

# WILD ROSE



# NEWS

PUBLISHED BY WILD ROSE AGRICULTURAL PRODUCERS

Volume 28, Issue 2

Spring 2001

## PRESIDENT'S REPORT

### IS THERE A CRISIS IN AGRICULTURE?

BY NEIL WAGSTAFF

**T**o a great extent whether there is a crisis or not depends upon who you talk to. What is a crisis for some may not be considered a crisis by others.

There is a difference between farmers facing a crisis and the agricultural industry being in crisis. The agricultural industry on the whole may not be in a crisis but many grain producers are certainly facing income and cash flow problems.

In my opinion, if there is a crisis facing agriculture it is a political crisis. Farmers can no longer depend on being represented through the normal political process. That is why farmers need to support and get active in a strong general farm organization.

The latest ad hoc farm income support is a prime example of the need for a strong voice for Alberta farmers. A strong farm lobby in Ottawa during February, pressing for more income support for grain producers, had a big influence on getting the federal government to make a commitment for significant additional funding.

However, there still seems to be some confusion as to how much funding is needed and for what purpose such funding is being made available. The Canadian Federation of Agriculture

felt that an uninflated and conservative estimate for what was needed from the federal government to properly enhance existing safety net programs, was somewhere in the order of \$900 million. This amount has been substantiated by support from all the provincial ministers of agriculture.

Conversations with officials and liberal MPs lead us to believe that an announcement of somewhere near \$900 million would be made. When Lyle Vanclief informed us that the amount was only going to be \$500 million everyone was clearly disappointed. CFA president Bob Friesen properly responded when he thanked Lyle Vanclief for his efforts on behalf of Canadian farmers and laid the criticism on the federal cabinet for not recognizing the extent of the farm income problems in this country.

The main income problem is currently in the grain sector and it is caused to a great extent by production subsidies in the U. S. and Europe as well as increasing input costs. This current round of federal funding was not distributed to the provinces based on grain production. The Alberta government chose to make an acreage payment to all cultivated acres which does not target grain production where the current need exists.

**Return To:**  
WILD ROSE AGRICULTURAL PRODUCERS  
14815 - 119 Avenue  
Edmonton, Alberta  
T5L 4W2  
"Cnd Publication Mail Product #177253"

**Send To:**

## PRESIDENT'S REPORT — CONT'D

Unfortunately, this federal and provincial funding acknowledges that existing safety net programs are inadequate. A lot of work is needed to improve our safety net programs so that individual farmers can protect themselves from income shortfalls that are beyond their control.

### Canada/U.S. Producer Advisory Committee on Grain

On March 29th and 30th I had the privilege of being one of the representatives for grain producers in western Canada who met with representatives of the Farm Bureau's for the Northern and Midwest grain producing states. We discussed many issues affecting trade in grain between our two countries. Considerable time was spent gaining an understanding of each other's marketing systems and income support programs. We were able to identify a number of areas where Canadian and U.S. farm groups can work cooperatively to make improvements for grain trade.

It became very obvious that we have a lot to learn about agricultural programs in each other's countries. Many of the U.S. farm leaders had a very poor understanding of some of the

basic workings of the Canadian Wheat Board. When it came to support programs, most of the U.S. representatives did not have the foggiest idea of what type of programs we have in Canada or how they work. I gained a far better understanding of the U.S. programs than what I had before this meeting. However, there are still a lot of details that we should all better understand.

The one important thing about their Loan Deficiency Program that I now better appreciate is how the loan rates are determined. These rates are based upon periodic cost of production calculations which effectively gives them a floor price for each commodity. It sure would help with planning if in Canada we knew what the minimum price would be for what we produce.

Despite our envy for the level of subsidization in the U.S., the Americans still feel they have an income problem that is just as serious as we have.

*It was also very obvious that the Farm Bureau's, who are the Republican conservative farm organizations in the U.S., intend to lobby hard for increased farm support.*

## FARM BIOSECURITY MEASURES AGAINST FOOT AND MOUTH DISEASE (FMD) REPRINTED WITH PERMISSION FROM ALBERTA PORK INDUSTRY REVIEW

**F**oot and Mouth Disease (FMD) is a disease caused by a virus that is very contagious, and the virus can spread quickly from farm to farm. Outbreaks due to FMD have been due mainly to spread of the virus by infected animals and animal consumption of infected meat and animal byproducts. The virus can also be spread by infected semen, embryos, and animal feed and bedding, and by people wearing contaminated clothes or footwear, using contaminated equipment, driving contaminated vehicles or using contaminated facilities. The virus may be spread in the air.

With the recent threat of foot and mouth disease, and its impact on producers and local economies that depend on agriculture and unrestricted movement of animals, animal products, and humans, there is a greater need to develop and improve existing biosecurity programs on farm. Biosecurity measures are management practices that producers can use to reduce the introduction of disease causing micro-organisms on their farm that may damage the health of their livestock or affect the safety and quality of the resulting food product. It is recommended that producers develop a permanent biosecurity program for their livestock with their veterinarian and share that information with all their employees and service providers, including the feed company, veterinarians, livestock and milk

truck drivers, and repairmen.

Listed below are some general biosecurity measures against FMD. It is recommended that producers consult with their herd veterinarian and expand this list below for a farm biosecurity program against all diseases that their livestock may be at risk. Biosecurity measures should be part of your herd health and on-farm food safety programs.

- ⇒ Do not purchase livestock or animal products, such as semen or embryos, of unknown origin or unknown health status. For imported livestock, semen and embryos, ensure that proper import certificates and other records, such as livestock manifests, are in order. If in doubt, check with CFIA to ensure that all import requirements have been met.
- ⇒ Do not import any meat or dairy products from any foreign country unless approved by CFIA.
- ⇒ Do not feed any animal products, including meat and dairy, to livestock unless approved by CFIA.
- ⇒ Do not purchase feed, including bedding, from an unknown origin or un reputable suppliers.
- ⇒ Do not import any other animal products, such as hides, wool or pharmaceuticals, including vaccines, unless approved by CFIA.

## Biosafety Protocol—Cont'd

- ⇒ Do not allow visitors on the farm from a country with FMD if they have recently arrived, less than 14 days ago. This includes neighbors, relatives, and staff.
- ⇒ Only allow visitors when necessary. Farmers have a right to refuse entry of anyone if they are not comfortable that person has taken adequate biosecurity measures.
- ⇒ Know who is visiting your farm and where they have been. Instruct employees to watch out for unauthorized vehicles and personnel and to inform management immediately. Develop a policy for employees on how to deal with unknown visitors when management/owner is not present. For example, if management is not available and the employee is not certain whether the visitor is authorized to be on the farmyard, then have the employee politely ask the person to leave and return when the management/owner is present.
- ⇒ Have a written visitor log in the office/house where all visitors must sign in. Visitors should print their name legibly, including date of visit, reason of visit, why they are entering the farm, along with the last livestock contact (when and where).
- ⇒ Post clear, farm entrance signs indicating that all visitors must report to the office (or house) prior to entry on the farmyard. Indicate that no visitors are allowed to leave their vehicle without permission from the owner or farm management. Politely ask unauthorized visitors to leave immediately and do not let them stay in the farmyard or come out of their vehicles. If it is necessary for visitors to leave their vehicle for any reason, provide them with your boots and coveralls to be worn during the visit.
- ⇒ Provide all visitors with your clean footwear and coveralls. Clean and disinfect footwear and coveralls between visitors.
- ⇒ Provide a clean footbath (50% vinegar or Virkon at accepted dilution) at a location where all visitors must pass through. Insist that all visitors use the disinfecting process and remove all mud and manure from footwear using a scrub brush. Change the disinfectant frequently; otherwise, it is ineffective. Develop a similar sanitation/hygiene protocol for employees who have visited other farms or auction markets.
- ⇒ Do not let visitors wander around the farm unattended and do not allow them contact with susceptible animals on the farm.
- ⇒ Clean and disinfect used equipment and supplies, including stock trailers and livestock trucks, before being brought on to your farm.
- ⇒ Do not accept gifts of meat, dairy or animal products from foreign countries with FMD unless inspected and approved by CFIA. If you receive these products in the mail, check

Continued on page 6

## YES! I wish to join Wild Rose Agricultural Producers



Name: \_\_\_\_\_  
 Spouse: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Town: \_\_\_\_\_  
 Postal Code: \_\_\_\_\_ Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

**I enclose - Membership fee :**

<b>Producer</b>	\$ _____	<b>(\$110.00 + GST = \$117.70)</b>
<b>3 - Year</b>	\$ _____	<b>(\$300.00 + GST = \$321.00)</b>
<b>Associate</b>	\$ _____	<b>(\$ 55.00 + GST = \$58.85)</b>

Wild Rose Agricultural Producers, 14815 - 119 Avenue, Edmonton, AB, T5L 4W2  
 Telephone: 780-451-5912 Fax: 780-453-2669 e-mail: wrap@planet.eon.net

# 2001 AGRICULTURAL CENSUS

## TIPS ON COMPLETING YOUR CENSUS OF AGRICULTURE QUESTIONNAIRE

On Tuesday, May 15, farm operators will be asked to update the profile of Canadian farm businesses by completing the 2001 Census of Agriculture questionnaire.

All persons responsible for the day-to-day management decisions of an agricultural operation should report themselves as agricultural operators. In 2001, questions about organic farming and farmers' use of computers for business have been added to the standard questions on crops, livestock, agricultural labour, machinery and equipment, farm income and land management practices.

The Census of Agriculture puts the industry in focus for many groups, including individual operators, farm organizations, agribusiness, governments and academics. Census data provide comprehensive information on the industry from the township or rural municipality level to the national level, and on topics ranging from crops to computers.

