

Report prepared for Peace River Agricultural Development Fund

Title of Project: Grain Market Accessibility & Transportation Project
Report Title: Annual Report
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Organization(s): BC Grain Producers Association
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The **objectives of the Transportation Committee** are to ensure that the committee members keep current on local & regional grain transportation & marketing issues, notify the proper authorities of inadequacies and work towards finding solutions. They make sure that the grain industry is represented at various committees dealing with Northern Transportation issues to maintain a balanced view of the needs in our transportation system.

Accomplishments:

The BC Grain Producers Association's Grain Market Accessibility & Transportation committee consists of 5 members: Garnet Berge, Barry Critcher, Jim Smolik, Garry Smolik, and Doug Parker. These members are communicating with farmers and stakeholders to improve the grain marketing and transportation system in the BC Peace. BCGPA voiced their concerns to the Minister of Transportation in regards to the sale of BC Rail to CN Rail, in order to maintain our competitive advantage. Also a submission was made to the competition bureau to stress the importance of maintaining the level of service we were experiencing with BC Rail. We also had the opportunity to help arrange a joint information session with the **Canadian Transportation Agency** information tour held in Dawson Creek in October of 2004. With the sale of BC Rail to CN Rail, CN falls under Federal Transportation Jurisdiction and the CTA will monitor the activities and performance of CN Rail as our new carrier. A letter sent to BCGPA's members inviting them to attend this meeting is attached to this report.

Further, the BC Grain Producers Association also has representation on the **South Peace Rural Road Task Force**. This committee deals with a wide range of issues in regards to road construction, road standards and maintenance, identifies problems and helps to set priorities to improve the road system in the BC Peace. Garnet Berge and Barry Critcher have attended meetings and will continue to stay involved on an advisory capacity.

Jim Smolik, President of BC Grain Producers Association, attended a meeting in Winnipeg in regards to the disposition of the federally owned **hopper cars**. There are three distinct options for the disposition of the hopper cars:

- Maintain status quo;
- Commercial disposal; and
- Negotiation of a transfer to Farmer Rail Car Coalition.

The disposition of the cars must ensure that the system does not move away from the objective of delivering the right grain to the right port at a minimal cost, also the disposition of the hopper cars does not exacerbate existing trade problems.

Grain and oilseed farmers must be guaranteed that the option chosen would have the least impact on freight rates, short and medium term fleet availability, improvements in system efficiency, the development of identity preservation delivery systems,

meaningful accountability for all system participants, and does not interfere with our trading relationship with the United States.

Extension and demonstration:

- Actively participate in Rural Road task force meetings
- Co-sponsored producer information meeting with the Canadian Transportation Agency
- Communication with PRRD, area farmers, community and farm leaders.
- Encouraged government people to understand the issues and implications.
- Report to general BCGPA membership

Finances:

| | Budget | Actual |
|----------|---------------|---------------|
| Income | \$9,250.00 | \$3,219.91 |
| Expenses | \$9,250.00 | \$3,219.91 |

Variances from original work plan schedule or budget: Jim Smolik's travel to the GGC meeting was paid by the GGC as he is their current president.

Summary comments, conclusions:

As a voice to solve problems and serve as an advisor in regards to rural roads and rail transportation, this committee continues to be of importance to area producers.

Attachments:

Project Financial & "In-Kind" summary
Member invitation to Canadian Transportation Agency meeting
Annual report to members
Letters to members, November 2004 & April 2005

B.C. GRAIN PRODUCERS ASSOCIATION

□ Box 161, Dawson Creek, B.C. V1G 4H3
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November 2004

Dear Member:

Reflecting on our 2004 growing season, it was one that will go down as a year to remember. It started out with an early spring, dry summer, then ended with a very wet harvest. By Crop Insurance estimates there is at least still 30% of the crop out in the fields. This coupled with depressed grain prices do not make for a very optimistic outlook for the coming year.

The Directors and Committee chairs of the BC Grain Producers Association have been busy and here is an update on the issues they have been working on:

Safety Nets and Business Risk Management Consultation Project:

Submitted by: Jim Smolik, Chair

CAIS

By the time you read this the November 30th deadline to apply for CAIS 2003 and 2004 will have passed. If you have signed up, you will have until March 31, 2005 to open an account at a participating bank or credit union, and to make the required deposit in your account. If you have already deposited 1/3 of your full account balance requirement, no additional deposit or top-up is needed if you suffer a decline in your 2003 program year margin. If you have not made a deposit, and because the deposit deadline is March 31, 2005, you could receive a payment without having any money in your account.

