

Canadian Grain

A Newsletter from the Canadian Wheat Board

Volume 3, 2005

Crop outlook for Western Canada

Although the harvest of 2004 proved to be a difficult one, the abundant rainfall that caused some of the harvest challenges has brightened the prospects for the 2005 crop. Soil-moisture reserves available to the recently planted crop are the most positive levels seen since the beginning of the decade, due partly to the excessive rainfall that interrupted the harvest of 2004.

The improvement in the Prairie soil-moisture situation began with persistent rains in September of 2004. Although dryness in the October-through-December period allowed harvest to be completed, soil-moisture levels remained at above normal levels. Winter snowfall was also above normal in all areas except southern

Alberta. Snowfall during the winter season is an important source of moisture for seeding.

The overall planting pace in Western Canada during the spring was two-to-five days ahead of normal during May. Heavy rains in the first week of June dropped the pace behind normal and the last 10 per cent of

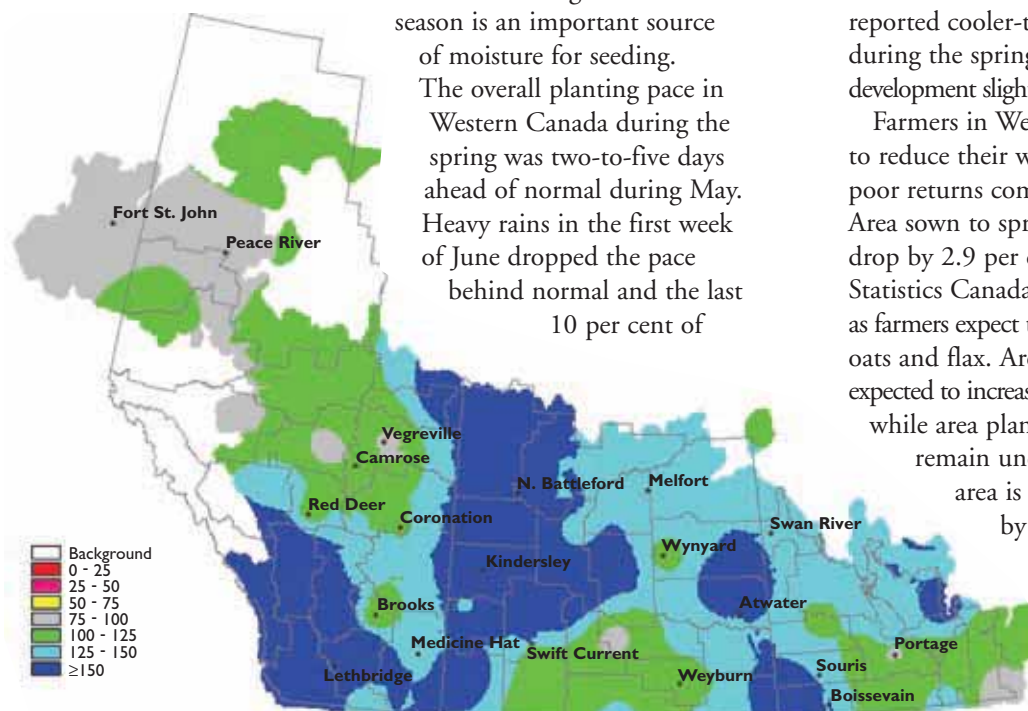
the crop was planted in late June. The dry areas in southern Alberta benefited from the heavy rains in June, although some localized flooding did damage to planted crops. The rains also caused planting delays and crop losses in Manitoba, where the Red River Valley was too wet for most of the planting season. The rainfall during the spring season ranged from 75 per cent of normal to over 150 per cent of normal. Only a small area in southern Alberta reported precipitation that was significantly below normal (less than 50 per cent below normal).

Temperatures were also slightly below normal during the spring planting season, but not nearly as cold as during the spring of 2004. The Peace River region and parts of western Alberta were slightly warmer than normal, while all other regions reported cooler-than-normal temperatures during the spring. This slowed crop development slightly, but kept stress levels low.

Farmers in Western Canada have decided to reduce their wheat area this year due to poor returns compared to alternate crops. Area sown to spring wheat is expected to drop by 2.9 per cent this year (source: Statistics Canada March Intentions), as farmers expect to plant more durum wheat, oats and flax. Area planted to durum is expected to increase by 5.5 per cent this year, while area planted to barley should remain unchanged. The canola area is expected to be reduced by 8.3 per cent.

The current outlook for crop yields is positive, due to the improved

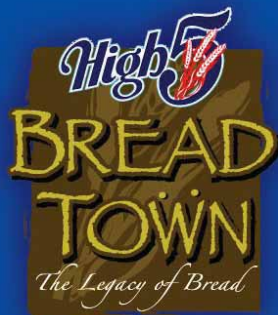
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A BRIGHT IDEA



The legacy of bread comes to life in Malaysia



The world's first bread museum, Bread Town, tells the story of bread development through ages using colourful murals, interactive displays and hands-on experience.



