

WINTER CEREALS

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OFFICIAL NEWSLETTER OF WINTER CEREALS

ANNUAL GENERAL MEETINGS HIGHLIGHT - FINANCIAL PERFORMANCE

Annual General Meetings were recently held for the Saskatchewan Winter Cereals Development Commission, Winter Cereals Canada Inc. and Winter Cereals Manitoba. These three organizations all represent producers of winter cereals in Manitoba and Saskatchewan. SWCDC and WCMI are funded from a producer check off while WCCI is the management organization that co-ordinates the activities of all 3 groups and is funded by SWCDC and WCMI through a service contract. As these are all essentially producer funded organizations it is important that financial reports be open to all producers.

This year marked the 20th AGM for Winter Cereals Canada. The AGM was held in Selkirk, Manitoba in conjunction with the WCMI AGM. All producers who pay levy to either SWCDC or WCMI are automatically made members of WCCI. This allows WCCI to represent the thousands of producers in Manitoba and Saskatchewan with a unified voice. Funding for WCCI comes from service contracts with the 2 provincial bodies, advertising in the newsletter and other advertising ventures.

In the 2013 fiscal year WCCI had total income amounting to \$69,642.00 which was just slightly higher than in 2012. Total expenses were \$66,009 and were comprised of staff costs, office costs, legal fees and communication expenses. WCCI had a modest \$3,633.00 savings for the year. WCCI had cash assets of \$59,235.00 as of December 31, 2013 which made up 100% of the organizations equity. It is the goal of WCCI to accrue sufficient equity to fund one year's operations.

The 7th AGM for the Saskatchewan Winter Cereals Development Commission was held during Crop Production Week in Saskatoon. Crop conditions played a huge role in the successful year experienced by the SWCDC. Levy revenue in the crop year ending July 31, 2013 were \$234,467.00 compared to \$90,375.00 in the previous year. SWCDC income fluctuates significantly over time due to the variability of the weather and for SWCDC this good year enabled us to recharge our reserve funds that are used to fund various research projects. Net revenue for the year was \$238,640.00 after accounting for investment income and refunds. This compares to \$94,914.00 in the previous fiscal year. Total expenses during the period were \$120,035.00. The primary components of the SWCDC expenses are 1) charges from Levy Central for the collection and management of levy records [\$10,153.00], 2) Newsletter production and mailing costs [\$13,937.00], 3) Management fees and expenses

to WCCI contract [\$31,051.00] and 4) Research - final DIAP contribution [\$49,000.00]. The additional expenses were for communication expense, travel, bank charges, supplies, postage, professional fees and similar expenses.

The SWCDC posted a net savings of \$118,605.00 for the crop year ending July 31, 2013 compared to \$2,650.00 for the previous year. At year end the SWCDC had \$469,578.00 in unrestricted net assets (Cash, Short-term investments (GIC) and accounts receivable) which was up from \$350,973.00 the previous year. This strong financial position has enabled the SWCDC to commit significant funding to research that will progress over the next 4 year period.

The Winter Cereals Manitoba Inc. AGM for the fiscal period January 1, 2013 through December 31 was held in Selkirk, Manitoba on March 12, 2014 in conjunction with the Winter Cereals Canada Inc. meeting. Unlike the SWCDC which operates on a crop year the WCMI operates on a calendar year.

For the calendar year 2013 WCMI received \$283,815.00 in levy and \$3,610.00 in interest for a total income of \$287,425.00. This compares to \$215,992.00 in 2012 and \$62,713.00 in 2011. Total expenses for the period were \$77,719.00. The primary components of the WCMI expenses are 1) Management fees and expenses to WCCI contract [\$31,350.00], 2) charges from Levy Central for the collection and management of levy records [\$10,312.00], 3) Newsletter production and mailing costs [\$7,914.00], and 4) Research [\$15,497.00]. The additional expenses were for communication expense, travel, bank charges, supplies, postage, professional fees and similar expenses.

As a result the net savings for the 2013 fiscal year were \$209,706. Like the SWCDC this strong financial position has enabled WCMI to commit significant funding to research that will progress over the next 4 year period. At year end WCMI had \$589,162.00 in unrestricted net assets (Cash, Short-term investments (GIC) and accounts receivable) which was up from \$379,456.00 the previous year.