Census data are used to:

- portray the viewpoints of farm operators to legislators, the media and the public
- plan how and where to market agricultural products and services
- evaluate the impact on agriculture of floods, droughts or other natural disasters
- develop, implement and evaluate agricultural policies and programs, such as farm income safety nets or those pertaining to environmental sustainability or rural development

Information gathered by the census is so important, Statistics Canada is legally required to conduct a census every five years. By the same law, Statistics Canada is required to protect the information provided on Census of Agriculture

forms.

For more information about the Census of Agriculture, visit the Statistics Canada Web site at [www.statcan.ca](http://www.statcan.ca).

**Who should fill in the Census of Agriculture questionnaire?** The person(s) responsible for, or knowledgeable about, the day-to-day management decisions of an agricultural operation.

**What is an agricultural operation?** An agricultural operation produces at least one of the following products intended for sale. (It is not necessary to have had sales in the past 12 months.)

- **Crops** (hay, field crops, tree fruits or nuts, berries or grapes, vegetables, seed)
- **Livestock** (cattle, pigs, sheep, horses, game animals, other livestock)
- **Poultry** (hens, chickens, turkeys, chicks, game birds, exotic birds, other poultry)
- **Animal products** (milk or cream, eggs, wool, furs, meat)
- **Other agricultural products** (greenhouse or nursery products, Christmas trees, mushrooms, sod, honey, maple syrup products)

**How long will it take?** It may take about 40 minutes to complete your questionnaire, but the time will depend on the size and type of your operation. The questionnaire contains 27 steps, but you complete only those steps that apply to your operation.

**What records will be useful in filling out your Census of Agriculture questionnaire?** The following records may help save you time:

- property tax statements
- 2000 income tax forms
- crop management and herd management records

- account books or computerized farm accounts
- financial statements prepared for lending institutions

**What's new for the 2001 Census of Agriculture?**

- We know from past censuses that a growing number of farmers use computers, and for 2001 the section on computer use has been expanded to ask *how* computers are used.
- Two questions on organic farming are brand new for 2001.
- More detail has also been added to several existing sections to respond to requests for more information on subjects such as livestock types and land management.

**The law protects what you tell us.** The confidentiality of your Census of Agriculture form is protected by law. Only Statistics Canada employees who work with census data and have taken an oath of secrecy, see your form.

You can ask to see the information you gave on your 2001 Census of Agriculture after November 2001. To do this, write to the Privacy Coordinator, Statistics Canada, 25<sup>th</sup> Floor, R.H. Coats Building, Ottawa, Ontario K1A 0T6.

**Do I have to fill in the Census of Agriculture questionnaire?** Yes. Completion of the questionnaire is mandatory under the Statistics Act. A person may be liable to a fine of \$500 or imprisonment for three months, or both, for refusing to answer the questions.

**Need help?** The Census of Agriculture Help Line operates between 8 a.m. and 9 p.m. from Tuesday, May 1 to Thursday, May 31. If you have any questions, need assistance in completing your questionnaire, or require extra forms, call 1 800 216-2299.

## FARM INCOME CRISIS BY TERRY LEE AND KEITH DEGENHARDT

A front page article of The Provost News a few weeks ago spoke about Nick Parsons who drove his combine from the Peace River Country to Ottawa and back to raise awareness of the crisis in farm income. He did a good job of that, and it was a job that needed doing. Farmers are in a bad situation. The '30s are often seen as a benchmark of depression and hard times. In 1933, the year of lowest wheat prices, wheat averaged 33 cents a bushel. In terms of buying power, grains and oilseed farmers are receiving less than that today.

Often when farmers complain, non-farmers will say that the working sector is having it tough too. Let's take another look at statistics. The average daily wage in Alberta is about 3 times the buying power of the average urban wage earner in 1933. Knowing how tough it is to make ends meet on a salary, imagine how the straight grain farmer feels. Anyone on a salary needs to think of living on less than 1/3 of their income, in order to understand the crisis for the farmer.

Even though farm gate prices are extremely low, agricultural products are a major contributor to the wealth of the Canadian economy. If Mr. Parsons had combined a strip of malt barley from BC to Ottawa, he would have harvested 5700 acres. If that malt barley had sold to a brewery, Mr. Parsons would have received about \$4.00 per bushel. Meanwhile, the government would collect \$213 in tax, and retailers would receive \$193 per bushel. The beer sales from that 5700 acres would generate \$133 million in beer sales.

Part of the problem of low farm margins are the high farm price supports in various forms, in nations such as the U.S., the European Union, and Japan. One type of farm support is export subsidy, which serves to dispose of excess production

at any price, thereby driving down world prices. Since 80% of our grains and oilseeds are sold on the world market, those depressed prices are reflected in the checks we farmers receive. Other forms of farm support tend to get capitalized into land machinery and other input costs, causing them to sell at inflated prices. Since we do function in a global market, prices of land, machinery, and other input costs beyond our borders definitely impact us here too, so we are faced with the double burden of low income and high input costs.

The Canadian Federation of Agriculture (CFA), which is made up of representatives from general farm organizations across Canada (including Wild Rose Agricultural Producers), and commodity representatives, suggested that \$900 million was needed to address the income shortfall. This was not an extravagant figure. Many individuals have suggested it should be 2 or 3 times that amount. And for that reason, the government's announcement of \$500 million was met with anger and derision from some farmers, instead of grateful thanks.

Both the provincial and federal governments resist increased incentives to farmers, saying that ever-increasing subsidies are not the answer. There may be some truth to that. But the reality is that when Canadian governments refuse to compensate producers to the same level as foreign governments, they are asking farmers to not only compete against other farmers, but also against some of the richest treasuries in the world. That is an unrealistic expectation.

There are not easy answers to farm income problems. Perhaps the best farmers can do is to stick together, keep lobbying, support one another, and hope to be there when the prices improve.

## CONGRATULATIONS TO OLIA PATAN ON HER RETIREMENT

Our long-time office assistant--Girl Friday--Olia Paton is retiring this June, in part, to become full time GRANDMA!

Olia joined our Unifarm staff as a part-time office assistant about 26 years ago, then became a full-time staff member in 1986. Filing, typing, receptionist, computer operator, Olia has done it all. Over the years she has "hung in there" with us through many presidents, executives and directors; through our transition from Unifarm to Wild Rose Agricultural Producers; through the sale of our building and our consolidation to three rooms on the third floor (of a walk-up). Olia took in stride (!)

the three flights of stairs to work every morning. Her smile in the office and the smile in her voice on the phone has always made everyone feel welcome and valued.

**Olia, you will always be missed and well remembered. We wish you a wonderful retirement and many GORGEOUS GRAND-BABIES.**

Elaine Jones, Director.

## BIOSAFETY PROTOCOL—CONT'D

with CFIA as to whether they are acceptable; otherwise burn them in the garbage. Do not dispose of these meat, dairy, and animal byproducts in a location where they could be eaten by animals.

- ⇒ Develop a rodent and pest control program.
- ⇒ Develop a security system for the farm:
- ⇒ Lock barns at night and during the day, particularly if no one is home. Post signs on the barn door regarding visitor policy.
- ⇒ Design outdoor livestock facilities with driveway gates that can be closed and locked at night to keep out unwanted visitors.
- ⇒ Have facilities lighted at night so unwanted visitors can be observed.
- ⇒ For night deliveries of livestock or feed, post signs for truckers that are easily visible describing the policy for night delivery. Provide a contact number in case of emergencies and have a log-in protocol for night deliveries. Always have someone available in person or by phone for night deliveries.

Further information on FMD available at the Office International Des Epizooties (OIE, world organization for animal

health) at <http://www.oie.int/>. The OIE web site lists internationally recognized and reportable diseases, the current disease free status of countries, and what commodities are acceptable and under what conditions for importation as specified in the International Animal Health Code.

Further travel information available from CFIA by calling 1-877-227-0677 or visiting their web site at <http://www.cfia-acia.agr.ca/english/corpaaffr/newcom/fmde.shtml>.

Prepared by Dr. Joyce Van Donkersgoed, in consultation with AAFRD, WCABP and AVMA, for the Alberta Cattle Feeders' Association, Alberta Pork, and Alberta Milk Producers.

# WHEN THE OILPATCH COMES TO YOUR BACKYARD... A CITIZENS' GUIDE TO PROTECTING YOUR RIGHTS REVIEW BY MARY GRIFFITHS

**W**hat is the best way to resolve disputes with an oil company? Should you allow drilling wastes to be spread on your land? Who do you call when there is an emergency leak from a well or pipeline? You'll find answers to these and other questions in a comprehensive new resource, *"When the Oilpatch Comes to Your Backyard: A Citizens's Guide to Protecting your Rights."*

The 174-page Guide tells landowners, tenants and those living near existing or proposed energy developments what they need to know, from the time a landman asks permission to explore for oil and gas, to a hearing before the Surface Rights Board or the Energy and Utilities Board. It was published by the Pembina Institute, in response to the many questions the Institute receives each week from individuals who have problems resulting from oil or gas wells, pipelines or other energy-related developments on their land.

The Guide's authors, Mary Griffiths and Tom Marr-Laing, believe that if people know their rights, they will be able to negotiate better lease agreements, which will reduce later conflicts. Others also see the value of this resource. At its Annual General Meeting, the Alberta Surface Rights Federation passed a motion that would require the EUB to have a checkbox on their licence application form, showing that the land agent had presented a copy of the Guide to the landowner 10 days before meeting to discuss lease arrangements. This motion was forwarded to the EUB for their consideration.

About one-third of the Guide deals with the legal rights of landowners and occupants. Some people are not aware that they can refuse to allow exploration on their land. And even if they do grant access they can set conditions, such as requiring a company to test their water well

or offset the seismic lines around woodlots, to avoid the cutting of trees. The Guide emphasizes the importance of getting seismic holes properly plugged and tells you what to do if you have any complaints.