2003 applications are being processed now, (estimated final Federal share of \$1.4B) and 2004 interim applications are available. In recognition of the 2004 crop year, the Federal government has increased their share of payment from 50% to 70% of estimated final payment on interim applications. While there has been speculation on the eventual deposit requirements in your account, it currently remains at 1/3 of your full requirement. Ministers continue to examine possible deposit options.

Production Insurance

Please keep in mind that commodities that can purchase production insurance, and in relation to the CAIS program, will be deemed to carry 70 X 100, if you fall into a CAIS negative margin. If you carry "Basic" insurance the difference in value will be deducted from your payment. If your loss is in the positive margin, (zero and up) and you carry any level of production insurance, the savings to the CAIS program will be paid back, up to the maximum of production insurance premium paid. For further details please contact your crop insurance staff.

This year just about everyone has crop left in the field. We would advise those with production insurance to contact crop insurance staff to discuss their options. Remember you must contact them before putting to alternate use or burning. Please be advised, we understand there are new burning regulations through Forestry Ministry, so check it out if you are thinking of burning in the spring.

Environment & Wildlife Liaison Project:

Submitted by: Irmi Critcher, Chair

Through our affiliation with the BC Agriculture Council (BCAC), we have the opportunity to participate in various initiatives and project developments to deal with Agriculture & Environmental conflict resolutions. We have a seat on the Agriculture Environmental Partnership Initiative Management Committee, which is now also the Environmental Working Group for the delivery of the Environmental Farm Plan Program in B.C. One of the initiatives benefiting the Peace River producer is the Stackyard Fencing Program currently administered through the Peace River Regional District.

The BC Grain Producers now also have become a Delivery Group for the Environmental Farm Plan Program. We have enclosed a pamphlet addressing the most frequently asked questions in regards to the EFP program, as well as a contact name for more information. Colleen Giesbrecht has been hired as the EFP Planning Advisor. Colleen has been with the BCGPA for a number of years, she was part of our research team and most recently as our secretary and bookkeeper. Colleen brings excellent references and has good knowledge of the agriculture industry, both in the grain and livestock sector. She has taken part in the Planning Advisor training, as well as the PA upgrade and is now a recognized Planning Advisor for the BC Environmental Farm Plan Program. If you are interested in completing an Environmental Farm Plan on your farm you must first attend an EFP workshop. Producer workshops will be held this winter, date and locations to be announced at a later time. There will be more info on the EFP program as well as a sign-up sheet for workshops at our **Annual General Meeting (AGM) on February 8, 2005 in Rolla.**

Grain Marketing & Transportation Project, Garnet Berge, Chair

Members of the BC Grain Producer's Grain Transportation & Marketing Committee are communicating with farmers and stakeholders to improve the grain marketing and transportation system in the BC Peace. This committee is active on various fronts: On the local level, Garnet Berge and Barry Critcher have been attending rural road task force meetings, dealing with road maintenance and improvement priorities.

Doug Parker & Garry Smolik had the opportunity to meet with representatives of the Competition Bureau and outline a number of issues affecting the Grain Producers in regards to the agreement of takeover of BC Rail by CN Rail.

The Canadian Transportation Agency (CTA), which is part of the Government of Canada, has held information sessions in Dawson Creek to inform stakeholders that this agreement means that the network and operations of BC Rail will come under the jurisdiction of the Canadian Transportation Agency and the Canada Transportation Act for the first time. The Agency will administer and monitor compliance of CN operations under federal jurisdiction.

Jim Smolik, through his affiliation with the Grain Grower's of Canada, attended a technical briefing session in Winnipeg on the disposition of hopper cars to the Farmer Rail Car Coalition. Participants listened to presentations from various stakeholders and disseminated recommendations on this very complex issue.

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BCGPA – Research & Variety Trials Department Update

Submitted by Clair Langlois, Research Manager

The fact that crops have had a tough year goes without saying, yet we have gathered some good data from both Fort St. John (FSJ) and Dawson Creek (DC) sites in 2004. It was interesting to see which varieties could still perform during the local drought that was experienced this year at the DC farm. For example, in the canola trials, some lines seemed to aggressively leaf out over the bare ground between rows early. This seemed to help them get through the drought better, likely by conserving soil moisture under their lower leaves. Such lines are easy to pick out from DC data (currently available as a *Preliminary Argentine Canola Report* at our website bcgrain.com). On the contrary, early lines of peas met with disaster at the DC site regarding yield, as they completed pretty much their entire life-cycle under drought conditions, thus leaving late lines to perform the best at the DC site this year.