All three of your producer organizations are in excellent financial positions which will enable them to continue to support research on and promotion of the winter cereals crops that are a significant part of so many producers operations.

If you would like an electronic (PDF) copy of the financial statement for Winter Cereals Canada Inc., Winter Cereals Manitoba Inc. or the Saskatchewan Winter Cereals Development Commission simply email jake@wintercerealscanada.org.



Dr. Ravi Chibbar from the University of Saskatchewan explains the background to his laboratories winter hardiness research to participants at the Saskatchewan Winter Cereals Development Commission annual general meeting,



Dr. Monica Baga from the University of Saskatchewan explains the intricacies of finding winter hardiness gene markers to the SWCDC annual general meeting.

MANITOBA PRODUCERS – CALCULATE YOUR COSTS

If you are a Manitoba producer of crops, livestock or fruit MAFRI has a handy tool for you to calculate your costs and potential profits. This tool can be downloaded from the MAFRI website either as a modifiable Excel spreadsheet or as a fixed PDF document.

The spreadsheets are available at <http://www.gov.mb.ca/agriculture/business-and-economics/financial-management/cost-of-production.html#crops-and-forage>

or simply Google Manitoba Agriculture, Food and Rural Development for links to both PDF and spreadsheet versions. Happy Calculating!

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WCMI Annual General Meeting - Chairman’s Message: Doug Martin – East Selkirk, Manitoba

The past year was a successful year for winter wheat in eastern Manitoba. Most of the winter wheat in western Manitoba was written off due mostly to the dry conditions in the fall of 2012. Despite hard times in the west yields in eastern Manitoba were above average.

Changes to the way we market grain have benefited winter wheat. We have grain companies piling winter wheat when we have never seen that done before. This increased delivery opportunities for early fall delivery. Demand and movement into the US has been good in the Red River Valley. The price spread between winter and spring wheat has been reduced and demand for medium quality wheat is growing.

For this year winter wheat is in good shape. We had good growth on winter wheat prior to freeze up. It has been a cold winter but we have ample snow cover. Acreage is down in Manitoba due to the late harvest in the west whereas in eastern Manitoba acreage appears to be stable. Manitoba acres are estimated at 435,000 acres.

For the last two years MAFRI has reported that winter wheat has been or will be the most profitable crop to grow. The province comes out with their crop profitability projection about mid-winter but unfortunately for winter wheat producers it is too late to act. I encourage producers to get winter wheat into their rotations. It is usually very profitable, reduces spring work load and spreads out the harvest.

Falcon will move to the General Purpose class for this year’s harvest. We have new varieties from Rob Graf, the AAFC winter wheat breeder. Flourish was available last fall and Emerson will be available this year. In Manitoba there will still be a lot of Falcon grown and it will be interesting to see how the system handles the different varieties. Falcon is still very popular with the millers in the U.S.A.

We are investing farmer check-off money into multiple research projects, such as seeding date work at the U of M. Often the amount of winter wheat seeded is restricted by a late harvest and producers are pushing seeding dates with success. Soybean varieties are getting earlier and may provide a stubble option in the future. We are investing in cold tolerance studies at the U of S. We have finished our first major agronomy project and are waiting for approval of a new Growing Forward II proposal.

WCMI tries to invest producer check-off money as efficiently as we can. We know producers need good value for their money. We manage our cash flow carefully because income can change drastically depending on the acreage seeded and then harvested.

Winter wheat’s future is looking bright with more options for marketing, new varieties and research to help your bottom line. For immediate information call: 1-866-472-4611.

SWCDC Annual General Meeting - Chairman’s Message: Dale Hicks, CCA. Outlook, Saskatchewan

In this past year, the SWCDC has had many challenges obtaining government funding. Research funding in general has been cutback, and in some instances not available at all. This has been challenging to say the least, and has caused much soul searching on placing priorities on certain projects, and digging to deeper to fund them.

One objective is continuing on with the last Growing Forward grant with Dr. Brian Beres, to do agronomy work. All our partners in this project have had to dig deeper to make it happen. The outcome of our proposal is unknown (Editors note – As of March 18, 2014 we still have no information) but it is a high priority as one part of the project is expanding the seeding window, and what the results are by doing so. This project is of importance thanks to the feedback of growers who call in with questions on early or late seeding, and what the outcome would be.

