

Mustard Grower

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Chairman's Message

By Patrick Ackerman, PAg



As the new Chair of the SMDC, I must first express appreciation to my fellow Directors for their faith in me. It is a great honour to serve a Chair. Appreciation is extended to Past President Baine Fritzler for his excellent leadership and dedication. I will strive to live up to the expectations in serving the mustard growers of Saskatchewan.

My wife Donna and I have two children, Carson (12) and Skylar (8). We farm near Chamberlain, where we operate a seed/processing plant and grow a variety of crops for both commercial and pedigreed pro-

duction. We love the business of farming and the challenges that it offers.

I know this first Mustard Grower for 2010 finds you looking at the lowest prices we have seen in a few years, as well as poor product movement. We are in the same situation as a year ago; with high supplies in Europe and ocean freight costs up, which make our mustard non-competitive in Europe. I encourage you to only sign profitable contracts, and do not be afraid to let contracting companies know what level you would grow mustard for.

The SMDC has allocated considerable time, energy and levy money on developing new varieties and agronomics of grow-

ing mustard. We continue to focus our breeding program on higher yielding Yellow Mustard.

We work closely with Research Scientist Dr. Bifang Cheng at Agriculture and Agri-Food Research Station in Saskatoon. Dr. Cheng brings a new outlook and skills set that will produce some exciting results. Stay tuned!

Extensive work is being done on herbicide tolerance and a new industrial mustard (*Brassica carinata*) through SMDC's research arm, Mustard 21 Canada Inc. We have had great success accessing research funds through government and industry to make the most of every levy dollar.

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Mustard on the Menu

Ham & Eggs a la Mustard Golden Rod

3 tbsp (45 ml)	butter
3 tbsp (45 ml)	all purpose flour
1/4 tsp (1 ml)	salt
dash	freshly ground pepper
2 cups (500 ml)	2% milk
2 Tbsp (25 ml)	Dijon-style mustard
1 tsp (5 ml)	prepared mustard
1/4 tsp (2 ml)	Worcestershire sauce
1 cup (250 ml)	diced, cooked ham
5	hard boiled eggs, chopped (reserving two yolks)

Melt butter in a saucepan over medium-low heat. Blend in flour, salt and pepper. Cook until mixture bubbles. Whisk in milk, mustards and Worcestershire sauce. Increase heat to medium-high, stirring constantly until mixture boils. Boil 1 minute. Add ham and chopped eggs and heat through. Serve on toast, croissant or waffle. Push reserved egg yolk through a sieve, and sprinkle over each serving to garnish. Serves 5 people.



Chairman's Message continued

Mustard has also had a brush with GMO in Europe. The problem is very real and the SMDC has been proactive in dealing with the issue. We continue to discuss trade issues with the Government of Canada and Europe. Our world customers need reassurance that Saskatchewan mustard is safe because growers are extra vigilant to ensure that other GMO crops are not mixed with mustard. Make sure you use only clean, pure seed and grow crops where volunteer GMO crops do not contaminate or mix with mustard. We need to maintain caution to safeguard the purity of our mustard.

To those of you who attended our 2010 Annual General Meeting, I thank you. Our website (www.saskmustard.com) has all the presentations for your reference and for those who were unable to attend.

Our Executive Director Kevin Hursh of Hursh Consulting and Communications, and General Manager Adele Buettner of AgriBiz Communications Corp. have taken the lead on the GMO issue, breeding initiatives and ensuring we get the most out of every levy dollar.

They continue to show enthusiasm about the mustard industry and it is exciting to work with such professional and dedicated individuals.

Have a safe and prosperous 2010 and a productive growing season. Remember to visit our website where you will find updates on the industry and new recipes.

Patrick Ackerman, PAg

Do you have a story idea for the next newsletter or have an opinion on the mustard industry you want to disclose? Do you have a great mustard recipe you want to share?

Please contact us at 306.975.6629 or email us at info@saskmustard.com

Management Report

By Kevin Hursh, Executive Director
and
Adele Buettner, General Manager

Our European customers continue to be concerned about trace amounts of Genetically Modified (GM) canola within mustard shipments. Sales of Brown mustard have been the most affected.

SMDC and the entire Canadian mustard industry continue to monitor the situation and discuss possible remedies, but there is no simple, quick fix.

