Western Farm & Forest

Sustainable Land Management Opportunities

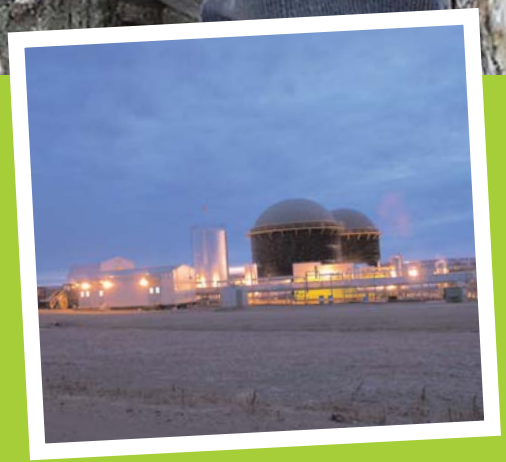
SPRING 2006

For landowners who care

Bioenergy: a growing option

Ag Census in May

WRAP's 10th AGM a success



Farmers have role to play in emerging bionergy opportunities

Page 10

WOODLOT Association of Alberta

WILD ROSE AGRICULTURAL PRODUCERS

WRAP and WAA members!

This is your official membership magazine!
Please see inside for association news

What to do when the lights go out

Many of us have experienced a power outage at one time or another, whether it's due to severe weather or a downed power line. Though unusual, you should be prepared if the lights go out.

ATCO Electric says if the lights go off, it's important to determine whether it's really a power outage or a problem with your own breaker. Reach for your flashlight and check your main electric panel. If you've blown a fuse or tripped a breaker, one or more of the switches may be turned off. Simply turn it back on and power should be restored.

If it's not a fuse or a breaker, check to see whether power is also out for your neighbors. Call your electricity service provider to report the outage.

Be prepared

You should always be prepared for a power outage, regardless of the cause.

Keep a flashlight handy with fresh batteries, blankets and warm clothing, and a battery-operated radio to stay in touch with the news.

Keep candles and matches on hand. Have a fire extinguisher (A-B-C type) on hand and know how to use it.

Most furnaces will not operate without power to run the fan. However, the pilot light will remain on, and the furnace will resume operation as soon as power is restored.

If you have a wood-burning fireplace, make sure you have a supply of wood on hand.

Never use barbecues, camping heaters or ordinary kerosene heaters as an indoor heat source as they will generate dangerous levels of carbon monoxide.

Turn off your appliances

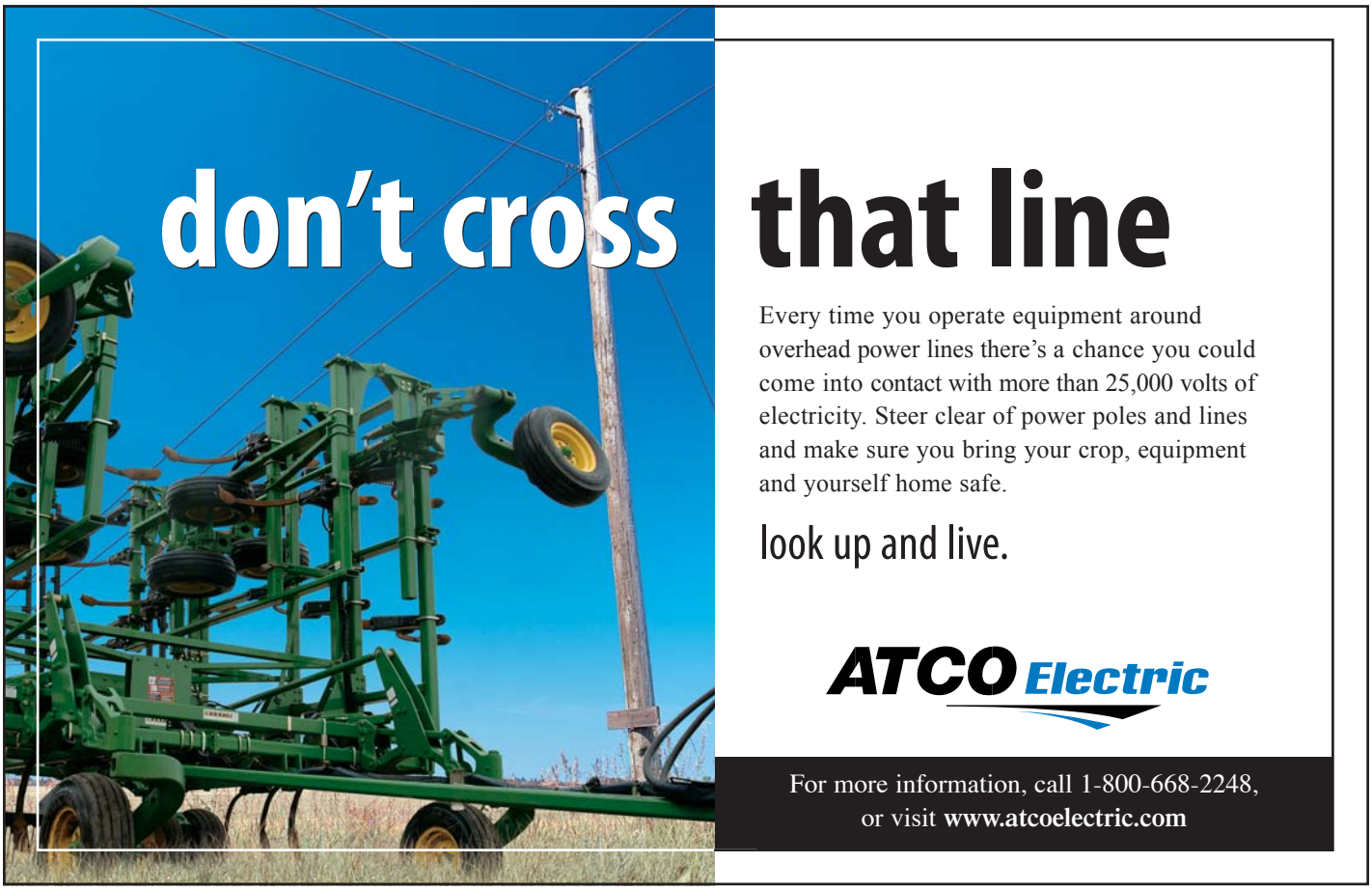
During a blackout, it's important to switch off any appliances or power tools. When electricity is restored, there will be a surge of electrical energy that could damage sensitive equipment such as computers or televisions. Remember to leave one light on as a reminder that electricity has been restored.

Protect your plumbing

A concern during a cold-weather power outage is the possibility that water in pipes may freeze. Leave a tap dripping slowly to keep water moving in the system. In sub-zero temperatures, consider turning off your main water supply valve. Fill containers first with water for household use during the outage and then open all taps and flush toilets to clear water out of the system.

Stay warm

Above all, stay warm. Dress in layers and gather family members in a room with a fireplace or other safe source of heat. Cover windows to keep heat from escaping.



Western Farm & Forest

Western Farm & Forest magazine promotes innovation and sustainability on farms and woodlots in Canada's four western provinces. It is mailed four times a year to private landowners and to related equipment suppliers, government departments and officials.

The mission of the magazine is to inform and inspire landowners about the economic, ecological and social opportunities available to them through sustainable, integrated management of their resources. We promote the objectives of the Woodlot Association of Alberta, Wild Rose Agricultural Producers, and other organizations consistent with our mission.

Submission of articles and photos on any aspect of innovation or management on the farm or woodlot is welcomed.. Please contact the Publisher for information on length and desired subject matter.

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Election underscores need for communication with Ottawa

The recent change of government, at the national level, will certainly keep farm organizations on the run this winter.

The Conservatives have clearly indicated a commitment to agriculture while in opposition and during the election campaign. Canadian farmers have taken up the offer with great hope. Now that Mr. Harper has the opportunity to govern, we will see if the commitment remains.

Everyone in agriculture will be trying to bend the ear of Chuck Strahl in the coming weeks to put their twist on what they feel will lead farmers "out of the wilderness." Farm organizations work with whomever is in power politically. That underlines the need for communication with government and opposition parties on an ongoing basis.

Bill Dobson, president of Wildrose Agricultural Producers

We represent the same farmers with the same problems and desperately need to find solutions quickly. It's exciting and a little bit scary to face a new slate of ministers but we will be there and I really look forward to the discussions.