Another project that was started last year was to revive rye breeding and agronomy research with Dr. Jamie Larson at AAFC in Lethbridge. The federal government wants to cut back on these minor crop programs, but again, our growers have indicated that there is indeed interest in rye and we should continue on with the work. We now have the opportunity to test and grow hybrid rye, and a large part of the agronomy work that is to be done is to

learn the management of intensive cropped high yielding hybrid rye in Western Canada.

The last project of note is cooperating with the University of Saskatchewan, via Dr. Ravi Chibbar doing gene marker research. As provincial funding disappeared, the SWCDC and our friends in Manitoba with Winter Cereals Manitoba Inc., had to quickly come up with more funding to keep the project alive. This marker work will assist Dr. Rob Graf and Dr. Jamie Larson in selecting material with improved cold tolerance and other novel traits. This work is very important, as we have the knowledge in place and excellent breeding programs already running. The only thing that separates our public breeders from the big commercial breeders is the ability to access marker work. Our winter cereal program will be world class calibre.

I would again thank producers for their input, and the contributions from our research partners, such as Winter Cereals Manitoba Inc., AAFC, Ducks Unlimited, Alberta Wheat Growers Commission and other smaller contributions from fertilizer and crop protection companies too many to mention.

To all our producers, thanks for your support, and may the 2014 season go well, and hope for good crops with some price recovery.

WCCI Annual General Meeting Chairman’s Report: Mr. D. Hicks, CCA. Outlook, Sk.

This past year was a ground breaking year as our organizations in Manitoba and Saskatchewan have agreed to fund work on gene markers to allow molecular biologists to assist the breeders that we fund. Dr. Ravi Chibbar is the team lead, from the University of Saskatchewan, along with Dr. Monica Baga and his technicians that have experience in winter wheat breeding. They will work directly with Dr. Rob Graf and Dr. Jamie Larson of AAFC Lethbridge to run actual field trials on laboratory screened varieties.

This will give us the ability to make huge strides in breeding cold tolerance into winter wheat, along with other ambiotic stresses such as drought. Every major plant breeding firm in the world uses gene markers, the more markers you discover and run, the more discoveries you make. Using GMO techniques is very expensive as it takes years and hundreds of millions of

dollars to register these traits around the world. Enhancing traditional breeding methods by incorporating molecular markers is more cost effective and consumer acceptable.

Now that we have the ability to compete with the world’s best, we can and will have some of the best winter wheat varieties for northern growing areas anywhere in the world. The next thing we as producers have to realize that this is not a one-time project, but will be a regular cost associated with plant breeding and we will have to fund it into the foreseeable future. We in western Canada have now assembled the best breeding team for winter wheat in the world, now we have an obligation to maintain and keep it functioning.

The Saskatchewan Winter Cereals Development Commission website is your home for winter cereals news in Saskatchewan. Visit www.swcdc.info. For immediate information call: 1-866-472-4611

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The Winter Cereals Manitoba website is your home for winter wheat news in Manitoba. Visit www.wcmi.info. For immediate information call: 1-866-472-4611

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WINTER WHEAT - THE SECRET IS OUT!

Last year Ducks Unlimited Canada (DUC) conducted some focus group work across the prairies to help guide our winter wheat investments. We asked experienced winter wheat growers (like most readers of this newsletter) and non-winter wheat growers questions like; Why do you/don't you grow winter wheat? How do you manage the crop?

The contrast in responses we received was amazing. As the most of the readers of this newsletter can attest winter wheat is a high yielding, profitable crop that responds well to intensive management. Almost all experienced growers that were in the focus groups agreed on the high profit potential with good management. Growers who hadn't grown winter wheat were far more likely to state that the crop does well on poorer land, with less inputs, etc. As a result many of these growers also indicated that they couldn't see winter wheat making as much money as spring sown wheat.

We as winter wheat growers have done a pretty good job of keeping the profitability of our crop a secret. However, recent news articles are beginning to get the truth out there. The Ministries of Ag in both Manitoba and Saskatchewan have identified winter wheat as the top (or a very close second to canola) net income producer in 2013 and 14!