Small amounts of canola admixture have occurred within mustard for years; and the vast majority of canola grown in Canada is GM. Europe has actually approved all the GM canola events; therefore one would think trace amounts within mustard are not a problem.

However, the consumer is always right. Some European consumers influenced by groups such as Greenpeace get worried about reports of GM content within their food. We know there are no food safety or food quality issues with Saskatchewan mustard; but the consumer is always right.

European mustard buyers and processors want to keep their customers happy. As a result, some buyers are trying to switch to Eastern European mustard supplies to avoid GM issues.

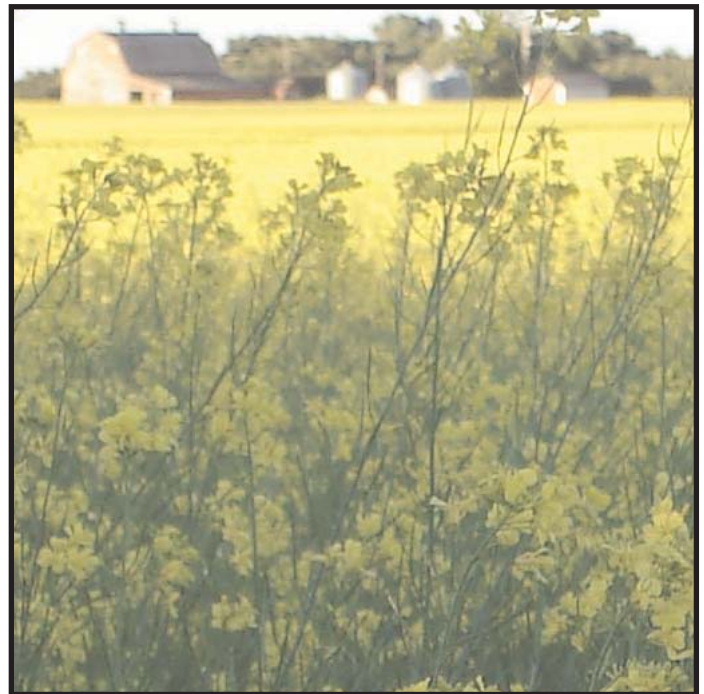
Here in Canada, we understand the steps that dramatically reduce canola admixture. Probably the biggest factor is rotation. The recommendation is to wait four years after growing canola before planting mustard on the same field. However, even this does not guarantee there will be no volunteer canola plants.

Every step in the handling and transportation chain also presents a point of potential admixture.

The industry could develop an Identity Preservation (IP) system with stringent standards; but could we achieve zero percent canola? As science advances, zero is getting more and more difficult to attain.

Mandatory testing of European-bound mustard might be part of the solution, but as with an IP system, it would come at a cost. How high would that cost be and would it really help recover lost sales?

Unfortunately, we don't yet have all the answers. It's always been good advice to minimize canola admixture. Now, it's more important than ever.



Mustard Market Outlook

By Kevin Hursh, Executive Director

What will mustard be worth in the upcoming crop year? The Market Analysis Group of Agriculture and Agri-Food Canada (AAFC) is predicting a slight rise in Canadian mustard acreage, with the same price range in 2010-11 as what we'll see for the current crop year.

AAFC lumps all three classes of mustard together, listing an average producer price FOB plant for all types, grades and markets at \$695 per tonne in 2007-08 and \$845 per tonne in 2008-09.

For the current crop year, AAFC estimates the price will end up somewhere between \$700 and \$740 per tonne. AAFC uses the same price forecast for 2010-11. In cents per pound, that works out to 31.7 to 33.6. Since Yellow mustard accounts for the majority of what we grow, its higher price pulls the overall average upwards.

"For 2010-11, the area seeded is expected to increase due to high prices," according to AAFC. Current prices may seem good relative to the values before 2007, but certainly are not as high as compared to what we saw in 2008. The complete Pulse and Special Crop Outlook published on January 28 is available on the AAFC website.

Steve Foster, senior merchandiser for Viterra, has a different view on seeded acres and potential price levels. He predicts a slight decline in mustard acres from 525,000 in 2009 to 496,000 this year. Foster gave a market outlook presentation at the SMDC annual meeting in early January. You can see his PowerPoint slides at www.saskmustard.com.