The time seems to be right to look closely at bioenergy

In 2003 Pieter Vander Schoot (WAA vice-president) and I travelled to New Brunswick, Nova Scotia and Prince Edward Island to attend the Model Forest Network Woodlot Strategy Workshops and to tour local woodlots. There were many woodlot initiatives that impressed us and we reported our observations back to the WAA Board, including the widespread use of small wood burning in-floor boiler systems for heating barns, shops and homes.

Most of the heating systems in Atlantic Canada that we saw were using wood chips from local woodlots at a production cost of around $200 for a winter's supply. Pieter is an engineer and very knowledgeable on the subject of bioenergy and the potential for renewable forest fuel sources for heating and electricity production. The energy costs across Canada three years ago were obviously more reasonable than today but Pieter was an early advocate for alternative energy sources and has been a relentless promoter of profiling bioenergy articles in the magazine. With current and predicted energy costs going through the roof, the timing is right and this issue will provide more of the information we need about about bioenergy.

Dennis Quintilio, WAA editorial advisor

Much of the information is straight from the recent Canadian Bioenergy Association Workshop held in Edmonton in January titled "Bioenergy: Is Canada's Green Energy Alternative Poised for Dramatic Growth?" I think it is as I throw another log into my primitive shop heating system. We would be interested in hearing from you after you digest the articles in this issue and get familiar with gigajoules and megawatts.

Alberta needs to find a way to replace destroyed forests

Editor:

I was interested to read a paper presented to Natural Resources Canada, "*Estimation of Future Carbon Losses from Deforestation in Canada*," which does an interesting job of quantifying deforestation across Canada.

Critics may argue this paper is just another pile of inaccurate statistics, yet is appears to be a credible report and after my travels in northern Alberta, it certainly describes what I have witnessed on the landbase. Numbers such as 240 square kilometers of deforested provincial forest in 2004 to allow for oil field construction are quite staggering, yet entirely believable. The report stops short of applying dollars to the timber losses, however with some quick math - 240 square kilometres becomes 24,000 hectares, and 2.4 million cubic metres of wood at a conservative one hundred cubic metres per hectare and finally $24 million at a woodlot price for logs of $10 per cubic metre.

In the City of Edmonton when trees are destroyed or determined to be a loss due to construction damage, the organization responsible for the destroyed vegetation pays compensation at the assessed value, and the money is placed in a tree reserve account for future tree improvement and replacement. Similarly, during bridge construction in the province, fish habitat is often lost, and this loss is compensated by building replacement habitat often at 1.5 times the area destroyed. So what is happening in our provincial forests? Reforestation is mandated on harvested forest land, yet I am not aware of permanently deforested land being replaced, especially at 1.5 times the loss.

Herein lies the opportunity for private landowners to help. Many are very interested in enhancing and reforesting woodlands, yet the reality of investing thousands of dollars to reforest a hectare of land with no return for 80 years is just not plausible. Yet, if some of the resources from liquidated provincial forests could be directed to assist private land owners in forest cover replacement, many woodlot owners would jump at this opportunity.

Replacing provincial forest land by encouraging private land owners to reforest may not be a simple solution, but it will be a great start for the reinvestment in Alberta's natural capital - for the benefit of all Albertans!

Jamie Giberson
WAA Treasurer
Edmonton

Sounding off

Send us your opinions!

Food consumers should know exactly what they're paying for

Editor:

Every citizen depends on ag producers for daily food and drink. For their part, producers seek a market that will provide them a reasonable return on their investment in land, equipment, labour and input costs.

The customer decides whether to buy or reject a product offered for sale. But currently, customers have little or no knowledge about who benefits from the dollars they spend. Might customers make a wiser choice in their purchases if they were aware of just how much of their dollar was going to the basic grower as compared to others in the food chain?

I propose some labelling changes that would require retailers to vividly and legibly display the value elements that contribute to the retail price paid by the customer. The elements of value could be offered in a bar chart showing different colour bars beside each cost element. Secondly, the product would have a coloured symbol to show the customer whether the product was of total Canadian origin or one that contained varying degrees of foreign content.

The bar chart could show the comparative percentage of the retail price made up of payments to producers, brokers and middlemen, processors, wholesalers, packagers, transportation providers, advertising concerns and retailers.

Each chain participant would be responsible to pass along its particular numbers as part of their billing process. Billings to the retailer would show the accumulated numbers and the retailer would be responsible for making and affixing the necessary reporting labels on products sold.

Some potential outcomes – customers could make choices about how much they spend for the item itself, and how much for all the other components that make up the final price. Processors might establish themselves where transportation costs could be minimized. Consumers and farmers might be able to apply market pressure for more realistic payments to food producers.

This labelling idea may be the tip of the iceberg in our quest for fairness in the market place. By melting the tip, better and bigger advances will surface.

V.S. Bretin
Bio-Way Gardens
Leduc, AB

Main cover photo: Fred Godberson (photo: Sarah Seinen) sitting on a goldmine - page 15. Small cover photo: Integrated Manure Utilization System biodigestor (photo: Highmark Renewables) creates energy from farm waste - page 10

Get ready to be part of the 2006 Census of Agriculture

Every five years, Statistics Canada asks farmers to provide an up-to-date picture of agriculture in Canada, by completing and returning their census questionnaire.

During the first two weeks of May, every farm in Canada will receive a Census of Agriculture questionnaire. The census is a reliable source for describing the characteristics of Canada's people, dwellings and agricultural operations.

The census is a tool for the future, allowing the government to see where we have come from in order to plan where we are going. No other instrument paints such a clear picture of our communities and our country – the changing ethnic landscape of the mosaic that makes up Canada. Census data is used to plan certain programs that have an impact on all Canadians.

The census is required to help the federal government determine federal electoral districts, and administer a wide variety of programs and legislation including: the Federal-Provincial Fiscal Arrangements Act, the Canada Health and Social Transfer Act; the Old Age Security Act; the Canada Pension Plan and the Electoral Boundaries Readjustment.

Individual census information is combined with information from other respondents in similar regions or groups to produce statistics. By law, Statistics Canada cannot release any tabulation that would identify the characteristics of individual respondents.

The census provides the only source of community-level information for economic, social and demographic conditions and trends occurring in Canada. As such, data from the census is an indispensable decision-making tool used by provincial and municipal governments, business, industry, associations, non-governmental organizations, academia, media, research and individuals. Census information is used to plan important public services such as provincial and municipal transfer payments, education, day care, employment and training, and health care.

These are just some of the reasons why it is so important to you and your community that you count yourself in by completing your questionnaire on Census Day.

Employment opportunities exist with the census. Job postings begin to appear on the Statistics Canada website at www.census2006.ca.

During the first two weeks of May, every farm in Canada will receive a Census of Agriculture questionnaire.

Young people now able to tackle environmental farm plans

The Alberta Environmental Farm Plan Company (AEFP), which delivers environmental farm plans (EFPs) in the province, and Alberta 4-H, the province's leading rural youth group, have teamed up to provide a new environmental project for senior 4-H members.

"The 4-H project follows the EFP process that all participating farmers use," says Therese Tompkins, AEFP Program Director. "EFPs involve completion of a voluntary, confidential plan that identifies and addresses environmental risks and opportunities on the farm or ranch, so this is a great opportunity to involve young people directly in on-farm environmental stewardship."

Participants in the 4-H EFPs will be able to complete a series of small projects to assess an actual farm operation from an environmental perspective.

There are enough projects in the EFP guide to keep members actively involved for three years. As in an actual EFP, the goal is to define environmental strategies and the process for delivering the required changes.

"The project takes some serious effort, and young people will benefit most if they are motivated," says Terri Potter, a 4-H specialist with Alberta Agriculture, Food and Rural Development (AAFRD). "Besides learning first-hand about farm environmental efforts, they can qualify for high school credits."

To help ensure the project runs smoothly and to make it a positive experience, participation from parents or the farm's primary owner or stakeholder is encouraged, says Potter. "It's a challenge for young people to take responsibility for making recommendations on their own. So it is helpful, if not necessary, for parents and adults, such as the farm owner or operator, to be involved in the whole process.

"Perhaps the greatest potential for the project is that we're building environmental respect into the farmers of tomorrow," says Tompkins. "The 4-H motto is 'Learn to do by doing,' and this project directly connects participants with actual farm management decisions.

