memberships and continue to seek methods of long-term stable funding. The livestock sector has been the lead in addressing the issues in those sectors but there are things that we can do to provide support and these must be discovered and moved forward in the future. Future consultations with all commodity groups in the province will hopefully provide an understanding of what is necessary to move them forward to a profitable future.

As you can see the future holds promise but it will require a steady effort from all concerned to reach the position we all hope to achieve – **The opportunity to produce food sustainably at a profit to primary producers.**

On a closing note our operation looks forward to the coming year. To reach our goal of profitability we will have to constantly watch our inputs and look for

opportunities to market into a profit position. Remember to work safely as the people working out there are dear to us all. Happy New Year to all and all the best to everyone in the coming year

Wild Rose Agricultural Producers Convention

By Terry Lee Degenhardt



Back Row (L-R): Grant Hicks, Lee Townsend, Robert Filkohazy, Keith Degenhardt, Dwayne Marshman, Terry Murray
Front (L-R): Lynn Jacobson, Humphrey Banack, Andrew Peden

Wild Rose Agricultural Producers (WRAP) held their 13th Annual Convention and Seminar in Edmonton on Jan. 6 and 7, 2009. The first day featured a line up of speakers on the topic "Agriculture: Challenges and Opportunities".

Glenn Caleval from Farmers of North America (FNA) prefaced his presentation with statement that farming has to be about making a good profit. If not the farm kids will pick other careers and what will happen to the farm? Part of the secret of making a good profit is paying attention to the issues and impacts of what is happening off the farm. "Not being a member of a general farm organization like WRAP is self destructive", says Caleval. "Every farmer should take 1 hour every month to focus on policy that is important to your farm". Caleval went on to suggest that Country of Origin Labeling (COOL) can be an opportunity. Canadian beef in the U.S. is now labeled as coming from Canada, so perhaps beef producers should be running full page ads in U.S. papers extolling the virtues of Canadian beef, and urging consumers to look for it in their local stores. Caleval went on to talk about some of the opportunities for keeping input costs under control by using their communal purchasing power to achieve better prices through a group like FNA. Studies have found that the common thread of farm-profitability is not farm size, but ability to control input costs and grow crops with good margins.

Rick McConnell from DYMAC Risk Management Solutions spoke about the weather based insurance that he and WRAP have been developing with the help of funds from Private Sector Risk Management Partnership (PSRMP). He walked the group through a couple of typical examples of what farmers should soon be able to access from their own computer. You could, for instance, insure your wheat crop against the possibility of a 1 day frost in mid August, or against a shortfall of rain in the month of June. McConnell hopes to have the web site available on a trial basis for later in 2009 for actual purchase of insurance. Currently he is working with the private sector to deliver this program.

Janice Tranberg, Director Plant Biotechnology CropLife Canada spoke about the good, the bad and the ugly of biotechnology. The good part is that new opportunities for crops are emerging. For those who produce food, there is the challenge of feeding the world. Consumers are becoming more health conscious and looking for crops like whole wheat, oats, barley and flax with healthy qualities. For feed producers, improving economies around the world demand more animal protein. And then there is the demand for bio-fuels to provide energy. Europe is starting to open doors to genetically modified crops with traits other than herbicide tolerance. CropLife Canada encourages the chemical container return program which sees 75% of chemical containers returned to collection sites. As for the bad and the ugly, there is still the public concern about food versus fuel and rising food costs. CropLife Canada analysis shows that drought, input costs and food processors and handlers margins have been more responsible for rising food costs than biofuels. Also of concern is pesticide bans for cosmetic use. CropLife Canada says these bans are not based on science and represent a slippery slope where knee-jerk reactions can jeopardize normal farming practices. While it is true that pesticide use in urban areas would be safe if used properly, many homeowners use a lot where only a little is warranted.

Graham Gilchrist from the Farmer's Advocate office talked about the changing face of surface rights. Adverse Effects can now include not just the cost of going around a structure, but also the cost of potentially managing differently (e.g. weed control) and loss of totality of control and time involved in chasing down the company to get service. The Land Use Framework is a critical piece of legislation and will have implications for surface rights as well. 40 pieces of legislation will have to be amended to fit with the land use legislation. Gilchrist noted that

farmers need to understand the nature of what we own. Besides the surface of the soil, precedent has been set to say that landowners own the column of air above their land, and even if they do not have the mineral rights, they still own the peat, sand, loam and clay beneath the surface. He suggested it is just as important to know who your neighbor below your land as the neighbor beside your land. One of the roles of ERCB is conservation. But in this case their concern is energy conservation or how to get energy efficiently to market without wasting it, or wasting time. Energy out of the ground and off to market equals royalties for the provincial government.