The section on oil and gas drilling offers some important tips. For example, even though it is very difficult to prevent a company drilling on your land, you can negotiate to get the well or access road moved further from your home. The lease agreement that a landman brings to the door is inevitably written from the company's viewpoint. The Guide suggests a number of conditions that a landowner may want to add to the agreement, and it includes a "Special Conditions" addendum that can be used for wells. This addendum, based on the practical experience of a surface rights consultant, covers such things as conservation of topsoil, drainage issues, locking gates, water wells, the use of pesticides and the washing of drilling equipment to remove noxious weeds and seeds. Similar issues are dealt with in a separate section on pipelines, while batteries, compressor stations and gas processing plants are also covered. Checklists enable the reader to review all the items they need to consider before signing an initial lease or when dealing with reclamation issues after a well or pipeline is abandoned.

An entire chapter looks at complaints that may arise from oil and gas operations, including odours, flares and smoke, soil and water contamination, noise, animal health and emergency response plans if there is a sour gas leak.

While most of the oil and gas industry is regulated by the Alberta Energy and Utilities Board (EUB), Alberta Environment handles problems associated with geophysical activity as well as reclamation issues. The Surface Rights Board deals with all compensation issues and

with damage claims. The Guide describes the role played by these and other government agencies, the legislation and regulations that they implement and enforce, and who you should contact when you need help.

The EUB is putting more emphasis on negotiations and mediation between landowners and the industry as a way to resolve issues. The new alternate dispute resolution process is described but, if that fails, it may be necessary to request a hearing. Not only is the hearing process before the EUB outlined, but a summary of selected Board decisions (included in an Appendix) gives further insight into the type of issues that may be dealt with at an EUB hearing. As each Board has different powers, hearings before the Surface Rights Board, the Environmental Appeal Board and the National Energy Board have separate sections.

While the Guide focuses on landowners and occupants, sometimes neighbours will also be affected by energy developments. The EUB sets minimum public disclosure and consultation requirements that a company must follow (also included in an Appendix), and occasionally the Board has rejected an application because the public consultation process was inadequate. The Guide not only summarizes the rights of those adjacent to development, it also provides advice on setting up a local group and contacting the media. Finally, the last chapter explains how to find legal and technical experts and lists names of groups who can provide advice that will be useful to both landowners and their neighbours.

Written in plain language, the information in the Guide is readily accessible. A helpful table of contents, index and quick reference matrix help reader go

*(Continued on page 8)*

## WHEN THE OILPATCH COMES TO YOUR BACKYARD—CONT'D

directly to the sections of interest. A glossary explains words that may not be familiar.

In 2000, the Alberta Energy and Utilities Board processed over 28,000 applications for wells, pipelines, batteries, gas plants, and other facilities. The authors believe that each year thousands of people must be dealing with the issues covered in this Guide. They hope their work will help people in their negotiations with energy companies and lead to more effective lease agreements and fewer problems in the future.

The Guide costs \$32 for individuals, plus \$5 shipping and handling and GST, for a total of \$39.59. It can be ordered from the Pembina Institute, phone 1-800-884-3515 or 780-542-6272. The base price for corporation and institutions is \$96 (\$108.07 with shipping and GST), but they can request a reduction for bulk orders. More information, including the contents and introduction to the Guide, is available on the Pembina Institute website at [www.pembina.org](http://www.pembina.org)

## COMING EVENTS

- |                         |   |
|-------------------------|---|
| <b>June 7</b>           | <b>Livestock Care Conference—Calgary</b><br>Contact Alberta Farm Animal Care at :<br>403-932-8050 |
| <b>June 25 &amp; 26</b> | <b>Wild Rose Agricultural Producers</b><br>Summer Council—Fort Saskatchewan                       |
| <b>July 24—28</b>       | <b>Canadian Federation of Agriculture's</b><br>Semi-Annual Meeting—Calgary                        |

## SEEKING SIMPLE SOLUTIONS TO COMPLEX PROBLEMS BY NEIL WAGSTAFF

**D**uring the past month I have attended a Focus on Sabbatical meeting and a Pro-West Rally Group meeting both held in my home community. The talk at both of these meetings sounded real great until some time was taken to analyze what was being said.

Both of these groups are proposing relatively simple solutions to solve very complex problems that have been creating low net income for Canadian grain producers. Producers who are contemplating supporting these proposals should be asking a number of serious questions.

### Focus on Sabbatical (FOS)

For the past few months, FOS has had an

intensive campaign of town hall meetings recruiting financial support for their solution.

Their proposal is to have grain producers significantly reduce crop production to cause an increase in grain prices. This idea sounds good in theory but producers need to ask themselves whether they can afford to do this when they consider their cash flow requirements needed to cover their fixed costs. Before Producers make any financial commitments, they had better be sure to spend ample time discussing this with their creditors.

FOS admits that the earliest their plan could take effect would be 2003 or 2004. Many grain producers may not be able to wait this long to see an improvement in

their income. Better short-term solutions are needed. More Producers should be supporting farm organizations such as Wild Rose Agricultural Producers and the Canadian Federation of Agriculture who are working on behalf of all farmers trying to find both short-term and long-term solutions to a large variety of problems facing Agricultural Producers. In fact, most of the arguments made as to why Producers should support FOS are the exact same arguments as to why Producers should support a general farm organization.

Focus on Sabbatical admits that for their plan to have a chance of working they must get the support of a large number of American Producers. My recent meeting with U.S. Farm Bureau



representatives, from the Northern and Midwest states, made me realize that U.S. farmers have become dependent on their support programs which encourages them to increase production. Why would they consider reducing production when they are currently receiving a floor price for their commodities which is based on cost of production formulas?

Other questions that come to mind are:

Currently, world stocks to use ratio of wheat is the shortest it has ever been. Will Commodity prices improve on their own in the next two or three years?

Is it realistic to expect that the proposed reduction of production will actually double the price of our grain commodities? What happens if production is reduced and grain prices do not increase substantially?

What will prevent other countries, who have a large capability of increasing grain production, from making up for any reduction that we may create? Is a trade agreement between seven of the major grain exporting countries needed in order to effectively manage the supply of grain on the world market? Oil exporting countries who are members of OPEC have found that they need to be able to enforce discipline in order to control prices.

In Alberta, what are the implications to our livestock industry if grain production was actually cut in half? Our newly developed grain handling system is currently struggling financially. What are the implications for grain handling costs if our production is significantly reduced?

Relying upon the Commodity Futures Market to execute this proposal has a number of risks. If circumstances develop that require large margin calls, will participants and their creditors be able to provide the necessary capital?

Producers participating with Focus on Sabbatical should be asking for detailed independently audited financial statements, so they can be assured that their investment is being used for what they expected it to do.

### **Pro-West Rally Group**

This group of farmers from southern Saskatchewan have been focusing their efforts on farm income concerns. Their primary mode of action so far has been to organize protests and rallies. The things that they are trying to accomplish are laudable and cannot be argued with. However, they would be much more effective if they spent their energy working with existing farm organizations that have already developed credibility with government decision makers.

They are; seeking immediate cash injection into the grain sector, expressing concern about vertical integration in agriculture, and wanting a farm support program that is based upon cost of production.

The federal government, the Alliance Party and the Alberta government have all rejected a cost of production type of farm support because of concerns for trade agreement implications. Under these circumstances it will be quite difficult in our political climate to get acceptance for a cost of production type of safety net program.

All reasons that were given as to why Producers should support this group are the exact same arguments that can be made as to why Producers should be members of Wild Rose Agricultural Producers. They talked about the need for Producers working together and farm groups uniting, while at the same time selling \$25 memberships to producers in Alberta where we already have more than 70 farm groups and our broadly supported general farm organization is struggling to increase its membership!

In Saskatchewan, they have not had a general farm organizations for a number of years, although the Saskatchewan Association of Rural Municipalities has been very active with issues facing farmers. During the past year a new General farm organization has been started in Saskatchewan called Agricultural Producers Association of Saskatchewan. Although they have some opposition, they have fairly broad farmer support and have gained recognition and credibility both provincially and federally.

The other point this group seemed to be making, is that farmers are not making enough noise about changes needed in their industry. I have been saying for a long time that more farmers need to get more actively involved working on issues that affect our business. We cannot continue to expect governments to adequately develop Agricultural Policy unless we have a stronger unified voice representing farmers best interests.

Any producer willing to support the Pro-West Rally Group or Focus on Sabbatical, should also be quite willing to become a member of Wild Rose Agricultural Producers.

# CANADIAN GRAINS AND OILSEEDS OUTLOOK

## APRIL 30, 2001

The Statistics Canada (STC) seeding intentions survey, conducted during late March, indicates a shift into spring wheat, coarse grains, dry peas, chick peas and summerfallow in Western Canada, with areas of durum, canola, flaxseed, mustard seed, canary seed and lentils expected to decline. In Eastern Canada, the area of grain corn is expected to rise, while wheat and soybean areas decrease. Total production of grains and oilseeds in Canada is forecast by AAFC at about 63.4 million tonnes (Mt), 3% above 2000-01, assuming normal yields. Total exports are forecast to be relatively unchanged, at 28.3 Mt, with higher exports of wheat and coarse grains offset by lower exports of oilseeds. Alberta and western Saskatchewan are currently very dry, and if rain is not received in these regions prior to seeding, area could be shifted from small-seeded crops such as canola into crops such as wheat, which can be seeded deeper into available moisture, or summerfallow. Seeded areas may differ from the intentions, due to changes in market outlook, expected prices, spring weather and the published seeding intentions themselves.

For 2001-02, world wheat prices (except durum) are expected to increase from the 2000-01 level due to lower production and carry-out stocks in the major exporting countries. World coarse grain prices (except malting barley) are expected to increase slightly due to lower expected corn production and ending stocks in the US, and reduced EU barley supplies. Oilseed prices are expected to remain near current low levels due to burdensome world oilseed supplies and low edible oil prices. Domestic support programs in the US and EU are expected to continue to encourage high production, which will pressure prices. The major factors to watch are: growing conditions in the major importing and exporting regions, particularly the US; the impact of high nitrogen fertilizer prices; China's accession to the WTO; and the Canada/US exchange rate.