More information on the 4-H EFP project is available by contacting AEFP toll-free at 1-866-844-AEFP (2337) or Alberta 4-H at (780) 682-2153. General information on the EFP program is available at the AEFP web site, www.albertaEFP.com.

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The Bronze, Gold, Silver packages along with optional dental, disability and life insurance benefits are designed for farmers, farm employees and farm organizations. You can even choose to pay your premiums monthly, quarterly or annually. We believe that this program is of great value to Alberta farmers – the main reason we're backing it so wholeheartedly.

Visit www.agrifoodbenefits.com for more information, package descriptions and premium rates or call 1-800-463-2555.

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Bioenergy: a growing option for urban and rural dwellers

By VICTOR BRUNETTE

It is obvious that we are using more energy than ever before. If we want to sustain high standards of living, clearly the future will have to consider energy conservation, efficiency measures and a gradual shift towards clean renewable sources of energy. Unlike the past energy crises, the current change is being driven not only by rapidly inflating energy costs and security of supply, but also by the prospect of noticeable climate change.

Woodlot Extension Program

In Alberta, coal and gas fired generators provide 90.4 % of the needed electricity. To play a role in diversified energy production, renewable energy would have to come from wind, solar, ground source heating (geothermal), small and large scale hydro and biomass. Bioenergy accounts only for 0.6% in the current energy generation in Alberta. It is regarded as "green" when it is harvested in a sustainable manner. The burning of biomass to produce bio-energy releases carbon dioxide that was absorbed by plants in the recent past and is termed to be carbon neutral because it releases less carbon than does fossil energy. New plant growth absorbs carbon on the site where biomass was harvested. Unlike fossil fuels, it does not contribute to releasing long term stored CO2 to the atmosphere.

Different energy producers could provide energy and electricity from biomass. The big players ought to be interested in diversifying their production, or else could be forced by regulation to do so. EPCOR, ATCO and TransAlta own more than two thirds of the generating capacity in the province. Biomass from industrial waste already goes into generating plants. For example, the Valley Power Plant in Drayton Valley and the Verdant partnership plant in Dapp jointly provide more than 25 Megawatts to the Alberta grid system.

In Edmonton alone, local contractors, waste management corporations and urban dwellers produce annually 400,000 tonnes of dry wood residue from demolition materials, construction waste, transport pallets and wood chips from landscaping operations.

Victor Brunette

However, only 20 percent of this energy base is sold to utilizers who charge approximately half the price of landfill costs to take it and process it for energy. More than 300,000 tonnes per year of wood material is landfilled at a cost sometimes exceeding $65 per cubic metre. It is an interesting paradox that, while woodlot fiber termed to be a natural resource, and which takes from 30 to 80 years to grow, sells for a few dollars a tonne for primary processing while the same fiber, post-consumer, becomes a so-called residue, and the public system pays high dollars to get rid of it.

The pulp and paper industry, and other large mills who process primary forest products are well positioned to benefit from generating heat and electricity from biomass. Numerous sawmills heat their drying kilns with mill waste. Pulp mills derive a significant portion of their process heat and electricity from the combustion of bark, sawmill waste and spent pulp liquor. They could easily provide their total energy needs (termed to be Cogeneration of Heat and Power – CHP). Considering the current trends in the pulp and paper markets, a large kraft pulp mill could sell its surplus electric production to the public grid for a profit that far exceeds the current net revenues from its pulp sales.

For rural people, round wood heating in woodstoves and furnaces has always been the most common form of bio-energy use. In my view, the most promising projects for utilizing biomass for energy in the rural areas would target small scale operations which would render farmers, ranchers and rural dwellers more autonomous, by using their own agri-fibers, wood chips and pellets to heat their homes, garages and farm buildings. We will soon see some rural industry use wood fiber to heat grain dryers, and pelletizers. Greenhouses and Hutterite colonies could make economies of scale with cogeneration. Currently, a farmer would be allowed to produce heat and electricity for his house and farm operations but could not sell or transport electricity outside the boundaries of his own property.

Although Alberta has the resources to be a leader in the bioenergy field, the focus on oil and gas energy has prevented such expansion. In many cases, it will take deregulation and/or market-related incentives to stimulate the use of biomass for energy production and to provide cleaner energy onto the public grid. Yet, rest assured, bioenergy is going to play a growing role in our energy future.

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Bioenergy uses farm and forest residues

By SARAH SEINEN

As oil and gas prices continue to rise, landowners are looking for ways to depend less on fossil fuels and rely more on bioenergy. While bioenergy production may seem like a complicated process, it can be as simple as stoking a furnace with firewood to heat your home or shop.

An Alberta Woodlot Extension Program workshop in January addressed several issues and opportunities related to heating with biomass.

Bioenergy, as defined by Bruce McCallum, president of the Canadian Bioenergy Association, is any form of energy derived from organic materials, including woody plant material (biomass).

Forest mill residues and forest harvest residue left over from cutting or processing, such as thinnings, prunings, sawdust, bark and firewood can be used as fuel in a biomass system.

McCallum explained the key features of small and intermediate commercial biomass systems, which can be used to heat a home, business, barn or shop, and range in size and energy production from 75 to 250 kilowatts (1 KW = 3500 BTUs). Simple feed systems, simple controls and manual de-ashing characterize most small commercial biomass systems.

Bruce McCallum

Aside from providing heat for agricultural producers, biomass can be used to develop biogas. Recently returned from a tour of Europe to study biogas systems, Jim Jones, business development specialist for Alberta Agriculture, Food and Rural Development, spoke about the opportunities in biogas.

"We have all the feedstocks necessary for biogas development – straw, manure, meat renderings," said Jones.

Even though biomass supply may be in abundance in Alberta, technology is needed to convert it into energy. Harald Welling, senior manager of Kalwa Biogenics, has the Canadian rights for the development of some bioenergy systems already being used extensively in Europe.

"Alberta is running out of natural gas, whether or not industry and the government want to admit it," said Welling, "Wood is an alternative now, a very strong alternative."

Wood residues fuel a red-hot market

By DAVID HOLEHOUSE

Sawmill chips and shavings that used to be burned or landfilled are now fuelling Kyoto-friendly heating systems, a thriving export business and a growing number of Edmonton-area jobs.

Bob Vanderwell of the Vanderwell Contractors sawmill in Slave Lake knew there had to be a better way to extract value from these former "wastes." With advice from consultant Dan Thiessen he started selling the material for landscaping and horse-bedding, and then compressed pellets for wood-fired heaters.

The business took off, so the next logical step was to venture into the manufacture of wood-pellet heaters, stoves and barbecues. That operation is now established in a massive production plant at Acheson, near Edmonton, operated by Dansons Group Inc. - Dan Thiessen and his sons Jeff and Jordan.

Photo: Dansons

Acheson facility makes Dansons' products

The Thiessens continually add state-of-the-art equipment and additional staff, expecting to move 25,000 stoves this year. The Vanderwell plant, meanwhile, can now produce 60,000 to 70,000 tonnes of pellets a year. About 20 per cent of sales come via the internet, and half of total sales are to major chains and other customers in the U.S.

Dansons' units include attractive home models, as well as units for heating larger commercial or shop spaces.They incorporate hoppers that maintain the flow of fuel to the fire, as well as fans that ensure full combustion. "There's very little ash and low maintenance, because of the 99-percent combustion efficiency and the absence of creosote," Dan Thiessen says. "Interest in pelletized wood fuel has skyrocketed because the fuel is clean, easy to handle, and cvery ompetiitve with conventional sources of energy."

Contact:
1-877-303-3134
www.dansons.com

Is Alberta poised for a bioenergy boom?

By SARAH SEINEN

As pressure mounts for Canada to meet its Kyoto requirements, forestry, agricultural and energy representatives are wondering if the country is on the brink of a bioenergy boom.

But before forest companies can be assured of the economic viability of installing biomass energy systems, key building blocks need to be in place first, experts say.

Canadian Forest Service

During a workshop and field trip on bioenergy in January in Edmonton, co-sponsored by Natural Resources Canada, speakers addressed biomass supply issues, new bioenergy products and markets, bioenergy industry growth and the greenhouse gas (GHG) offset market.

Bruce McCallum, president of the Canadian Bioenergy Association (CANBIO), welcomed approximately 80 participants to the workshop. "I think the turnout is indicative of the interest growing in bioenergy and energy in general," he said.