Mark Hemmes from Quorum Corporation talked about Changes in Rail Transportation. 25% of total grain revenue is tied up in the logistics of moving grain. It takes 59.5 days from the time the grain leaves the farmers' bin until it is loaded on to a boat at port. By comparison, coal, and fertilizer move in less than 25 days. Every day reduction in time equals \$2million in savings, most of which would come back to the farmer. It's not a problem of poor infrastructure. In fact our rail lines, elevators and terminals are the envy of the world, but because each link is concerned about maximizing their own bottom line, they don't "play nice together". Quorum Corporation will be involved in a Rail Freight Services Review, which will be studying and recommending how to improve the service and still allow owners of each link to make a reasonable return. Some of the system challenges include operating in winter, dealing with demand peaks and system failures. Those things all happen regularly, so how best to deal with them? This year the railways exceeded their revenue caps by \$60 million which rises to \$68 million when the 15% penalty is applied. That money is going to Western Grains Research Foundation Endowment fund, which, when all the appeals are over, will be used to leverage further research funds on a 4 to 1 ratio. Interest from this fund will be used to fund research in all types of agricultural research that has potential to benefit farmers. Typically, each \$1 invested in research returns to \$4 to \$12 to the farmers pocket. So even though farmers lost \$60 million by being overcharged by the railways, they stand to receive 16 to 50 times that amount over the years as the research benefits come back to the farm.

Liane Faulder, Bistro writer for the Edmonton Journal, talked about the changing relationship between consumer and producer. As part of her job, she frequents Farmer's Markets, and asks questions. 92% of consumers at the Farmer's Markets say they come to the Market to support

the farmer. People want to make the connection to their food – where and how it is produced. They rely on farmers for safe food, and a personal relationship with the farm helps to reassure them of that. Telling our stories is important. Food connects us all as people, and the desire for local food has created some new and profitable markets.

Jim Smolik, Assistant Chief Commissioner, of the Canadian Grain Commission talked about the changes to the grain industry. When wheat is delivered, farmers must sign a declaration that describes what class of wheat they are delivering. It is very important that different classes of wheat not be co-mingled, or the end use will be affected, and Canadian farmers will lose their reputation as growers of top quality wheat. This new declaration is necessary because KVD, or kernel visual distinguishability is no longer a factor in licensing varieties, so winter wheat may now look like hard red spring wheat, but they have different baking properties and need to be kept separate.

That was Day 1 of the meeting. Day 2 is captured in the various reports and resolutions that are found elsewhere in the newsletter.

CFA: A Year in Review

By Laurent Pellerin, 1st Vice President

Over the last year, CFA has been busy advocating on behalf Canadian farmers at the federal and international levels. We have been actively promoting our members' policy priorities, including business risk management, trade, food safety, environmental and science issues, rural issues, and transportation issues.

This past year often felt like a rollercoaster, with commodity prices soaring and dropping, livestock sectors struggling, an unexpected election, the uncertainty of the latest Doha Round at the World Trade Organization and food safety thrust into the national media spotlight.

However, in the midst of 2008, a lot was accomplished. CFA welcomed the news that the AgriFlex proposal received support during the federal election, and as we await the next federal budget, we will continue calling for flexible business risk management programs. Government redefined regulations around "Product of Canada" guidelines to bring added clarity for consumers

-- a goal CFA has been working towards through its "Grown in Canada" project. Much work remains as the new guidelines are implemented and CFA will continue voicing industry concerns to ensure farmer's views are taken into account. And details on the long-awaited and much needed tobacco transition program were finally announced, as was the Advance Payments Program for hog producers.

CFA has numerous initiatives planned for 2009 and is looking forward to continuing its work on behalf of our members once Parliament resumes.

As 2008 comes to a close, CFA would like to recognize FCC, our Corporate Partner, and our Corporate Leaders who have supported our many initiatives this past year.