Those of us who have bought into the benefits of including winter wheat in our cropping systems weren't surprised when the Saskatchewan Ministry of Ag Crop Planning Guide showed winter wheat as the highest potential income earner for 2014, narrowly edging out the crop that most non-winter wheat growers would have picked as the favourite canola. The other cereals vying for a place in cropping systems were unable to deliver ½ of the net income of their winter cousin.

As I prepared to write this article I thought that net income projections from December and January are all well and fine, but things have substantially changed since then. The table illustrates the Sask Ministry of Ag Crop Planning Guide modified to reflect crop prices quoted Feb 18th.

Obviously profitability is down across the board and the earlier claim of winter wheat being the top income producing crop is no longer true. However, we can't plant the whole farm to canola every year! Winter wheat is a solid second on the profitability scale and it's a great rotation fit. When you compare the cereal alternatives within the rotation, winter wheat is by far and away the winner from a net return perspective.

As winter wheat growers who understand how to manage the crop to maximize profit time has come to tell our neighbours. Some may argue that, "I have a good thing going why would I bother telling others?". The answer, in my opinion, stems from the need for industry as a whole to take winter wheat more seriously. We have seen many ag input providers dramatically increase their investment in wheat in recent years. To date the vast majority of those investments have been in spring sown wheat since that is the biggest market niche. Winter wheat has a tremendous potential to fulfill quality demands from end users of wheat from around the world and increase the profitability of our rotations. However, if we continue to keep winter wheat a secret the acreage won't justify increased investment from industry.


As each of us prepares for the upcoming season I encourage all of you to stop keeping winter wheat a secret, share the good news with your friends.

Paul Thoroughgood is the Regional Agrologist for Prairie Canada with Ducks Unlimited Canada based out of Regina, Saskatchewan. Paul was a founding Director with Saskatchewan Winter Cereals Development Commission and currently farms near Moose Jaw where he grows winter wheat, lentil, canola and durum.

WINTER WHEAT - SASKATCHEWAN'S MOST PROFITABLE CROP											
	Canola	Winter Wheat	Flax	Green Peas	CWRS Wheat	CPS Wheat	Red Lentil	Feed Barley	Yellow Peas	Large Gr. Lentil	Oats
Estimated Yield (bus/ac)	39.5	60.1	23.7	37.1	47.8	53.6	1298	76.8	37.1	1189.6	99.1
Estimated Market Price	8.75	\$ 4.39	\$ 10.30	\$ 7.23	\$ 4.90	\$ 4.14	\$ 0.18	\$ 2.50	\$ 5.28	\$ 0.19	\$ 1.56
Estimated Gross Revenue (\$/ac)	345.625	\$ 263.84	\$ 244.11	\$ 268.23	\$ 234.22	\$ 221.90	\$ 227.15	\$ 192.00	\$ 195.89	\$ 220.08	\$ 154.60
Total Variable Expenses	\$ 212.59	\$ 154.25	\$ 148.14	\$ 163.72	\$ 156.46	\$ 161.88	\$ 173.64	\$ 149.40	\$ 153.00	\$ 178.22	\$ 140.59
Total Other Expenses	\$ 74.07	\$ 74.07	\$ 74.07	\$ 83.04	\$ 74.07	\$ 74.07	\$ 83.04	\$ 74.07	\$ 83.04	\$ 83.04	\$ 74.07
Total Expenses	\$ 286.66	\$ 228.32	\$ 222.21	\$ 246.76	\$ 230.53	\$ 235.95	\$ 256.68	\$ 223.47	\$ 236.04	\$ 261.26	\$ 214.66
Net Returns (\$/acre)	\$ 58.97	\$ 35.52	\$ 21.90	\$ 21.47	\$ 3.69	\$ (14.05)	\$ (29.53)	\$ (31.47)	\$ (40.15)	\$ (41.18)	\$ (60.06)

MOST PROFITABLE

LEAST PROFITABLE



Western Winter Wheat Initiative

Source: Saskatchewan Ministry of Agriculture
Crop Planning Guide 2014 - Black Soil Zone

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Did Your Winter Wheat Survive? Here Is How To Assess It On Your Own!