"Obviously there is a lot of untapped forest resource in the West, which at some point will be attractive for energy generation," McCallum added. "There is all kinds of potential on agricultural side as well just in residue materials. And as energy costs continue to rise, forest biomass may become a viable source of energy as well."

Bioenergy is a viable alternative to fossil fuels only if biomass supply is available. Mark Ryans, project leader of the Forest Engineering Research Institute of Canada's Eastern division, spoke about how forest-origin biomass can be used for bioenergy.

"We're all aware of the importance of biomass, especially because of rising energy costs, Kyoto, carbon credits, global warming, and in the East, a tightening hog fuel supply and fibre crunch," said Ryans.

He referred to Finland, where national policies promoting forest biomass use, a concerted research and development program, tailored biomass recovery and harvesting systems, and modernized Combined Heat and Power (CHP) plants encourage use of forest residues as biomass.

On the agricultural side of biomass supply, Lawrence Townley-Smith, agricultural ecologist for Canada's Prairie Farm Rehabilitation Administration (PFRA), said the federal vision for bioenergy is an integrated industry, where both forestry and agricultural residues are used to fuel bioenergy.

As part of the project, Townley-Smith said the PFRA has been studying the sustainability of agricultural residue removal and researching new harvesting technology such as a stripper header, new technology which efficiently takes the head off in cereal/flax systems and pulse crops, leaving enough stubble for erosion protection.

New bioenergy products and markets are emerging across North America. Several speakers attested to the growing opportunities in bioethanol, wood pellets, small- scale commercial biomass systems and cogeneration.

In order for a bioenergy industry to flourish in Canada, incentives and markets are essential. Nick Marty, a senior director with Natural Resources Canada's Energy Policy Sector, highlighted the federal initiatives for bioenergy, including the Climate Fund and a Renewable Power Production Incentive (RPPI). The RPPI program, operational April 1, 2006, is meant to stimulate the installation of up to 1,500 MW of new renewable energy electricity generating capacity. Budget 2005 committed $97 million over the next five years for the RPPI.


Photo: Sarah Seinen

Workshop participants tour the Dapp Biomass Plant, which uses wood residues to produce 16.5 MW of power.

Currently, the federal government is developing an offset system for GHGs. Theoretically, the offset system provides offset credits for project-based GHG reductions.

Emission reductions could come from projects such as the combustion of landfill gas or afforestation. As part of the system, large final emitters (LFEs) could purchase and use domestic offset credits as a way to meet their emission reduction targets. Any offsets the LFEs have to buy will be capped at $15 per tonne.

The substantial amount of information presented at the workshop was supplement with a field trip to the Dapp Biomass Plant on January 12.

The plant uses approximately 50,000 tonnes/year of clean waste wood diverted from Edmonton landfill and 70,000 tonnes/year of sawmill-type wood waste diverted from beehive burners to produce 16.5 MW of net power through a biomass boiler/steam turbine system.

Research groups explore bioenergy

By SARAH SEINEN

Three Alberta research institutes are pursuing bioenergy strategies in response to the increased profile of renewable energy. Alberta Forestry Research Institute (AFRI), Alberta Agriculture Research Institute (AARI) and Alberta Energy Research Institute (AERI) are discussing and exploring various strategic directions in regards to bioenergy. Although a full-fledged bioenergy industry is not currently evident in Alberta, the potential for one is growing, along with opportunities for farm and woodlot owners to provide feedstock. The following interviews provide information on the vision, strategic directions and opportunities for bioenergy within the forestry, agriculture and energy sectors.

Forestry

AFRI is focusing some of its initial research efforts on bioenergy options for remote communities and small and medium enterprise self sufficiency, utilizing wood residuals and biomass.

"Currently, woodlot owners are starting to utilize wood waste for thermal opportunities. We support those initiatives, but our vision is broader. We're looking at combined heat and power plants creating electricity and thermal energy generation for remote communities off electrical grids," said Bill Hunter, industry co-chair for AFRI.

"We're not in competition with other energy production as this is an all-hands-on-deck opportunity. If we create as much clean and renewable electricity as possible, perhaps someday Alberta will be a major exporter of power, with Albertans enjoying low-cost efficient power, allowing for sales of more costly power to North American markets."

AFRI is developing a bioenergy demonstration project. Phase 1 of the project is a small plant (75-100 KW) utilizing wood waste from a small secondary manufacturer in southern Alberta. Phase 2 includes a slightly larger unit, custom designed for an aboriginal community in northern Alberta, and Phase 3 is a county-level power generating opportunity.

Photo: Highmark Renewables

IMUS - integrated manure utilization system - is a pilot plant near Vegreville that turns manure into energy

Agriculture

The agriculture industry in Alberta provides many of the feedstocks needed for bioenergy systems. For instance, manure and plant material such as corn, potatoes, wheat or barley can be used to produce biogas.

Jim Jones, business development specialist for Alberta Agriculture, Food and Rural Development is leading some initiatives on behalf of AARI. He said there will be opportunities for bioenergy in the future, especially as greenhouse gas (GHG) offsets and markets are defined.

"We've developed a policy within Alberta Agriculture, but we have to engage one other ministry to finalize provincial direction – Alberta Energy," said Jones. "Energy companies are starting to realize the potential of feedstock that could be generated through agriculture."

Alberta Agriculture is moving in the direction of bioenergy because of the Levelton study that ranked the best opportunities in renewable energy as: 1. biogas; 2. Combined Heat and Power (CHP); 3. ethanol; and 4. biodiesel.

"It would be nice to use the feedstocks we have here, but government decisions need to be made as to where we are with bioenergy and what direction we want to go in," said Jones.

He said the key will be getting some projects up and running. "If people can see that it's working, then it's more of a reality for them," said Jones.

Research

Energy

Even though Alberta is teeming with fossil fuel sources, such as oil, natural gas and coal, AERI is committing time and resources to developing bioenergy options.

"It's definitely a strategic area for us," said Richard Nelson, AERI research manager. "We recognize the need for greenhouse gas emissions reduction. Also, bioenergy is part of our total integrated energy strategy mix. If you've got another feed to provide energy needs that drive other kinds of economies, why not use some of that and save fossil fuels for exports?"

He said pursuing bioenergy also ties in with the notion of providing another business avenue for agriculture and forestry sectors.

"Right now, other areas are taking the lead on the actual fuel production side – that is, getting it to the point where it's an actual, usable fuel – and then we can start asking what do you do with that fuel and does it need refinement," said Nelson.

Once you've produced the fuel, what can you do with it? Do you just burn it in internal combustion engines, which have emissions that need to be mitigated? Or can you clean it up beforehand using catalysts to remove sulphur and ammonia so it can be used in more efficient engines?

AERI is looking at whether fuels generated by biomass can be used in advanced energy technologies such as gas turbines and fuel cells, which are more energy efficient because they use cleaner fuels and they are more effective at converting the energy into useable heat and power.

The basics of bioenergy


Photo: Sarah Seinen

Recent field tour of biomass energy plant in Dapp, Alberta

What is bioenergy?

Bioenergy is energy produced by the conversion of biomass in the form of wood, wood residue from manufacturing activities, agricultural products and residues and municipal wastes.

There are three common ways to convert biomass into useable energy.

Public Lands

1. Combustion, which produces energy for industrial or residential heating purposes, or which raises steam to power electricity generation.

2. Thermochemical, which combines heat and chemical processes to produce gaseous or liquid fuels, such as biodiesel.

3. Biochemical, which uses enzymes and other agents to convert biomass into ethanol.

Bioenergy is not a new concept – before the use of fossil fuels became prevalent, the only way to keep warm was to throw another log on the fire. Bioenergy is second to hydro-electricity as a source of renewable energy in Canada. Today it provides six per cent of the nation's primary energy.

Many woodlot owners and farmers have long enjoyed the benefits of securing their own heat through combustion of biomass, whether it be poplar logs or straw bales. Likewise, forest product companies burn lower-grade biomass for space heating and to generate steam for power generation and other uses.

The pulp and paper industry has significant on-site electricity generating capacity. Typically, a plant's large boilers run on biomass and other fuels. The steam produced is used to generate electricity in conventional steam turbines, and then used for process steam. This process is known as cogeneration. A new co-gen plant in Grande Prairie is designed to provide heat to various parts of the community from boilers powered by forest residues.