Bread has been a staple of the human diet for more than 5,000 years. Now, a new facility located near Kuala Lumpur, Malaysia makes it possible for visitors to walk through bread history.

Stanson Bakeries, one of Malaysia's largest bread producers, opened the new High5 Bread Town facility in 2004. The world's first bread museum, Bread Town tells the story of bread development through ages using colourful murals, interactive displays and hands-on experience. The delicious aroma of over-fresh bread gives an authentic touch to the facility.

Visitors learn how bread evolved through history, from its early days in ancient Egypt through the Iron Age, the Roman and Viking periods and the Industrial Revolution, to its role in the present-day diet. The museum's displays demonstrate that each era was marked by significant improvements in grain quality, milling, baking, loaf shape and texture.

One display focuses exclusively on the Earl of Sandwich. This prominent Georgian is the man credited with

introducing the world to the now-common sandwich. An avid gambler, he didn't want to stop his card playing to break for meals. He developed the technique of putting a meal between two slices of bread because he could continue to play his game, without getting his cards greasy.

Breads from around the world are on display at the Olden Day Bread Shop, which highlights the diverse styles of bread eaten by different cultures. The Skywalk Factory Tour gives visitors a view of the largest stand-alone bakery plant in Southeast Asia, which is filled with state-of-the-art technology.



Antique, larger-than-life bread-making equipment is also on display at the museum, demonstrating how much bread was consumed by past societies. Other antiques can also be seen in the museum, including the Founder Machine, which was designed by Stanson Bakeries founder Tan Chin Suan in the 1960s.

For more information on High5 Bread Town or to book a tour, visit the museum's Web site at www.high5breadtown.com.my. ■

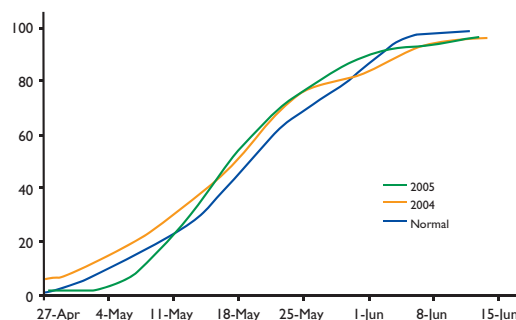
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soil-moisture situation across the Prairies. Last year's yields were near record levels, despite an early frost and delays in the harvest. The current expectation is for yields to be closer to average levels, despite the improved moisture conditions early in the season. ■

Western Canada sown area (million acres)

	2000-04 Average	Stats. Can. 2003	Stats. Can. 2004	Stats. Can. 2005	% Change
All wheat	25.57	24.98	24.61	24.12	-2.0%
Spring wheat	19.15	18.28	18.43	17.90	-2.9%
Durum	5.94	6.14	5.51	5.82	5.5%
Winter wheat	0.48	0.56	0.67	0.41	-38.8%
Oats	4.74	5.19	4.52	5.27	16.7%
Barley	11.39	11.72	10.83	10.90	0.7%
Rye	0.31	0.36	0.40	0.36	-11.3%
Flax (incl. solin)	1.70	1.84	1.80	2.15	19.2%
Canola	11.13	11.63	13.06	11.97	-8.3%
Six major grains	54.84	55.70	55.20	54.76	-0.8%

Western Canada seeding progress - six major grains



CWB invests in grain storage research

The CWB has invested in a new and unique research facility at the University of Manitoba campus, located in Winnipeg.

“This investment provides the unprecedented opportunity for Canada to play a leading role in researching new methods of preserving the quality of wheat and barley held in storage,” explained CWB Chair Ken Ritter.

Located near the Faculty of Agriculture on the world-renowned Winnipeg campus, The Canadian Wheat Board Centre for Grain Storage Research was officially unveiled at a ceremony on March 18.

Ritter and CWB President and CEO Adrian Measner joined representatives from other funding organizations at the event, including the Canadian government, the Manitoba government and the University of Manitoba. About 40 wheat and barley farmers from communities near Winnipeg were invited to witness the official unveiling, hear speeches, tour the facility and enjoy a reception.

Stored grain is often at risk from degrading factors, such as insect infestation, mould and excess moisture. The 15,000-square-foot building houses grain storage bins designed to simulate a variety of real-life environments so that new methods of combating degrading factors can be developed and evaluated. The facility also contains computerized laboratories to evaluate data and test new ideas, as well as a pilot-scale grain cleaning and handling structure. Researchers will also use machine-vision technology to develop automated procedures for grain handling and processing.

