

Canaryseed News

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



Message from the Management Team

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Mexican import restrictions continue to be a dark cloud hanging over the canaryseed industry. Instead of loosening restrictions on quarantine weed seeds such as wild buckwheat, Mexico has increased their requirements. As of mid-August, the Canadian Food Inspection Agency can only issue a phytosanitary certificate for a canaryseed shipment to Mexico if there are zero quarantine weeds seeds per kilogram of seed.

Canadian canaryseed exporting companies, the Canadian Special Crops Association, the CFIA, and officials with Agriculture and Agri-Food Canada have worked with Mexican officials to find a solution. Their lack of success hasn't been for a lack of effort.

Before August, a lot of canaryseed was shipped to Mexico, even though virtually all of it had to be re-cleaned upon

arrival. Under the latest restrictions, some exporters say they will give up on Mexico. Others say they will try to find a way to comply with the requirements, but there will be a high cost to do business.

Through it all, no one has provided a credible explanation for why the Mexicans have singled out canaryseed. Other crops are not facing the same restrictions. As far as we know, even other birdseeds, such as millet, are not facing the same restrictions.

It appears that only high level political intervention is going to bring some sanity back to this marketplace. Federal Agriculture Minister Gerry Ritz took a personal interest and thought he had the situation ironed out with his Mexican counterparts in July of 2010. The CDCS has written to Minister Ritz asking whether he can again become involved.



The Canaryseed News

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Nominations Open for Canaryseed Directors

Nominations are being accepted for three directors of the Canaryseed

Development Commission of Saskatchewan (CDCS). Directors serve a three-year term and are eligible for re-election for one further term.

The CDCS was constituted by the Saskatchewan Agri-Food Act in February 2006. The CDCS board consists of seven elected directors who, as representatives of all Saskatchewan canaryseed producers, direct the operations and programs of the CDCS.

Directors are not paid a salary; however, they do receive a per diem for the actual days spent on CDCS business. Expenses are also reimbursed.

CDCS Directors attend approximately five regular board meetings per year and are sometimes called upon to represent the CDCS at meetings and major conferences that help shape the canaryseed industry. The total time commitment is typically fewer than six days per year.

To stand for office, nominate or vote, the person must be a registered producer with the CDCS. A registered canaryseed producer is any producer who has had a Saskatchewan canaryseed levy deducted in the last three years. All producers selling Saskatchewan grown canaryseed to registered buyers are automatically registered with the CDCS. A producer is no longer registered, if

they have requested a refund of their levy in the last two years.

A registered producer that is a corporation, association, society, or other designation is entitled to vote and to hold office through a designated representative who has been appointed in writing.

Nomination forms as well as Designated Voting Representative forms are available from the CDCS office, telephone 306.975.6624. Forms must be returned to the Returning Officer no later than 12:00 p.m. (noon), October 28, 2011. Forms need to be signed by three registered canaryseed producers. (You may want four or five signatures in case someone who signs isn't actually registered.)

An election (if required) will be held by mail ballot with election results announced at the Annual General Meeting in Saskatoon, SK, January 9, 2012.

Important Dates to Remember

October 28, 2011

Nominations close 12:00 p.m. (noon)

November 21, 2011

Ballots (if needed) to be mailed to registered producers

December 14, 2011

Last day for ballots to be received

January 9, 2012

Election results will be announced at CDCS Annual General Meeting in Saskatoon

Canaryseed Market Commentary

By David Nobbs of Canpulse Foods

Wow, the 2010-11 crop year is over and another one is underway. I am going to recap 2010 and discuss the 2011 canaryseed market. Every market is a combination of bullish and bearish factors and we need to determine which has more weight in the upcoming year. Suspect it will be a wild ride.

2010

The canaryseed market in 2010 was supposed to be very bullish with an official supply-and-demand chart showing we could not supply world demand due to lack of available carryover along with 2010 production. We were expected to sell virtually all available product and in this scenario and we expect that 50 cents/lb. would not buy the last 20,000 MT. For the most part, canaryseed peaked at 30 cents in January and moved between 30 and 25 most of the remainder of the crop year. Why was this?