If there is a challenge for large-scale operations, it is that wood and agricultural sources have low energy densities, which lead to high transportation and handling costs. The federal government is investigating ways to overcome this challenge, with research into crops that are planted and harvested specifically for use as an energy fuel source. Such crops might include poplars and willows in short-rotation plantations. Another area of interest is the energy generated from wood residue that is produced during harvesting, as well as agricultural crop residues such as straw, chaff and corncobs.

How can I take advantage of bioenergy?

Bioenergy opportunities for the individual landowner, then, might include the installation of small-scale equipment to provide home and shop heating. Or, landowners can supply biomass residues to larger-scale co-gen facilities. The growing of short-rotation crops could also provide the biomass required by the generating industry. There will be benefits under Canada's emerging carbon-management strategies, as managed forest crops are considered carbon-neutral – so at some future point these crops might also have value in a carbon offset market.

The BIOCAP Canadian Foundation is a national, not-for-profit research foundation - a network of stakeholders, granting agencies and the research community from across Canada – that seeks to find solutions to climate change by using Canada's forests and farmlands.

At a BIOCAP workshop, Mark Johnston of the Saskatchewan Research Council linked sustainable forest management (SFM) to bioenergy. He said that bioenergy is consistent with SFM, but it will require new thinking about forest values, the role of communities and current forest and environmental policy. He discussed loss of habitat due to biomass removal, the susceptibility of monoculture plantations to insects and disease, the reduction of fire hazard due to salvage harvest, the impact of bioenergy facilities on air and water quality and the potential economic and social benefits for northern communities.

More information can be found at http://www2.nrcan.gc.ca/es/ener2000/online/html/chap3f_e.cfm

Photo: Kalwa Biogenics

One of the cogeneration heating systems installed by Kalwa Biogenics of Edmonton

Forest industry key to bioenergy growth

By SARAH SEINEN

The Strategic Forestry Initiatives Division (SFI) of Sustainable Resource Development is exploring bioenergy options as both awareness of bioenergy and the need for options grow.

Strategic Forestry Initiatives

"We've had interest in creating different products from biomass, including cogeneration initiatives like the ones Canfor in Grande Prairie and Al-Pac have engaged in at their plants," said Patrick Guidera, a director with the SFI Division.

There has been some interest recently from a bioproducts company with a proposal to take the residue from sawmills and make bioproducts, such as biogas, biodiesel and organic turpentine.

"We're still in the very early stages of looking at bioproducts," said Guidera.

He said SFI has received phone calls from other provinces about the logistics of allocating forest resources for bioproducts and there has been a growing number of inquiries.

There are a number of issues and players interested in bioenergy, said Guidera, and some fundamental questions have to be considered. "When does the value of electricity exceed that of two-by-fours? When do you convert your mill to a bioproducts mill? How much timber would we allow for bioproducts? These are some of the policy issues being discussed."

Aside from commercial forest allocations, there is the non-commercial forest base, also referred to as the passive land base. This includes trees that are too small for lumber or other wood products. The passive land base primarily provides other values such as wildlife habitat, watershed protection, recreation and aesthetics, and spiritual values.

"These are hard things to measure," said Guidera. "It is difficult to measure the value of standing trees, let alone the value of the passive land base."

Bioproducts such as biofuels, bioplastics, pharmaceutical and nutraceutical products, foods and various other non-wood products can be obtained from traditional and non-traditional forestry resources.

A recent study completed by Dovetail Partners Inc. identified the North American pulp and paper industry as a potential key player in bioenergy and bioproducts. The study suggests that a bio-revolution is apparent, with the backbone being a bio-economy. In the course of a bio-revolution, there may be a relatively rapid shift to reliance on plant and crop-based resources for a significant portion of energy and chemical products.

For the current pulp and paper industry in North America, the focus is paper, and some energy production for local consumption. In the future, paper mills could look much different, according to the study.

For example, instead of removing the hemicellulose and lignin during the pulping process, the hemicellulose will be extracted from pulp chips for subsequent processing, with these used to produce a variety of chemicals and polymers. Then, in the bio-refinery, wood could be converted to syngas, liquid fuels, pulp and a wide array of industry chemicals and feedstocks.

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Biomass removal can affect biodiversity

By SARAH SEINEN

The rotten wood and decomposing material scattered on the forest floor of your woodlot may not look pretty but they are essential to the sustainability of some wildlife species.

Even more attractive to wildlife are snags and hanging trees.

Gordon Court, provincial resource assessment specialist at Sustainable Resource Development, says forest debris is a valuable habitat for invertebrate and vertebrate species, from beetles to birds.

"If you vacuum the place, you leave it as lifeless as a golf course," says Court, encouraging landowners not to remove all forest debris, as it takes years to replace this material.

Fish and Wildlife

Forest debris such as snags, dead trees, burn trees, rotten wood and decomposing material provides structural layers in a forest, increasing the complexity and variety of habitats.

"Debris is extremely important for enhancing diversity. So many organisms, from invertebrates to vertebrates require dead structures," says Court. "If you take out dead wood, you'll have dead woods."

Often, the variety of food sources in a forest determines the diversity of wildlife found there.

Photo: Gordon Court

Standing dead trees provide important habitat for owls and others

For instance, beetles – a species that occurs in the forest in billions – and their larvae invade burn trees. The larvae are primary food sources for many species, such as woodpeckers. If the burn trees are removed, the larvae will not exist as a food source for the woodpecker.

In addition, decomposing materials contribute nutrients to the soil. "It's healthy to have things rotting on the forest floor," Court says.

According to Court, a healthy forest should include live, dead, standing and downed trees as well as decomposing material. "The less uniform a forest, the more places for different organisms to live," he says.

Court says there have been great changes in attitudes about leaving standing dead and living materials in the forest. "In time, the standing trees will be much older than the surrounding new growth, which increases the structure of the forest," says Court. "This kind of attitude is progressive in a long-term sense – it looks down the road."

He says if a landowner harvests an entire forest, and allows only new aspen to grow, the variety of habitat decreases drastically.

"Think of yourself as a small mammal in the forest. If there is nothing but clay, there is no shelter or thermal protection. It's better to leave some dead and dying material. In the eyes of biodiversity, dead is attractive," says Court. "The bottom line is – don't take everything."

Photo: Brian Carnell

Varied forest structures nourishes diversity of species

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Bioenergy an option for land managers

By SARAH SEINEN

Sustainable Resource Development's FireSmart program encourages Albertans to prevent forest fires by removing forest debris from their properties. These materials can be used as feedstock in residential, commercial or industrial biomass systems. And the department recommends that FireSmart practices be carried out in a way that balances other values, like habitat diversity, at the landscape level.

Forest Protection

"Bioenergy enhances the toolbox of fire and forest managers. It's another tool that we can use to fulfil our goals," said Herman Stegehuis, manager of the provincial FireSmart section. "If we can meet an industrial need – supplying fibre – in a manner that supports a FireSmart objective and a bioenergy solution, then that's all the better."

As the provincial FireSmart manager, Stegehuis said treatment isn't cheap. For FireSmart treatments in and around high-value infrastructure, the costs can be anywhere from $3,000-$5,000 per hectare. "The provincial budget for FireSmart is $2 million, so we have to look at building a bigger toolbox with economically viable alternatives," he said.

Tools used by fire and forest managers include manual treatments, strategic forest design, oil and gas road and pipeline layout and prescribed fires.

Stegehuis said bioenergy is also providing alternatives to landowners, whether farmers or woodlot owners. The forest debris removed as a result of FireSmart recommendations can be used as fuel in home furnaces.

"We encourage landowners to take the initiative and do treatments recommended in the FireSmart manuals to protect their own infrastructure," he said. "It's so important that you think about treatments while harvesting trees for merchantable timber or firewood. If you prune and thin and just leave the debris on the forest floor, you have a worse fire situation than before."

Photo: ASRD

Removal of biomass during FireSmart activities reduces fire risk.

Homeowners and communities in or near forested regions will sooner or later have to contend with the threat of wildfire, said Stegehuis. Wildfire prevention treatments, such as removing flammable trees and shrubs, deadfalls and woodpiles, may reduce the risk of fire.

"When fires are forced to the forest floor, slash or firewood piles can carry the fire toward your home or property," Stegehuis said. "The job isn't done until we remove firewood, put it in a safe location and burn the remaining slash."