Although growing and reporting on the performance of varieties from peas, cereals, and canola is our prime objective, research in other areas continues to be undertaken to support farming in our area. We have been supporting breeders (both public and private) from across the prairies to keep them interested in breeding lines for the Peace River area. It seems to be working, as we hopefully will soon see a new privately sponsored wheat line come out that is directly targeting the Peace River area. Even if it should not make it through the registration system this winter, the fact the company saw an opportunity in the Peace is proof of where things are going. We also now have at least two very early lines of argentine canola that also target the Peace region. We can grow great crops here, and people are taking notice. Niche markets in seed sales would be a positive step if it unfolds, and we are poised to take advantage of it through our local cooperation in research.

We also are interested and working in many areas of agronomy in an effort to try and improve the methods and options we use to produce crops. One particular area is in recording and identifying diseases, as they seem to be on the increase of late. This fall our winter wheat pathways (so non-crop wheat) in FSJ saw leaf rust at very high levels, actually turning boots and wheels orange. Whether or not it shows up again next year in spring wheat is hard to say, though it is expected not to since leaf rust is not suppose to over-winter in Canada. Powdery mildew hit peas hard this year in both the north and south Peace areas, and it came as early as mid-July, something not seen in recent years. So take note of column titles in our reports as much of it, like powdery mildew data in peas, is locally produced data, and diseases change and have regional differences. We are also investigating the use of fungicides to help in the interim until plant genetics catch up. We should have some of these results to show at this years' AGM.

Therefore, although the Variety Performance book has traditionally been use to examine yield and maturity, there are other uses for the book and other areas of our research that are becoming important to investigate.



Research Consultations: Martin Moore, Chair of Research Committee

Our research committee which plans and oversees the Research & Variety Trials both in Fort St. John and Dawson Creek would like to welcome new members to the committee. Sylvan Raaen of Rolla, Barry Critcher, Tower Lake, and Wade Cusack, North Pine, have recently joined our Research Consultation Committee. Thank you to our new members!

Canola Liaison: Ross Ravelli, Chair

Our Canola liaison project encompasses the Canadian Canola Growers Association and Canola Council of Canada.

The Canadian Canola Growers Association (CCGA) is the umbrella organization whose members are the 6 grower groups stretching from here in BC thru to Ontario, with a combined membership of over 60,000 growers.

Canola Council of Canada (CCC) is the group that encompasses all levels of the canola supply chain - from growers, seed developers, crushers, and exporters.

Through the CCC, Ross Ravelli had the opportunity to participate as a producer representative on a "Canola Industry Mission" to China & Pakistan in September 2004. The objective of the mission was to demonstrate real commitment to serving these two markets on a long-term basis.

The canola committee is also involved in Crop Production issues through the Canola Watch weekly crop report (through CCC), which monitors the canola crop conditions, diseases, swathing progress, combining progress, sprouting and frost available on **canola-council.org**. Also a new website has been launched by the The Canola Council of Canada. **POD**, or **Performance On-line Database**, was developed to allow farmers to explore canola performance trial results from a broad range of sources in their own area.

This concludes our member update. Please feel free to contact any of the directors or committee chairs if you need more information. **The BCGPA office can be reached at 250-789-9289** or our **Research Department at 250-782-2557**.

On behalf of the Directors of the BC Grain Producer's Association we wish you all a **Merry Christmas** and a prosperous 2005!

Projects jointly funded by:



**Investment
Agriculture
Foundation**
of British Columbia



B.C. GRAIN PRODUCERS ASSOCIATION

□ Box 161, Dawson Creek, B.C. V1G 4H3
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April 2004

Dear Member:

With all indications of an early spring and some price rallies in the oilseed sector we are heading into the 2004 season with optimism. The directors of the **BC Grain Producers Association** would like to update their members on topics of interest as well as current issues affecting the grain industry. First of all we would like to introduce the directors of the BC Grain Producers Association as of February 2004.

South Peace

Jim Smolik, President
Garnet Berge, Vice-President
Ross Ravelli
Edmund Rath

North Peace

Robert VanderLinden, 2nd Vice President
Irmi Critcher, Secretary Treasurer
Martin Moore, Chair Research Committee
Margaret Leuenberger

We currently have 5 active committees dealing with current issues affecting the grain industry. Our committees are:

1. Research & Variety Trials Advisory Committee: Martin Moore is the new chair of this committee conducting field trials on both Dawson Creek and Fort St. John sites. Our research manager Clair Langlois, is heading into his 4th season of research into short season variety selections, agronomic performance projects, Peace Region growing degree days, as well as checking into new crop potential of soybeans, short season flax breeding and high value malt barley enhancement projects.