### WHEAT (ex-durum)

For 2001-02, intended area is up by 4%, but production is projected to increase only slightly, with the higher area offset by lower yields. Exports are forecast to rise slightly, to 14.2 Mt, due to strong world demand. Feed use is expected to decline due to larger barley supplies, but remain historically high due to strong hog feed demand. Carry-out stocks are expected to continue to decline, reaching the lowest level since 1995-96. The Canadian Wheat Board (CWB) April Pool Return Outlook (PRO) for No.1 CWRS 11.5% protein is \$209/t, in-store Vancouver/St. Lawrence, up \$2/t from Mar. and \$19/t above the 2000-01 PRO. Ontario winter wheat production is forecast to decline by 28% to 1.0 Mt, due to a smaller seeded area and greater abandonment, due to snow mold. The Ontario Wheat Producers' Marketing Board's total pool return for No.1 CEWW wheat is forecast by AAFC at \$115-125/t, \$10/t above 2000-01.

### DURUM

Due to the sharply lower intended area, production is expected to

fall by 19%. This will be partly offset by 50% larger carry-in stocks, so that supplies would decline by only 2%. Exports, however, are forecast to rise by 0.2 Mt, due to continuing strong world demand, with poor crops forecast for North Africa for the third year in a row. Domestic feed use is expected to return to normal levels, compared to the abnormally high feed use in 2000-01. Carry-out stocks are projected to decline slightly, to 2.5 Mt, but remain well above the 10-year average of 1.7 Mt. The CWB PRO for No.1 CWAD 11.5% protein is \$206/t, \$15/t higher than forecast last month, but down \$7/t from 2000-01, and with a small discount to spring wheat.

### BARLEY

Barley production is forecast to increase due to a larger intended area, lower abandonment and higher yields in Alberta and Saskatchewan. Total supplies are expected to increase by 8%, reflecting the higher production. Feed use is forecast to increase due to the increased supplies of barley and reduced supplies of feed wheat. Feed barley exports are expected to increase significantly due to larger supplies. Malting barley exports are expected to rise slightly. Carry-out stocks are forecast to increase. Off-Board feed barley prices are expected to be similar to 2000-01, as lower prices from increased supplies offset higher US corn prices. The CWB PRO for No.1 CW feed barley is \$147/t, up by \$5/t from the 2000-01 PRO. Prices for malting barley are forecast to decline due to increased world supplies of malting barley. The CWB PRO for Special Select 2 Row Designated barley is \$198/t, vs. the 2000-01 PRO of \$205/t.

### OATS

Production is forecast to rise, due to higher intended area. Supplies are forecast to rise slightly, as higher production more than offset the lower carry-in stocks. Exports are projected to increase slightly, as US imports are expected to remain strong. Carry-out stocks are forecast to remain unchanged. Prices are expected to rise slightly, following US corn prices.

### CANOLA

Intended area has decreased by 23%, the lowest level since 1996, due to low prices, high input costs and expected dry seeding conditions. Production is expected to fall by 25%. Supplies are forecast to decrease significantly, as the sharp drop in carry-in stocks is only partly offset by a rise in imports. Consequently, domestic crush and exports are both projected to drop sharply, due to the rationing of tight supplies. Carry-out stocks are forecast to fall by 58%, to pipeline levels. Prices are expected to remain near current low levels, however, as support from sharply lower Canadian supplies is offset by low US soybean prices, historically low

## OUTLOOK—CONT'D

palm oil prices, and abundant world supplies of soybeans and palm oil.

### FLAXSEED (excluding solin)

Intended area has fallen to the lowest level since 1993-94, due to low prices. However, production is expected to increase as yields return to more normal levels. Supplies are forecast to decrease by 12% as reduced carry-in stocks offset the rise in production. Exports are forecast to increase due to increased EU import demand. Carry-out stocks are expected to decline by 50%, supporting a slight increase in average prices.

### SOYBEANS

Intended area is down slightly, but production is forecast to rise, due to higher yields. Supplies are forecast to remain stable, as reduced imports offset the rise in production. Domestic crush and exports are expected to be unchanged. Prices are forecast to decline slightly, due to projected record high US and 2001-02 South American production.

### FURTHER INFORMATION:

Wheat .....Glenn Lennox....(204) 983-8465  
E-mail.....lennoxg@em.agr.ca  
Coarse Grains..Dennis Jackson ..... 983-8461  
E-mail .....jacksond@em.agr.ca  
Oilseeds.....Chris Beckman .....984-4929  
E-mail .....beckmac@em.agr.ca  
Fred Oleson, Chief .....983-0807  
E-mail .....olesonf@em.agr.ca

Republished from information in the Bi-weekly Bulletin, published by the Market Analysis Division, Strategic Policy Branch, Marketing Policy directorate, Agriculture and Agri-Food Canada.

## COMMENTARY BY DR. KEITH DEGENHARDT ON THE WESTERN GRAINS RESEARCH FOUNDATION

After being elected to the Board of Directors of Wild Rose in 1998 I was appointed to represent Wild Rose at the Board of Western Grains Research Foundation. I really appreciated this opportunity with my very strong interest in agricultural research. There are 17 very diverse farmer commodity groups and general farm organizations coming from quite different philosophical backgrounds that, because of their interest in research, work well together. In the past 3 months there has been a suggestion that the excesses and penalties from the newly instituted railway cap be put into WGRF's Endowment Fund. The Endowment Fund (\$9 million left over after the demise of the Prairie Farm Emergency Fund, the forerunner of today's crop insurance) was the reason for the creation of WGRF. The primary reasons for putting the excesses and penalties from the railways for exceeding the cap into WGRF is because it is simple, the most cost effective, and can provide lasting benefit to farmers.

This is my assessment and not the assessment of everyone on Wild Rose's Board. Farm organizations across the prairies have been asked to comment on this potential payment to WGRF if the railways exceed the cap. There have been

many suggestions, but in my opinion when compared to the above reasons they are not as attractive. The word simple means with one stroke of the pen the funds can be directed to place of use. There would be no expensive administration to eat into the sum available and politically there will be the least disagreement from all sides of the spectrum. Both politicians and the business community pay lip service to the importance of research.

Any program to return it directly to farmers would be very costly. Yet one dollar invested in agricultural research has returned ten dollars in benefits to farmers. By investing more dollars in research farmers are investing in their long-term future.

One major benefit of having these dollars go to the Endowment Fund is that it is farmer directed. Within its mandate farmers could look at these dollars being invested in research to: 1) Fund projects to look at more efficient ways to move our grain to market or develop new uses for our commodities by processing them on the prairies

2) Look at a new Cinderella crop – a commodity that we are importing that an alternative to, can be grown here on the prairies.

I look forward to any comments you our members may have on this commentary.

# ON FARM FOOD SAFETY WORKSHOP

BY  
**BILL DOBSON**

The Canada Grains Council held their 32<sup>nd</sup> Annual General Meeting in Winnipeg from April 8<sup>th</sup> – 10<sup>th</sup>. In conjunction with the meeting, a workshop was held to discuss the desirability and feasibility of creating an On-Farm Food Safety and Quality Assurance Program for Canada's grain, oilseeds, pulses and special crops industry.

More than 100 participants listened to various speakers discuss the need for such a program, what is happening in other food sectors and what is happening in other parts of the world.

It is quite clear that there is not really a major problem with the food supplied by Canada in the grains and oilseeds sector. An On-Farm Food Safety Program would be customer driven and would really be an assurance that grain is being grown and handled in the most responsible manner possible. The customer is always right and in a time of plentiful supply one must do everything possible to remain competitive in the marketplace.

Other segments of the agriculture such as poultry, pork and organic production are currently putting in place formal on-farm programs. Like these industries the grain segment would probably follow a HACCP model. HACCP stands for Hazard Analysis and Critical Control Points. It is a process where possible hazards are identified. Producers or processors are then assessed as to the level that they are addressing those hazards. This method of quality control is recognized internationally in the production of food.

Although the workshop was not a decision-making venue, there were many points raised on which most people agreed. Any program needs to be affordable, manageable, credible and voluntary. If it is voluntary, it needs to have a high degree of accep-

tance by producers. Most farmers would need to participate to provide the assurance to customers that the food supply comes from certified grain production units. It is also important in Canada that there is consistency between provinces.

There was a great deal of discussion about the traceability of grain in our bulk handling system. Being able to trace back every load of grain that is delivered will take a fairly complex system of sample preservation and identification. The Canadian Grain Commission is respected worldwide for their high standards of quality. More sophisticated methods of quickly identifying grain varieties will be needed if it is expected that grains will have to be separated into categories such as GMO and non-GMO.

Australia has developed two on-farm quality assurance programs. "Grain Care" is a fairly general program while "Great Grain" is somewhat more sophisticated. Kirsten Pietzner, the developer of the initiative is quite optimistic for the future of this process. She feels that if there is clear benefit to the producers that there will be wide acceptability.

There is funding available in Canada for companies or organizations to develop on-farm food safety programs. It remains to be seen who takes on this task, but there is no doubt that farmers need to be involved in the initial design. Nobody wants a program imposed by government that will create a paper jungle and not bring benefit back to the primary producer.

## THANK YOU

**Wild Rose Agricultural Producers would like to thank the members of the Bow Island Daytime Open League for their kind donation.**

**Call: 1-800-506- CARE (2273)**

**Animal Care Alert Line**

**If you have concerns regarding the care of livestock;**

**If you are experiencing management problems**

# WILD ROSE AGRICULTURAL PRODUCERS RESPONSE TO THE NET INCOME STABILIZATION ACCOUNT PROGRAM REVIEW CONSULTATION DISCUSSION DOCUMENT.

## Introduction

NISA is the one safety net program that seems to have worked quite well for many Alberta producers. The most needed improvements are changes that will allow individual producers more flexibility to manage their account to suit their individual circumstances.