In addition to homeowner guidelines, the FireSmart program recommends actions for FireSmart landscapes and communities. Whitecourt is one community where the urban environment meets the forested area. The Whitecourt/Blue Ridge FireSmart community zone plan for 2005/2006 includes cooperative spring hazard reduction with municipalities and industry, door-to-door FireSmart education and pre-suppression plans.

Stegehuis said the Forest Engineering Research Institute of Canada (FERIC) is researching and working on several bioenergy initiatives with companies that are interested in accumulating fibre. "There is a potential opportunity on landscapes to deal with hazardous forest stands, such as black spruce, where it is not safe to put a prescribed burn," he said.

The removal of forest residues may reduce the risk of fire and provide feedstock for bioenergy systems, but it needs to be balanced with other issues such as biological diversity and habitat needs, said Stegehuis.

For more information about FireSmart, contact your local forest protection office.

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Heating with wood

Woodlot owner Fred Godberson heats his home with a wood-fired hot water boiler system for about $100 a year

By SARAH SEINEN

When you step into Fred and Janice Godberson's kitchen, one of the first things you notice is warmth radiating from the floor. Beneath your feet wood-heated hot water is circulating through half-inch pipes, transferring thermal energy from the pipes to the floor and the rest of the 1,300 square-foot home.

Outside, about 12 feet away, stands a small shed that houses a 140,000 BTU home-built furnace heating the water for the underfloor heating system. The Godbersons, semi-retired farmers and woodlot owners who live south of Barrhead, stoke the furnace with short wood usually twice a day in the winter, although the fire can last up to 48 hours without stoking.

When Fred built his single-story bungalow in 1984, designed for a wood-fired hot water boiler system, he was a pioneer.

"People who heard Fred's weird ideas at that point said, 'It won't work. What's this guy thinking about with underfloor heating,'" said Janice.

An early 1980s magazine article that advertised "the Cadillac of outside furnaces for farm homes" for only $1,468 piqued Fred's interest. He bought his first furnace, an AquaTherm, from Sedore Stove Company in Sylvan Lake.

In addition to the economics of wood being less expensive than fossil fuels, the Godbersons implemented the system for safety reasons. "We didn't want combustion in the house and we didn't like the smell of gas or propane either. We had the wood and a powersaw, so it worked for us, said Fred."

When the first furnace began to leak after 20 years of use, Fred decided to build his own, welding together two steel oil pipes with diameters of 24 and 30 inches. The 24-inch pipe, cut to a length of 48 inches, is the firebox. About 45 gallons of water circulate between the pipes and flow into a network of half-inch Polybutylene (PolyB) water pipes. The water pipes under the floor run 24' across the width of the house at 12" intervals.

The aquastat from the old furnace is mounted on the cylindrical boiler. It turns on the draft to the fire when the water drops to 120 degrees Fahrenheit and shuts the draft off when it reaches 140 degrees. The domestic hot water for the house comes from the well, flows into a heat exchanger, and is heated by the wood-fire hot water boiler. After the domestic water leaves the heat exchanger, it goes through an electric hot water tank that raises the water temperature further. As there is no basement to the house, the system is maintained through the crawl space, which also houses the hot water tank.

Fred and Janice process and harvest their own wood a year ahead of time. Depending on the species used and the quality of the wood, it takes about six cords to get through the winter. They usually stoke the furnace with poplar or spruce round logs, derived from standing dead trees or deadfall in their woodlot. Fred cuts the logs to a 36-40" length using a buzz saw. He said he gathers fuel when it's convenient for him, and stocks his woodpile with enough logs for three years. He estimates that if he worked at it, he could cut enough fuel for a year in about two days.

Photo: Sarah Seinen

Fred Godberson burns poplar logs in his bioenergy furnace

It cost Fred about $500 to build his furnace, and he said if he were to estimate his cost of obtaining fuel, it would be around $100 per year.

"The system just keeps the house so nice," said Fred. "The temperature stays at around 22 degrees Celsius all winter." A wall thermostat controls the heat inside the house, by regulating the flow of hot water to the system.

In addition to heating his home, Fred uses wood (mainly poplar) from his woodlot for construction and to build saddle parts, buggies and cutters.

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Compensation and price (Part 1)


Ken Glover

By far the most common calls we receive by woodlot owners and landowners are related to the **price of their standing timber and value of compensation for damages to standing forests** from industrial development activities.

The Woodlot Association of Alberta strives to educate landowners on issues such as compensation and timber prices so that they can make informed decisions. In this article I will attempt to address the first of these woodlot related questions.

What is a fair price for my standing timber? It is perhaps the most common question we receive on the Woodlot Association's 1-800 #. The simple answer is that you (the seller) want to make as much as possible, and the buyer wishes to pay as little as possible.

We at the Woodlot Association want to ensure you get paid and you get paid for what you deserve. The highest price sounds extremely attractive, but it means nothing if the timber is not harvested in a manner you want or if you do not get paid at all. In Alberta private timber is mainly purchased by third party logging contractors, timber brokers, and mill-direct private timber buyers.

In my opinion there is no one best or safest type of buyer. The seller must assess his or her risk with any type of buyer. Certainly obtaining professional assistance or becoming self-educated will definitely help reduce ones risk.

Regardless of the type of buyer, in almost every situation the timber is purchased on an “at the stump” or “standing” per tonne basis. The landowner (seller) usually receives an offering price that is based on anticipated logging costs (difficulty), hauling costs (distance to receiving manufacturing facility), quantity, and quality. The seller is in the best position to negotiate this offering price if he or she has a strong idea of their own management objectives, possesses a good understanding of their timber resources, and posseses some knowledge on the private timber market. The Woodlot Association usually extends considerable advisory support to its members, however the following **Private Timber Sale Check List** is a good preliminary guide:

1. **Assess Personal Objectives** - Before the timber buyer comes calling and definitely before you sign any contract, determine what it is you wish to do with the land. Ask yourself, "why do I want to harvest and sell my timber?. Coming to grips with this question will influence your decisions on the timber harvesting process and all aspects of the timber sale agreement. Furthermore, by answering this question you reduce the chance of disappointment and disagreement.

2. **Understand Your Resource** - To the extent possible get to know your private timber resources. This may be achieved through a self-management planning exercise or obtaining a professional assessment. The more you know about your resource the better you can negotiate a fair price and the better you feel about your decision to harvest and sell any timber.

3. **Understand the Markets** - How will you know what is a fair price? Fair price is relative. The price is fair only if the seller feels happy with what he or she sold the timber for, and the buyer feels happy with what he or she paid for the timber. The coffee shop is often a common source of market research and in some instances provides a good ballpark local figure. Another source of market value information can be obtained at the click of your computer by visiting www3.gov.ab.ca/srd/forests/fmd/directives/currdues.html. This website details the stumpage dues paid by Alberta forest product companies, which is based on the type of forest or wood product (e.g. dimensional lumber, OSB, plywood…), US-Canada dollar exchange rate, commodity prices, and more. While this site offers a closer look at “real prices” for Crown timber, do not expect to automatically receive this price, because many more factors come into play with private timber sales.

4. **Assess Trust and Risk** - You must assess trust, which is perhaps the most significant element of risk. Therefore, strive to reduce your risk through investing in one or more of the following:
   a. Research and Education; and
   b. Professional Assistance

In Alberta some private timber sale alternatives exist such as Lease Agreements and Resource Management Agreements. The Lease Agreements are most common among some for the primary forest product companies where they sign a long-term agreement to manage (in some cases plant) your timber on your land and promise to pay a specific market price.

The Resource Management Agreements are less common and mostly available through consultants or contractors who manage private timber resources and/or execute timber sale for a fee based on revenues. Whatever you decide make sure it is an educated decision.

Next edition I will talk about compensation values for damages to private timber resources incurred through industrial development.