The CWB invested \$400,000 in the facility on behalf of western Canadian farmers. In exchange for the investment, the building was named in honour of the CWB. In addition to the large brass sign and logo on the front façade, a brass heritage plaque was placed in the lobby, dedicating the investment to the farmers of western Canada.

“This facility allows customers to conduct research in Winnipeg and allows Canada to find and share technical information that will enhance the quality of grain customers buy,” explained Ritter. “This will strengthen the already excellent reputation of Canadian grain among our buyers.”

“It also provides an opportunity for the CWB to be associated with a world-class education and research institution like the University of Manitoba.”

Dr. Digraj Jayas, associate vice-president (research) at the University of Manitoba and the man who envisioned creating the research facility said the opening of the CWB Centre for Grain Storage Research marks a significant achievement.



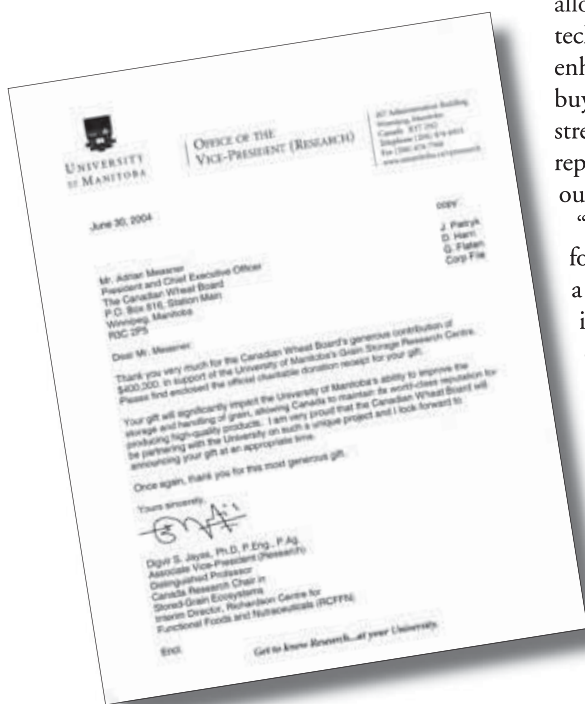
“No other research group in Canada is working to solve problems of stored-grain ecosystems using a multi-disciplinary approach. We are bringing together engineers, entomologists, chemists and agricultural economists with this centre; the most comprehensive facility of its kind in the world.”

Customers who would like more information on the CWB Centre for Grain Storage Research or would like to arrange to visit the facility should view the University of Manitoba’s Web site at www.umanitoba.ca. ■

Quote from lobby heritage plaque:

“The wheat and barley farmers of Western Canada, who control and pay for the operations of the Canadian Wheat Board, are the foundation of an industry recognized around the world for producing and supplying top-quality grain to customers. World-class research is integral to the continued ability of the industry to produce and maintain quality.”

The Canadian Wheat Board dedicates this investment to the grain farmers of Western Canada, whose ingenuity, resourcefulness and commitment have shaped our country’s history and created opportunity for the future.”



Faces and places

CWB staff visited Stanson Bakery's "Breadtown", a newly created bread museum that welcomes school tours and members of the industry in Kuala Lumpur, Malaysia. Here the group holds a CWB polar bear poster.



(L-R) Derek Sliworsky, CWB marketing manager for Asia Pacific; Graham Worden, CWB senior manager of technical services; Jimmy Chang of FFM Bhd.; Ong Choon Wah, Roslinda Abu and Chong Heng Loon of Standard Confectionery.



(l-r) Member of the Royal Canadian Mounted Police (RCMP); Italian police officer; David Iwaasa, CWB general manager, Tokyo; Darrell Bushuk, CWB senior marketing manager, Asia Pacific; Toshihiro Maeda, president of Maeda Industrial Co., Inc. and chairman of the Osaka Flour Millers Association; Ward Weisensel, CWB chief operating officer; Italian police officer; member of the RCMP.

The CWB hosted a reception at the Expo 2005 Canadian Pavilion held in Aichi, Japan. More than 40 customers and friends representing the Japanese government, baking, milling and pasta industry joined CWB staff for the event held Friday, April 22, 2005. Guests were given a tour of the pavilion and enjoyed a gourmet Canadian buffet dinner.



Guests of the pavilion enjoy a Canadian-style buffet. Each of the guests received a small bottle of Canadian ice wine and a CWB pen and pencil set as a memento.



Ward Weisensel, CWB chief operating officer and David Iwaasa, CWB general manager, Tokyo, greet pavilion guest Tsutomu Shigeta, executive director, Japanese Flour Millers Association.

Canadian Grain is a publication of the Canadian Wheat Board (CWB). Canadian Grain is designed to keep our Asia-Pacific grain industry partners informed about the Canadian system of grain marketing, CWB initiatives and factors that influence the marketing of western Canadian wheat and barley.

Readers are invited to submit questions and comments to:

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