## Importance to producers in Alberta

More than 26,000 Alberta farmers have chosen to participate in NISA. This large number is a testimony to the fact that many Alberta farmers see NISA as an effective safety net tool. When making changes we must be very careful to not damage a program that has worked very well for many producers when net income goes into decline. Many producers see NISA as the only safety net program that has worked to help stabilize their fluctuating income.

Caution must be taken to ensure that changes do not reduce the benefit of this program.

## Income-tax implications

A review of how income-tax rules impact withdrawal decisions needs to be undertaken.

The reintroduction of the five-year block averaging provision would often allow farmers to even out fluctuating income. NISA withdrawal income can often cause unusually high income during the year following a low-income year. At times this is serious enough to discourage a producer to make a withdrawal when he is entitled to.

## Withdrawal and Triggering mechanism

The year following a low-income year is not necessarily when a producer needs that additional income. The interim withdrawal feature allows produc-

ers to supplement their income when they really need it. Unfortunately, many producers have not used this new feature. Consideration needs to be given as to how producers can be encouraged to better use the interim withdrawal feature.

Income levels should not be the only method used to determine when a withdrawal can be made. Producers often find themselves unable to withdraw when they could use additional income.

If the purpose of the program is to help producers stabilize their income, then individual producers should be permitted to withdraw when it is appropriate for their particular circumstances. Restrictions on when a producer can withdraw need to be minimized

Since producer's deposits to Fund 1 are after-tax dollars, producers should be permitted to withdraw from their Fund 1 account at their own discretion.

## Provincial government support

The Alberta government has not participated in the NISA program since 1997. With the recent inclusion of cattle sales being eligible for NISA in Alberta, the number and size of NISA accounts and is likely to increase. Alberta producers must have the provincial government participating fully in the NISA program in order to ensure that Alberta producers receive the maximum possible benefits from the program.

## Small Accounts

A key question is; what changes can be made that will encourage producers to rebuild their accounts after they have been withdrawn?

Building up of accounts needs to be encouraged not discouraged.

## Freight on grain

Issue of whether freight on grain should be deducted from gross revenue needs to be thoroughly discussed and analyzed. All grain being shipped to port should be treated the same no matter how it is assembled or transported.

Building up of accounts needs to be encouraged not discouraged.

## Need to accommodate inter-generational transfer of accounts

There is an inconsistency between incorporated farms and non-corporate farms in how account balances can be carried forward to new farm ownership. Some mechanism needs to be developed that can accommodate the transfer of NISA accounts to a new farm owner or operator especially when the ownership remains in the same family.

## Linkage to other safety net programs

The NISA program should not be linked to any other safety net programs.

## Is a \$3 billion reserve too much?

Three billion dollars sounds like a lot of money to have in NISA accounts. However, this is only a small portion of the total net eligible sales for all producers in Canada

What is an adequate level should be expressed as a percentage of total farm sales, total input costs, total net eligible sales or as some factor of what the level of risk could potentially be.

## NISA REVIEW — CONT'D

### Issue of 3 percent bonus

For producers who are able to maintain significant lines of credit, the 3% interest bonus can be a disincentive to withdrawing. During times of low interest rates the 3 percent bonus can be a real incentive for producers to make deposits. If the 3% bonus was eliminated it may be necessary to allow producers to use their deposits as an income-tax deduction.

### NISA as an investment or retirement tool

It is presumptuous to assume that the building up of a NISA account is an indication that NISA is being used as an investment or a retirement tool. There are a large variety of reasons why producers intentionally let their accounts build up. Many producers see NISA as a last resort to fall back on when all other safety nets have failed to provide adequate income support. They see NISA as a rainy day fund and try to avoid withdrawing at all costs. What can appear to be a large account balance can in fact be reduced substantially when a significant decline in income occurs. For some farming operations a large drop in income does not occur very often, but when it does happen the income drop can be large. For example: irrigation farms in southern Alberta grow crops that have high input costs and large per acre returns; they often build up large NISA accounts, they infrequently have serious income declines, but when they do, the income loss can also be large.

### NISA as an annual income enhancement

There seems to be a contradiction with some of the concerns expressed about account size. On one hand there is a concern about accounts becoming too large and not being withdrawn and on the other hand concern about accounts that never accumulate because producers frequently withdraw. Many producers who are able to withdraw funds on a regular basis usually do not do this year after year, but find it necessary to withdraw every second or third year. These producers are clearly using NISA for what it is intended to do: stabilizing their income. Producers who are withdrawing every year must be in a continual low-income situation and should not be faulted for using NISA for income support.

## SUMMER STUDENT HIRED

**A**s of May 22nd Rachel Bocock will be working as a Step Student in our office.

Rachel is currently a political science student at the University of Alberta. Her main area of interest is international relations and she is actively involved with the International Society for Peace and Human Rights.

Rachel is also interested in agricultural issues as she was born

and raised on a farm just north of St. Albert. Over the years she has helped out on the farm doing everything from scraping manure off barn walls to combining. She was also a proud member of her local 4-H light horse club.

Rachel looks forward to combining her political and agricultural backgrounds through working with the Wild Rose Agricultural Producers.



### Wild Rose Agricultural Producers Booth at the Falher Trade Show

**Claude Smith (I) Region 2 Director**  
**Elaine Jones (m) Director**  
**Leo Lemire ® Member**

# WILD ROSE AGRICULTURAL PRODUCERS WESTERN PRODUCER SUBSCRIPTION ORDER FORM

The Western Producer is committed to working with prairie agricultural organizations. Part of that commitment is to provide financial support through a contracted subscriptions marketing program. The subscription you will receive through this order is identical to that of any other subscriber. The term is not reduced, nor are there any hidden costs to you.

Date \_\_\_\_\_ New \_\_\_\_ Renewal \_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_ 1 year \_\_\_\_ 2 years \_\_\_\_  
 Town \_\_\_\_\_ Postal Code \_\_\_\_\_ (\$49.22) (\$87.74)  
 Phone \_\_\_\_\_

I would like to pay by: Cheque enclosed \_\_\_\_\_

Visa \_\_\_\_\_ Mastercard \_\_\_\_\_ Card # and Expiry Date \_\_\_\_\_  
PLEASE PRINT CLEARLY Month Year

Age of subscriber: under 35 \_\_\_\_ 35 - 39 \_\_\_\_ 40-49 \_\_\_\_ 50-54 \_\_\_\_ 55-59 \_\_\_\_ 60 or older

**CROPS - ACRES IN PRODUCTION**

Total Farm Size	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Wheat	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Durum	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Barley	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Oats	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Canola	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Flax	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Pulse	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Mustard	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	400 - 759 ____	1 - 399 ____
Other Crops	6,400 or more ____	4,800 - 6,399 ____	1,600 - 4,799 ____	760 - 1,599 ____	00 - 759 ____	1 - 399 ____

**LIVESTOCK - NUMBERS IN PRODUCTION**

Beef	1,128 or more ____	528 - 1,127 ____	178 - 527 ____	78 - 177 ____	1 - 77 ____
Dairy	1,128 or more ____	528 - 1,127 ____	178 - 527 ____	78 - 177 ____	1 - 77 ____
Hogs	1,128 or more ____	528 - 1,127 ____	178 - 527 ____	78 - 177 ____	1 - 77 ____
Poultry	1,128 or more ____	528 - 1,127 ____	178 - 527 ____	78 - 177 ____	1 - 77 ____
Sheep	1,128 or more ____	528 - 1,127 ____	178 - 527 ____	78 - 177 ____	1 - 77 ____
Horses	1,128 or more ____	528 - 1,127 ____	178 - 527 ____	78 - 177 ____	1 - 77 ____
Other	1,128 or more ____	528 - 1,127 ____	178 - 527 ____	78 - 177 ____	1 - 77 ____

My e-mail address is: \_\_\_\_\_

I would not like to receive catalogues and special offers from selected organizations with whom The Western Producer shares its subscriber list. Do not share my name.( )

The production information we request is optional. It is used to determine what kinds of extra publications you receive with your subscription. For example, if you do not report raising any livestock, we will exclude livestock supplements from your Western Producer. If you report growing canola, we will ensure that you receive the annual Canola Producer magazine. We also do occasionally share name and address information with reputable third parties. We will never share the fact that you are a member of Wild Rose, nor will we ever share your phone number or email address. If you wish us to share nothing at all, simply select the "do not share" box and we will honour that request strictly. We encourage your participation to ensure the best possible service.

All Wild Rose members are deemed to be involved in agriculture and so all members will receive FARMING magazine 10 times a year, in addition to their regular Western Producer newspaper.

Mail your order directly to **Western Producer Subscriptions, P.O. Box 2500, Saskatoon, S7K 2C4**. On processing of your order, a contribution of \$10.00 will be paid to Wild Rose Agricultural Producers.

# CGC REVIEWING SHRINKING ALLOWANCES

SOURCE: CANADIAN GRAIN COMMISSION

**T**he Canadian Grain Commission (CGC) is currently reviewing the maximum shrinkage allowances at primary elevators.

## Your Opportunity to Contribute

In addition to a data analysis, the CGC will consult with producers and the grain industry on maximum shrinkage allowances at primary elevators. The CGC has set up a virtual consultation site on the CGC Internet site ([www.cgc.ca](http://www.cgc.ca)). Producers are invited to take part in online discussions about shrinkage. An in-depth discussion paper, including the numerical analysis, options, and pros and cons of each option is being prepared and is expected to be available in September 2000. The CGC is inviting written submissions on the discussion paper and is planning to meet with producers and industry groups during the fall. If regulatory changes are required they are expected to be in place for August 1, 2001.

## Background

Shrinkage is defined in the Canada Grain Act as “the loss in weight of grain that occurs in the handling or treating of grain.” The Canada Grain Regulations establish maximum shrinkage allowances that limit the amount that elevator operators can deduct for shrinkage when they buy grain. Elevator operators may deduct less than the maximums found in the Regulations. In other words, shrinkage deductions are negotiable between the owner of the grain and operator of the facility.