He says the strong Canadian dollar, higher freight rates and GMO concerns in Europe have all combined to push price levels lower.

The following charts outlines his price probabilities for the upcoming crop year.

Oriental Mustard

Price per pound

	Probability
Less than 20	10 %
20 to 22	30 %
22 to 24	45 %
24 to 25	10 %
More than 25	5 %

Yellow Mustard

Price per pound

	Probability
Less than 24	10 %
24 to 25	25 %
25 to 27	35 %
27 to 30	15 %
More than 30	15 %

Brown Mustard

Price per Pound

	Probability
Less than 17	15 %
17 to 19	20 %
19 to 21	40 %
21 to 23	20 %
More than 23	5 %

As you can see, Foster is giving the greatest probabilities to Oriental mustard at 23 cents, Yellow at 26 cents and Brown at 20 cents. Some new crop contracting, particularly for Oriental and Yellow, has been done at those sorts of values.

Contacted in mid-February as this article was being written, Foster expressed the opinion that acres could be lower than his original projection. He didn't see much change in the price outlook unless there was a production challenge to the crop.



Mustard 21 Canada Inc. 2010 Update

By Pete Desai,
President
Mustard 21 Canada Inc.

Mustard 21 Canada Inc. (M21) is a not-for-profit incorporated organization as of May 2009. M21 is an initiative of Saskatchewan Mustard Development Commission (SMDC) and Canadian Mustard Association (CMA). A preceding initiative was known simply as Mustard 21.

Mustard 21 was very successful during 2007 - 2009 in securing funds under the Agriculture and Agri-Food Canada (AAFC) Agriculture Policy Framework program to develop a strategic plan for Canadian mustard. Two key strategic opportunities, besides the traditional condiment market, were identified. Both the utility of mustard meal as a biopesticide in high value niche markets such as golf course turf and the use of mustard oil as a feedstock for industrial products such as biodiesel additive show considerable potential.

In 2008 -2009 Agricultural Council of Saskatchewan (ACS) supported the development of high value products from mustard oil for the biodiesel additive and biolubricant niche markets. The support from ACS allowed Mustard 21 to pursue mustard oil advantages for these two markets. This research work is done at University of Saskatchewan by Dr. Martin Reaney on biolubricant and by Dr. Ajay Dalai on biodiesel additive. They are looking at the advantages of mustard oil composition, containing erucic acid, which may give better chemical properties to the commercial end products.

We are working with industry partners to help them develop their own proprietary products for clients. We very much appreciate the support from ACS to develop high value products that will give options for the use of mustard oil to create a new value added domestic industry in the prairies.

SMDC and CMA had challenged M21 in 2009 to develop a long-term action plan to implement the strategic plan developed in 2008. M21 worked to develop a proposal to secure funds from the AAFC Growing Forward program. CMA, SMDC and industry partners support the Growing Forward project "Innovate Mustards" to implement a long-term program that addresses critical aspects of mustard production and new options for total mustard utilization.

The M21 "Innovate Mustards" project application under the Developing Innovative Agri-Products program (DIAP) is for the period 2009 to 2013. The financial resource for "Innovate Mustards" will help establish a long-term program to focus resources and address important aspects that will enhance all sectors of the mustard industry.

"Innovate Mustards" will focus on four areas:

- i) Increase mustard yield through germplasm development to keep mustard attractive vs. other major crops;
- ii) Improve varieties that will help producers continue to grow mustard as part of their crop rotation;

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Mustard 21 Canada Inc. 2010 Update Continued

- iii) Develop a new dedicated industrial oilseed mustard crop that will open new markets for non traditional mustard uses;
- iv) Develop/expand the use of mustard meal as an antimicrobial agent in foods.

Watch for updates and information on the M21 "Innovate Mustards" project activities in SMDC newsletters. M21 always looks forward to your suggestions for improvement of the mustard industry.

SMDC Mustard Field Day - July 14 - Dovetails with CSCA Conference

The 2010 Mustard Field Day will be held the afternoon of Wednesday, July 14 at the Agriculture and Agri-Food Canada Research Farm east of Saskatoon.

This year, the Canadian Special Crops Association is convening its annual conference in Saskatoon. Our 2010 Mustard Field Day dovetails into the end of the CSCA Conference to facilitate attendance at both.