2005-2006 BOARD OF DIRECTORS

The board of directors for the Woodlot Association of Alberta:
Top row: Dan Reesor, Dennis Quintilio (editorial chair), Jamie Giberson (treasurer), Chuck Kaiser
Middle row: Edwin Erickson, Hamish Kerfoot, Laval Bergeron, Peter Mills (president)
Bottom: Pieter Vander Schoot (vice president), Gordon Kerr (past president)
Missing: Louise Horstman (secretary)

Students develop agroforestry plan for WAA member

By SCOTT CHANG

Last fall, a group of University of Alberta students in the Agroforestry class worked with landowner Pieter Vander Schoot to develop an agroforestry management plan for his property. All of the students who took the class were enrolled in the BSc. Forest Management degree program. Supplemented by classroom lecture, presentations from Victor Brunette and Toso Bozic with the Woodlot Extension Program and Ken Glover, the students prepared a 36-page management plan that provided an in-depth analysis of some of the constraints for developing agroforestry systems and practices, with both short and long term economic, social, and ecological aspects considered. The students identified the main objective for managing the property as maintaining the cash flow for the landowner while increasing the value of the land over the long-term.

Pieter Vander Schoot and students in his woodlot.

The students identified system and product diversification as an important issue for the landowner as a way to both reduce economic risks and increase the property value. The main agroforestry practices recommended by the students include Christmas tree production, integration of a silvopastoral system on the farm, honey production, firewood production, syrup harvesting from birch trees, and a bed and breakfast operation. The recommended practices are realistic as the landowner is already doing those in some form or can be implemented with minimal cost. The students brought with them their extensive experience in forest management and agroforestry practices.

The Woodlot Association of Alberta will support the continuation of this initiative, and we are seeking volunteer landowners to work with Scott Chang and his Agroforestry class for 2006. If you are interested please call (780) 489-9473.

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Woodlot Association of Alberta

Membership & Materials Form

Name: _____ Company: _____

Mailing Address: _____

City: _____

Province: _____ P/Code: _____ Ph: (_____)_____ Fx: (_____)_____

E-mail Address: _____

Woodlot Size _____ha / ac. Legal Description: _____

Woodlot Objectives: Timber Revenue - Forest Products - Wildlife - Aesthetics - Conservation

$30.00 One Year Membership	**$_____.___**
$50.00 Two Year Membership	**$_____.___**
$100.00 One Year Corporate Membership	**$_____.___**
$40.00ea Woodlot Management Guide / Manual (Includes Shipping & Handling)	**$_____.___**
$10.00ea Woodlot Management Video (VHS) (Includes Shipping & Handling)	**$_____.___**
$30.00ea 2005 Forestry Business Directory (Includes Shipping & Handling)	**$_____.___**
Total (GST EXEMPT)	**$_____.___**

Payment made by cheque enclosed **Please send an Invoice for payment**

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CREDIT CARD INFORMATION:
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C&C

WILD ROSE AGRICULTURAL PRODUCERS

Finding common ground . . .

As a new year begins, we look forward to a new beginning in agriculture. We have the framework of a new trade deal at the WTO, that might bring some relief from trade distorting subsidies.

2006 Convention Presentation of Unifarm Cookbook by President Bill Dobson to Eileen Nagel

PRESIDENT'S REPORT

Bill Dobson

We have a new federal government that is based in western Canada and has shown commitment to agriculture.

There are 75 million more mouths to feed in the world than there was a year ago. A renewable energy industry is about to blossom which should really put agriculture at the forefront of world industry. Livestock prices are recovering as markets emerge and re-open.

Unity

With all these things going right, why is there so much pessimism throughout the agricultural sector? The answer is really lack of profitability and uncertainty. We have a lot of challenges to face in this industry and there is no doubt that we will only solve the issues if we begin to work together. This not only needs to happen with Canadian farmers but with producers from other countries as well. I think we have dug ourselves a deep hole (or perhaps it has been dug for us) and it will take all of the players to put things back on track. There is such a tremendous opportunity right now for Wild Rose Agricultural Producers or an organization like ours. We need to bring farmers together to find common ground on issues. It is unfortunate that we struggle with resources and the capacity to perform this function but we will press on and do the best that we can. That is a promise!

AGM

Our 10th Annual Convention was held in Nisku on January 10 and 11. I have received numerous comments from attendees who felt that their time was very well spent during those two days. The first day focused on addressing "Improving Farm Income for Farmers". We have followed a similar format of having a seminar the first day and the AGM on the second. There was an excellent crowd the second day with over twenty policy resolutions being discussed. Thank you to everyone who put so much effort into making this convention such a success. I would also like to welcome Lawrence Nicholson and Andrew Peden to the board. I know that both of these gentlemen will make a valuable contribution to our organization. Finally, I want to say a very genuine thank you to Grace MacGregor and John Sloan for your time spent on the Board of Wild Rose Agricultural Producers. I know that you both will continue to work for our organization

Issues call for farmer unity

as we continue our efforts to build a strong agricultural community.

Federal Election

We have just seen a change of government this week. It is an exciting time for the Conservative Party as they have been through a long transition period. We have spent considerable time, through CFA, of convincing the Liberals of the severity of agricultural problems. We have delivered the same message to all opposition parties and have certainly noticed a good understanding of the issues by the Conservative Party. This will be a crucial time in the next few months as everybody will be bombarding the new government to make their agendas a top priority. We must also be there with a clear and direct message as to what we see as solutions to the problems facing the industry.

Co-operators Program

I am very excited about our new insurance program with The Co-operators. We have had a long association with the Co-operators and as a member-owner share in some of the profits of the company. This package is available to members of members and is exclusive to the agricultural community. I sit on the Board of the Co-operators and am very proud to have been involved in the implementation of this program. It has the potential to be a benefit to farmers, Wild Rose and The Co-operators. In the near future you will see or receive information, so please give it some attention.

National forum

The executive of Wild Rose Agricultural Producers will be attending the annual meeting of the Canadian Federation of Agriculture the first week of March. As full members we are welcome to participate in the meeting and bring our provinces concerns to a national forum. We always look forward to hearing from our members and would invite comments on any issues that are of a national nature before we head off to Ottawa.

Membership

Despite all the hard work we do and accomplishments we make it always comes back to the problem of membership and money. We have to live within a very tight budget and often are unable to attend very important functions. It is time to put the push on for membership. I'm willing to work for this industry and the people around me are as well but we need your help!

Join today or sign up a neighbor. I calculated that we cost you about 5 cents an hour to represent your interests. I'm sure that is the best investment you make on your farm.

Good health for the rest of the winter.

Some farm risks can be managed

When you manage risk, you adopt the same loss-reduction and cost-control mechanisms that large companies use to save money and increase competitiveness. A risk management program can also give you peace of mind knowing you've taken steps to reduce a potential loss. Some steps you can take include:

If you have a large debt load, combined with a heavy dependence on income from crops, then you should seriously consider crop insurance.

Succession planning for bringing children into the farm business should be done using life insurance products such as a *Second to Die* policy. This will help ensure an orderly transfer of assets.

If you need to take on debt to finance an expansion or upgrade, then *credit insurance* is highly recommended.

Disability insurance is very important: A 30-year old operator has a 54 per cent chance of being disabled for at least three months before reaching the age 65. It is *crucial* that your disability coverage is based on *Actual Farm Income* and *not* T-4 income tax information.

If you only have minimum coverage for the *Rebuilding Clause* that most likely means you don't have sufficient coverage to rebuild to today's agricultural standards.

Dairy, hog, and poultry businesses should consider *Power Disruption* coverage. The massive 2003 summer blackout in Ontario proved how important this coverage is for livestock operators.

AGM eyes improved farm income

By TERRY LEE DEGENHARDT

Wild Rose Agriculture Producers' (WRAP) held their 10th annual meeting in Nisku on January 10 and 11. The first day featured a series or speakers.

Dr. Roger Epp, Dean of Augustana Campus, University of Alberta, talked about power, and who has it. Farmers are at the vulnerable end of a highly concentrated integrated food system. Farmers have a negative realized net farm income while gross farm revenues are in exponential growth. There has been progressive loss of farmer market power, with the loss of co-ops, and the loss, and threatened loss, of single desk selling.

Prof. Jim Untershultz chose the theme "Can Hedging Help?" Hedging, he said, can manage short run cash flow problems and risk. It is a useful tool to use if there is a time when cash flow is short. A hedge in that time period can help manage cash flow and risk. But it can't improve overall farm income. On average, hedging is a net cost to the business.

"CAIS must be transparent, simple, easy to use, and bankable."

Hon. Doug Horner

Garth Coffin is a Board Member of Canadian Agriculture Policy Institute, which is attempting to interpret data and understand the ebb and flow of agricultural economics. He presented some interesting graphs showing farm size and productivity, which, when over-lain by farm profitability, showed that size of farm has little to do with profitability. Small farms can show almost as much profitability as large farms.