The CGC is not required to set maximum shrinkage allowances. For example, there are no maximum shrinkage allowances prescribed in the Canada Grain Regulations for grain delivered to transfer elevators, grain dealers or process elevators. If the CGC has not prescribed a maximum shrinkage allowance for a particular grain or license class, licensees can deduct whatever shrinkage allowance they see fit, subject to “good business practice”.

Shrinkage allowances are intended to compensate elevator operators for the loss in gross weight that may occur during grain handling and storage. Grain is weighed as it is received at a primary elevator. This is the inward weight. Primary elevator operators are responsible for all loss in weight from the time they receive grain to the time the unload weight is determined at the terminal elevator. This included losses in weight in transit and during handling at the terminals before the grain is weighed.

At a primary elevator, shrinkage is deducted from the scale weight of grain when it is delivered by producers. The scale weight of grain delivered by producers less the shrinkage al-

lowance equals the accountable gross weight. For example, if producers deliver 100,000 tonnes of dry wheat to a primary elevator, the accountable gross weight on their elevators receipt will total 99,900 tonnes (100,000 less 1/110%). In other words, the shrinkage allowance represents the gross weight that an elevator operator can lose and still meet its gross weight obligations.

Maximum shrinkage allowances are defined for deliveries of grain to primary elevators in Schedule X of the Canada Grain Regulations. For example, primary elevator operators are currently allowed to deduct up to 0.35% of scale weight for straight grades of canola. Primary elevator maximum shrinkage allowances have not been changed since August 1, 1990. The change on August 1, 1990 was made to reflect the decreased gross weight loss experienced by elevator operators over the years because of grain handling technology improvements.

## How Shrinkage Deductions are Regulated

Maximum shrinkage allowances are set in the Regulations at levels such that, with proper management, most elevators should experience actual weight losses that are consistent with the maximum shrinkage allowances. The higher shrinkage allowances for special crops reflect the wide variability of losses for these grains at primary elevators over the past 10 to 15 years. Tough and damp grain tends to lose more weight in handling and shipping, because the grain loses weight as it dries. This is why shrinkage allowances may be higher for tough and damp grains.

Elevator companies report the total weight of shipments received at primary elevators to the CGC. If elevators consistently report higher outward weights than inward weights, they may be experiencing less shrinkage than they are charging producers for. When this happens, the CGC may ask the Assistant Commissioner in the area to investigate. If it happens over a period of time with a number of companies, the CGC may recommend changes to maximum shrinkage allowances.

## Options

The following options have been identified by the CGC for discussion purposes. Each option includes a brief explanation. Your comments are welcome on any of the following options or on any other options that you feel may be feasible. The options currently identified include:

1. **Retain the current primary elevator shrinkage allowance maximums or revise them depending**



**on the results of the statistical analysis of the primary elevator weightover data.**

- This option recognizes that shrinkage does occur and compensates primary elevator operators for the loss in weight of grain that occurs during handling.
  - Shrinkage deductions remain visible to producers.
  - If maximum shrinkage allowances are lowered, revenue at primary elevators may decrease. Elevator operators may try to recover the lost revenue through increased handling tariffs. Maximum shrinkage allowances are established by the CGC based on elevator class. It is likely that not all elevators in the same class experience the same levels of loss through shrinkage.
- 2. Deregulate shrinkage at primary elevators and allow primary elevator licensees to establish their own deductions, with no maximums established in the Canada Grain Regulations.**  
**This option has three possible outcomes:**
- Competition between primary elevators could drive shrinkage deductions to levels lower than actual weight losses.
  - Competition may keep shrinkage deductions at levels close to actual weight losses.
  - Deregulation could result in shrinkage de-

ductions higher than actual weight losses. Primary elevator licensees would be given the flexibility to set shrinkage deductions for each elevator.

The onus would be on producers to ensure they are informed about shrinkage deductions before delivery. Producers could factor shrinkage deductions into their choice of delivery location.

The CGC can investigate shrinkage deductions pursuant to paragraph 91(1)(b) of the Canada Grain Act if producers feel they have been treated unfairly. If competition does not keep shrinkage at a reasonable level, the CGC can recommend that maximums be reestablished in the Regulations. The CGC could require primary elevator licensees to post weightover data so this information is available to producers to help them negotiate shrinkage and make delivery decisions.

- 3. Set the maximum shrinkage allowances for primary elevators to zero.**
- Setting shrinkage allowances to zero would reduce revenue at primary elevators.
  - Primary elevator licensees would likely try to make up the loss in revenue through other means (i.e. increasing elevator tariff).
  - Producers would no longer see a shrinkage deduction when they delivered their grain to a primary elevator.

## IMPORTANT NOTICE

**IF YOU HAVE AN E-MAIL ADDRESS, PLEASE TAKE THE TIME TO LET THE OFFICE KNOW AND YOU CAN RECEIVE THE NEWSLETTER, NEWS RELEASES AND OTHER IMPORTANT INFORMATION THROUGH THIS METHOD.**

**CALL NOW TO GET ON THE LIST.  
PHONE: 1-877-451-5912 OR  
E-MAIL: [wrap@planet.eon.net](mailto:wrap@planet.eon.net)**

## AG SUMMIT 2000 – UPDATE



## GRAIN HANDLING AND TRANSPORTATION UPDATE



## DID YOU KNOW ...

- Many lifesaving medicines used by humans come from cattle.
- A 550 kg (1210 pound) steer will produce approximately 295 kg (650 pounds) of edible meat.
- Cortez brought cattle to North America in 1521 from Cuba.
- Canada imports almost no beef from the areas where rain forest destruction is taking place.
- 14.9 litres of water is required to make one hamburger. By comparison, a five minute shower could use 135 litres of water.
- 96% of the Canadian population eat food that 3.5% of Canadian farmers produce.
- Pork has 47% less fat than it did 7 years ago.
- By-products from hogs include insulin for the treatment of diabetes; hog heart valves to replace diseased or damaged human values; and, skin from hogs is used to treat severe burn victims.
- Chickens and turkeys were brought to North America by white settlers in the early 1600's.
- It takes 21 days for a chicken to hatch.
- A typical dairy cow consumes a bathtub full (about 60L) of water every day.
- One in every three bites of food depends on insect pollination.
- It takes a bee a whole lifetime to collect one single teaspoon of honey
- The average egg laying hen lays 280 eggs a year.
- About 600,000 dozen eggs are sold in Canada every year. If you put all these eggs end to end, they would circle the world seven and a half times!

## FARMERS CAN SAVE BIG MONEY ON FUEL

Increased fuel prices promise to chew at already tightening producer margins. But engineers at the Alberta Agriculture, Food and Rural Development AgTech Centre in Lethbridge say farmers can increase their tractor's fuel efficiency this spring by considering five key areas affecting fuel consumption.

"Fuel efficiency varies depending on the type of equipment, travel speed and numerous other factors," says Reed Turner, an AgTech Centre engineer. "But one of the crucial factors is tire pressure."

A recent study conducted at the Centre shows correct tire pressure significantly reduces fuel consumption and time in the field. Reduced power delivery, decreased traction, uneven tread wear and soil rutting result when tires are over-inflated, says Turner.

Under-inflated tires increase sidewall wear and raise the risk of sidebuckling and rim slip - occurrences not conducive to fuel efficiency, he says.

"Instead, tires should be inflated to the lowest correct level for a particular load as outlined in the manufacturer's tire inflation tables. By using the correct tire inflation pressure for the load, a little more of the tire sits on the ground, significantly increasing the power delivery efficiency and decreasing fuel consumption," explains Turner.

Another way to save on fuel is to put off buying those new tires for another year, if the old ones are still structurally sound and can still do the job, he says. "Long lugs are great for squeezing out the mud in wet conditions, but under good traction conditions, longer lugs just use more energy."

Fuel efficiency is also affected by other tire factors including overloading, tire type and number of tires used. Turner recommends radials over bias-ply tires, as AgTech Centre and other studies show radials improve traction by six percent. Using duals and triples under normal field conditions can decrease fuel efficiency.

For ideal tractor efficiency, match the tractor's power to the load being pulled, says Turner. But if that can't be done, farmers have another option to save on fuel while they're in the field. "When a load requires less than 70 percent of the tractor's power, a farmer can save fuel by shifting to a higher gear and slowing engine rpm to maintain the desired speed."

This practice is sometimes referred to as Gear Up, Throttle Back (GUTB). In GUTB mode, the engine is loaded correctly,

bringing it back to the 'sweet spot' where fuel is used most efficiently, he says.

Weighting the tractor for fuel efficiency is also key. "Most farmers reach the upper limits of their tractor's power only 15 to 20 percent of the time, making it essential to weight (ballast) the tractor for typical conditions instead of maximum needs," Turner says.

Farmers usually ballast their tractor for the worst case scenario; for example, two weeks of heavy fieldwork, says Turner. But it's more efficient to ballast for the typical loads pulled the rest of the year.

Over-ballasted tractors will probably feel sluggish and on top of burning more fuel than they should, may have premature drive-train problems. An under-ballasted tractor wears tire tread faster while never delivering full power to the drawbar. Fuel is wasted because of the extra wheel revolutions to travel the same distance, he points out.

Finally, farmers should use the right fuel for the season, says Turner. Winter fuel is blended lighter, delivering less energy per litre, so it shouldn't be used in the summer.

"The goal is to get your tractor delivering optimal power while consuming the least amount of fuel," he adds. "These are simple procedures, but they can add up to substantial savings."

For more information or to get the April 2001 edition of the AgTech Innovator, which outlines these tips and more for saving fuel, contact the AgTech Centre. Phone: (403) 329-1212. Fax: (403) 328-5562.