The start time for the Field Day is 1:00 pm. Watch for details in subsequent newsletters and on the website www.saskmustard.com.

We've applied to the Agricultural Demonstration of Practices and Technology (ADOPT) program to fund macro and micro nutrient trials, as well as seed treatment trials on mustard. You will get a first hand look at the trials during the Field Day. Dr. Bifang Cheng, the new Research Scientist at the AAFC Saskatoon Research Station, will present an update on her variety development work.

Mark July 14 on your calendar and watch for further details.



Mustard Buyers List

Agricom International Inc.
213-828 Harbourside Drive
North Vancouver BC V7P 3R9
Tel: 604-983-6922
Fax: 604-983-6923

All Commodities (AC) Trading Ltd.
70 Beaudry Bay
Winnipeg MB R3X 1Y6
Tel: 204-339-8001
Fax: 204-339-8002

Alliance Pulse Processors Inc.
Box 30029
Regina SK S4N 7K9
Tel: 306-525-4490
Fax: 306-525-4463

BroadGrain Commodities Inc.
408 - 133 Richmond Street W
Toronto, ON M5H 2L3
Tel: 416-504-0070
Fax: 416-504-0080

Besco Grain Ltd.
PO Box 166
Brunkild MB R0G 0E0
Tel: 204-736-3570
Fax: 204-736-3575

Diefenbaker Seed Processors
PO Box 69
Elbow SK S0H 1J0
Tel: 306-644-4704
Fax: 306-644-4706

F N A Foods Inc.
318 - 111 Research Drive
Saskatoon SK S7N 3R2
Tel: 306-665-5044
Fax: 306-665-4505

Finora Inc.
8427 - 160th Street
Surrey BC V4N 0V6
Tel: 604-597-5060
Fax: 604-597-4933

G H Schweitzer Ent. Ltd.
PO Box 222
Eston SK S0L 1A0
Tel: 306-962-4751
Fax: 306-962-3251

Grain Millers Canada Corp.
1 Grain Millers Drive
PO Box 5040
Yorkton SK S3N 3Z4
Tel: 800-328-5188
Fax: 952-942-9649

Grain Millers Inc.
9531 W 78th Street, #400
Eden Prairie MN, USA
55344
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Fax: 306-258-2052

Lakeside Global Grains Inc.
PO Box 430
Wynyard SK S0A 4T0
Tel: 306-554-3030
Fax: 306-554-3010

Montana Specialty Mills LLC
525 - 3rd Street NW
Great Falls MT, USA
59404
Tel: 406-761-2338
Fax: 406-761-7926

Mustard Capital Inc.
PO Box 1110
Gravelbourg SK S0H 1X0
Tel: 306-648-2799
Fax: 306-648-2791

Olds Products Co.
10700 88th Avenue
Pleasant Prairie WI, USA
53158
Tel: 800-233-8064
Fax: 262-947-3517

Parkland Pulse Grain Co. Ltd.
PO Box 848
North Battleford SK S9A 2Z3
Tel: 306-445-4199
Fax: 306-445-1650

Paterson Grain
22nd Floor, 333 Main Street
Winnipeg MB R3C 4E2
Tel: 204-956-2090
Fax: 204-947-2386

S S Johnson Seeds Ltd.
PO Box 3000
Arborg MB R0C 0A0
Tel: 204-376-5228
Fax: 204-376-2201

Sunrise Foods International Inc.
2162 Airport Drive
Saskatoon SK S7L 6M6
Tel: 306-931-4576
Fax: 306-931-6770

ValleyView Seed Cleaning Ltd.
PO Box 803
Outlook SK S0L 2N0
Tel: 306-856-4445
Fax: 306-856-4457

Viterra
2625 Victoria Avenue
Regina SK S4T 7T9
Tel: 306-569-4026
Fax: 306-569-4424

Walker Seeds Ltd.
PO Box 2890
Tisdale SK S0E 1T0
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Fax: 306-873-5997

Western Grain Trade Ltd.
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The Saskatchewan Mustard Development Commission

The Saskatchewan Mustard Development Commission (SMDC) was established in 2003 to represent the province's mustard growers.

The SMDC vision is "Investing in the future for mustard grower profitability", and the SMDC mission is: "Growing the mustard industry for the benefit of growers through research, communication, and market development programs."

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