Our Research Committee also has representation to the Western Grain Research Foundation as well as the Prairie Registration Recommending Committee. Maurice Fines, Bruce Baxter and Gordon Hill represent the BCGPA on these national committees, which meet annually to determine approval and registration of new wheat, barley and pea varieties.

2. Canola Liaison: Ross Ravelli, Chair. Ross is also the President of the Canadian Canola Growers Association. There are 2 components to our Canola liaison project the Canadian Canola Growers Association and Canola Council of Canada.

The Canadian Canola Growers Association (CCGA) is the umbrella organization whose members are the 6 grower groups stretching from here in BC thru to Ontario, with a combined membership of over 60,000 growers. CCGA core functions are the Administration of the Non Board Cash Advance, Industry and Government Affairs (IGA) as well as Market Development. CCGA committees IGA has focused on two issues. The first is the Canadian On Farm Food Safety Program (COFFS), where the canola industry players will be developing a "canola" test program to test what a program may look like. The second is the formation of the Bio-diesel Association of Canada (BAC). BAC is comprised of CCGA, Canadian Oilseed Processors Association, Ontario Soybean Growers Association and the Renderer's Association of Canada. It will be this groups responsibility to move bio-diesel from the drawing board to reality. Development of a bio-diesel industry in Canada would be a significant benefit to growers!

Canola Council of Canada (CCC) is the group that encompasses all levels of the canola supply chain - from growers, seed developers, crushers, and exporters. Thru this group we are able to deal on issues that affect canola; labeling, trans fatty acids, GMO, market development and any number of other issues. The strength of this group is that it gives everyone an understanding of the views and issues of the other sectors and allows us to make good informed decisions that are best for the whole industry not just individual components.

The canola committee is also involved in Crop Production issues i.e. trying to find an industry standard test for seed vigor as well as having seed vigor and germination test results on label. Also flea beetle control by testing seed treatments of extended range products.

3. Safety Nets and Business Management Consultations Project: Chair Jim Smolik,

As chair of this committee Jim has continued to participate with the Provincial and Federal governments in the finalization of the new Business Risk Management (BRM) program. As you are aware this past December, Ontario signed on to the Ag Policy Framework (APF) thus fulfilling the required provincial participation, and ending the existing Net Income Stabilization Account (NISA) and Whole Farm Insurance Program. (WFIP). Ontario's condition to signing the agreement hinged on including 3 amendments to the implementation agreement. These amendments were; coverage of negative margins, cap increase to 3Mill and linkage to production insurance. Pending acceptance of amendments by other provinces current safety net programs will be replaced with the Canadian Agricultural Income Stabilization (CAIS) Program. The CAIS program integrates stabilization and disaster coverage into one program; coverage for 2003 and 2004 is now available.

Deadlines: CAIS: To participate producers must open a CAIS account at a participating financial institution before April 30, 2004 and choose their coverage. The protection level must be between 70% - 92% of the reference margin. Regardless whether BC signs on to the new amendments or not, we will be able to participate for at least 2 years. Producer will be required to deposit 1/3 of their cost of protection level into the CAIS account by December 31, 2004.

Production Insurance: Deadlines for grain is April 30, 2004. As described earlier the PI linkage to the CAIS program is not finalized. After this linkage is determined, we would encourage producers to explore their options with ministry representatives to choose a level of coverage, if any, that is suitable for their operation.

NISA: As of March 31, 2004, the wind down of your NISA account begins. You will have 3 options;

- 1) Withdraw all the funds in your account immediately. As Fund II is pre tax dollars there could be tax implications for full withdrawal and it is recommended to obtain tax advice before proceeding.
- 2) Withdraw the funds over a period of up to 5 years. The only condition is that producers remove a minimum 20% of the fund 2 closing balance per year. For example, you may remove 60% in year 1 and not remove any funds in year 2 or 3. In year 4 however, you will need to reduce your account by at least 20%. As you are closing your NISA account down, based on your Fund II account, money from Fund I will be removed at an equal dollar value to Fund II withdrawals, not percentage.
- 3) You may request the administration transfer some or all Fund I money, up to a maximum of 2 times your deposit required into a new CAIS account.

NOTE: You will have to call the NISA Administration to roll funds into your CAIS account the bank cannot do this for you.

Association with BC Agriculture Council: We continue to maintain membership in the BCAC, through this association and regarding safety nets, our director represents the BCAC at the National Safety Nets Advisory Committee and also participates with BCAC at the Provincial Safety Nets Advisory Committee.