WRAP was pleased to welcome **Hon. Doug Horner**, Minister of Agriculture, Food and Rural Development in Alberta. He gave his perspective on farm income, acknowledging that things need to change. He was very supportive of cooperatives. He also said that CAIS needs to be improved. There needs to be a reference margin that makes sense. CAIS must be transparent, simple, easy to use, and bankable. Delegates were delighted to hear those words since there was a resolution coming in almost those same words.

Ron Witherspoon, CEO of IMG Ltd, spoke about new initiatives in financing, data and energy. One third of banks in rural areas have disappeared. Bankers are focused on numbers. Loan decisions are based on a scorecard, and even minor defaults can end up on your scorecard.

U.S. farmers own their own bank – the CoBank – and he suggested that Canadian farmers would be well served to get together and do the same thing.

Farmers have banded together to purchase rail cars – why not buy the bank? He also spoke about the opportunities in renewable energy – ethanol and bio-diesel – and suggested that farmers should be in on the ground floor, and take control of production.

Bob Friesen, CFA president, was in fine form. In 2004, farmers received $4.9 billion in government help. Without that, there would have been a $2.4 billion deficit in farm cash. The farm income problem is at the farm gate. All the suppliers and food processors are doing very well. Farmer empowerment and long term solutions are needed. From WTO, farmers need not only market access, but profitable market access.

Sensitive commodities – those that are profitable and returning real benefit to farmers – need to be protected. A new Ag Policy Framework II (APF II) developed by CFA has pillars of ecological goods and services, business risk management, and growth. Profitable farms are a boon to society at large. Every dollar invested in the farm returns $5 into the economy.

Bill Dobson, President of WRAP, spoke about how cooperatives improve farm income. Farmers have cooperated, to their benefit, in the areas of finance (the first Credit Union was formed by farmers in Killam in 1927), farm supply, farm equipment, risk management, marketing, value added initiatives, community development, and agriculture policy development

Shelley Thompson, from SJT Solutions, spoke about consumer attitudes on farms and farming. She studied a number of common perceptions about what farmers must do to increase profitability, and compared those to what consumers are saying. While consumers insist on food safety and quality, they likely won't pay more for food to cover cost of on-farm audits.

The second day of the meeting delegates heard from President **Bill Dobson**, the Board and Executive Director, and received financial reports. WRAP has a positive bottom line and continues to represent farmers in an amazing variety of aspects on a budget of $200,000 – less than that of many individual farms. WRAP is able to accomplish so much thanks to volunteer time and even out of pocket expenses donated by Board members.

Resolutions dealt with encouraging production and use of ethanol and bio-diesel; encouraging research; improvements to CAIS; investigating the acceptability and merit of a consumer agriculture-revenue-deficiency-fee; support own-use import legislation; lobby AFSC to ensure farmers are fully paid for wildlife damage to crops, pastures, fences and farm equipment.

The final resolution encouraged WRAP and CFA to consider producer-owned and producer-compensated food reserves, government-owned food reserves, and acreage set aside as part of the mechanism to increase profitability for farmers.

Directors provide a review of the year

By KEITH DEGENHARDT AND LYNN JACOBSON

Elected as of January 2005, the Board of Directors consisted of Bill Dobson, President, Keith Degenhardt and Lynn Jacobson, Vice Presidents, and Grace MacGregor, Humphrey Banack, Robert Filkohazy, Terry Murray, and John Sloan as Directors. Rod Scarlett continued his excellent work as our Executive Director, and in many cases, especially during harvest, filled in for us. Thanks Rod.

Many of our Regional Directors and members-at-large took on many duties and roles to represent Wild Rose where needed. Thank you.

During our general discussions around the board table this past year there was a consensus that 2004 was about as rough as it could get for agriculture. Then when the fall of 2005 came around many farmers found harvest more trying than 2004. We saw poorer quality crops, very low market prices, and high fuel prices. The only consolation we have is that it has been worse elsewhere, with earthquakes, wars, and hurricanes. All of those areas are in our thoughts.

The one bright spot in Alberta has been the gradual return to near normal in the livestock sector. The USA was found to have BSE, and it seemed as a result there has been a more rational response to the BSE problem.

Asian influenza still hangs over the poultry sector, but they remain productive. We, again, have an abundance of feed, both forage and grain.

We have actually seen two producer-owned slaughter facilities come on stream, with another being built for over-30-month animals at Acheson Junction.

Last year we discussed the effort the Canadian Federation of Agriculture (CFA), (of which Wild Rose is a member) put forward to focus the agenda in agriculture on sustainable farm income. This effort became part of the work of the Agricultural and Agri-Food Canada Minister Mitchell commissioned with his Parliamentary Secretary, Wayne Easter, examining the farm income crisis.

Photo courtesy of Alberta Agriculture, Food and Rural Development, with permission

The Board of Directors, as well as participating in CFA, tried to cover as many other issues as possible. In some cases more than one person was involved. Lynn and I will try to comment on the highlights over the past year.

Involved in the Safety Nets area were Bill, Lynn and Neil, through the National Safety Net Advisory Committee. They are pushing as hard as they can to make the CAIS program an effective program.

Neil was contacted by the Auditor General's Office to participate in a Review of the Risk Management programs. Wild Rose will also be involved in studies both provincially and federally on Crop Insurance.

Rod, Lynn, and Bill have been all involved in the Farm Rail Car Coalition (FRCC) which has been successful in getting the hopper cars. There are still some issues to be resolved in this area this year.

Terry Murray has represented us on the Agriculture Human Resource Committee and there was unanimous support by the agriculture industry stakeholders to form a Sector Council.

On the environment side, Robert Filkohazy is on the Board of Directors of the Alberta Environmental Farm Plan Company. He also is on the Agriculture and Agri-food Canada (AAFC) Agri-Environmental Advisory Committee.

Terry Lee Degenhardt is our contact person with the Alternate Land Use Services (ALUS) concept. ALUS is gaining support all across Canada with a pilot project going on in Manitoba. A national ALUS committee will probably be formed this year.

Grace and Humphrey represented us at the Clean Air Strategic Alliance (CASA). This Board has formed a working group to look at the impact of confined feeding operations. Humphrey is active on this group.

In the communication area, John has been helping Rod with our website. We are still a major contact for agricultural issues for the media.

Keith was active on Alberta Farm Animal Care (AFAC). AFAC has continued its role in bringing forward producers commitment to animal welfare and research into animal welfare. From Wild Rose's perspective, it is interesting that our financial support for care of animals in abuse situations has prompted recognition and further support by our provincial government.

Grace, Neil and Rod are on our Finance Committee. This has helped Rod and the Board to maintain and streamline our financial statements for Wild Rose.

This only briefly touches on our involvements. We thank you for the privilege of serving you this past year and for the betterment of agriculture.

WILD ROSE AGRICULTURAL PRODUCERS
DIRECTORY OF OFFICIALS 2005

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Executive Director	Sherwood Park, T8H 2R5	Toll-Free: 1-888-616-6530			www.wrap.ab.ca

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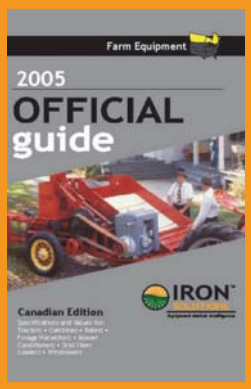

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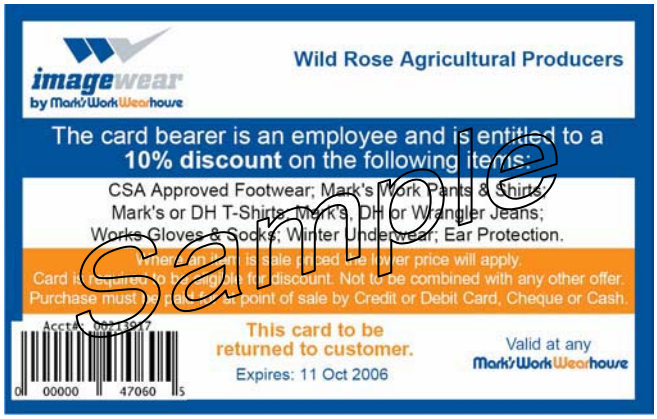

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