-30-

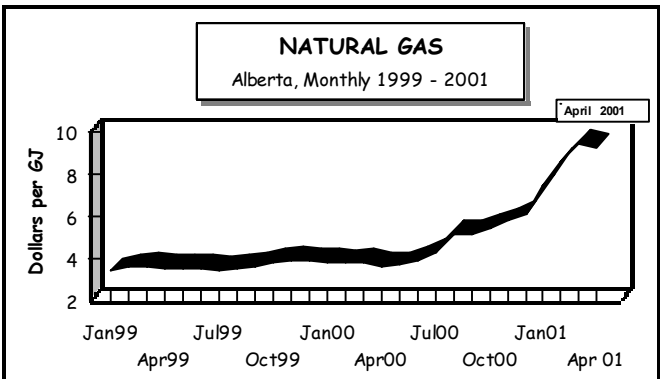
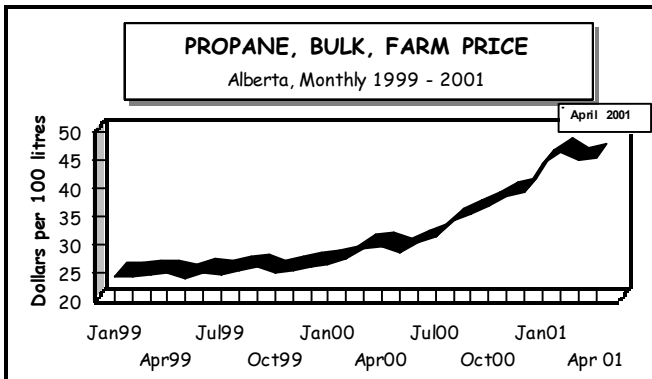
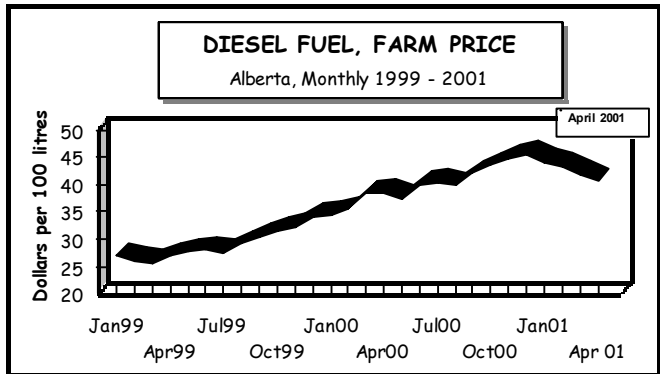
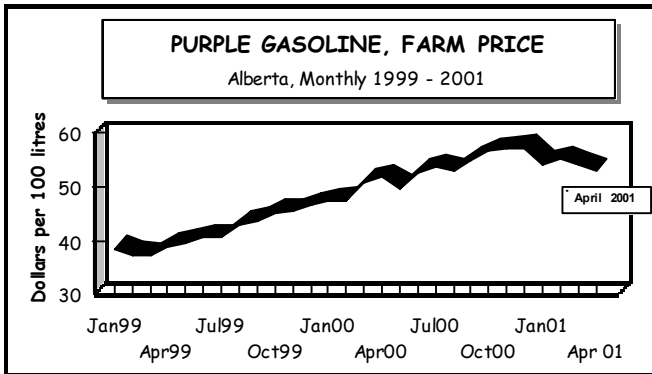
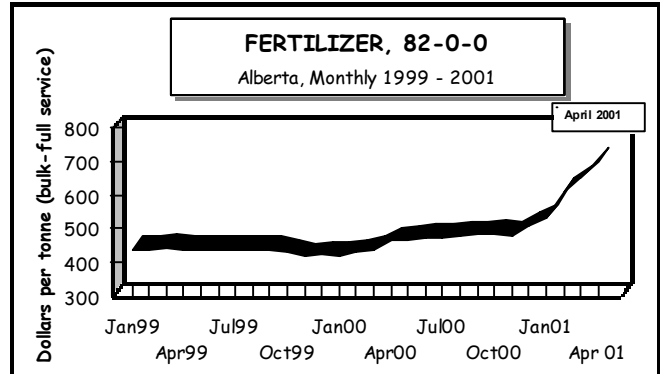
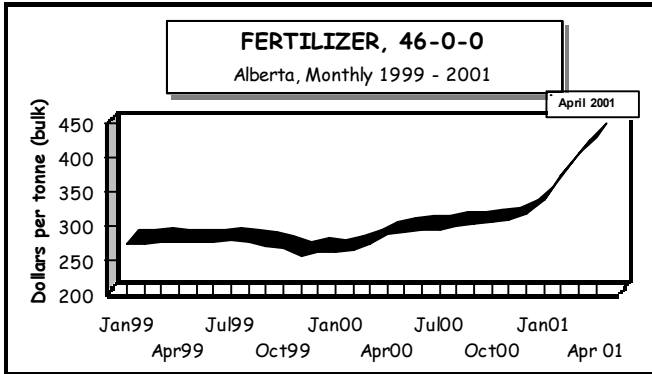
For further information contact:  
Reed Turner  
AgTech Centre Engineer  
Phone: (403) 329-1212  
Fax: (403) 328-5562  
E-mail: reed.turner@gov.ab.ca

Rick Atkins, Manager, AgTech Centre  
Branch Head, Engineering Services  
Alberta Agriculture, Food and Rural Development  
Phone: (403) 329-1212  
Fax: (403) 328-5562

## WILD ROSE AGRICULTURAL PRODUCERS BOARD ACTIVITIES

January 22	Board of Directors Teleconference Meeting
January 29	Keith Degenhardt presented to the ILO Panel, WRAP's position on intensive livestock operations in Vermilion
February 1-2	Neil Wagstaff attended Farm Tech 2001 in Red Deer as well as attended the annual meetings for: Alberta Canola Commission Alberta Winter Wheat Growers Commission Alberta Pulse Growers Commission
February 5	Neil Wagstaff attended Ag Forum in Red Deer
February 6	Board of Directors Meeting
February 8	Neil Wagstaff was in Edmonton for Alberta Federation of REAs Annual Meeting
February 12	On behalf of Wild Rose, Keith Degenhardt responded to, and forwarded a completed questionnaire on the re view of provincial involvement in livestock welfare and protection.
February 14	Neil Wagstaff attended the Alberta Sugar Beet Growers annual meeting Taber
February 15	Keith Degenhardt participated in a Western Grains Research Foundation (WGRF) Endowment Fund Research committee conference call regarding research update reviews from the endowment fund. He also attended a Cows and Fish presentation in Killam on Riparian area management and protection. Neil Wagstaff attended the Alberta Soft Wheat Growers annual meeting Lethbridge
February 21	Keith Degenhardt attended the Alberta Farm Animal Care (AFAC) meeting in Edmonton. The major topic of discussion was the role of Alberta SPCA in animal livestock protection systems (ALPS)
February 26	Neil Wagstaff and Bill Dobson attended the Co-operators Insurance delegate meeting Calgary
February 27 - 4	Neil Wagstaff was in in Ottawa attending the Canadian Federation of Agriculture Annual Meeting
February 28	Adam Campbell attended the Alberta Surface Rights Coalition's Annual General meeting in Camrose
March 5	Neil Wagstaff and Rod Scarlett met with Canadian Grain Commission in Edmonton
March 8	Neil Wagstaff appeared on a CBC television election forum in Calgary Rod Scarlett attended the Alberta Rural Safety Forum in Edmonton
March 12	Teleconference Board meeting
March 13	Neil Wagstaff spoke at WRAP District 101 annual meeting in Hussar
March 15 & 16	Keith Degenhardt attended the WGRF spring meeting in Saskatoon. He was re-elected Alberta executive chair
March 15-17	Elaine Jones, Claude Smith and Leo Lemire worked at the Wild Rose booth at the Falher Trade Show
March 20	Neil Wagstaff and Rod Scarlett participated in the "Agriculture and the Media Conference" in Red Deer
March 23	Terry Lee Degenhardt and Neil Wagstaff attended the Alberta Safety Net Coalition meeting in Olds Keith Degenhardt attended the AFAC annual meeting in Red Deer. Discussed different options available to AFAC in our involvement with ALPS
March 26	Adam Campbell and Neil Wagstaff met with Opposition Leader Ken Nicol in Edmonton
March 29-30	Neil Wagstaff attended a Canada/U.S. Advisory Committee on Grain in Winnipeg
March 27-31	Elaine Jones, Adam Campbell, Bill Dobson Neil Wagstaff and Rod Scarlett manned the Wild Rose Booth at the Northlands Farm and Ranch Show in Edmonton
April 4	Neil Wagstaff attended a Focus on Sabbatical meeting in Elnora
April 6	Rod Scarlett and Neil Wagstaff participated on a conference call regarding grain transportation
April 9	Neil Wagstaff attended the Pro West Rally Group meeting in Trochu
April 18-19	Bill Dobson and Neil Wagstaff attended the Co-operators Insurance Group Annual Meeting in Saskatoon
April 20	Keith Degenhardt participated in a WGRF executive conference call opt-out deadline set for Aug. 31.