Farm Credit Canada

Farm Credit Canada (FCC) is Canada's largest provider of business and financial services to farms and agribusiness. Operating out of 100 offices located primarily in rural Canada, FCC's 1,400 employees are passionate about the business of agriculture. A healthy portfolio of more than \$15 billion and 15 consecutive years of portfolio growth are a reflection of their customers' success. To find out more, visit www.fcc.ca

Our Corporate Leaders include:

Meyers Norris Penny (MNP)

Founded in 1945, Meyers Norris Penny (MNP) has grown to become the seventh largest chartered accountancy and advisory firm in Canada. From tax and assurance to a wide range of business advisory services, MNP specialists have the expertise required to find solutions in today's farm economy. As an independent member of Baker Tilly International, MNP can call upon member firms around the world to provide international expertise. To find out more, visit: www.mnp.ca

Syngenta

Syngenta is a world-leading agribusiness, providing growers with an extensive portfolio of seeds and product solutions over a wide range of crops. The company is committed to sustainable agriculture through innovative research and technology. Syngenta is singularly focused on delivering better food for a better world through outstanding crop solutions. Located in Guelph, ON, Syngenta employs 21,000 people in over 90 countries. Further information on Syngenta is available at www.syngenta.ca and www.syngentafoundation.com.

Farmers of North America (FNA)

Farmers of North America (FNA) was established in 1998 with the goal of creating more profitability for all farmers who join the organization. FNA is achieving this mission by working to: reduce costs for member farmers (the input costs side); improve revenue earned on outputs (the marketing side) and, whenever necessary, to advocate for regulatory change where existing regulations suppress farmers' ability to make profit. To find out more, visit: www.fna.ca

The Co-operators

The Co-operators is a group of Canadian companies offering home, auto, life, group, travel, commercial and farm insurance, as well as investment products and property development. From basic farm insurance for dwellings, outbuildings, contents, machinery, livestock and produce, to specialized coverage like power interruption, machinery breakdowns and liability for farm employees. The Co-operators carefully tailors coverage to reduce business risks. The Co-operators is owned by Co-operatives and Farm organizations across Canada, including the Ontario Federation of Agriculture, Keystone Agricultural Producers, and Wild Rose Agricultural Producers. To find out more, visit: www.cooperators.ca

Pioneer Hi-Bred Limited

Pioneer Hi-Bred Limited is a wholly-owned Canadian subsidiary of Pioneer Hi-Bred International, Inc. Business activities include plant and microbial genetic research, seed production, marketing and sales. In Canada, Pioneer sells seed of proprietary Pioneer® brand corn, soybeans, alfalfa, wheat, sunflower and canola products. The company also markets crop-specific Sila-Bac® brand inoculants for use on silage and high moisture corn. To find out more, visit: www.pioneer.com

About the Canadian Federation of Agriculture

Founded in 1935 to provide Canada's farmers with a single voice in Ottawa, the Canadian Federation of Agriculture is the country's largest farmers' organization. Its members include provincial general farm organizations, national and inter-provincial commodity organizations, and cooperatives from every province. Through its members, CFA represents over 200,000 Canadian farmers and farm families.

Western Grains Research Foundation News: Rail Cap Revenue

Western Grains Research Foundation (WGRF) is set to receive approximately \$68 million from the two major Canadian rail companies. The Canadian Transportation Agency announced in December that both the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CPR) exceeded their revenue caps for crop year 2007-2008 for the movement of western grain.

CN's grain revenue was \$25,961,880 above its revenue cap of \$383,305,439 while CPR's grain revenue was \$33,806,200 above its cap of \$373,633,960. According to legislation the railways must pay WGRF the amounts in which they were over their respective caps plus a fifteen-percent penalty of \$3,894,282 for CN and \$5,070,930 for CPR. This is the largest amount that any railway has exceeded its revenue cap. These large overages reflect the actual costs incurred by CN and CPR for the maintenance of grain hopper cars and reduces the historical maintenance costs that were "embedded" in the revenue caps.

Under the Canada Transportation Act, amounts received by the railways for grain movement in excess of the revenue cap are paid into the WGRF Endowment Fund. The interest earned on the Endowment Fund is used to support all types of crop research. When the act was passed, the WGRF Endowment Fund was deemed by the federal government to be a logical place for these producer dollars. Administrative costs would be high to return the money directly to producers and it would be difficult to do this equitably. By funding a variety of research projects on all types of crops, the money benefits all crop producers in the Prairie region.