Basically, Statistics Canada numbers are completely incorrect as growers report lower seeded acres and lower yields than actually occurred over the last few years, and we shipped to a negative inventory number. This built up a secret supply in Canada that fed the market. There was really no shortage of canaryseed and therefore price did not explode. Add to that the continued on-again, off-again shipping to Mexico due to phytosanitary issues and we ended up with a sloppy price year. Growers have to understand that in these small acreage special crops, mistruths about acreage and production is really a zero sum game over the long run.

2011

Acreage dropped from 295,000 acres in 2010 to 190,000 in 2011. This has to be pretty much the lowest acreage in recent memory, and my personal opinion is the number is pretty accurate. We suspect that carryout stocks are pretty low, but I would have to bet there is still 30,000 MT in inventory from 2010. We still know of some big parcels of product at grower level and the trade will be somewhat full based on the most recent halt of exports to Mexico. 190,000 acres should grow approx. 90,000 MT. Meaning we will have approx. 120,000 MT of product to supply normal demand of 190,000 including seed requirements of 5,000 MT.

What amount of product will Mexico take? I suspect they currently have 3 months of supply in Mexico since they took a record 60,000 MT last year. If we assume that Mexico takes no product in the next year, we can sell each country the same amount of canaryseed as we did in 2010, and end with virtually no canaryseed in Canada next summer. This suggests a similar price structure as we saw in the last year. This is still a bullish scenario, just puts less pressure on the supply situation. I have said many times that Mexico is a vital part of the canaryseed trade and the threat of them buying two or three months of supply at any time keeps the market on edge. No Mexico for a number of months will keep things sloppy. I suspect we also see a drop in demand from Europe which is our #2 buyer of canaryseed.

The job of the market is to raise price to the point of reducing demand. Our Canadian dollar is also helping to reduce demand, and I think 35 cents/lb. in the longer term may be high enough that it slows trade. On the other hand, harvest pressure and lack of Mexican demand and global economic problems with other buyers probably allows a drop towards a bottom of 25 cents in the short term.

Canaryseed - Naturally Gluten-Free

by Carol Ann Patterson

Canaryseed being gluten-free was a surprise finding of the novel food project. Consequently, once hairless canaryseed is approved for human food use, the gluten-free market could be an opportunity for whole grain canaryseed, particularly in bakery goods and snack foods. Gluten free foods represent the fast growing segment of the global food-allergy and food-intolerance products market, with sales expected to reach \$6 billion by 2015¹. Consumers purchase gluten-free foods for health reasons, such as celiac disease or gluten sensitivities, or for the belief that eating gluten-free is healthier.

One of the major challenges for those consuming gluten-free products, and for those manufacturing them, is to find products and ingredients which provide high nutritional value, in terms of whole grain, fibre, vitamins and minerals². More whole grain gluten-free products are needed in the gluten-free market to satisfy whole grain diet recommendations. Whole grain canaryseed fits this profile.

As can be seen in the table, canaryseed has a higher protein level than traditional cereal grains such as wheat, barley and rye, as well as many of the grains used in gluten-free formulations (rice, sorghum, corn and amaranth). Canaryseed fibre levels fall within the range of many of the gluten-free grain ingredients on the market.

Grain Macronutrient Comparison³

Gluten Content	Whole Grain	Protein (%) (N x 5.7)	Fat (%)	Total Dietary Fibre (%)	Soluble Fibre (%)	Ash (%)
Gluten-Free Grains	Canaryseed ⁴	19.0	5.6	7.6	0.31	2.16
	Rice	7.9	2.9	3.5	0.5	1.5
	Quinoa	13.1	5.8	5.9	2.03	2.9
	Sorghum	11.3	3.3	6.3, 8	0.77	1.57
	Corn	8.1	3.6	7.3		1.1
	Teff	13.3	2.38	8	1.2	2.37
	Millet	11.02	4.22	8.5, 4.3	1.1	3.25
	Amaranth	14.45	6.51	9.3	1.56	3.04
	Oats (some)	13.7	6.9	9.4	4	1.9
	Buckwheat	13.25	3.4	10		2.1
Gluten Containing Grains	Wheat	13.7	1.9	12.2	1.4, 1.9	1.6
	Rye	14.8	2.5	14.6	3.8, 4.1	2
	Barley	12.5	2.3	17.3	4.4	2.3

The CDCS showed that 30-50% of wheat could be replaced by whole grain canaryseed flour in bakery and snack products. The next step is to show how canaryseed flour could be used in gluten-free formulations, and therein lays the challenge. It is not as easy as simple grain replacement. Gluten is a critical ingredient in breads, snacks and many other foods. It is difficult to replace and still maintain the integrity and taste of a food.