# Alberta Farm Input Prices for Selected Inputs



Source: AIMS, Statistics and Data Development Unit, Alberta Agriculture, Food and Rural Development  
 Contact: Maureen Wenger, Phone: (780) 422-2903, Fax: (780) 427-5220, e-mail: maureen.wenger@gov.ab.ca

27-Apr-2001

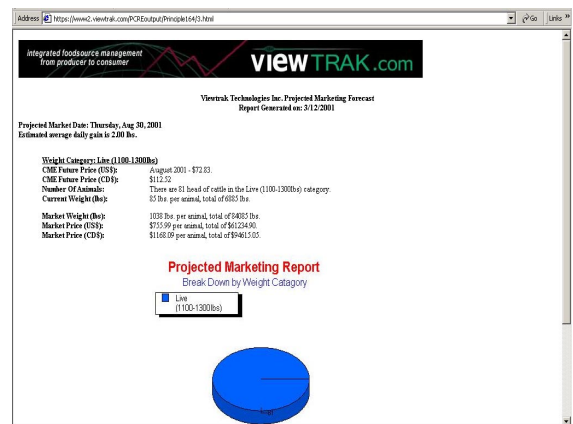
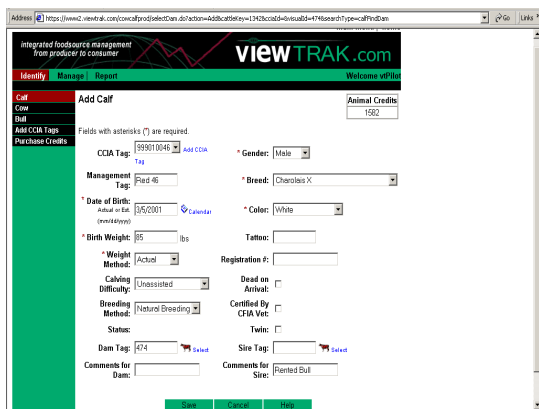
Now call the office Toll-free at  
**1-877-451-5912**  
 Or visit us on the web at  
**www.wrap.ab.ca** or  
 e-mail at **wrap@planet.eon.net**

## TECHNOLOGY—VIEWTRAK

It is no longer enough to know an animal's sex, breed, age, and birth weight. **Viewtrak** is an internet based system that allows cattle producers to track animals from the farmyard gate to the consumer's plate. It lets you use your PC and internet to track, manage, and report on every animal in your herd—breeders, producers, processors and distributors can record and store details about any animal regardless of the size or location of their herd. With the introduction of the Canadian Cattle Identification Agency eartags, it has become possible to have cattle's historical information passed along with them. **Viewtrak** can track the origin of the animal, its parents, its vaccinations, medications, nutritional regimen, breeding, weight when it was sold and where and when it was butchered. In time, consumers will be able to know the animal's history when they buy meat at the store. Moreover, it will make it much easier to check if the meat was exposed to any risk factors.

**Viewtrak.com** enables beef producers to:

1. Identify animal information throughout production process using a secure web-based system
2. Manage information regarding animal production using a secure online system
3. Generate financial or inventory reports from data analysis using an online forecasting tool



For further information on Viewtrak visit the website at [www.viewtrak.com](http://www.viewtrak.com) or contact:

Dr. Jake Burtle  
President and CEO  
Viewtrak Technologies Inc.  
Box 1240, 5301—127 Ave.  
Edmonton, Alta. T5J 2M7

## “FIRST AID ON THE FARM” LAUNCHED

On May 2, 2201 Alan Holt, on behalf of Wild Rose Agricultural Producers attended the kick-off of a Canada-wide safety program, “First Aid of the Farm” sponsored by the Farm Credit Corporation. The event was held at River Glen School in Red Deer. The school is unique in that it is a county school of rural students located in downtown Red Deer.

This is a national program, which will target 1500 Grade 8 students in 65 schools across Canada. Although it is a first aid course, the focus is on farm safety. Representatives from Alberta Agriculture and the United Farmers of Alberta

were in attendance as well as numerous media, along with FCC and St. John's Ambulance staffs.

Farm audit books will be provided to all student participants so they can analyze unsafe equipment and practices on their farms.

Wild Rose Agricultural Producers commends FCC and St. John's Ambulance staff for sponsoring and performing this very important function for Canada's youth, which in turn, benefits all agricultural producers.

# ALBERTA FARM INPUT PRICES FOR SELECTED INPUTS, MONTHLY 1999 TO 2001

Dates	Natural Gas (\$/GJ)			Purple Gasoline (\$/100 litres)			Diesel Fuel (\$/100 litres)		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
January	3.41	3.80	7.37	38.42	47.16	54.11	27.02	34.62	44.17
February	3.58	3.79	8.54	37.34	47.49	55.14	25.95	35.43	43.47
March	3.65	3.81	9.42	37.07	50.71	53.99	25.60	38.44	42.01
April	3.52	3.65	9.25	38.76	51.71	52.86	26.98	38.63	40.63
May	3.57	3.68		39.49	49.67		27.62	37.41	
June	3.56	3.90		40.41	52.71		28.04	40.05	
July	3.47	4.30		40.46	53.58		27.45	40.51	
August	3.57	5.13		42.92	52.91		29.23	39.94	
September	3.61	5.12		43.66	54.94		30.49	42.11	
October 3.80	5.43			45.14	56.62		31.67	43.63	
November	3.91	5.78		45.38	56.95		32.22	44.95	
December	3.86	6.09		46.44	57.15		34.21	45.60	

Dates	1	Propane (\$/100 litres)			Fertilizer 46-0-0 (\$/tonne-bulk)			Fertilizer 82-0-0 (\$/tonne-bulk)*		
		1999	2000	2001	1999	2000	2001	1999	2000	2001
January	24.47	26.47	44.30	274.12	260.71	339.40	439.31	419.50	532.46	
February		24.25	27.35	46.48	273.47	265.06	375.52	438.31	428.35	612.91
March		24.64	29.40	44.81	275.82	274.06	408.16	445.00	439.80	651.12
April		24.88	29.78	45.35	275.44	286.61	430.57	438.47	464.81	700.66
May		24.02	28.67		275.72	291.63		437.29	468.13	
June		25.19	30.20		275.72	294.58		437.88	473.75	
July		24.65	31.32		278.63	295.06		435.60	474.62	
August		25.35	34.18		275.24	299.47		436.19	480.50	
September		25.96	35.45		271.75	301.79		436.13	482.30	
October		24.87	36.92		266.71	304.56		429.52	486.27	
November		25.43	38.56		256.91	307.90		417.36	480.80	
December		26.26	39.31		262.29	317.86		423.09	511.53	

\*Applicator included

Source: AIMS, Statistics and Data Development Unit, Alberta Agriculture, Food and Rural Development  
30-Apr-01

Contact: Maureen Wenger, Phone: (780) 422-2903, Fax: (780) 427-5220, e-mail: maureen.wenger@gov.ab.ca

# WILD ROSE AGRICULTURAL PRODUCERS DIRECTORY OF OFFICIALS

## DIRECTORY OF OFFICIALS May 2001

EXECUTIVE		Telephone	Fax Code	Area
<b>President</b>	Neil Wagstaff, Box 593, Elnora, TOM OYO	773-3599	773-3599	403
<b>1st V.P.</b>	Keith Degenhardt, Gen. Del., Hughenden, TOB 2E0	856-2383	856-2383	780
<b>2<sup>nd</sup> V.P.</b>	Adam Campbell, Box 66, Rosalind, TOB 3Y0	375-2133	375-2133	780

### BOARD OF DIRECTORS

Neil Wagstaff	Box 593, Elnora, TOM OYO	773-3599	773-3599	403
Keith Degenhardt	Gen. Delivery, Hughenden, TOB 2E0	856-2383	856-2383	780
Adam Campbell	Box 66, Rosalind, TOB 3Y0	375-2133	375-2133	780
Bill Dobson	Box 36, Paradise Valley, TOB 3R0	745-2442	745-2062	780
Robert Filkohazy	Box 33, Hussar, TOJ 1S0	641-2480	641-2480	403
Elaine Jones	Box 772, High Prairie, T0G 1E0	524-2523	524-5742	780
Terry Murray	Box 2936, Wainwright, T9W 1S8	842-2336	842-6620	780
Gordon Smillie	Box 62, Bassano, T0J 0B0	641-2391	641-2395	403
Paul Thibodeau	5204 - 47 Street, Taber, T1G 1G6	223-9087	223-0174	403

### REGIONAL DIRECTORS & CONTACTS

Region 1	Contact - Dave Heglund, RR 1, Wembley, T0H 3S0	766-2450	766-3450	780
	Cliff Richards, RR 1, Sexsmith, T0H 3C0	766-2266	766-2537	780
Region 2	Claude Smith, Box 1863, High Prairie, T0G 1E0	523-5154	523-5154	780
Region 3	Charles Navratil, Box 5033, Westlock, T7P 2P4	349-2818	349-8787	780
Region 4	George Quaghebeur, Box 143, Thorhild, T0A 3J0	398-2465	398-3748	780
Region 5	John Hrasko, RR 1, Carvel, T0E 0H0	967-5867	967-2804	780
Region 6	Gero Wendorff, RR 1, St. Michael, T0B 4B0	896-2131	896-2131	780
Region 7	Bill Dobson, Box 36, Paradise Valley, T0B 3R0	745-2442	745-2062	780
Region 8	Bernie von Tettenborn, Box 1001, Round Hill, T0B 3Z0	672-6976	672-6976	780
Region 9	George Friesen, RR 4, Lacombe, T0C 1S0	782-2408	782-1678	403
Region 10	Robert Filkohazy, Box 33, Hussar, TOJ 1S0	641-2480	641-2480	403
Region 11	Paul Marshall, Box 179, Delia, T0J 0W0	665-2363	665-2363	403
Region 12	Hugh R. Crawford, Box 36, Carmangay, T0L 0N0	643-2340	643-2240	403
Region 13	Ken Graumans, Box 85, Seven Persons, T0K 1Z0	832-2451	832-2044	403
Region 14	Paul Thibodeau, 5204 - 47 Street, Taber, T1G 1G6	223-9087	223-0174	403
Region 15	Contact - Jim Allan, Box 133, Berwyn, T0H 0E0	338-2260	No Fax	780

### OFFICE ADMINISTRATION

<b>Executive Director</b>	Rod Scarlett	451-5912	453-2669	780
		E-Mail: <a href="mailto:wrap@planet.eon.net">wrap@planet.eon.net</a>		
		Web site: <a href="http://www.wrap.ab.ca">www.wrap.ab.ca</a>		
		Toll-Free: 1-877-451-5912		