In previous years, some of the funds awarded to WGRF have had to be returned to the railways. Until all of the court proceedings are final, the WGRF will hold the money in trust. Once the amount to be retained by WGRF is clear, it will be added to the WGRF Endowment Fund, and like all Endowment fund dollars, the principal will never be spent.

Notice to grain producers

Know your seed

When you know which variety of wheat you seed this spring, you can deliver your crop with confidence this fall.

All registered varieties of western Canadian wheat belong to a specific class. Varieties and classes are recorded in the Canadian Grain Commission's variety designation lists. If your wheat is not on a list, it will be graded at the elevator as feed wheat or the lowest grade of amber durum.

Each year, you are required to sign a **Declaration of Eligibility for the Class** form at each licensed facility where you deliver. When you sign the form, you are declaring that your wheat qualifies for a particular class.

Remember, it is your responsibility to know which class your variety of wheat is eligible for.

How to be sure

Check the variety

If you are not sure which variety you are seeding, have it tested at a private lab.

Find out if the variety is listed

Check the variety designation lists on the Canadian Grain Commission's web site.

Working together, we all play a part in maintaining Canada's grain quality

For more information, contact the Canadian Grain Commission.

1-800-853-6705

TTY: 1-866-317-4289

www.grainscanada.gc.ca



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Canada

Yes! I wish to join Wild Rose Agricultural Producers

Name: Spouse:

Address:..... Town:

Postal Code: Telephone:..... Fax:.....

Email:

Membership Fee:

1 - year \$ 147 (140 + 7.00 GST) \$..... 3 - year \$ 388.50 (370 + 18.50 GST) \$.....

Associate \$ 68.25 (65 + 3.25 GST) \$.....

Please make cheques out to **Wild Rose Agricultural Producers**

Visa or Mastercard (Please check off one) Credit Card number..... Expiry Date

Signature..... GST #: R122545304 | **A receipt will be mailed out to you**

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2009 Resolutions

1. Be it resolved that Wild Rose Agricultural Producers endorse the position of the Canadian Cattlemen's Association (CCA) and Canadian Pork Council (CPC) to encourage the federal government of Canada to proceed quickly with the WTO challenge on the mandatory Country of Origin Labelling (COOL) in the U.S.
2. Be it resolved that Wild Rose Agricultural Producers contact Agricultural Financial Services Corporation to discuss the Agri-Stability Participant Declaration that farmers have to sign to ensure it is a form that is acceptable and fair to farmers.
3. Be it resolved that Wild Rose Agricultural Producers lobby the Federal government to keep the Canadian Grain Commission bonding process in place until a suitable alternative is found.
4. Be it resolved that Wild Rose Agricultural Producers urge the provincial government to amend the Surface Rights Act, to update those sections pertaining to entry fees, annual pipeline rentals, cumulative effects of having more than one facility on your land, and to ensure that reclamation liability is not downloaded to the land owner.
5. Whereas oil and gas producers are reluctant to taylor payments on adverse affect to specific situations and increased agricultural costs: Be it resolved that Wild Rose Agricultural Producers encourage the Surface Rights Board to re-examine the system that adverse affect is paid on.
6. Be it resolved that Wild Rose Agricultural Producers urge the Government of Alberta to reinstate the funding for the duck lure program in Alberta.
7. Be it resolved that Wild Rose Agricultural Producers encourage the Government of Canada to pass legislation which would provide protection and limit liability that could be incurred through On Farm Food Safety traceability programs.
8. Be it resolved that Wild Rose Agricultural Producers lobby the federal government not to use the recent federal election results on the prairies as a mandate to change the Canadian Wheat Board Act without conducting a separate eligible producer plebiscite on the question of the CWB monopoly on wheat or barley.
9. Withdrawn
10. Be it resolved that Wild Rose Agricultural Producers lobby the federal government to aid in creating a mechanism to recover costs from the marketplace related to the implementation and execution of on farm food safety programs for primary producers who operate within Best Management Practices.
11. Be it resolved that Wild Rose Agricultural Producers approach the Canadian Federation of Agriculture to have the federal government investigate the pricing practices of farm input manufacturers. And be it further resolved that if the marketplace and prices are being manipulated, the Federal Government modify the Competition Act to ensure fairer pricing.