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To be a successful ingredient in gluten-free products, product formulators and manufacturers must consider a number of factors. First and foremost is the flavour profile. Is it something consumers would accept and like enough to repeatedly purchase? Is the product offered in a convenient form? As the saying goes, "flavour is King and convenience is Queen"!

The functionality of whole grain canaryseed flour in food products also needs to be established-how the flour absorbs moisture, what are its batter and dough mixing and handling characteristics, what other ingredients work best with a whole grain canaryseed flour and what is the finished product shelf-life?

In addition, there are regulations governing the labelling of gluten-free foods in Canada⁵. The United States and European Union are also reviewing policies and regulations. Food processors must be able to test and certify gluten-free status and also establish specific sanitation and quality programs to ensure gluten-free manufacturing.

Even with the challenges in formulation, taste and processing, the market for gluten-free foods is growing globally with an increasing array of baked goods, cereals, snack foods, pastas, and side dishes becoming available. Perhaps one day soon, canaryseed flour will be a key ingredient used in these products!

This project was funded by the CDCS checkoff program and the financial support of the Agriculture Council of Saskatchewan through the Advancing Canadian Agriculture and Agri-Food Saskatchewan (ACAAFS) program. Funding for the ACAAFS program is provided by Agriculture and Agri-Food Canada. Dr. Carol Ann Patterson of The Pathfinders Research and Management Ltd. is piloting the novel food project for the CDCS.

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Mexico Implements Tight Standards for Weed Seed Presence in Canadian Canaryseed Shipments

by Carl Potts, Canadian Special Crops Association

Over the past year, the Canadian industry has worked to try to ensure Mexico's import requirements for Canadian canaryseed are achievable and do not restrict trade to Canada's largest canaryseed market. Over this time frame, Mexico has put in place several transition periods that required Canadian canaryseed shipments to meet very low levels of weed seeds and provided the option for importers to reclean canaryseed if quarantine weed seeds were detected when shipments were sampled and tested upon arrival in Mexico.

In mid-August, Mexico's plant protection authority informed Canada that they were implementing a policy that would require Canadian authorities to certify (issue phytosanitary certificates) only in cases where zero quarantine weed seeds were found by the Canadian Food Inspection Agency (CFIA) in the sample analyzed for weed seeds. Mexico also stated that any shipments tested upon arrival in Mexico and found to contain weed seeds up to a maximum of 15 weed seeds/kg could enter the country for re-cleaning. Mexico has also stated that shipments found to contain more than 15 weed seeds/kg would be rejected.

What this means for Canadian canaryseed shippers is that they face not only a very difficult standard to meet (zero) in order to obtain phytosanitary certificates from the CFIA, but also a very real risk of having product rejected at the Mexican border if the sample analyzed by Mexico is found to contain more than 15 weed seeds/kg. As a result, it is expected that many Canadian exporters will choose not to export to Mexico with these import requirements in place, although some have indicated that they will try.

Assuring zero presence of foreign matter in commercial grain shipments is not feasible nor consistently achievable regardless if it is weed seeds, soil or the presence of other grains that are at issue. There are many risk mitigating measures that industry can and does put into place to minimize the presence of weed seeds, soil, etc. from shipments. However, the complete elimination can never be achieved.

Canadian industry and government need to take a leadership role at the international level in order to ensure that the use of zero tolerance policies does not further restrict access for Canadian products in international markets. Importing countries need to recognize that in order for trade to continue, there needs to be a shift in thinking from zero risk to managed risk when dealing with these phytosanitary issues. If the use of zero tolerance policies continue or increase, competitive access to sources of food and feed in some of the world's most vulnerable markets will be severely restricted.

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The Canaryseed News



THE CANARYSEED DEVELOPMENT COMMISSION MISSION:

To coordinate research and market use expansion for the advancement of the canaryseed industry for the benefit of growers and other stakeholders.

The Canaryseed Development Commission of Saskatchewan was established in 2006 under the Agri-Food Act, 2004

**CANARYSEED DEVELOPMENT COMMISSION OF SASKATCHEWAN (CDCS)
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