Editors Note: Following is an edited version of Pam de Rocquigny's article from last spring's newsletter. We have received an increased number of calls from producers concerning the state of their crops after our very cold winter, even though snow cover is generally excellent.

FALL CROP DEVELOPMENT IMPORTANT: The stage of crop development in the fall influences winter survival, but it can also impact yield potential, crop competitiveness and maturity. However, winter survival is also influenced by fall management practices, including variety selection, seeding date and depth, fertilizer placement and stubble conditions.

SOIL TEMPERATURES: MAFRI's Ag-Weather Program posts soil temperature data from its weather stations; it is available at <http://tgs.gov.mb.ca/climate/>. Even if soil temperatures didn't dip to levels where winter injury could have occurred, it will still be important for producers to assess winter wheat survival. Knowing if their crop survived and what plant stands are will assist producers in deciding to keep their fields and start applying inputs such as nitrogen in a timely manner to maximum crop competitiveness and yield potential.

ASSESSING WINTER SURVIVAL: There are 3 common ways to assess winter survival.

1. Sod Extraction Method – A producer can extract several 'sods' from the field with a shovel. Warm up the sods inside while keeping the soil moist. In 5 to 7 days, assess the crowns for new root growth which indicates the plant has survived. When sampling, extract sods from average areas of the field and also from less than average areas, such as knolls, headlands where lower snow trapping usually occurs, and low spots where excess moisture and winter icing could have happened.

2. Bag Test Method – This method was developed by Ducks Unlimited in North Dakota and involves five easy steps: 1) Dig or chisel plants out of the soil without damaging the crown. 2) Rinse the soil off the crown and roots. 3) Using scissors, trim off the roots and leaves and all but one inch of the stem above the crown. Put the crowns in a Ziploc bag and puff some air into it before sealing. Keep at room temperature and observe every 2 days. Repeat the rinsing and air every 2 days. Plants that are alive will extend leaves and grow new white roots. If new growth is not observed after 6 days, consider the plant dead. There is a good YouTube® video illustrating this method at: http://www.youtube.com/watch?v=soCj2OsLJ_w&feature=youtu.be

3. The Wait for Spring Growth Method - This method requires producers wait until the crop breaks dormancy and new root growth commences; this could take until mid-May in some years depending on spring weather conditions. However, this method does still require producers dig up plants within the field as brown, dried leaves do not necessarily indicate winter injury, and green overwintering leaves are not a sure sign that the crop has survived.

To properly assess, dig up some plants, rinse the roots with water and examine the crown for the development of new white roots. If new roots are developing, and the crown appears white and healthy, the plant is likely in good condition.


However, producers should still scout their winter wheat fields as it has occurred where plants will green up and then slowly go 'backwards' and eventually die. There are enough nutrients in the crown to allow the plants to green up, but if winter injury occurred, it can cause vascular damage so that the nutrients that are left cannot move, or root rot diseases can move in and kill the plants.

Keep in mind the sod extraction method and the bag test allows producers to catch a sneak peek of winter survival in their fields. Producers will still have to wait until growth resumes in the spring to properly assess plant stands. Optimum plant stands are 20 to 30 plants per square foot. However, winter wheat has a great ability to aggressively tiller, which can help compensate for lower plant densities.

Written by: Pam de Rocquigny, Provincial Cereal Crops Specialist, MAFRI, with information from John Heard, Crop Nutrition Specialist, MAFRI. Edited by the Winter Cereals Grower for 2014

WHERE DOES YOUR RESEARCH DOLLAR GET SPENT?

- Currently the SWCDC and WCMI are involved in multiple research projects in Western Canada.
- Winter Hardiness Research at the U of Saskatchewan. Dr. R. Chibbar \$400,000 over 5 years.
 - Fall Rye Breeding Dr. J. Larsen at AAFC, Lethbridge \$35,000, Fall Rye agronomy at Lethbridge \$10,000.00
 - Supporting winter wheat co-op trials for 3 years. \$35,000, Dr. R. Graf
 - Supporting equipment upgrades at AAFC Lethbridge. \$35,000 for 3 years. Dr. R. Graf.
 - Supporting Growing Forward II application \$250,000.00 over 4 years.
 - Commitment to U of Manitoba, Extending the seeding window research. Dr. Y. Lawley \$100,000.00



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