Association with Grain Growers of Canada: We continue to maintain membership with the GGC and specific to safety nets, participate on the Farm Income Working Group. Our association with the GGC allows the BCGPA directors to have input into submissions to the Federal Minister of Agriculture, Select Standing Committees on Agriculture, National Safety Nets Advisory Committee and the BRM Technical Working Group.

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4. Environment & Wildlife Liaison Project chair, Irmie Critcher.

Through our affiliation with BCAC (BC Agriculture Council) our director, Irmie Critcher has a seat on the Agriculture Environmental Partnership Initiative, Management Committee, which is now also the Environmental Working group. We also have representation on the Partnership Committee of Agriculture and the Environment in BC.

We have been actively involved in an industry led initiative for the development of a work plan and an implementation proposal for a workable Environmental Farm planning program for the Province of BC. The implementation agreement has been signed and implementation of EFP's will commence in 2004. We also have now established the delivery groups for the BC Peace and planners have been chosen. Colleen Giesbrecht has taken the planner training on behalf of the BC Grain Producer Association and is ready to start on farmer workshops after seeding. This is an excellent opportunity for farmers to assess their farms environmental compatibility. The dates and times of these workshops will be announced at a later date.

The BC Grain Producers also have representation on the Peace River Regional District Wildlife Committee; this committee is comprised of Farmers, Ranchers, various Ministries, as well as multiple other interest groups and is trying to develop a wildlife impact mitigation strategy for the BC Peace. There is also a Provincial counterpart of this committee dealing with wildlife conflicts on a province wide basis and representation of a producer from the BC Peace is sought. If you need more info or would like to volunteer call BCGPA office at 789-9289.

5. Grain Marketing & Transportation project, chair Garnet Berge

Members of the BC Grain Producer's Grain Transportation & Marketing Committee are communicating with farmers and stakeholders to improve the grain marketing and transportation system in the BC Peace. With the sale of BC Rail to CN Rail there are a multitude of questions and concerns over the future grain movement in the BC Peace. Some of these were addressed by F.Hedley Auld, Policy Manager with CN 's Marketing Business Unit for Grain & Fertilizers Transportation at our Annual General Meeting. Also Doug Parker & Garry Smolik had the opportunity to meet with representatives of the competition bureau and outline a number of issues, which will impact the grain producers if there is a takeover of BC Rail by CN Rail. The issues identified were as to the timing of the grain movement from farm to market, incentives paid to elevator companies for rail car spots, level of service which can be expected, and the five-year timeline factor of services in the BC Peace. A written submission followed and future correspondence is expected. Garnet Berge and Barry Critcher represent the BC Grain Producer Association on the South Peace Rural Road Task Force. This committee deals with a wide range of issues in regards to road construction, road standards and maintenance, identifies problems and helps to set priorities to improve the road system in the BC Peace.

Please note that all these projects are jointly funded by the Peace River Agricultural Development Fund (PRAD) the BC Grain Industry Development Council (producer levy \$) and the BC Grain Producer's Association.



Did you know that....

The BCGPA has a bin crane and a pulltype grader for rent. For more info or booking contact Jarvis Taylor at the Dawson Creek Seed plant at 250-782-7820.

That as a bona fide farmer you are **exempt of PST** (Provincial Sales Tax) on provincial tax-exempt supplies. In order to prove your bona fide farmer status you will need a **BC Farmer ID card**, which will be recognized by most BC business. In order to obtain this card please contact the BC Ag Council at 250-763-9790 / fax 250-762-2997 or fill out application form online at www.bcac.bc.ca . In order to get a full list of exempt items visit Consumer Taxation Branch www.rev.gov.bc.ca/ctb

To recognize the changing ways that some family operated farms conduct business the definition of "family farm" under the **Motor Fuel Tax Act** has been expanded to **include any corporate structure**, provided that at least 75% of the voting shareholders are direct family members actively engaged in operating the farm.

Our request was **denied** to consider eliminating the requirement for **family farm emblem**, it will still be necessary to carry an emblem to be authorized to burn colored fuel in our farm trucks. Please note that each vehicle has to have it's own emblem, these emblems can be obtained by contacting 1-877-388-4440.

Property Transfer Tax Act – two further changes have been made to benefit family farmers. An exemption is provided on the transfer of a family farm to a family corporation from either the estate of a deceased or a trust. Additionally the exemption for transfers of the family farm to related individuals has been expanded to include transfers to siblings and their spouses.

The BC Grain Producer's have a website where information on our Variety Trial results are posted, as well as links to weather information, auctions, marketing and more. Please visit www.bcgrain.com

If you have any issues affecting the grain & oilseed sector please contact one of our directors or the BCGPA office for further info on any of the projects contact the committee chair or the BCGPA office.

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